

AGENDA FOR COUNCIL MEETING
CITY OF NEW RICHMOND, WISCONSIN
MONDAY, JUNE 13, 2016 - 7:00 P.M.

AGENDA:

1. Call to Order
2. Clerk's Roll Call
3. Pledge of Allegiance
4. Adoption of Agenda

PUBLIC COMMENT

CONSENT AGENDA:

1. Approval of the Minutes from the Previous Regular Council Meeting, May 9, 2016 and Special Council Meeting, May 23, 2016
2. Application for License to Serve from Alan L. Lingen, New Richmond; Jerry R. DuBois, New Richmond; Debra J. Hansen, New Richmond; Lawrence B. Gumbert, New Richmond; Dennis G. Hurtis, Glenwood City; Deborah J. Kelly, New Richmond; Ryan J. Stephens, New Richmond; Janelle S. Stephens, New Richmond; Nicole U. Kroells, New Richmond; and Jessica G. Cudd, New Richmond
3. Application for a Run/Walk Permit from New Richmond Area Centre for September 10, 2016 at 8:00 a.m.
4. Applications for Amusement Device License from Champ's Sports Bar & Grill, Bobcat's Bar & Grill, McCabe's Shamrock Club, Wild Badger Saloon, Americinn Motel, Huey's Bar, Gibby's Inc, and Walmart
5. Applications for Cigarette License from Champ's Sports Bar & Grill, Lowrey Hotel & Café, McCabe's Shamrock Club, Family Fresh, Freedom Valu Center #17, Lumberjack Liquors, Super America, Amoco Express, Amoco Food Shop, Freedom Valu Center #83, Kwik Trip #337, New Richmond Golf Club, New Richmond Golf Club – Links, Walmart Supercenter #5432, Discount Smokes, Bobcat's Bar & Grill, and Radio Shack
6. Applications for Class B License to Sell Intoxicating Liquor and Fermented Malt Beverages from Mari Driscoll, Agent for McCabe's Shamrock Club; John S. Jerlow, Agent for Lumberjack Liquors; Linda Soifakis, Agent for Champ's Sports Bar & Grill; Robert Christenson, Agent for Bobcat's Bar & Grill; David C. Gillen, Agent for Huey's Inc; Jill Miller; Joseph Skaar, Agent for Wild Badger Saloon; Ross Johnson, Agent for New Richmond Golf Club; and Ann Wychor-Hall, Agent for Table 65
7. Applications for Reserve Class B License to Sell Intoxicating Liquor and Fermented Malt Beverages from Ross Johnson, Agent for New Richmond Golf Club – Links; James Gibson, Agent for Gibby's Inc; Dennis Hurtis, Agent for American Legion Club 80; and Francisco J. Ballina, Agent for Garibaldi's LLC
8. Applications for Class B License to Sell Fermented Malt Beverages from Steven W. Montpetit, Agent for Pete's Pizza of New Richmond, Inc; Richard J. Coleman, Agent for Old Gem, LLC; William Buell, Agent for The Space for Creativity; Robert Catlow-Price, Agent for Elements Café; Steven Meyer; and Xianyu Fu
9. Applications for Class C Wine License from William Buell, Agent for The Space for Creativity; Steven Meyer; Robert Catlow-Price, Agent for Elements Café; and Xianyu Fu
10. Applications for Class A License to Sell Intoxicating Liquor and Fermented Malt Beverages from Amy Bellomo, Agent for Kwik Trip #337; John S. Jerlow, Agent for Bob & Steve's BP Amoco Express; Jake Davis, Agent for Family Fresh; and Sara A. Krugen, Agent for Freedom Valu Center #83

11. Application for Mobile Home Park License from Arthur & Kim Miller at 1240 North Fourth Street
12. Applications for Refuse Collection Licenses from Stephens Sanitation, Waste Management, River City Disposal, Olson Sanitation, Waterman Sanitation, and Advanced Disposal Services
13. Application for Taxicab License from New Richmond Public Transit
14. Request for Extension of Premise from Garibaldi's to Include their Outdoor Seating Area
15. Skate Park Donations from the following:
 - Gibby's: \$500
 - Warner's Dock: \$500
 - Angela Olson Law: \$100
 - Ready Randy's: \$500
 - Sport N' Bike Inc: \$500
 - Wisconsin Lighting: \$500
 - Bird Plumbing: 100
 - Oevering Construction Real Estate Inc: \$3,000
 - Total Commitments to date: \$119,576.04
16. Payment of VO#59352 through VO#59480 totaling \$258,738.61 plus electronic fund transfers of \$413,074.35 for a grand total of \$1,011,563.74

DEPARTMENT REPORTS:

- Public Works
- Library
- Police
- Fire
- Airport
- Student Representatives

UNFINISHED BUSINESS:

(Consideration and action on matters tabled, postponed or referred to a committee at a previous meeting)

NEW BUSINESS:

(Action on newly introduced motions, ordinances, resolutions or other matters)

1. Special Recognition – John Murtha
2. Public Hearing – Vacating an Easement
3. Action on Public Hearing Agenda - Resolution #061601 Final Resolution Vacating an Easement
4. Public Hearing – Issuance and Sale of Revenue Refunding Bond – Westfields Hospital Project
5. Action on Public Hearing Agenda – Resolution #061602 Approving the Issuance and Sale of a Revenue Refunding Bond – Westfields Hospital Inc Project
6. Resolution #061603 – Authorizing Borrowing from WPPI Energy – Installing New Energy Efficient LED Street Lighting as Part of the 2016 Street & Utility Improvement Projects
7. Resolution #061604 Resolution Providing for the Sale of \$3,345,000 Water & Sewer System Revenue Bonds
8. Resolution #061605 Resolution Providing for the Sale of \$4,640,000 General Obligation Corporate Purpose Bonds
9. Dorset Lane

10. Federal Foam – Paperjack Drive Appraisal & Offering Price Report
11. 140th Street Trail Construction
12. Proposed Ag Ordinance
13. Proposed Sewer Ordinance
14. New Richmond School District – Commons Property Agreement
15. Work Session on June 27, 2016 at 5:30 p.m.
16. Communications & Miscellaneous
17. Closed Session per State Statute 19.85 (1)(g):
 - a. Slocum Litigation Recap
 - b. Dionisopoulos Litigation
18. Open Session – Action on Closed Session Agenda
19. Adjournment

Frederick Horne, Mayor

(THE ABOVE AGENDA IS NOT NECESSARILY IN ORDER OF PRESENTATION)

****Late Changes and Additions**

Posted: Civic Center and City Website

If you need a sign language interpreter or other special accommodations, please contact the City Clerk at 246-4268 or Telecommunications Device for the Deaf (TDD) at 243-0453 at least 48 hours prior to the meeting so arrangements can be made.

REGULAR COUNCIL MEETING MAY 9, 2016 7:00 P.M.

The meeting was opened by announcing that this was an open meeting of the Common Council. Notice of this meeting was given to the public at least 24 hours in advance of the meeting by forwarding the complete agenda to the official City newspaper, The New Richmond News, and to all news media who have requested the same as well as posting. Copies of the complete agenda were available for inspection at the City Clerk's office. Anyone desiring information as to forthcoming meetings should contact the City Clerk's office.

Roll call was taken.

Members Present: Mayor Horne, Alderman Kittel, Ard, Jackson, Montello, Volkert and Zajkowski.

Members Absent: Student Representatives Jesse Stenske and Victoria Johnson

The Pledge of Allegiance was recited.

Alderman Zajkowski moved to adopt the agenda as presented, seconded by Alderman Ard and carried.

Public Comment

Rory Sullivan, candidate for St. Croix County District Attorney, introduced himself to the Council.

Consent Agenda

1. Approval of the Minutes from the Previous Regular Council Meeting, April 11, 2016 and Special Council Meetings April 19, 25 and March 28, 2016
2. Application for License to Serve from Eric S. Meyer, New Richmond; and Banner E. Myer, New Richmond
3. Applications for a Direct Seller's Permit from Michael Babcock, Minog; Robert Erickson, Rice Lake; Jeffrey Peterson, Rice Lake; Joshua Schmidt, Chetek; Michael Melendez, Spooner; David West, Eleva; Andrew Baehr, Eau Claire; Dakota Lear, Mark Neaman, Rice Lake; and Nancy Risen, Eleva
4. Applications for Direct Seller's Permit from Adam Swanda and Molly Welch for Street Treats Ice Cream Truck for May 10 – October 1, 2016 and a request to waive the permit fees
5. Application for Amplification Permit and Request for Exemption from Sec. 50-87 Loud & Unnecessary Noise from City of New Richmond for Outdoor Movie in Glover Park on June 10, 2016 and August 19, 2016 from dusk for two hours.
6. Application for Amplification Permit and Request for Exemption from Sec. 50-87 Loud & Unnecessary Noise from New Richmond Chamber of Commerce for June 3-4, 2016 at Mary Park from 10:00 a.m. to Midnight each day and at Cyclone Park for Fun Fest on the following dates:
July 7, 2016 4:00 p.m. to Midnight
July 8, 2016 11:00 a.m. to Midnight
July 9, 2016 11:00 a.m. to Midnight
July 10, 2016 10:00 a.m. to 7:00 p.m.
7. Application for Parade Permit from New Richmond Chamber of Commerce for the Fun Fest Parade on July 10, 2016 at 12:30 p.m.
8. Application for Run/Walk Permit for the Willow River Run on July 9, 2016 at 7:30 a.m.
9. Application for Temporary Class B Beer License from New Richmond Chamber of Commerce
 - a. Park Art Fair/Blues & Brews Fest June 3-4, 2016 in Mary Park
 - b. Fun Fest July 7-10, 2016 in Cyclone Park

10. Application for Street Use Permit for North Green Avenue from Hughes Street to Mary Park Entrance from 6:00 a.m. to Midnight on June 3-4, 2016 for Park Art Fair/Blues & Brews Fest
11. Application for Street Use Permit for Campus Drive from Wisconsin Avenue to Homestead Drive from 6:00 a.m. to Midnight on July 7-10, 2016 for Fun Fest
12. Application for Street Use Permit from Doar, Drill & Skow for West First Street from Knowles Avenue to Minnesota Avenue from 8:00 a.m. June 24 to 10:00 a.m. on June 25
13. Application for Cigarette License from The Box Smoke Shop at 215 South Knowles Avenue
14. Skate Park Donations from the following:

First National Community Bank:	\$ 1,500.00
Skate Park GoFundMe Page:	\$ 351.60
William & Mary Derrick family fund:	\$ 2,000.00
Domain Inc:	\$ 250.00
Warren W. Wood Ltd:	\$ 500.00
Bakke Norman Law Offices:	\$ 500.00
Johnson Motors:	\$ 1,000.00
Jim & Susan Zajkowski	\$ 500.00
Dylan Kelly:	<u>\$ 100.00</u>
Total	\$ 6,701.60
Total Collected To Date	\$103,784.24
15. Payment of VO#59251 through VO#59352 totaling \$353,030.88 plus electronic fund transfers of \$592,375.32 for a grand total of \$945,406.20

General Fund	\$ 795,222.05
Impact Fees Fund	10,002.00
Cemetery Fund	223.88
CDBG – Housing	292.50
Debt Service Fund	7,238.42
Capital Projects	36,566.83
Capital Replacement Fund	58,112.22
Landfill Cleanup Fund	4,759.53
TIF District #10	255.00
TIF District #6	2,933.67
TIF District #7	150.00
TIF District #8	345.00
TIF District #9	150.00
Storm Water Utility	29,019.08
Park Land Trust Fund	124.23
Library Trust Fund	11.79

Alderman Montello moved to approve the consent agenda with the correction of William and Mary Derrick on the Skate Park donation list, seconded by Alderman Kittel and carried.

Department Reports

Administration- Mike Darrow stated the new Police Chief is Craig Yehlik. Mike is holding training for all board and commission members on May 23 from 4:30 to 5:30 p.m., May 24 from 12 to 1:00 p.m. and May 25 from 7:30 to 8:30 a.m. to update them on policies and changes in the current state statutes. There will be a cookout for Police Chief Craig Yehlik at the Civic Center tomorrow night from 4:30 to 6:00 p.m.

Public Works – Jeremiah Wendt explained that the first lift of asphalt is completed on Roosevelt Drive as well as the Goodwill parking lot. The 2016 street and utility projects will begin on June 6, 2016.

Community Development - Beth congratulated Patty Van Vynckt for her upcoming retirement on June 3, 2016 after working over 14 years for the City. This is her last council meeting. Beth stated that Dairy Queen will be moving to Skoglund's property just north of High Street along Knowles

Avenue. The new building will have a drive thru which they are excited about. Their plans have been approved and they will be taking out a building permit very soon. Also on the North side at the intersection of 64/65, New Richmond Auto Mall, currently operating as Cooper Motors, will be building a 6,000 square foot building. They will leave their current location on North Fourth Street for a repair shop. The DRC will be reviewing the application and that will go to Plan Commission for approval. On the South end of town, Taco Bell will build a 2,356 square foot building. There are a couple minor details to work out and then they will be able to get a building permit. As of Friday the City received an application from ALDI for a store directly south of the Taco Bell. Beth has been working with them for three years. They will build a store almost 19,054 square feet. We have a pending development with ESR in the business and technical park in TIF #10. They anticipate building a 15,000 square foot facility.

Library – Kim and Tony Hennings had a baby girl.

Police – Craig Yehlik, Police Chief, explained that planning is underway for Fun Fest. The Police Department was awarded \$4,000 for safety grant. A reminder to the public, there has been a number of stolen vehicles this past week and in every instance the keys were in the vehicle and it was unlocked. Craig encouraged everyone to take your keys out of your vehicles and lock them. This time of year they always experience a rise in thefts from vehicles, so please lock your vehicles. The Police Department received donations last fall at the Family Safety Night and the money was used to purchase books. The Police Department has been reading this book to all of the second grade classes in the City of New Richmond and every child will go home with a copy. This coming Saturday is the drug take back program from 10:00 a.m. to 1:00 p.m. at Westfield's Hospital in conjunction with the bike rodeo. Bring your prescription medications down and they will be accepted free of charge. The Police Department also accepts prescription medications in their lobby at all times. Also, on Tuesday night, May 17th at 6:00 p.m. there is a law enforcement memorial night at the Somerset High School.

Fire – Noah Wiedenfeld explained that there were 21 calls in March. There was a small fire at Bobcat's Bar and Grill this past weekend, but it was put out right away and everything is fixed. The new firefighter selection process is going on right now. Fifteen people have passed the first interview. Next will be the agility test and second interviews with hiring on June 2, 2016. The new pumper rescue truck will arrive sometime mid-June.

Airport - Mike Demulling was notified by the Secretary of Transportation that the Bureau Director, Director of the Bureau of Aeronautics and the Deputy Director will be at the airport the second week in July. They can tour the airport and see the improvements that have been done. The Airport is working with the school on the farm to table program. They have been working on leases. The local seaplane pilots raised \$5,000 to purchase and install a new dock. Wednesday during the summer the airport provides a free lunch, so please come out and join them.

Loyalty Day Awards

Alderman Ard announced the following Loyalty Day Awards:

Preservation Vehicle - Tedd Bower

Honor Award - St. Croix County Sheriff's Department Color Guard

Stronger Together Award - Crowning Achievements

The Greatest Generations - St. Croix County Health Center

Loud and Proud - The Rock Man

Community Award – Spring Valley Royalty

Above and Beyond Award – Baldwin Chamber of Commerce and American Legion 240

Sustainability Capstone Project

Adam Delikowski presented his capstone project on sustainability. The City is embracing sustainability, we have three green tier businesses, a solar garden and LED street lights. The long term plan or goal is for sustainability and the City is committed to that goal. Adam looked at previous research, methodology and findings. He did not complete a sustainability plan for the City, he just gave background information and facts on other plans.

Public Hearing

Mayor Horne declared the Public Hearing open to discuss the Community Development Block Grant Public Facility Funds. Mike Darrow gave an overview of the CDBG Program.

It is a federally funded grant from (HUD) administered by the Wisconsin Department of Administration. The maximum award is \$500,000 or 50% of the eligible project cost, whichever is less. Only local governments can apply for this grant and Wisconsin will award \$5 to \$9 million this year. Applications are due May 27, 2016. The project the City is applying for includes a "spot-blight" designation. The \$500,000 would assist with the demolition of the Community Commons Building. The land will be transferred from the School District of New Richmond to the City of New Richmond. The new library will be constructed at the site. Non-profit tenants will be relocated as part of the project. The time line is as follows:

Application due – May 27

Results announced – August 5

Acceptance of awards – within 30 days

Implementation training – September/October

Final contracts – November – February 2017

Discussion followed. Stacy Wright, owner of Lowrey Hotel, had questions regarding low to moderate income people and displacement questions. Lisa Burton asked if it is possible for the

Lowrey Hotel to get grant money. Mayor Horne stated he would look into that. Mayor Horne declared the Public Hearing Closed. Alderman Ard offered the following resolution and moved for its adoption:

RESOLUTION #051601

RESOLUTION AUTHORIZING THE SUBMISSION OF A
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) APPLICATION
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEW RICHMOND,
Relating to the City of New Richmond participation in the Community Development Block Grant–Public Facilities CDBG–PF program;

WHEREAS, Federal monies are available under the Community Development Block Grant (CDBG) program, administered by the Wisconsin Department of Administration (DOA) Division of Energy, Housing and Community Resources (DEHCR) for the purpose of the provision or development of a City plan (CDBG-PLNG), or for the provision or improvement of public facilities (CDBG-PF); and

WHEREAS, after public meeting and due consideration, the City Council has recommended that an application be submitted to DOA for the demolition of the Community Commons Building; and
WHEREAS, it is necessary for the City Council to approve the preparation and filing of an application for the City to receive funds from this program; and

WHEREAS, the City recognizes that, if awarded, DOA reimburses units of local government and eligible sub-recipients, for 50% of eligible project costs, up to \$500,000, and local units of government are responsible for at least 10% of the local matching fund share; and

WHEREAS, the City Council has reviewed the need for the proposed project(s) and the benefit(s) to be gained there from; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council does hereby approve and authorize the preparation and filing of an application for the above-named project; and that the Mayor is hereby authorized to sign all necessary documents on behalf of the City ; and that authority is hereby granted to the City Council to take the necessary steps to prepare and file the application for funds under this program in accordance with this resolution; and

BE IT FURTHER RESOLVED, the City has secured the necessary 10% local share of matching funds.

Motion was seconded by Alderman Jackson and carried.

Alderman Ard offered the following resolution and moved for its adoption:

RESOLUTION #051602

RESOLUTION TO ADOPT A CITIZEN PARTICIPATION PLAN

WHEREAS, the City of New Richmond has applied for a Community Development Block Grant (CDBG); and

WHEREAS, the State of Wisconsin Department of Administration (DOA) and the U.S. Department of Housing and Urban Development (HUD) require recipients of Community Development Block Grant (CDBG) monies to have in place a Citizen Participation Plan; and WHEREAS, the Citizen Participation Plan shall encourage citizen participation (especially by persons of low to moderate income), provide citizens reasonable and timely access to local meetings and information, provide for technical assistance, provide for public hearings, provide for complaint procedures, and accommodate non-English speaking residents; and WHEREAS, City of New Richmond has prepared and publicly reviewed a Citizen Participation Plan;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of New Richmond officially adopts the Citizen Participation Plan.

Motion was seconded by Alderman Zajkowski and carried.

Alderman Ard offered the following resolution and moved for its adoption:

RESOLUTION #051603

RESOLUTION TO ADOPT AN EXCESSIVE USE OF FORCE ORDINANCE
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEW RICHMOND,
POLICY ON CIVIL RIGHTS DEMONSTRATIONS AND PROHIBITING
USE OF EXCESSIVE FORCE

WHEREAS Section 104 (L)(1) of Title I of the Housing and Community Development Act of 1974 as amended (42 U.S.C. 69 §5304) prohibits the State from expending or obligating any Community Development Block Grant funds to any unit of general local government that does not have or adopt a policy prohibiting the use of excessive force by local law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and a policy of enforcing State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstration within its jurisdiction; AND WHEREAS it is in the interest of the City of New Richmond to pursue Community Development Block Grant Funds and to adopt policy that complies with Section 104 (L)(1) of Title I of the Housing and Community Development Act of 1974 as amended (42 USC 69 §5304); NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF NEW RICHMOND:

It is Policy of the City to prohibit the use of excessive force by law enforcement agencies within the City's jurisdiction against any individuals engaged in nonviolent civil rights demonstrations.

It is Policy of the City to enforce applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstration within the City's jurisdiction.

The officials and employees of the City shall assist in the orderly prevention of all excessive force within the City of New Richmond by implementing the authority and enforcement procedures set forth in Title I of the Housing and Community Development Act of 1974.

The City Council directs the Chief of Police to implement this Resolution by amending applicable New Richmond Police Department procedures.

Motion was seconded by Alderman Kittel and carried.

Alderman Ard offered the following resolution and moved for its adoption:

RESOLUTION #051604

RESOLUTION TO READOPT THE FAIR HOUSING ORDINANCE
A RESOLUTION TO READOPT SECTION 38-21 AND
SECTION 38-22 OF THE MUNICIPAL CODE OF THE CITY OF NEW RICHMOND
ADOPTING WISCONSIN STATUTES, SECTION 106.50, AS AMENDED,
RELATING TO THE EQUAL RIGHTS OF ALL PERSONS TO FAIR HOUSING, AND

PROVIDING MEANS FOR THE IMPLEMENTATION AND ENFORCEMENT THEREOF.
THE COMMON COUNCIL OF THE CITY OF NEW RICHMOND DOES ORDAIN AS
FOLLOWS: FAIR AND OPEN HOUSING

WHEREAS, the Common Council of the City of New Richmond recognizes its responsibilities under Section 106.50, Wisconsin Statutes, as amended, and endorses the concepts of fair and open housing for all persons and prohibition of discrimination therein;

THEREFORE, BE IT ORDAINED THAT:

1) The Common Council of the City of New Richmond hereby readopts Section 106.50, Wisconsin Statutes, as amended, and all subsequent amendments thereto.

2) The officials and employees of the City of New Richmond shall assist in the orderly prevention and removal of all discrimination in housing within the City of New Richmond by implementing the authority and enforcement procedures set forth in Section 106.50, Wisconsin Statutes, as amended.

3) The Municipal Clerk shall maintain forms for complaints to be filed under Section 106.50, Wisconsin Statutes, as amended, and shall assist any person alleging a violation thereof in the City of New Richmond to file a complaint thereunder with the Wisconsin Department of Work Force Development, Equal Rights Division, for enforcement of Section 106.50, Wisconsin Statutes, as amended.

Motion was seconded by Alderman Zajkowski and carried.

Alderman Ard offered the following resolution and moved for its adoption:

RESOLUTION #051605

RESOLUTION TO ADOPT AN ANTI-DISPLACEMENT AND RELOCATION PLAN
WHEREAS, the City of New Richmond has applied for a Community Development Block Grant (CDBG); and

WHEREAS, the State of Wisconsin Department of Administration (DOA) and the U.S. Department of Housing and Urban Development (HUD) require recipients of Community Development Block Grant (CDBG) monies to have in place an Anti-Displacement and Relocation Plan; and

WHEREAS, the Anti-Displacement and Relocation Plan shall encourage minimizing the direct and indirect displacement of persons from their homes; and

WHEREAS, the Anti-Displacement and Relocation Plan shall provide for relocation assistance to displaced persons; and

WHEREAS, the Anti-Displacement and Relocation Plan identifies a process for one-for-one replacement of occupied and vacant occupiable lower-income dwelling units demolished or converted to a use other than lower-income housing in connection with a project assisted with funds provided under the CDBG Program in accordance with 24 CFR 42.375.

WHEREAS, City Of New Richmond has prepared and publicly reviewed an Anti-Displacement and Relocation Plan;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of New Richmond officially adopts the Anti-Displacement and Relocation Plan.

Motion was seconded by Alderman Kittel and carried.

Resolution #051606

Nick Vivian explained the need for adopting this resolution for financing the development from ESR, Incorporated. Ed Boeve, from ESR, Inc., gave an overview of their business. Alderman Ard offered the following resolution and moved for its adoption:

RESOLUTION #051606

RESOLUTION APPROVING THE ISSUANCE OF A NON-PROFIT FACILITY REVENUE NOTE (ESR, INC. PROJECT), SERIES 2016A, BY THE COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF NEW RICHMOND, WISCONSIN

BE IT RESOLVED By the City Council (the "Council") of the City of New Richmond, Wisconsin (the "City"), as follows:

Section 1. State Law Authorization. The law firm of Eckberg Lammers, P.C., bond counsel (“Bond Counsel”), has informed the City that Wisconsin Statutes, Section 66.1333, as amended (the “Act”), authorizes community development authorities to issue and sell revenue bonds in furtherance of the statutory purposes under the Act, including but not limited to carrying out development projects and urban renewal projects, encouraging well-planned, integrated, safe and healthful neighborhoods, the provision of a decent living environment, and adequate places for employment, and to lend the proceeds thereof to nonprofit corporations for the purpose of providing financing to remedy blighted and substandard conditions in community facilities, and to more fully meet the goals of the Act.

Section 2. The Borrower and the Project. ESR, Inc. (the “Borrower”) has represented to the City and the Issuer (hereafter defined) that it is a Minnesota nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The Borrower is proposing that the Community Development Authority of the City of New Richmond, Wisconsin (the “Issuer”) assist with financing the acquisition of land by the Borrower in the City’s industrial park, and the construction and equipping of a new facility to serve the Borrower’s consumers (the “Project”). The new facility will consist of approximately 15,000 square feet, and will be located at the corner of St. Croix Avenue and Wisconsin Drive, within the City. The Borrower will use the Facility to assist the Borrower’s mission of supporting adults with developmental disabilities and other special needs by helping them integrate into the larger community and gain meaningful employment.

(a) The Borrower has proposed that the Issuer therefore issue its Non-Profit Facility Revenue Note, Series 2016A (ESR, Inc. Project) (the “Note”), in an aggregate principal amount of \$832,300 under the Act to finance the Project.

(b) The City has been advised by Bond Counsel that the Note, as and when issued, will not constitute a charge, lien or encumbrance upon any property of the City or the Issuer, except the Project and the revenues to be derived from the Project. The Note will not be a charge against the general credit or taxing powers of the City or the Issuer, but is payable from sums to be paid by the Borrower pursuant to a revenue agreement between the Borrower and a participating financial institution.

Section 3. Recital of Representations Made by the Borrower.

(a) The Borrower has agreed to pay any and all costs incurred by the City in connection with the issuance of the Note, whether or not such issuance is carried to completion.

(b) The Borrower has represented to the City that no public official of the City has either a direct or indirect financial interest in the Project nor will any public official either directly or indirectly benefit financially from the Project.

Section 4. Public Hearing; Applicable Elected Representative.

(a) As required by the Act and Section 147(f) of the Code, on April 21, 2016 a Notice of Public Hearing was published in the *New Richmond News*, as the official newspaper of the Issuer, not less than 14 days before the date of the public hearing on the Note, which was held by the Board of Commissioners of the Issuer on May 5, 2016, at which all those appearing who desired to speak were heard and written comments were eligible to be accepted.

(b) Bond Counsel has advised the City that this Council must consent to the issuance of the Note, as the City is the “applicable elected representative” under Section 147(f) of the Code and U.S. Treasury Regulations promulgated thereunder. The City created the Authority and appoints the Board of Commissioners of the Authority, so the City is the next higher governmental unit with jurisdiction over the Project that has an applicable elected representative.

Section 5. Approval. By this Resolution, this Council, as the “applicable elected representative,” gives the approval required under Section 147(f) of the Code and consents to the issuance of the Note.

Motion was seconded by Alderman Jackson and carried. Alderman Montello abstained.

Mayor’s Appointment

Mayor Horne appointed Liz Kilibarda to the Library Board. Alderman Zajkowski moved to confirm this appointment, seconded by Alderman Montello and carried.

Plan Commission Recommendation

Mike Darrow explained the basis of the change in TID #6 Project Plan and the timeline for these projects. Alderman Zajkowski offered the following resolution and moved for its adoption:

RESOLUTION #051607

RESOLUTION APPROVING AN AMENDMENT TO THE PROJECT PLAN OF
TAX INCREMENTAL DISTRICT NO. 6,
CITY OF NEW RICHMOND, WISCONSIN

WHEREAS, the City of New Richmond (the "City") has determined that use of Tax Incremental Financing is required to promote development and redevelopment within the City; and,

WHEREAS, Tax Incremental District No. 6 (the "District") was created by the City on September 11, 1995 as an industrial district; and,

WHEREAS, the City now desires to amend the Project Plan of the District in accordance with the provisions of Wisconsin Statutes Section 66.1105, (the "Tax Increment Law"); and,

WHEREAS, such amendment will allow for the District to incur project costs outside of, but within ½ mile of, the boundaries of the District as permitted under Wisconsin Statutes Section 66.1105(2)(f)1.n; and,

WHEREAS, an amended Project Plan for the District (the "Amendment") has been prepared that includes:

- a. A statement listing of the kind, number and location of all proposed public works or improvements within the District, or to the extent provided in Wisconsin Statutes Sections 66.1105(2)(f)1.k. and 66.1105(2)(f)1.n., outside of the District;
- b. An economic feasibility study;
- c. A detailed list of estimated project costs;
- d. A description of the methods of financing all estimated project costs and the time when the related costs or monetary obligations are to be incurred;
- e. A map showing existing uses and conditions of real property in the District;
- f. A map showing proposed improvements and uses in the District;
- g. Proposed changes of zoning ordinances, master plan, map, building codes and City ordinances;
- h. A list of estimated non-project costs;
- i. A statement of the proposed plan for relocation of any persons to be displaced;
- j. A statement indicating how the amendment of the District promotes the orderly development of the City;
- k. An opinion of the City Attorney or of an attorney retained by the City advising that the plan is complete and complies with Wisconsin Statutes Section 66.1105(4)(f).

WHEREAS, prior to its publication, a copy of the notice of public hearing was sent to the chief executive officers of St. Croix County, the New Richmond School District, and the Wisconsin Indianhead Technical College District, and any other entities having the power to levy taxes on property located within the District, in accordance with the procedures specified in the Tax Increment Law; and,

WHEREAS, in accordance with the procedures specified in the Tax Increment Law, the Plan Commission, on May 3, 2016 held a public hearing concerning the proposed amendment to the Project Plan, providing interested parties a reasonable opportunity to express their views thereon; and,

WHEREAS, after said public hearing, the Plan Commission adopted the Project Plan, and recommended to the Common Council that it amend the Project Plan for the District;

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

1. The boundaries of the District shall be named "Tax Incremental District No. 6, City of New Richmond", remain unchanged as specified in Exhibit A of this resolution.
2. That this Project Plan Amendment shall become effective as of the date of adoption of this resolution provided that it is further approved by the Joint Review Board.
3. The Common Council finds and declares that:

- a. Not less than 50%, by area, of the real property within the District is and remains suitable for industrial sites and zoned for industrial use within the meaning of Wisconsin Statutes Section 66.1101.
 - b. Based upon the findings, as stated in 3.a. above, and the original findings as stated in the resolution creating the District, the District remains declared as an industrial district based on the identification and classification of the property included within the District.
 - c. The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
 - d. The City estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wisconsin Statutes Section 66.1105(5)(b).
 - e. The project costs of the District relate directly to promoting industrial development in the District consistent with the purpose for which the District was created.
 - f. Any real property within the District that is found suitable for industrial sites and is zoned for industrial use will remain zoned for industrial use for the life of the District.
4. The amended Project Plan for "Tax Incremental District No. 6, City of New Richmond" (attached as Exhibit B) is approved, and the City further finds the Plan is feasible and in conformity with the master plan of the City.

BE IT FURTHER RESOLVED THAT the City Clerk is hereby authorized and directed to notify the Wisconsin Department of Revenue, within 60 days of adoption of the amendment, that this amendment has taken place pursuant to the provisions of Wisconsin Statutes Section 66.1105(5)(cm).

BE IT FURTHER RESOLVED THAT pursuant to Section 66.1105(5)(f) of the Wisconsin Statutes that the City Assessor is hereby authorized and directed to make notations to the assessment roll under Wisconsin Statutes Section 70.45, and the City Clerk is hereby authorized and directed to make similar notations on the tax roll made under Wisconsin Statutes Section 70.65, pursuant to Wisconsin Statutes.

Motion was seconded by Alderman Ard and carried.

Resolution #051608

Mike Darrow explained the need for the issuance of revenue bonds at this time. Alderman Kittel offered the following resolution and moved for its adoption:

RESOLUTION #051608
 RESOLUTION AUTHORIZING THE ISSUANCE AND
 SALE OF UP TO \$339,538 WATER AND SEWER UTILITY REVENUE BONDS,
 SERIES 2016, AND PROVIDING FOR OTHER DETAILS AND
 COVENANTS WITH RESPECT THERETO AND
 APPROVAL OF RELATED \$399,457 FINANCIAL ASSISTANCE AGREEMENT
 WITH \$59,919 PRINCIPAL FORGIVENESS TO PAY FOR EXPENSES
 INCURRED LAST YEAR TO RECONDITION THE SOUTH WATER TOWER
 (Complete Copy on file with the City Clerk)

Motion was seconded by Alderman Montello and carried.

Resolution #051609

Alderman Kittel offered the following resolution and moved for its adoption :

RESOLUTION #051609
 INITIAL RESOLUTION AUTHORIZING
 GENERAL OBLIGATION REFUNDING BONDS IN AN AMOUNT
 NOT TO EXCEED \$635,000

BE IT RESOLVED by the Common Council of the City of New Richmond, St. Croix County, Wisconsin, that there shall be issued, pursuant to Chapter 67, Wisconsin Statutes, general

obligation bonds in an amount not to exceed \$635,000 for the public purpose of refunding obligations of the City, including interest on them.
Motion was seconded by Alderman Ard and carried.

Resolution #051910

Alderman Montello offered the following resolution and moved for its adoption:

RESOLUTION #051610
INITIAL RESOLUTION AUTHORIZING
GENERAL OBLIGATION BONDS
IN AN AMOUNT NOT TO EXCEED
\$4,010,000 FOR STREET IMPROVEMENT PROJECTS

BE IT RESOLVED by the Common Council of the City of New Richmond, St. Croix County, Wisconsin, that there shall be issued, pursuant to Chapter 67, Wisconsin Statutes, general obligation bonds in an amount not to exceed \$4,010,000 for the public purpose of paying the cost of street improvement projects including North Shore Drive, Paperjack Drive, North Starr Avenue, East Hughes Street, East and West River Drive, Summit Road and Fairfield Road
Motion was seconded by Alderman Ard and carried.

Resolution #051911

Alderman Montello offered the following resolution and moved for its adoption:

RESOLUTION #051611
RESOLUTION DIRECTING PUBLICATION OF NOTICE TO ELECTORS
RELATING TO BOND ISSUES

WHEREAS initial resolutions authorizing general obligation bonds have been adopted by the Common Council of the City of New Richmond, St. Croix County, Wisconsin (the "City") and it is now necessary that said initial resolutions be published to afford notice to the residents of the City of their adoption;

NOW, THEREFORE, BE IT RESOLVED that the City Clerk shall, within 15 days, publish a notice to the electors in substantially the form attached hereto in the official City newspaper as a class 1 notice under ch. 985, Wis. Stats.

Motion was seconded by Alderman Ard and carried.

Park System Plan Amendment

Jeremiah Wendt reviewed the park system plan amendments and changes. This plan will be revisited at least annually. Jeremiah also explained recent discussions at the Park Board including Freedom Park plan changes such as irrigation, soccer/football fields, permanent bathrooms, baseball/softball fields, pavilion and additional parking. Alderman Montello moved to approve the amended Park System Plan as presented, seconded by Alderman Ard and carried.

Park Board Recommendation – Farmers Market

Noah Wiedenfeld gave an update on the Farmer's Market. The goal is to bring more visitors to the downtown area, create an additional market for locally grown produce, flowers and food products. Registration will not be required and no fee is necessary at this time. It will run from late June through late October on Thursdays from 4:00 to 6:00 p.m. The Park Board has recommended approval of the Farmers Market to be located at MaRita Park. Alderman Montello moved to allow City staff to finalize logistics and marketing plans in the next 6 to 8 weeks and contact potential vendors, seconded by Alderman Zajkowski and carried. Alderman Jackson abstained.

Richmond Crossing Stormwater Ponds Landscape Plantings

Jeremiah Wendt explained that two bids were received for this project.

Skid Steer Guy, LLC	\$76,036.50
MZ Construction	\$76,847.46

Staff recommended accepting the low bid from Skid Steer Guy for \$76,036.50. Alderman Kittel moved to accept the low bid from Skid Steer Guy for \$76,036.50, seconded by Alderman Montello and carried.

2016 Pavement Marking

Jeremiah Wendt received one bid for the 2016 pavement marking from Century Fence of Pewaukee, Wisconsin for \$41,917.60. Staff recommended accepting this bid. Alderman Montello moved to accept this bid, seconded by Alderman Ard and carried.

2016 Crackfilling

Jeremiah Wendt received bids for crackfilling from the following:

Superior Sealers	\$1.15
All Things Asphalt	\$1.55
Fahrner Asphalt	\$1.95
Allied Blacktop	\$1.98

Discussion followed. Staff recommended accepting the low bid from Superior Sealers for \$1.15 per pound. Alderman Kittel moved to accept this recommendation, seconded by Alderman Montello and carried.

Contract for 2016 Street & Utility Improvement Construction Engineering

The following bids were received for this project:

North Starr Avenue	\$ 30,200
Paperjack Drive	\$ 47,700
East/West River/Fairfield/Summit	\$ 51,100
North Shore Drive	\$ 67,300
Additional Services	<u>\$ 23,450</u>
Total Estimated Fee	\$219,750

Staff recommended approval of the contract with Short Elliott Hendrickson in the amount of \$219,750. Alderman Montello moved to accept this recommendation, seconded by Alderman Zajkowski and carried.

Amendment to Farm Lease

City Staff recommends amending the farm lease with Roger Neumann to remove the land impacted by the street construction project of a new street between Cernohous Avenue and Madison Avenue. The amount of land impacted is .8 acres. Alderman Ard moved to amend the lease as explained, seconded by Alderman Jackson and carried.

Council Work Session on May 23, 2016 at 5:30 p.m.

Communications and Miscellaneous

None

Alderman Ard moved to adjourn the meeting, seconded by Alderman Kittel and carried.

Meeting adjourned at 8:44 p.m.

Tanya Reigel
City Clerk

SPECIAL COUNCIL MEETING
MAY 23, 2016 AT 5:30 PM

Mayor Horne opened the meeting by announcing that this was an open meeting of the Common Council. Notice of this meeting was given to the public at least 24 hours in advance of the meeting by forwarding the complete agenda to the official City newspaper, the New Richmond News, and to all news media who have requested the same as well as posting. Copies of the complete agenda were available for inspection at the City Clerk's office. Anyone desiring information as to forthcoming meetings should contact the City Clerk's office.

Roll call was taken.

Members Present: Mayor Horne, Alderman Zajkowski, Volkert, Montello, Kittel, Ard, and Jackson.

The Pledge of Allegiance was recited.

Alderman Ard moved to adopt the agenda as presented, seconded by Alderman Kittel and carried.

Applications for Fireworks Seller's Permit

Alderman Ard moved to approve the applications for Fireworks Seller's Permit from James Gibson and Big Bam Boom Fireworks, LLC (Joe & Debbie Morales) from June 1, 2016 to December 31, 2016, seconded by Alderman Kittel and carried.

Discussion on Presale Reports Regarding 2016 Financing Plan

Sean Lentz, from Ehlers & Associates, presented the Pre-Sale Report for the \$4,640,000 General Obligation Bonds. Sean also reviewed the current general obligation capacity and debt levy. There are two options for payments on this bonding. Option 1 is to have level payments on the tax levy portions, which would result in an estimated property tax impact of \$70 increase on a property valued at \$200,000. Option 2 is to have structured payments to reduce the tax impact, which would result in an estimated property tax impact of \$34 increase on a property valued at \$200,000. Option 2 would add approximately \$120,000 in interest expense over the life of the issue. There was discussion regarding possible future bonding and the impact that could have on the City. On June 13, 2016, the City Council may approve the Presale Report and call for the sale of the bonds. On July 11, 2016, the council can approve the sale of the bonds with closing to be on August 4, 2016. It was the consensus of the Council to proceed with Option one. Sean will put together some projections for the Council to look at.

Proposed Bonding on Behalf of Westfields Hospital, Inc.

Mike Darrow explained that we were hoping to receive specific information from Westfields today, unfortunately we did not receive it. This is the same type of pass through borrowing that ESR did recently. The maximum borrowing that the City can do in a year is \$10 million without higher interest rates. We also requested that Westfields split the borrowing with the Village of Star Prairie. A Public Hearing is scheduled for the June 13, 2016 meeting and we wanted to Council to be aware of it prior to the public hearing. Steve Massey will be at the meeting to answer any questions.

WITC Contract for Public Access Channel

Mike Darrow reviewed the contract. Alex Birkholz stated that in the past the City had budgeted \$16,000 each year, but in 2015 the budget amount was under \$12,000 due to benefit changes for WITC staff. City staff is recommending approval of another contract, however in the next year we need to look at short and long term needs. Over the last few years, we have increased our presence through social media as well as the ability to provide videos in house. We will report back on the findings prior to the contract being renewed for WITC fiscal year 17-18. Alex Birkholz explained that WITC has been providing the public access channel since 1985. It is no longer required to provide a public access channel, but many other municipalities do provide these. The equipment used at WITC was purchased in 2005 and new equipment is needed with an estimated cost of \$15,000. Discussion followed. Viewers who have high

definition televisions now watch this public access on channel 600 rather than on channel 6 for those who don't have HD. Many are unhappy about this change. Before the City invests in long-term capital equipment, we need to evaluate where things are at. Alderman Montello moved to approve the contract with WITC for one year, seconded by Alderman Ard and carried.

Fire Department Pay Scale for New Recruits

Mike Darrow explained that at this time the new recruits are paid at the same rate as existing firefighters regardless of training. Staff requested approval of the proposed pay scale for new recruits. They would start out at \$10 per hour and as they get more and more training, their pay would increase. Jim VanderWyst will come back to the Council with a more in depth pay scale program. Alderman Montello moved to accept the Staff recommendation for the new pay scale for starting fire fighters in training, seconded by Alderman Ard and carried.

Proposed Ordinance Discussion

Mike Darrow explained that Nick Vivian, City Attorney, put this ordinance together for the operation of City Cemeteries. This is the first reading. The Council will discuss the ordinance and other procedural policies at another Council meeting. Discussion followed.

Proposed Ordinance Amendment – Agricultural Uses

Jeremiah Wendt explained this ordinance. There are a number of parcels in the City that have crops planted on them. We are trying to balance the zoning ordinance and the weed ordinance. It's difficult for staff to police this. The DRC has reviewed the proposed ordinance that was drafted by Dan Licht. The ordinance puts limits on the crops permitted and allows for a permit process for the property owner. If an area is zoned for agriculture it is fine to have crops. However, if you have a few lots in a development that are empty, you would need to get a permit before planting any crops. Considerable discussion followed. Changes will be made to the ordinance and it will come back to the next work session.

Doar Trail Concept Proposal

Mike Darrow gave a review of the concept and explained that before John passed away, he gave his approval of the concept. The Doar family has expressed interest in funding this project. The Park Board will work on the design. Alderman Ard moved to approve the concept proposal for the Doar Trail, seconded by Alderman Jackson and carried.

Senior Center Proposal

Mike Darrow explained that the seniors have requested to move into Room #2 of civic center basement at this time. In order to accommodate the Senior Citizens, we would have to purchase a commercial refrigerator and a commercial dishwasher. Staff will come back to the Council with more details. Alderman Montello moved to proceed with the accommodations that are needed, seconded by Alderman Ard and carried.

CDBG/Commons Update

Mike Darrow stated that we are submitting the grant this week. Ten percent of the total cost of the grant has to be paid by the City, but will be reimbursed by the school.

First Quarter Financial Review

Mike Darrow presented the first quarter financial review and thanked staff for their diligence in sticking with the budget. Mike was impressed with the spending within all of the different departments.

Strategic Plan

Mike explained that the process is starting. Surveys have gone out to the Council. We would like to ask the community where the City's money go and send out a survey to the community to see what their thoughts are on different areas. The findings will be brought back to the work session in June.

Closed Session

Alderman Ard moved to go into Closed Session per State Statute 19.85 (1)(e)(g) to discuss TIF #6 and Litigation Update Regarding New Richmond News, seconded by Alderman Jackson and carried. Alderman Volkert voted no.

Open Session

No action was taken.

Communications & Miscellaneous

Alderman Ard asked for help with setting up for the Blues & Brews Festival.

Alderman Ard moved to adjourn the meeting, seconded by Alderman Zajkowski and carried.

Meeting adjourned at 7:31 p.m.

Tanya Reigel
City Clerk

VOUCHERS PRESENTED TO THE COUNCIL JUNE 13, 2016

VO #	PAYMENT TO:	AMOUNT
59353	AMERICAN DIVERSITY BUSINESS SOLUTIONS	42.77
59354	BENEFIT EXTRAS, INC	378.75
59355	BURNETT COUNTY COURTHOUSE	460.14
59356	CEMSTONE - READY MIX INC	1,031.67
59357	CORNIC, GARY	154.00
59358	COUNTRYSIDE PLBG & HTG	665.00
59359	E O JOHNSON COMPANY	1,402.10
59360	ECKBERG LAMMERS BRIGGS WOLFF & VIERLING	14,268.44
59361	FREEDOM VALU CENTERS	2,059.17
59362	FRONTIER COMMUNICATIONS	924.12
59363	G & K SERVICES INC	133.28
59364	GILLEN'S LIME QUARRY	260.55
59365	HAFFNER, ROBIN	1,000.00
59366	HEIDI'S HALLMARK	138.05
59367	HEUER, KURT	228.20
59368	INDUSTRIAL SAFETY	177.10
59369	MCCABE CONSTRUCTION, INC	11,620.91
59370	MIDWEST CABLE MAINTENANCE	250.00
59371	NORTHERN BUSINESS PRODUCTS	2,326.72
59372	OFFICE ENTERPRISES INC	214.35
59373	REGISTER OF DEEDS	30.00
59374	THOMAS, RICHARD	399.31
59375	WI CHIEFS OF POLICE ASSOCIATION INC	293.50
59376	WI DEPT OF JUSTICE - CRIME INFO BUREAU	112.00
59377	WI DEPT OF JUSTICE - TIME	307.50
59378	WILLIAMSON & SILER S.C.	1,136.50
59379	CORTRUST BANK	380.00
59380	COUNTRYSIDE COOPERATIVE	2,075.58
59381	GERAGHTY, PATRICK	189.85
59382	GURSTEL CHARGO, P.A.	118.26
59383	POWERS, MICHAEL	158.20
59384	STEPHENS SANITATION	487.15
59385	BERNARD'S NORTH TOWN, INC.	2,682.75
59386	CITY UTILITIES - 2ND BILLING	24,824.72
59387	CITY UTILITIES - OTHER	545.00
59388	CLERK OF COURT - ST CROIX CO	315.00
59389	COUNTRYSIDE PLBG & HTG	10,412.00
59390	FRONTIER COMMUNICATIONS (2)	41.66
59391	HD SUPPLY WATERWORKS, LTD	2,840.60
59392	J HAAS EXCAVATING, LLC	255.00
59393	LOCATORS & SUPPLIES, INC	475.00
59394	MORTON SALT, INC.	1,740.11
59395	ST CROIX GARAGE DOORS & SERVICES, LLC	436.25
59396	THOMPSON, BETH	125.77
59397	XCEL ENERGY (2)	40.98
59398	ZIMMERMAN, EDWARD & MARILYN	275.00
59399	BALDWIN TELECOM, INC	569.11
59400	CITY OF NR - REVOLVING FUND	187.96
59401	CITY UTILITIES - OTHER	205.00
59402	FRONTIER COMMUNICATIONS(3)	55.13
59403	GURSTEL CHARGO, P.A.	118.26
59404	SCHNEIDER, MIKE	325.00
	SUB - TOTAL	89,893.47

	SUB - TOTAL CARRIED FORWARD	89,893.47
59405	SKINNER, SARAH	176.69
59406	THOMPSON, BETH	65.97
59407	CITY OF NR - REVOLVING FUND	180.00
59408	ALL PIPE CLEANING SEWER SERVICE LLC	175.00
59409	AMAZON (CITY)	4,729.64
59410	AMAZON (LIBRARY)	1,783.51
59411	BAKER TILLY VIRCHOW KRAUSE, LLP	3,770.00
59412	BENEFIT EXTRAS, INC	467.75
59413	BOARDMAN & CLARK LLP	214.50
59414	CAHANES, AMY	17.00
59415	CEMSTONE - READY MIX INC	446.00
59416	CITY UTILITIES - 1ST BILLING	904.17
59417	CITY UTILITIES - INVOICES	644.63
59418	CITY UTILITIES - LANDFILL	448.12
59419	CITY UTILITIES - SAC CHARGES	5,334.00
59420	CITY UTILITIES - SALES TAX	341.07
59421	CITY UTILITIES - WATER IMPACT FEES	5,334.00
59422	CLAY, AARON	2,000.00
59423	CONNELLY, MELINDA	6.00
59424	CONSTANT COLOR PERENNIALS	300.00
59425	COUNTY MATERIALS CORP	329.22
59426	DEMULLING, MICHAEL	1,499.00
59427	DERRICK HOMES, LLC	3,000.00
59428	EXPRESS SERVICES, INC	291.20
59429	FENDLER PATTERSON CONSTRUCTION	2,500.00
59430	FLEET ONE LLC	2,211.60
59431	FLEX-O-SWEEP	60.50
59432	FREEDOM VALU CENTERS	1,672.56
59433	FREEDOM VALU CENTERS, INC	100.00
59434	G & K SERVICES INC	133.28
59435	GHD SERVICES INC	3,232.27
59436	GURSTEL CHARGO, P.A.	118.26
59437	HUSBY, JEFFREY	1,000.00
59438	INDIANHEAD FEDERATED LIBRARY	1,354.26
59439	INDUSTRIAL HEALTH SERVICES NETWORK INC	29.19
59440	INDUSTRIAL SAFETY	797.18
59441	J & S GENERAL CONTRACTING	2,510.00
59442	JOBSHQ	537.00
59443	JONES, GEORGIA	70.20
59444	KIDD, HOLLY	85.00
59445	KWIK TRIP/KWIK STAR STORES	1,443.44
59446	LANDFORM PROFESSIONAL SERVICES, LLC	1,400.00
59447	MAD SCIENCE OF IOWA PLUS	178.00
59448	MARINE DOCK & LIFT	5,359.00
59449	MEDCHILL, NEL	50.00
59450	MIDWEST TAPE	9.99
59451	MSA PROFESSIONAL SERVICES INC	124.00
59452	NEW RICHMOND CHAMBER OF COMMERCE	20,000.00
59453	NEW RICHMOND FFA	45.53
59454	NEW RICHMOND HERITAGE CENTER	3,000.00
59455	NORTH SHORE BANK	49,504.12
59456	PHILLIPS, SUSAN	44.00
59457	PRO-BUILD	159.87
59458	RICE, CYNTHIA	900.00
59459	RIVERTOWN MULTIMEDIA	1,423.62
	SUB - TOTAL	222,403.81

	SUB - TOTAL CARRIED FORWARD	222,403.81
59460	RUNNING, INC	9,249.42
59461	SCHOOL DISTRICT OF NR - MOBILE HOME FEES	179.18
59462	SECURIAN FINANCIAL GROUP, INC	2,149.58
59463	ST CROIX COUNTY CLERK	402.87
59464	ST CROIX COUNTY SHERIFF'S DEPT	270.00
59465	ST CROIX COUNTY TREASURER - MUNICIPAL COURT	405.87
59466	STATE OF WI - COURT FINES & ASSESSMENTS	1,455.73
59467	STEPHENS SANITATION - RECYCLING	4,065.00
59468	STEPHENS SANITATION - RECYCLING SHED	749.32
59469	STRUTZ, CURT	395.00
59470	TIMBERS-SELISSEN-RUDOLPH LAND SPECIALISTS	2,000.00
59471	VERIZON WIRELESS (CITY)	560.70
59472	WARWAS, TERRY	44.00
59473	WASHINGTON NATIONAL INS CO	390.50
59474	WCWRPC	5,000.00
59475	WI DEPT OF AG, TRADE, CONSUMER PROTECTION	4,800.00
59476	WI MUNICIPAL COURT CLERKS ASSN	250.00
59477	WI PROFESSIONAL POLICE ASSN, INC	581.00
59478	WI STATE FIREFIGHTER'S ASSN	1,000.00
59479	WITC - NEW RICHMODN CONF CTR	1,128.00
59480	XCEL ENERGY	1,258.63
	TOTAL VOUCHERS	258,738.61

	ELECTRONIC FUND TRANSFERS	
	PAYROLL (5/13, 5/27 & 6/10)	339,750.78
	DEFERRED COMP	10,065.00
	ROTH - WI	250.00
	FEDERAL W/H	86,950.73
	STATE W/H	15,654.62
	POSTAGE	-
	LT DISABILITY PREMIUMS	1,464.40
	MEDICAL PREMIUMS	87,627.94
	RETIREMENT	73,331.25
	VISA P-CARDS	33,000.62
	HRA	2,754.84
	WI - SCTF	1,804.56
	FLEX SPENDING	5,311.44
	HSA CONTRIBUTIONS ER	-
	EMPLOYEE FUND	228.00
	FIREMEN DUES DEDUCTIONS	330.00
	CAPITAL PROJECTS TRANSFER	17,089.20
	AFLAC	1,490.43
	DELQ STATE TAX - REMITTANCES	110.88
	ASM TRANSFER	1,400.00
	IMPACT FEE TRANSFERS	10,002.00
	SPORTS CENTER LEASE	-
	MISC - BILLINGS	-
	MISC - RESTITUTIONS	-
	TID FEES	-
	WPPI LOAN PMTS	1,828.40
	DEBT PMTS/BREMER LOAN PMTS	62,380.04
	TOTAL ELECTRONIC FUNDS	752,825.13

GRAND TOTAL

1,011,563.74

CHAIRMAN OF FINANCE COMMITTEE
6/13/2016



156 East First Street
New Richmond, WI 54017
Ph 715-246-4268 Fax 715-246-7129
www.newrichmondwi.gov

TO: Mayor and City Council

FROM: Mike Darrow, City Administrator

DATE: June 9, 2016

RE: John Murtha Special Recognition

Background

The City Council will recognize John Murtha for his years of dedicated service to the City of New Richmond and this area.



156 East First Street
New Richmond, WI 54017
Ph 715-246-4268 Fax 715-246-7129
www.newrichmondwi.gov

TO: Mayor and City Council

FROM: Tanya Reigel, City Clerk

DATE: June 9, 2016

RE: Final Resolution for Vacating an Easement

Background:

At the April 7, 2016 Plan Commission meeting, they approved a new Certified Survey Map for the area at the corner of East Richmond Way and South Knowles Avenue where Taco Bell and ALDI will be located. This new CSM moved the lot line between the two lots and therefore the drainage and utility easement needed to be moved as well. It was determined that the process to vacate this easement is the same as vacating a street. This process includes approval from the Plan Commission, which was done on April 7, 2016. Then the Council approved the Preliminary Resolution requesting a Public Hearing at the June 13, 2016 council meeting. The final step is approval of the final resolution.

Recommendation:

Attached is the resolution for Council consideration. Staff recommends approval of this resolution.

RESOLUTION#061601
FINAL RESOLUTION FOR
VACATING AN EASEMENT

WHEREAS, pursuant to Section 66.1003 of Wisconsin Statutes, the Common Council has heretofore initiated proceedings on April 11, 2016 at a meeting of the Common Council, to vacate and discontinue a drainage and utility easement described as 10.00 foot wide drainage and utility easement lying southerly and adjacent to the north line of Lot 12 as shown on St. Croix County Certified Survey Map, Volume 22, Page 5373, Document Number 846611, recorded on March 16, 2007 and depicted on Exhibit A; and

WHEREAS, a public hearing on the passage of such resolution was set by the Common Council, which hearing was scheduled for June 13th, 2016 at 7:00 p.m. in the Council Chambers, and written notice of such meeting was duly served on the owners of all of the frontage of the lots and lands abutting upon that portion thereof sought to be discontinued as provided by law; and

WHEREAS, the City Council held the public hearing pursuant to said notice at the time and place therefore affixed and all persons so served and interested were then and there given an opportunity to be heard; and

WHEREAS, the City of New recognizes that said easement no longer serves a purpose as the lot lines have changed with the new certified survey map; and

NOW, THEREFORE, BE IT RESOLVED, by the Common Council of the City of New Richmond that it is hereby declared that the 10 foot drainage and utility easement is hereby vacated and discontinued, provided that pursuant to Section 66.1005 Wisconsin Statutes such vacation shall not terminate the easements acquired and the rights of the public in any of the underground structures, improvements or services as enumerated or otherwise existing in said public way and in said description of lands hereinbefore described, but such easements and rights and all rights of entrance, maintenance, construction and repair with reference thereto shall continue as if such public way had not been vacated.

BE IT FURTHER RESOLVED that the City Clerk is directed to record in the St. Croix County Register of Deeds Office, a certified copy of this Resolution including the legal description of the vacated street, a copy of a map showing locations thereof.

Passed and Approved: June 13, 2016

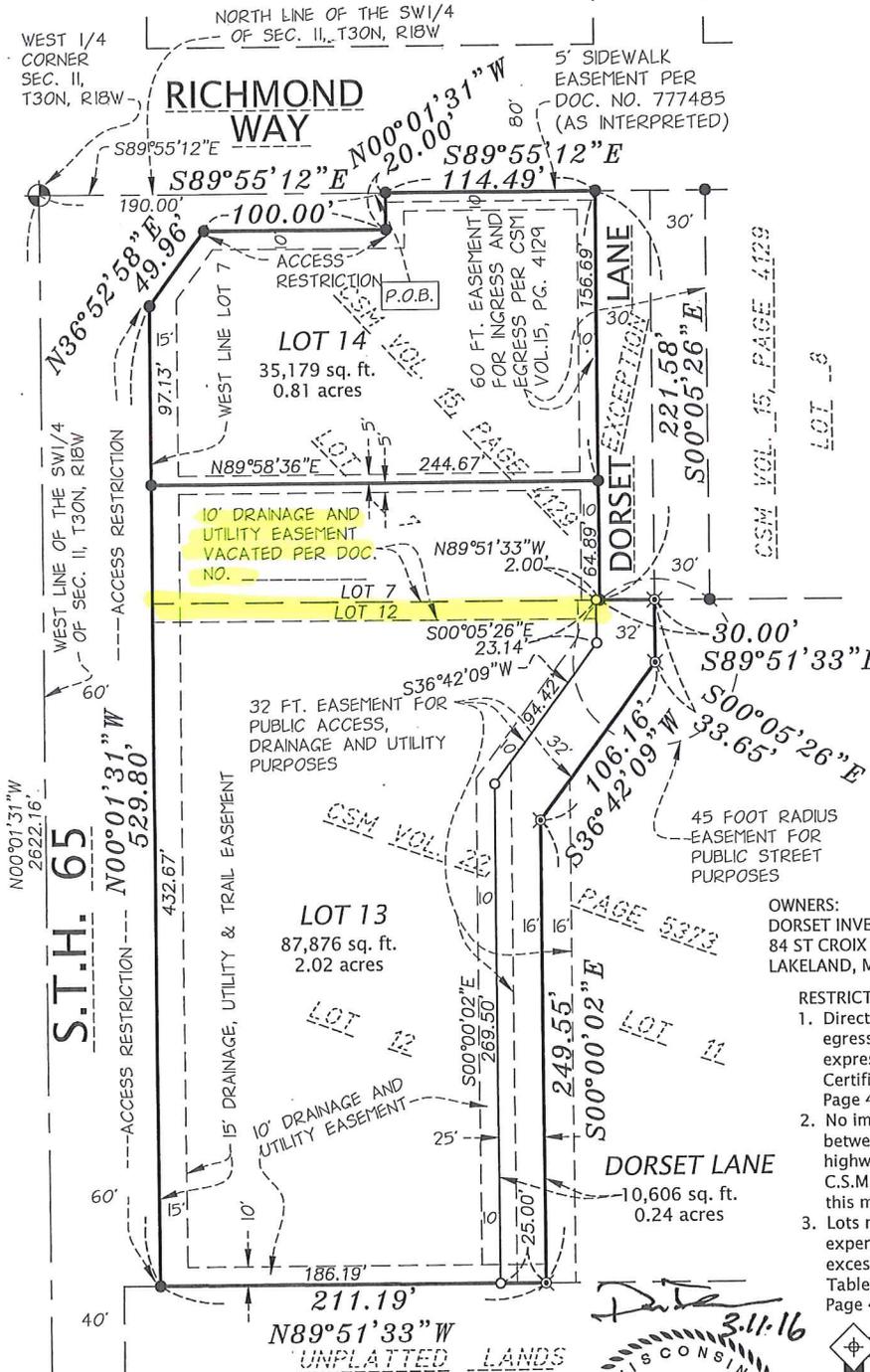
Fred Horne, Mayor

ATTEST:

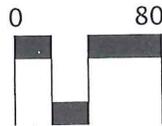
Tanya Reigel, City Clerk

CERTIFIED SURVEY MAP

Located in the Northwest Quarter of the Southwest Quarter of Section 11, Township 30 North, Range 18 West, City of New Richmond, St. Croix County, Wisconsin.



NORTH



BEARINGS ARE REFERENCED TO THE WEST LINE OF LOT 7, CSM V. 15, P.4129 WHICH IS ASSUMED TO BEAR S00°01'31"E.

OWNERS:
DORSET INVESTMENTS, II, LLC
84 ST CROIX TRAIL S
LAKELAND, MN 55043

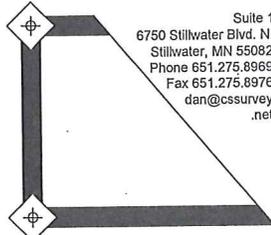
- RESTRICTIONS**
1. Direct vehicular ingress or egress to S.T.H. 65 is expressly restricted per Certified Survey Map, Vol. 15, Page 4129.
 2. No improvements allowed between right-of-way line and highway setback line per C.S.M., Vol. 15, Page 4129 and this map.
 3. Lots mapped herein may experience noise levels in excess of S. TRANS 405.04, Table1 per C.S.M., Vol.15, Page 4129.

LEGEND

- ⊕ DENOTES 3.25 INCH ALUMINUM ST. CROIX CO. MONUMENT UNLESS OTHERWISE INDICATED.
- DENOTES FOUND 5/8" REBAR
- DENOTES SET 1" O.D. X 24" IRON PIPE WEIGHING 1.68 LBS PER LINEAR FOOT
- ⊗ DENOTES SET P.K. SURVEY NAIL
- DENOTES 10 FOOT WIDE DRAINAGE AND UTILITY EASEMENT UNLESS OTHERWISE INDICATED



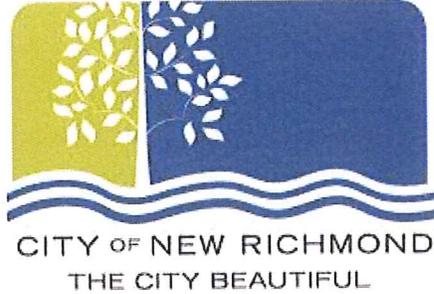
THIS INSTRUMENT WAS DRAFTED BY DANIEL L. THURMES



CORNERSTONE
LAND SURVEYING, INC
SHEET 1 OF 2 SHEETS

Suite 1
6750 Stillwater Blvd. N.
Stillwater, MN 55082
Phone 651.275.8969
Fax 651.275.8976
dan@cssurvey.net

SW CORNER SEC. 11, T30N, R18W



156 East First Street
New Richmond, WI 54017
Ph 715-246-4268 Fax 715-246-7129
www.newrichmondwi.gov

MEMORANDUM

TO: Mayor Horne and City Council
FROM: Mike Darrow, City Administrator
DATE: June 8, 2016
SUBJECT: Public Hearing – Westfields Hospital, Inc. Revenue Refunding Bonds

BACKGROUND

Westfields Hospital, Inc. is seeking Revenue Refunding Bonds to assist with construction costs associated with their expansion. The request is for approximately \$3,281,000 in revenue bonds. The entire amount will be “deemed designated” in accordance with the Code and WILL NOT count against the City’s BQ for 2016. Star Prairie will issue its bond for anything over that amount.

Our City Attorney will provide an overview of this request prior to the start of the Public Hearing.

ACTION REQUESTED

After the close of the Public Hearing, the City Council will be asked to move forward with the Revenue Refunding Bonds with the understanding that the entire amount will be deemed designated in accordance to Code and WILL NOT count against the City’s BQ for 2016.

RESOLUTION #061602

**RESOLUTION APPROVING THE ISSUANCE AND SALE OF A REVENUE
REFUNDING BOND
(WESTFIELDS HOSPITAL, INC. PROJECT) SERIES 2016A,
OF THE CITY OF NEW RICHMOND, WISCONSIN, AND
AUTHORIZING THE EXECUTION OF DOCUMENTS RELATING THERETO**

BE IT RESOLVED by the Common Council (the “Common Council”) of the City of New Richmond, Wisconsin (the “City”), as follows:

Section 1. It is hereby found, determined, and declared as follows:

A. Under Wisconsin Statutes, Section 66.0621, as amended (the “Act”), the City is authorized and empowered to issue revenue obligations to finance all or any part of the cost of acquisition, construction, equipping, improving, enlarging, or extending of public utilities, as defined therein, including hospital facilities.

B. The City on June 13, 2016 held a public hearing on the issuance of a revenue bond in an amount not to exceed \$3,500,000, which together with a revenue bond to be issued by the Village of Star Prairie, Wisconsin, or another municipal issuer to be identified (“Star Prairie”) in the approximate amount of \$7,000,000, will be used to refinance certain tax exempt debt of the Village of Star Prairie, Wisconsin and the Community Development Authority of the City of New Richmond, Wisconsin (the “Authority”) issued in 1999 and to finance capital improvements to the hospital and related facilities located at 535 Hospital Road in New Richmond (the “Facilities”), currently owned and operated by Westfields Hospital, Inc., a Wisconsin nonstock nonprofit corporation (the “Company”).

C. The issuance and sale of the Hospital Revenue Refunding Bond (Westfields Hospital, Inc. Project) Series 2016A (the “Revenue Bond”), by the City, in a principal amount of up to \$3,500,000 but in no event more than the outstanding principal amount of the 1999 tax exempt debt issued by the Authority, pursuant to the Act, and the sale of the Revenue Bond to Bremer Bank, National Association, or its assigns (the “Lender”), as provided herein is in furtherance of the public interests of the City and the City hereby determines to issue the Revenue Bond. The City will make the proceeds of the Revenue Bond available to the Company in order to refinance the 1999 tax exempt debt issued by the Authority.

D. A draft of a Sale Agreement (the “Sale Agreement”) to be entered into between the City and the Company respecting the Revenue Bond and the Facilities has been submitted to the Common Council.

E. Pursuant to a Pledge Agreement (the “Pledge Agreement”) to be entered into between the City and the Lender, the City will assign and pledge to the Lender and

grants the Lender a security interest in all of its rights, title, and interest in the Sale Agreement (except for certain rights for reimbursement of certain costs and expenses and for indemnification) and the Promissory Note (as defined in the Sale Agreement), and all amendments, extensions, renewals and replacements of the Sale Agreement and the Promissory Note, and all proceeds thereof. A draft of the Pledge Agreement has been submitted to the Common Council.

F. The Revenue Bond shall not be payable from or charged upon any funds other than Company payments and property pledged to the payment thereof, nor shall the City be subject to any liability thereon. No holder of the Revenue Bond shall ever have the right to compel any exercise of the taxing power of the City to pay the Revenue Bond or the interest thereon, nor to enforce payment thereof against any property of the City. The Revenue Bond does not constitute an indebtedness, a pecuniary liability, a moral or general obligation or a loan of the credit of the City and the Revenue Bond is not secured by, and is not a charge, lien or encumbrance, legal or equitable, against the City's property, funds, general credit or taxing powers.

G. The City and Star Prairie will also enter into a Cooperation Agreement relating to their joint financing of the Facilities (the "Cooperation Agreement"). A draft of the Cooperation Agreement has been submitted to the Common Council.

H. The City and the Lender will also enter into a Bond Purchase Agreement (the "Bond Purchase Agreement") with respect to the purchase of the Revenue Bond by the Lender. A draft of the Bond Purchase Agreement has been submitted to the Common Council.

Section 2. The City hereby authorizes the issuance of the Revenue Bond. The Revenue Bond shall be in substantially the form submitted to the Common Council on the date hereof, and shall mature on the dates and in the amounts, be subject to redemption, and provide interest at the rate(s) as therein specified, as such may be modified by agreement of the Lender, the Company and the City. The initial interest rate on the Revenue Bond shall not exceed 5.00% per annum.

Section 3. The Sale Agreement, the Pledge Agreement, the Revenue Bond, the Cooperation Agreement and the Bond Purchase Agreement are hereby made a part of this Resolution as fully as though set forth herein and are hereby approved in substantially the forms presented to the Common Council. The Mayor and the Clerk are hereby authorized in their discretion, at such time (if any) as they may deem appropriate, to execute, acknowledge, and deliver such documents on behalf of the City with such changes, insertions, and omissions therein as bond counsel and counsel to the City may hereafter deem appropriate, such execution to be conclusive evidence of approval of such documents in accordance with the terms hereof.

Section 4. There is hereby created a special fund in the treasury of the City to be identified as the "Hospital Revenue Refunding Bond (Westfields Hospital, Inc. Project) Series 2016A Special Redemption Fund" (the "Special Redemption Fund"). Pursuant to the Promissory Note and the Pledge Agreement, payments by the Company on the Promissory Note will be paid directly to the Lender, but will be deemed to have been first deposited in the Special

Redemption Fund. If for any reason the Company makes payments to the City with respect to the Promissory Note, such payments will be deposited in the Special Redemption Fund. The Special Redemption Fund is hereby set aside for the payment of the principal of, premium, if any, and interest on the Revenue Bond.

Section 5. The Mayor and the Clerk are hereby also authorized to execute and deliver all other documents which may be required under the terms of the Sale Agreement or Pledge Agreement, or by bond counsel, and to take such other action as may be required or deemed appropriate for the performance of the duties imposed thereby to carry out the purposes thereof. The Clerk is hereby authorized and directed to give notice pursuant to Wisconsin Statutes, Section 893.77, subd. 2, that the City has by this Resolution authorized issuance of the Revenue Bond, based on form and instruction provided by bond counsel.

Section 6. The Revenue Bond shall be “deemed designated” as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Section 7. This Resolution shall take effect immediately upon its adoption.

Passed: June 13, 2016

Mayor

ATTEST:

Clerk

CERTIFICATION

The undersigned Clerk of the City of New Richmond, Wisconsin, does hereby certify that the foregoing is a true and correct copy of a resolution passed by the Common Council of the City of New Richmond at their meeting held on June 13, 2016, at which a quorum was present and acted throughout.

City Clerk

BOND PURCHASE AGREEMENT

AMONG

CITY OF NEW RICHMOND, WISCONSIN
Municipality

WESTFIELDS HOSPITAL, INC.
Company

and

BREMER BANK, NATIONAL ASSOCIATION
Purchaser

Dated June __, 2016

Relating to:
City of New Richmond, Wisconsin
\$ _____ Hospital Revenue Refunding Bond
(Westfields Hospital, Inc. Project), Series 2016A

City of New Richmond, Wisconsin
\$ _____ Hospital Revenue Refunding Bond
(Westfields Hospital, Inc. Project), Series 2016A

BOND PURCHASE AGREEMENT

June __, 2016

Westfields Hospital, Inc.
535 Hospital Road
New Richmond, WI 54017

City of New Richmond
156 E. First Street
New Richmond, WI 54017

Ladies and Gentlemen:

The undersigned, Bremer Bank, National Association, New Richmond, Wisconsin (the “Purchaser”), offers to enter into this Bond Purchase Agreement (this “Bond Purchase Agreement”), dated as of the date above, with the City of New Richmond, Wisconsin (the “Municipality”), as approved and agreed to by Westfields Hospital, Inc., a Wisconsin nonstock, nonprofit corporation (the “Company”), for the purchase by the Purchaser of the Revenue Bond described below. This offer is made subject to acceptance by the Municipality and agreement by the Company at or prior to 4:00 p.m., Central time, on the date set forth above, and upon such acceptance this Bond Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Municipality, the Company and the Purchaser. If not so accepted, this Bond Purchase Agreement will be subject to withdrawal by the Purchaser upon notice delivered by the Purchaser to the Municipality and the Company at any time prior to the acceptance hereof by the Municipality and the Company.

1. Purchase and Sale.

(a) The Municipality and the Company acknowledge and agree that (i) the purchase and sale of the Revenue Bond pursuant to this Bond Purchase Agreement is an arm’s-length commercial transaction among the Municipality, the Company and the Purchaser; (ii) in connection with such transaction, the Purchaser is acting solely as a principal and not as an agent or a fiduciary of the Municipality or the Company; (iii) the Purchaser has not assumed (individually or collectively) a fiduciary responsibility in favor of the Municipality or the Company with respect to any obligation to the Municipality or the Company except the obligations expressly set forth in this Bond Purchase Agreement; and (iv) the Municipality and the Company have consulted with their own legal and other professional advisors to the extent they deemed appropriate in connection with the sale of the Revenue Bond.

(b) Subject to the satisfaction by the Municipality and the Company of the terms and conditions, including conditions precedent, set forth in this Bond Purchase Agreement, and in reliance upon the representations herein set forth or incorporated by reference, the Municipality

agrees to sell to the Purchaser and the Purchaser agrees to purchase from the Municipality, upon the terms and conditions set forth herein, the Municipality's Hospital Revenue Bond (Westfields Hospital, Inc. Project), Series 2016A (the "Revenue Bond"), in the original principal amount of up to \$_____ in the form set forth on Schedule I hereto and in the Sale Agreement, as hereinafter defined. The proceeds of the Revenue Bond will be used in accordance with and in connection with the refinancing of certain tax exempt debt of the Company and certain capital improvements pursuant to a Sale Agreement, dated as of Closing (as hereafter defined) (the "Sale Agreement"), between the Municipality and the Company. The Revenue Bond is to be issued by the Municipality pursuant to its resolution, adopted June 13, 2016 (the "Resolution").

(c) The interests and rights of the Municipality under the Sale Agreement will be assigned and pledged to the Purchaser pursuant to a Pledge Agreement between the Municipality and the Purchaser, dated as of the Closing (the "Pledge Agreement").

(d) The obligations of the Company under the Sale Agreement and the \$_____ Promissory Note payable by the Company to the Municipality (the "Promissory Note") will be secured by the Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Financing Statement dated as of the Closing from the Company to the Purchaser (the "Mortgage").

(e) The Municipality and the Village of Star Prairie, Wisconsin ("Star Prairie") will enter into a Cooperation Agreement, dated as of the Closing (the "Cooperation Agreement," and together with the Sale Agreement and the Pledge Agreement, the "Municipality Documents").

(f) It is understood and agreed that the Revenue Bond and the interest thereon are special, limited obligations of the Municipality payable solely from revenues provided by the Company, amounts paid by the Company pursuant to the Sale Agreement and the Promissory Note and amounts held in various funds and accounts as provided in the Sale Agreement and shall never constitute a general obligation indebtedness of the Municipality within the meaning of any State of Wisconsin (the "State") constitutional or statutory provision and do not give rise to a general or moral obligation of the Municipality, the State or any of its political subdivisions, and do not constitute a charge against the Municipality's general credit or the State's general credit or taxing powers.

(g) The Purchaser's purchase price for the Revenue Bond is \$_____, consisting of the principal amount of the Revenue Bond of \$_____, subject to payment by the Company of the origination fee set forth in the Sale Agreement. The interest rate on the Revenue Bond is ____% per annum as set forth therein.

(h) If the transaction contemplated by this Bond Purchase Agreement has not been consummated by _____, 2016, the Purchaser may, at its option, terminate this Bond Purchase Agreement, in which even the Purchaser shall have no obligation to purchase the Revenue Bond as contemplated herein.

2. Representations.

(a) The Municipality represents to and agrees with the Purchaser, as follows:

(i) The Municipality is a body corporate and political subdivision duly organized and validly existing under the laws of the State.

(ii) The execution and delivery of this Bond Purchase Agreement, the adoption of the Resolution, and the execution and delivery of the Revenue Bond and the other Municipality Documents, and compliance with the provisions of each of them, under the circumstances contemplated thereby, do not, in any material respect, conflict with or constitute on the part of the Municipality a breach of or default under any other agreement or instrument to which the Municipality is a party or any existing law, administrative regulation, court order or consent decree to which the Municipality is subject.

(iii) The Municipality has not, and so long as the Revenue Bond remains outstanding and except as may be authorized by the Municipality Documents, the Municipality will not, knowingly issue or sell any bonds or other obligations, other than the Revenue Bond, the interest and premium, if any, or principal of which will be payable from the amounts derived by the Municipality from the Company pursuant to the Sale Agreement and will not knowingly pledge the Sale Agreement or the payments to be made thereunder other than to the payment of the Revenue Bond and the interest thereon.

(iv) To the knowledge of the Municipality, no litigation is pending or threatened against the Municipality: (A) seeking to restrain or enjoin the issuance or delivery of the Revenue Bond or the application of proceeds of the Revenue Bond or the collection or pledge of revenues or other security pledged under the Municipality Documents, (B) in any way contesting or affecting any authority for the issuance of the Revenue Bond or the validity of the Revenue Bond, the Municipality Documents or this Bond Purchase Agreement, or (C) in any way contesting the existence or powers of the Municipality.

(v) The Municipality shall not knowingly take or omit to take, as is appropriate, any action, the taking or omission of which would adversely affect the exclusion of interest on the Revenue Bond from gross income for purposes of Federal income taxation.

(b) The Company represents and agrees with the Purchaser as follows:

(i) The Company is a nonstock, nonprofit corporation duly organized, validly existing and in good standing under the laws of the State. The Company has full legal right, power and authority to enter into the Sale Agreement, the Mortgage, the Promissory Note, and this Bond Purchase Agreement (collectively, the "Company Documents"), and to carry out and consummate all transactions contemplated by such documents.

(ii) The execution and delivery of this Bond Purchase Agreement and the other Company Documents and compliance with the provisions of each of them, under the circumstances contemplated thereby, does not and will not conflict with or constitute on the part of the Company a breach of or default under any other agreement or instrument to which the Company is a party or to the Company's knowledge, any existing law, administrative regulation, court order or consent decree to which the Company is subject.

(iii) All approvals, consents and orders of any governmental authority, board, agency, council, commission or other body in or of any state and the federal government having jurisdiction which would constitute a condition precedent to the performance by the Company of its obligations hereunder and under the other Company Documents have been obtained or, if not, will be obtained at the times required under the Sale Agreement.

(iv) This Bond Purchase Agreement does, and the other Company Documents, when each of them has been executed and delivered by the Company, will, assuming due authorization, execution and delivery by the other parties thereto, each constitute a valid and binding obligation of the Company, enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

(v) To the knowledge of the Company, no litigation is pending or threatened (A) seeking to restrain or enjoin the issuance or delivery of the Revenue Bond or the application of proceeds of the Revenue Bond as provided in the Municipality Documents or the collection or pledge of revenues pledged under the Pledge Agreement, the Mortgage, or the Promissory Note, (B) in any way contesting or affecting any authority for the issuance of the Revenue Bond or the validity of the Revenue Bond, or any of the Company Documents, or (C) in any way affecting, in a material adverse manner, the property of the Company or contesting the existence or powers of the Company.

(vi) The Company has not been in default as to principal or interest with respect to any obligation issued by or guaranteed by the Company or with respect to which the Company is an obligor.

(vii) The Company is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), or corresponding provisions of prior law, and is exempt from federal income taxes under Section 501(a) of the Code, except for unrelated business income subject to taxation under Section 511 of the Code.

3. Closing.

(a) At or before 12:00 p.m. Central time, on June __, 2016, or such later date as we mutually agree upon (the "Closing"), the Municipality will deliver or cause to be delivered to the Purchaser, at the offices of Briggs and Morgan, P.A. ("Bond Counsel"), or at such other place as we may mutually agree upon, the Revenue Bond in definitive fully registered form, duly executed. In addition, the other documents hereinafter mentioned will be delivered to the offices of Bond Counsel, and the Purchaser will accept such delivery and cause the advance of the

purchase price thereof to be paid in federal funds payable to the order of the Municipality or the order of such person as the Municipality shall direct and such funds shall be available to the Municipality or the order of such person as the Municipality shall direct on the date of Closing.

(b) Simultaneously with the delivery of the Revenue Bond, the Municipality shall cause to be delivered to the Purchaser an opinion of Bond Counsel dated the date of Closing as provided in Section 4(b)(iv)(A) below.

4. Conditions Precedent.

(a) The Purchaser has entered into this Bond Purchase Agreement in reliance upon (i) the representations, warranties and agreements of the Municipality contained in this Bond Purchase Agreement and in the Municipality Documents; (ii) the representations, warranties and agreements of the Company contained in this Bond Purchase Agreement and in the other Company Documents; and (iii) the performance by the Municipality and the Company of their obligations under this Bond Purchase Agreement, if any, and under the above-mentioned documents, both as of the date hereof and as of the date of the Closing.

(b) The Purchaser's obligation under this Bond Purchase Agreement is and shall be subject to the following further conditions:

(i) The representations and warranties of the Municipality and the Company contained herein shall be true, complete and correct on the date of acceptance hereof and on and as of the date of the Closing with the same effect as if made on the date of the Closing.

(ii) At the time of the Closing, the Municipality Documents and the Company Documents shall be in full force and effect, shall each be in form and substance acceptable to the Purchaser in all respects, and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Purchaser; the Municipality shall have duly adopted and there shall be in full force and effect such resolutions, and entered into such agreements as, in the opinion of Bond Counsel and in the opinion of Winthrop & Weinstine, P.A., Minneapolis, Minnesota, counsel to the Purchaser (the "Purchaser's Counsel"), shall be necessary in connection with the transactions contemplated hereby or the documentation of security for the Revenue Bond.

(iii) At or prior to the Closing, the Company and the Municipality shall have performed all of their obligations hereunder and under Section 3.2 of the Sale Agreement, and the Closing will be simultaneous with the closing for the \$_____ Hospital Revenue Bond (Westfields Hospital, Inc. Project), Series 2016B to be issued by Star Prairie.

(iv) At or prior to the Closing, the Purchaser shall have received the following documents (in each case with such changes as the Purchaser shall approve):

(A) The unqualified approving opinion of Bond Counsel, dated the date of the Closing, in form acceptable in all respects to the Purchaser;

(B) The opinion of Gray, Plant, Mooty, Minneapolis, Minnesota, Counsel to the Company (the "Company's Counsel"), dated the date of Closing and addressed to the Municipality, Bond Counsel and the Purchaser, in customary form and in form and substance satisfactory to Bond Counsel, the Municipality and the Purchaser;

(C) A certificate of the Municipality, signed by the Mayor and Clerk of the Municipality, or their designees, dated the date of the Closing, to the effect that (I) the representations, warranties and agreements of the Municipality contained herein and in the Municipality Documents are true and correct in all material respects as of the date of the Closing; (II) no litigation is pending or threatened against the Municipality, to the knowledge of the Municipality, (x) seeking to restrain or enjoin the issuance or delivery of the Revenue Bond or the collection of revenues or other security pledged under the Pledge Agreement or the Resolution, (y) in any way contesting or affecting any authority for the issuance of the Revenue Bond or the validity of the Revenue Bond, the Municipality Documents or this Bond Purchase Agreement, or (z) in any way contesting the existence or powers of the Municipality;

(D) A certificate of the Company, signed by an authorized officer or authorized officers of the Company, dated the date of the Closing, to the effect that (I) the representations, warranties and agreements of the Company contained in the Company Documents are true and correct in all material respects as of the date of the Closing; (II) to the knowledge of the Company, no litigation is pending or threatened, (x) seeking to restrain or enjoin the issuance or delivery of the Revenue Bond or the collection of revenues or other security pledged under the Pledge Agreement, (y) in any way contesting or affecting any authority for the issuance of the Revenue Bond or the validity of the Revenue Bond or any of the Company Documents, or (z) in any way contesting the existence or powers of the Company; (III) all resolutions and other actions required to be approved or taken by or on behalf of the Company authorizing and approving the transactions described or contemplated in this Bond Purchase Agreement and the execution of or approving of the forms of the Company Documents have been duly approved by the governing body of the Company, are in full force and effect and have not been modified, amended or repealed; (IV) the Company has all necessary licenses, approvals, accreditations and permits presently required under federal, state and local laws to own and operate its facilities; and (V) the Company is a nonstock, nonprofit corporation organized and validly existing under the laws of the State with full power and authority to own its properties and conduct its business;

(E) An execution copy or other copy, certified to the Purchaser's satisfaction as true and correct, of each of the following items: the Company's resolution or comparable actions of its governing body authorizing the execution and delivery of the Company Documents and approving the terms of the Revenue Bond, the Company's articles of incorporation, bylaws and certificate of registration of the State;

(F) An execution copy or other copy, certified to the Purchaser's satisfaction as true and correct, of the Company Documents and the Municipality Documents;

(G) Receipt of Certificates of Insurance acceptable to the Purchaser demonstrating that the Company has obtained the insurance policies required by the terms of the Sale Agreement and the Mortgage;

(H) Receipt of the other documents required by Section 3.6 of the Sale Agreement; and

(I) Such additional legal opinions, certificates, proceedings, agreements, instruments and other documents as the Purchaser, Purchaser's Counsel, or Bond Counsel may reasonably request to evidence compliance with any legal requirements, to provide such additional assurances as the Purchaser may request, the truth and accuracy, as of the time of Closing, of any representations given and the due performance or satisfaction at or prior to such time of all agreements then to be performed and all conditions then to be satisfied as conditions precedent to the issuance of the Revenue Bond.

(c) If the Municipality or the Company shall be unable for any reason to satisfy the conditions precedent to the exercise of the Purchaser's obligations contained in this Bond Purchase Agreement or if the exercise of the Purchaser's obligations shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Purchaser, the Municipality nor the Company shall have any further obligations or liability hereunder, except that the respective obligations of the Municipality, the Company and the Purchaser set forth in Section 5 hereof shall continue in full force and effect.

5. Payment of Expenses.

(a) Upon and subject to the issuance, sale and delivery of the Revenue Bond by the Municipality, the Company agrees to pay either directly or, to the extent permitted under federal tax law as determined by Bond Counsel, from the proceeds of the Revenue Bond, all expenses and costs to effect the authorization, preparation, issuance, delivery and sale of the Revenue Bond, the terms of which have all been previously agreed to and specified in separate agreements, including, without limitation, (i) the Purchaser's origination fee required under the Sale Agreement, (ii) miscellaneous out-of-pocket fees and expenses of the Purchaser, (iii) the fees and disbursements of Bond Counsel, (iv) the fees and disbursements of the Company's counsel, (v) the fees and disbursements of the Municipality, (vi) the fees and disbursements of counsel to the Municipality, (vii) the fees and disbursements of Purchaser's Counsel, and (viii) the various other expenses and costs of Closing.

(b) If the Revenue Bond is not issued and delivered by the Municipality to the Purchaser, as a result of the failure by the Company to perform any of its obligations under this Bond Purchase Agreement (other than a failure of the Purchaser to comply with its obligation set forth in Section 1 hereof, if such obligation is not otherwise excused or terminated as provided herein) or as a result of the Company failing to reach agreement with the Purchaser as to the

terms and conditions of the transactions and documents contemplated hereby, the Company agrees that it shall pay all expenses set forth in this Section 5, except for the Purchaser's origination fee.

(c) In no event will the Municipality be obligated to pay any fees, costs or expenses relating to the issuance, sale and delivery of the Revenue Bond.

6. Notices. Any notice or other communication to be given to the Municipality or the Company under this Bond Purchase Agreement may be given by delivering the same in writing to the addresses set forth above, and any such notice or other communication to be given to the Purchaser may be given by delivering the same in writing to the Purchaser, c/o J. Scott Wagner, Vice President.

7. Benefit. This Bond Purchase Agreement is made solely for the benefit of the Municipality, the Company and the Purchaser (including its participants, successors or assigns), and no other person, partnership, association or Company shall acquire or have any right hereunder or by virtue hereof.

8. Approval. The approval of the Purchaser when required hereunder or the determination of its satisfaction as to any document referred to herein shall be in writing signed by the undersigned and delivered to the Company and the Municipality; provided that performance by the Purchaser of its obligation to purchase the Revenue Bond set forth in Section 1(b) shall be conclusive evidence of the satisfaction of the Municipality and the Company of their obligations hereunder and any conditions precedent applicable to the purchase of the Revenue Bond.

9. Governing Law; Counterparts. This Bond Purchase Agreement shall be governed by the laws of the State and may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

10. Modification of the Bond Purchase Agreement. This Bond Purchase Agreement may not be modified or amended except by written agreement executed by all parties hereto; provided that the date and time for closing set forth in Section 3 may be changed or extended without a written amendment hereto.

(remainder of page left intentionally blank)

BREMER BANK, NATIONAL
ASSOCIATION, as Purchaser

By _____
Its _____

(Signature page for the Westfields Hospital, Inc. Project Bond Purchase Agreement)

Approved and Agreed to:

CITY OF NEW RICHMOND, WISCONSIN

By _____
Its Mayor

By _____
Its Clerk

(Signature page for the Westfields Hospital, Inc. Project Bond Purchase Agreement)

Approved and Agreed to:

WESTFIELDS HOSPITAL, INC.

By _____
Its Chief Financial Officer

(Signature page for the Westfields Hospital, Inc. Project Bond Purchase Agreement)

SCHEDULE I
FORM OF REVENUE BOND

SALE AGREEMENT
BETWEEN
CITY OF NEW RICHMOND, WISCONSIN
AND
WESTFIELDS HOSPITAL, INC.

Dated as of June ____, 2016

The interest of the City of New Richmond, Wisconsin in this Sale Agreement (except for its rights under Sections 4.3, 6.4, 7.6 and 7.7 hereof) has been assigned to Bremer Bank, National Association, pursuant to a Pledge Agreement of even date herewith.

This instrument was drafted by:

Trudy J. Halla
Briggs and Morgan, P.A.
2200 IDS Center
80 South Eighth Street
Minneapolis, Minnesota 55402

SALE AGREEMENT

THIS SALE AGREEMENT, dated as of the date shown on the cover hereof, between the CITY OF NEW RICHMOND, WISCONSIN, a municipal corporation and political subdivision of the State of Wisconsin (the "Municipality"), and WESTFIELDS HOSPITAL, INC., a Wisconsin nonstock nonprofit corporation (the "Company");

WHEREAS, Section 66.0621 of the Wisconsin Statutes, as amended (the "Act"), authorizes the Municipality to finance hospitals and other public utilities through the issuance of revenue obligations pursuant to the Act; and

WHEREAS, Section 62.22(2) of the Wisconsin Statutes, as amended, authorizes the Municipality: (a) to acquire property for the purposes of donating, conveying, selling or leasing the same to nonprofit private corporations for public purposes; and (b) to donate, convey, sell or lease property owned by the Municipality to any nonprofit private corporation for public purposes; and (b) to convey property owned by the Municipality for public purposes; and

WHEREAS, Wisconsin Statutes, Section 66.0301, as amended (the "Intergovernmental Cooperation Act"), provides that any municipality may contract with other municipalities for the joint exercise of any power authorized by law, and that the Intergovernmental Cooperation Act is to be interpreted liberally in favor of cooperative action between municipalities; and

WHEREAS, it has been proposed that the Municipality and the Village of Star Prairie, Wisconsin, ("Star Prairie") each issue a revenue bond pursuant to the Act and pursuant to the Intergovernmental Cooperation Act, in order to refinance existing tax exempt debt and finance certain capital improvements to the existing hospital and related facilities (the "Facilities"), owned and operated by the Company, located at 535 Hospital Road in New Richmond, Wisconsin, pursuant to a Cooperation Agreement of even date herewith between the Municipality and Star Prairie; and

WHEREAS, the Company desires to sell and the Municipality desires to acquire all right, title and interest of the Company in and to the Facilities for the purchase price and for the purpose described herein; and

WHEREAS, the Municipality desires to finance the acquisition of the Facilities for the purpose of refinancing existing tax exempt indebtedness of the Company related to the Facilities through the issuance of its revenue bond in the amount of \$_____ pursuant to the Act (the "Revenue Bond"); and

WHEREAS, the Revenue Bond shall not constitute an indebtedness of the Municipality within the meaning of any state constitutional provision or statutory limitation and shall not constitute or give rise to a pecuniary liability of the Municipality or a charge against its general credit or taxing powers; and

WHEREAS, the Municipality intends to convey the Facilities back to the Company in exchange for the Promissory Note Series 2016A of the Company in the amount of \$_____ (the "Promissory Note"); and

WHEREAS, the Municipality will receive substantial municipal benefits from the transactions described above, including by way of illustration but not limitation: the continuing operation of health care facilities that are accessible by inhabitants of the Municipality, the provision of medical support services for the inhabitants of the Municipality, thereby protecting the health and welfare of the inhabitants of the Municipality, thereby helping to provide the basic support services necessary for stimulating the expansion of existing and new business in the Municipality; betterment of the Municipality's environment and economy; and helping a nonprofit corporation which provides a public benefit to better fulfill its goals.

The Municipality and the Company desire to implement the foregoing and accordingly agree as follows:

**ARTICLE 1
DEFINITIONS AND RULES OF INTERPRETATION**

Section 1.1. Definitions. In this Sale Agreement the following terms have the following respective meanings unless the context hereof clearly requires otherwise:

Act: Wisconsin Statutes, Section 66.0621, as amended;

Bond Counsel: the firm of Briggs and Morgan, P.A. of Minneapolis, Minnesota, or any other firm of nationally recognized bond counsel experienced in tax exempt financing, selected by the Municipality and acceptable to the Company and the Lender;

Bond Purchase Agreement: the Bond Purchase Agreement dated June ___, 2016, among the Municipality, the Company and the Lender, including any amendment thereof or supplement thereto;

Code: the Internal Revenue Code of 1986, as amended;

Company: Westfields Hospital, Inc., a Wisconsin nonstock nonprofit corporation, its successors and assigns;

Cooperation Agreement: the Cooperation Agreement, of even date herewith between the Municipality and Star Prairie;

Costs of Issuance: all placement agent fees, attorneys' fees and disbursements (including counsel and financial advisor for the Municipality, the Company, Bond Counsel and the Lender), appraisal, environmental assessment, survey, title insurance and other fees incurred by the Company in connection with the Project and the issuance of the Revenue Bond;

Event of Default: any of the events described in Section 6.1 hereof;

Existing Note: the Municipality's \$7,000,000 Hospital Facilities Revenue Note, Series 1999A (Holy Family Hospital Project), now outstanding in the principal amount of \$____
_____;

Facilities: the Company's hospital facility located at 535 Hospital Road in New Richmond, Wisconsin, but specifically excluding those areas of the hospital facility building in which the Company operates a primary care physician clinic and offers specialty care physician services, and also specifically excluding the Cancer Center of Western Wisconsin, which is connected to the hospital facility building but is located at 501 Hospital Road in New Richmond, Wisconsin;

GAAP: generally accepted accounting principles consistently applied;

Lender: Bremer Bank, National Association, its successors and assigns;

Mortgage: that certain Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Financing Agreement of even date herewith, from the Company to the Lender, including any amendment thereof or supplement thereto;

Municipality: the City of New Richmond, Wisconsin, its successors and assigns;

Pledge Agreement: the Pledge Agreement, of even date herewith, between the Municipality and the Lender, including any amendment thereof or supplement thereto;

Project: the acquisition of the Facilities for the purpose of refinancing certain existing indebtedness of the Company incurred with respect thereto and financing certain capital improvements thereto, as specifically described in Section 3.1 hereto;

Project Costs: the costs of the Project and the Costs of Issuance which are eligible to be financed pursuant to the Act and which do not adversely affect the tax exempt status of the Revenue Bond;

Promissory Note: shall have the meaning assigned in the recitals hereto;

Resolution: the Resolution adopted June __, 2016, by the Common Council of the Municipality authorizing the issuance of the Revenue Bond and establishing the terms and conditions thereof;

Revenue Bond: the Hospital Revenue Refunding Bond (Westfields Hospital, Inc. Project) Series 2016A of even date herewith, issued by the Municipality in the principal amount of \$_____ pursuant to the Resolution to the Lender;

Sale Agreement: this Sale Agreement, dated as of the date hereof, between the Municipality and the Company, including any amendment hereof or supplement hereto; and

Star Prairie: the Village of Star Prairie, Wisconsin, its successors and assigns.

Section 1.2. Rules of Interpretation.

(A) This Sale Agreement shall be interpreted in accordance with and governed by the laws of the State of Wisconsin.

(B) The words “herein”, “hereof” and “hereunder” and words of similar import, without reference to any particular section or subdivision, refer to this Sale Agreement as a whole rather than to any particular section or subdivision hereof.

(C) The article and section headings herein are for convenience only and shall not affect the construction hereof.

(D) References herein to any particular section or subdivision hereof are to the section or subdivision of this instrument as originally executed.

ARTICLE 2 REPRESENTATIONS

Section 2.1. Representations by the Municipality. The Municipality makes the following representations (upon which the Company and the Lender may rely):

(A) The Municipality is a duly organized and existing municipal corporation and political subdivision of the State of Wisconsin.

(B) In authorizing the issuance of the Revenue Bond with respect to the Project, the Municipality has determined that the Project and the Facilities are intended to serve the public purposes set forth in the Act.

(C) In authorizing the issuance of the Revenue Bond, the Municipality’s purpose is, and in its judgment the effect thereof is anticipated to be, to promote the establishment and retention of quality medical facilities accessible to inhabitants of the Municipality and the general welfare of the Municipality’s inhabitants.

(D) The issuance and sale of the Revenue Bond, the execution and delivery of this Sale Agreement and the assignment of this Sale Agreement to the Lender, and the execution and delivery of the Cooperation Agreement, the Bond Purchase Agreement and Pledge Agreement, have been duly authorized by a resolution of the governing body of the Municipality adopted at a meeting thereof duly called and held by the affirmative vote of not less than a majority of the members of its governing body.

(E) The Municipality has called and held a public hearing with respect to the Project.

(F) To provide funds to finance the Project Costs, the Municipality has duly authorized the Revenue Bond to be issued upon the terms set forth in the Resolution.

(G) The execution and delivery of this Sale Agreement, the Pledge Agreement, the Revenue Bond, the Cooperation Agreement and the endorsement of the Promissory Note will not constitute on the part of the Municipality a breach of, or a default under, any existing (a) provision of any special legislative act, charter or other proceeding establishing or relating to the establishment of the Municipality or its affairs or its resolutions or (b) agreement, indenture, mortgage, lease or other instrument to which the Municipality is subject or is a party or by which it is bound.

(H) There is not pending or, to the best of its knowledge, threatened, any suit, action or proceeding against the Municipality before or by any court, arbitrator, administrative agency or other governmental authority which materially and adversely affects the validity, as to the Municipality, of the Revenue Bond, this Sale Agreement, the Pledge Agreement, the Cooperation Agreement, the Bond Purchase Agreement the endorsement of the Promissory Note, any of its obligations hereunder or any of the transactions contemplated hereby.

(I) Based on certifications of the Company, the proposed debt service payments provided for in the Revenue Bond are reasonable in accordance with prudent hospital management practices.

Section 2.2. Representations by the Company. The Company makes the following representations, upon which the Lender and the Municipality may rely:

(A) The Company is a nonstock nonprofit corporation duly organized and validly existing under the laws of the State of Wisconsin, is qualified to do business in the State of Wisconsin and other states in which it conducts its business, and has full power to enter into this Sale Agreement, the Mortgage and the Promissory Note and carry out its obligations hereunder and thereunder, and by proper action has authorized the execution and delivery of this Sale Agreement, the Mortgage and the Promissory Note.

(B) The Company is a corporation described in Section 501(c)(3) of the Code and is exempt from federal income tax under Section 501(a) of the Code. There is no action, proceeding or investigation pending or threatened on any basis therefor by the Internal Revenue Service or authorities of the State of Wisconsin which, if adversely determined, might result in a modification of the status of the Company as an organization which is exempt from federal income tax under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code.

(C) The execution and delivery of this Sale Agreement, the Promissory Note and the Mortgage and the consummation of the transactions contemplated thereby and the fulfillment of the terms and conditions thereof do not and will not conflict with or result in a breach of any of the terms or conditions of the Articles of Incorporation or Bylaws of the Company or of any of the terms and conditions of any court order, judgment or decree, or any mortgage, indenture, loan agreement or other restriction dealing with money borrowed by the Company or any agreement or instrument to which any property of the Company is subject (except any conflict or breach which has been waived in a writing duly executed by the party having authority to so waive such conflict or breach and which has been disclosed in writing to the Municipality), and do not and will not constitute a default under any of the foregoing or result in the creation or imposition of any lien, charge or encumbrance of any nature upon any property or assets of the Company contrary to the terms of any agreement or instrument to which the Company is a party or by which it is bound.

(D) With respect to the transactions contemplated by this Sale Agreement, the Company does not rely on any warranty of the Municipality, either express or implied, concerning the suitability, operation or use of the Facilities.

(E) There is no suit, action, proceeding or investigation pending or threatened or to the knowledge of Company any basis therefor at law or in equity or by or before any court, arbitrator, administrative agency or other federal, state or local governmental authority which individually or in the aggregate, if adversely determined, might have a material adverse effect on, or affect the validity as to the Company of, any of the transactions contemplated hereby or the ability of the Company to perform its obligations hereunder or as contemplated hereby.

(F) The proceeds of the Revenue Bond will be used only for the purposes contemplated hereby and allowable as Project Costs under the Act and the Code.

(G) The Company has reviewed and approved the terms and conditions of the Revenue Bond.

(H) The Company has no current intention to sell or otherwise dispose of the Facilities during the term of the Revenue Bond.

(I) The Facilities will not be used for any purpose which includes any act of employment discrimination as specified in Wisconsin Statutes, Section 111.322. Any contract entered into by the Company for the expansion or improvement of the Facilities shall include a clause prohibiting discrimination in employment and subcontracting.

(J) The Facilities and the use of the Facilities for their intended use are and will remain in compliance with all applicable zoning, building, subdivision, condominium, health, traffic, environmental, safety and other laws, regulations and ordinances and any private covenants and restrictions applicable to the Facilities.

(K) The Company has and reasonably expects to maintain the ability to make the proposed debt service payments provided for in the Revenue Bond and comply with the covenants set forth herein.

Section 2.3. Tax Covenants. The Company makes the following covenants regarding issues raised by the Code, upon which the Lender and the Municipality may rely:

(A) The Facilities will be owned by the Company during the entire term of the Revenue Bond.

(B) No substantial portion of the Facilities will be used by the Company in an unrelated trade or business, determined by the application of Section 513(a) of the Code.

(C) The Costs of Issuance financed by the Revenue Bond shall not exceed two percent (2%) of the proceeds thereof, and no more than five percent (5%) of the net proceeds of the Revenue Bond are to be used for any private business use as defined in Section 141(b)(6) of the Code (including the payment of Costs of Issuance).

(D) The payment of the principal of, or interest on, no more than five percent (5%) of the net proceeds of the Revenue Bond is (under the terms of the Revenue Bond or any underlying arrangement) directly or indirectly:

- (1) secured by any interest in:
 - (a) property used or to be used for a private business use, or
 - (b) payments in respect of such property; or
- (2) to be derived from payments (whether or not to the Municipality) in respect of property, or borrowed money, used or to be used for a private business use.

(E) Ninety-five percent (95%) or more of the net proceeds of the Revenue Bond are to be used for capital expenditures.

(F) The weighted average maturity of the Revenue Bond will not exceed the estimated remaining economic life of the property refinanced or financed by the Revenue Bond by more than twenty percent (20%), all within the meaning of Section 147(b) of the Code.

(G) While the Revenue Bond remains outstanding, no portion of the proceeds of the Revenue Bond will be used to provide any airplane, skybox or other private luxury box, any facility primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises.

(H) The Company covenants and certifies to and for the benefit of the Lender and the Municipality that no use will be made of the proceeds of the Revenue Bond which will cause the Revenue Bond to be classified as an arbitrage bond within the meaning of Section 148 of the Code and regulations promulgated thereunder. The Company will comply throughout the term of the Revenue Bond with the requirements of Section 148 of the Code and any regulations promulgated thereunder.

(I) The Company covenants to determine or cause to be determined whether any payments are or may be required to be paid to the United States pursuant to Section 148(f) of the Code and the Company agrees to cause any such payments to be timely made.

(J) The Company has not leased, sold, assigned, granted or conveyed and will not lease, sell, assign, grant or convey all or any portion of the Facilities, or any interest therein to the United States or any agency or instrumentality thereof within the meaning of Section 149(b) of the Code.

(K) In the event that the Revenue Bond for any reason fails to be treated as a "qualified tax exempt obligation" within the meaning of the Code for any reason other than a Determination of Taxability as defined in Section 3.3 hereof, the interest rate on the Revenue Bond and the Promissory Note will be increased to a rate that is 1.4 times the interest rate otherwise applicable thereto as provided in the Revenue Bond, and the Company agrees to pay such increased interest as provided in the Revenue Bond.

Section 2.4. The Lender May Rely on Representations. The Municipality and the Company agree that the representations contained in this Article 2 are in part for the use and benefit of the Lender, and the Lender shall be entitled to rely thereon, subject however, to the limitations on liability set forth in Section 7.6 hereof.

ARTICLE 3 THE SALE

Section 3.1. Sale of Facilities to Municipality. In consideration of the agreements herein, the Company hereby sells and conveys to the Municipality and the Municipality hereby purchases from the Company all of the Company's right, title and interest in and to the Facilities for a price of \$_____. The purchase price shall be deemed advanced to the Company as and when the proceeds of the Revenue Bond are advanced by the Lender. The Company agrees to apply the proceeds from the sale of the Facilities to refinance the outstanding principal balance of the Existing Note (\$_____).

Section 3.2. Sale of Facilities to Company. In consideration of the agreements herein, the Municipality hereby sells and conveys to Company and the Company hereby purchases from the Municipality all of the Municipality's right, title and interest in and to the Facilities for the price of \$_____. The Company agrees to pay the purchase price to the Municipality in installments with interest as provided in the Promissory Note. The Company herewith delivers the Promissory Note to the Municipality and the Municipality hereby accepts the Promissory Note as the purchase price for the Facilities. The Municipality and the Company hereby agree that all terms of the sale including, without limitation, the interest rates thereon, the amounts, terms and method of repayment thereof and the rights to prepay the same are contained or referenced in the Promissory Note.

Section 3.3. Determination of Taxability. If the holder of the Revenue Bond receives notice of a "Determination of Taxability" (as hereinafter defined), the rate of interest on the Revenue Bond shall be automatically increased, effective as of the "Date of Taxability" (as hereinafter defined), as described in the Revenue Bond, in which event the Promissory Note payments required hereunder by the Company shall be adjusted accordingly with the increased payments required pursuant to the Revenue Bond. In such case, the Company agrees also to pay to the holder of the Revenue Bond forthwith an amount equal to the aggregate difference between (i) the amounts actually paid between the Date of Taxability and the date of receipt of notice of the Determination of Taxability and (ii) the payments due during such period based upon the increased rate, together with the amount of interest and penalties, if any, incurred by the holder as a result of such change in taxable status. Notwithstanding anything contained herein to the contrary, the amount paid on the Promissory Note shall at all times equal the amount due to the Holder of the Revenue Bond. For the purpose of this section, a "Determination of Taxability" shall mean the issuance of a statutory notice of deficiency by the Internal Revenue Service, or a ruling of the National Office or any District Office of the Internal Revenue Service, or a final decision of a court of competent jurisdiction which holds that the interest payable on the Revenue Bond is includable in the gross income of the holder for federal income tax purposes if the period, if any, for contest or appeal of such action, ruling or decision by the Company or holder has expired without any such contest or appeal having been properly instituted by the holder or the Company. The expenses of any such contest shall be paid by the party initiating the contest and neither the Company nor the holder shall be required to contest or appeal any Determination of Taxability. The Municipality shall have no costs and expenses related to such contest and appeal and shall be reimbursed for all costs and expenses related to an audit, appeal or contest. The "Date of Taxability" shall mean that point in time, as specified in

the determination, ruling or decision, that the interest payable on the Revenue Bond becomes includable in the gross income of the holder for federal income tax purposes.

Section 3.4. Notice of Proposed Taxability and Procedure Thereon. No such Determination of Taxability, however, shall be effective unless the Company has been given notice by the Municipality, the Lender or the Internal Revenue Service, either (a) of the issuance of such statutory notice of deficiency within sixty (60) days of such issuance; or (b) of the issuance of such ruling of the National Office or any District Office of the Internal Revenue Service within three (3) months of such ruling (and if the ruling was requested by the holder, the Company received written notice that a ruling would be requested within thirty (30) days of its submission and a copy of the request within thirty (30) days of the date of its submission to the National Office or any District Office of the Internal Revenue Service); or (c) of commencement of any such proceeding in any court of competent jurisdiction (in which proceeding the Company shall be allowed to intervene or to assume responsibility for the contest or appeal, or both, in the name of the holder, if necessary in the Company's opinion) within three (3) months of such commencement and before final judgment in such proceeding. The provisions of this section shall survive payment of the Revenue Bond and termination of this Sale Agreement.

In the event an investigation or audit is commenced by the Internal Revenue Service questioning the federal income tax exemption of the interest payable on the Revenue Bond or in the event the holder, or the Company on behalf of the holder, chooses to contest any statutory notice of deficiency, ruling of the Internal Revenue Service or judgment of a court of competent jurisdiction, the holder, at its election, may increase the rate of interest on the Revenue Bond to the level set forth above, and require that the Company make Promissory Note payments based upon such increased rate pending the final results of such investigation, suit or contest. The additional funds collected as a result of the rate increase shall be placed in escrow by the holder and shall bear interest at a rate no greater than the original rate of interest on the Revenue Bond. In the event the contest is resolved in favor of the Company, and the interest on the Revenue Bond continues to be exempt from federal income taxation, the funds held in such escrow account shall be returned to the Company and shall in no event be used to pay any interest or principal on the Revenue Bond. In the event the contest is resolved against the holder and the Company and interest payable on the Revenue Bond is held to be subject to federal income taxation, the amount on hand in the escrow account shall be applied to the additional Promissory Note payments then due pursuant to this section, with any excess returned to the Company.

Section 3.5. The Company's Obligations Unconditional. All Promissory Note payments and all other payments required of the Company hereunder shall be paid without notice or demand (except as provided herein and in the Revenue Bond) and without setoff, counterclaim, abatement, deduction or defense. The Company will not suspend or discontinue any payments, and will perform and observe all of its other agreements in this Sale Agreement and, except as expressly permitted herein, will not terminate this Sale Agreement for any cause, including, but not limited to, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Facilities, eviction by paramount title, commercial frustration of purpose, bankruptcy or insolvency of the Municipality or the Lender, change in interest rate on the Revenue Bond, change in the tax or other laws or administrative rulings or actions of the United States of America or of the State of Wisconsin or any political subdivision thereof or failure of the Municipality or the Lender to perform and observe any agreement, whether express or

implied, or any duty, liability or obligation arising out of or in connection with this Sale Agreement or the Revenue Bond.

Section 3.6. Disbursement. On the date hereof, the Municipality instructs the Lender to disburse the proceeds of the Revenue Bond to the Company for the purpose of paying Project Costs. Costs of Issuance shall be paid from other funds of the Company. Disbursement of any proceeds of the Revenue Bond are subject to receipt and approval by the Lender of all of the following documentation and information:

(A) Phase I Environmental Site Assessments or other environmental site assessments required by the Lender with respect to the property subject to the lien of the Mortgage.

(B) Such ALTA survey as shall be required by the Lender with respect to the property subject to the lien of the Mortgage.

(C) A pro forma title insurance policy with respect to the property subject to the lien of the Mortgage.

(D) An appraisal with respect to property subject to the lien of the Mortgage indicating a loan to value ratio with respect to the property subject to the lien of the Mortgage of at least 80%.

(E) Evidence of property and liability insurance as required by the Mortgage.

(F) A certified copy of the Articles of Incorporation, a copy of the Bylaws, a current Certificate of Good Standing issued by the Wisconsin Department of Financial Institutions, resolutions of the Company authorizing the execution, delivery and performance by the Company of this Sale Agreement and the documents related hereto and an incumbency certificate duly executed by an officer of the Company.

(G) A copy of the 501(c)(3) determination letter issued with respect to the Company.

(H) Opinions of Bond Counsel and the Company's counsel with respect to the transaction contemplated by this Sale Agreement.

(I) Written evidence of consent to the transaction contemplated by this Sale Agreement by the Company's two corporate members, RH-Wisconsin, Inc. and Group Health Plan, Inc.

(J) A non-refundable origination fee equal to \$_____.

(K) Such other documents and information as shall be reasonably required by the Lender.

ARTICLE 4
THE COMPANY'S COVENANTS

Section 4.1. Assignment. The Company recognizes the authority of the Municipality to assign its interest in and pledge all moneys receivable under this Sale Agreement (other than the rights of the Municipality under Sections 4.3, 6.4, 7.6 and 7.7 hereof) to the Lender as security for the payment of the principal of and interest on the Revenue Bond and the payment of all fees and expenses of the Lender and others as provided herein and consents to such assignment.

Section 4.2. General Covenants of the Company. The Company covenants and agrees with the Municipality and the Lender that it will:

(A) Conduct the same general type of business as it presently conducts, maintain its existence as a Wisconsin nonstock nonprofit corporation described in Section 501(c)(3) of the Code, remain duly qualified to do business in the State of Wisconsin and not dispose of all or a substantial part of its assets, or sell the Facilities, or consolidate with or merge into another corporation or permit any other corporation to consolidate with or merge into it, unless it receives the prior written consent of the Lender, which consent, with respect to a merger with HealthPartners, Inc., only, shall not be unreasonably withheld. No disposition of assets shall be undertaken by the Company if the effect thereof would be to cause the interest payable on the Revenue Bond to become subject to federal income taxation;

(B) Pay or cause to be paid all expenses of the operation and maintenance of the Facilities, including insurance on the Facilities;

(C) Cause the Facilities to be kept in good repair and in good operating condition at its own cost, making such repairs and replacements as are necessary in the judgment of the Company;

(D) Permit the use of the Facilities only in furtherance of the lawful corporate purposes of the Company, and not permit the use of the Facilities or any part thereof primarily for sectarian instruction or study or as a place for devotional study or religious worship or in a manner which is prohibited by (a) the Establishment of Religion Clause of the First Amendment to the Constitution of the United States of America and the decisions of the United States Supreme Court interpreting the same, or (b) any comparable provision of the constitution of the State of Wisconsin and the decisions of the Wisconsin Supreme Court interpreting the same;

(E) Comply throughout the term of the Revenue Bond with all requirements of the Code, and any regulations promulgated thereunder, to assure that interest on the Revenue Bond shall at all times be free from federal income taxation, and the Company hereby covenants that it will take no action, and will take such actions as may be within its power, to the extent said action or failure to act, as the case may be, would cause the interest on the Revenue Bond to become generally includable in gross income for federal income tax purposes;

(F) Keep accurate books and records in which true and complete entries will be made in accordance with GAAP, and provide its annual audited financial statements (within 150 days of fiscal year end) and quarterly unaudited financial statements (within 45 days of the end of

each fiscal quarter) to the Lender. The quarterly financial statements shall be accompanied by a certificate of the Company's chief financial officer demonstrating compliance with the covenants set forth in Sections 4.5 through 4.7 hereof. Upon request of the Lender, and subject to patient privacy laws, the Company during normal business hours shall give any representatives of the Lender access to and permit such representatives to examine and copy all books, records and other writings in its possession, to inspect its property and to discuss its finances, accounts, property and business with senior management;

(G) File when due all required tax returns, pay when due all taxes, assessments and other governmental charges levied or imposed upon it or upon its income or profits or upon any of its property, and pay when due all lawful claims for labor, materials and supplies which, if unpaid, might become a lien or charge upon any property of the Company; provided, that the Company shall not be required to pay any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings and for which the Company has established and maintains appropriate reserves;

(H) Keep and maintain its inventory, equipment, real estate and other property necessary or useful in its business in good condition and repair and pay when due all rental and mortgage payments due on such property; provided, that nothing in this Section shall prevent the Company from discontinuing the operation and maintenance of any such property if such discontinuance is desirable in the conduct of the Company's business and is not disadvantageous to the Lender;

(I) Maintain its corporate purposes substantially the same as in effect on the date hereof, and continue to operate the Facilities in furtherance of such purposes;

(J) Obtain and maintain insurance with insurers that are reasonably acceptable to the Lender, in such amounts and with such coverages (including without limitation professional liability insurance, public liability insurance, flood insurance if any of the Facilities lie in a flood plain, fire, hazard and extended coverage insurance on all of its assets, necessary workers' compensation insurance, and all other coverages as are consistent with industry practice) as are reasonably acceptable to the Lender;

(K) Preserve and maintain its existence and all of its rights, privileges and franchises, and shall comply with all applicable laws and regulations;

(L) Take all actions necessary so that the use of the Facilities for their intended purpose are and will be in compliance with all zoning, building, subdivision, condominium, health, traffic, environmental, safety and other laws, regulations and ordinances and private covenants and restrictions applicable to the Facilities;

(M) Not expend any of the proceeds of the Revenue Bond except for Project Costs and other purposes approved by the Lender that are permitted by the Act and Code; and

(N) Not enter into any management agreement relating to the operation of the Facilities unless the management agreement complies with IRS Revenue Procedure 97-13 or any replacement thereof.

Section 4.3. Indemnity. The Company will pay, and will protect, indemnify and save the Municipality and the Lender, their officers, members of their governing bodies, employees and agents (collectively, the “Section 4.3 Indemnified Persons”) harmless from and against, all liabilities, losses, damages, costs, expenses (including reasonable attorneys’ fees), causes of action, suits, claims, demands and judgments of any nature (except as incurred by any Section 4.3 Indemnified Person as a result of the recklessness or willful misconduct of such Section 4.3 Indemnified Person) arising from:

(A) Any injury to or death of any person or damage to property in or upon the Facilities or growing out of or connected with the use, non-use, condition or occupancy of the Facilities or any part thereof;

(B) Any violation of any agreement or covenant of this Sale Agreement, except by the Municipality (for willful noncompliance only) or the Lender as the case may be;

(C) Any violation of any contract, agreement or restriction by the Company relating to the Facilities;

(D) Any violation by the Company of any law, ordinance or regulation affecting the Facilities or any part thereof or the ownership, occupancy or use thereof;

(E) Any statement or information relating to the expenditure of the proceeds of the Revenue Bond contained in the “Arbitrage Certificate” or similar document furnished by the Company to the Municipality or the Lender which, at the time made, is misleading, untrue or incorrect in any material respect; and

(F) Any action taken in good faith by the Municipality or the Lender, their officers, employees and governing body members, to carry out the transaction contemplated by this Sale Agreement, including, but not limited to, the issuance and sale of the Revenue Bond.

The provisions of this section shall survive payment of the Revenue Bond and termination of this Sale Agreement. Nothing in this Section shall be construed as a limitation or waiver of any claims that the Company may have against the Lender or the Municipality with respect to any event giving rise to a right of indemnification by the Company hereunder.

The Company’s obligations under this Section 4.3 shall be conditional upon the delivery of reasonable notice by the Section 4.3 Indemnified Persons to the Company of any matter in respect of which indemnification may be sought hereunder. The Company shall have the right to assume the investigation and defense thereof, including the employment of counsel, which counsel must be and must remain satisfactory to the Section 4.3 Indemnified Persons in their reasonable discretion. Neither the Company nor the Section 4.3 Indemnified Persons shall settle or compromise any such action without the prior written consent of the other. The Section 4.3 Indemnified Persons shall have the right to employ separate counsel in any such action and to participate in the investigation and defense thereof, but the fees and expenses of such counsel shall be paid by each Section 4.3 Indemnified Person unless the employment of such counsel has been authorized by the Company or the Section 4.3 Indemnified Persons have reasonably objected to a joint defense by the Company on the ground that there may be material legal defenses available to them that cannot or are not being asserted by the Company, in which case

the fees and expenses of such counsel shall be paid by the Company. If no reasonable objection is made, and the Company assumes the defense of such action, the Company shall not be liable for the fees and expenses of any counsel for the Section 4.3 Indemnified Persons incurred thereafter in connection with such action. In no event shall the Company be liable for the fees and expenses of more than one counsel for each Section 4.3 Indemnified Person incurred thereafter in connection with such action. In no event shall the Company be liable for the fees and expenses of more than one counsel for the Section 4.3 Indemnified Persons in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, unless the retaining of additional counsel has been specifically authorized by the Company or permitted hereunder. Further, the Section 4.3 Indemnified Persons shall reimburse the Company for payments made by the Company pursuant to this Sale Agreement to the extent of any proceeds, net of collection costs, actually received by the Section 4.3 Indemnified Persons from any insurance covering such claims, but (unless otherwise so stated in this Sale Agreement or any related agreement) the Section 4.3 Indemnified Persons shall have no obligation to carry any such insurance pursuant to this Sale Agreement. The Section 4.3 Indemnified Persons shall have the duty to claim such insurance proceeds, if any, and the Section 4.3 Indemnified Persons shall assign their rights to such proceeds, to the extent of such required reimbursement, to the Company. This Section 4.3 is subject to the terms and provisions of Section 7.6 hereof.

Section 4.4. Reports to Governmental Agencies. The Company will furnish to agencies of the State of Wisconsin such periodic reports or statements as they may lawfully require throughout the term of this Sale Agreement, or, to the extent the Municipality is required to furnish such reports, will cooperate with the Municipality in furnishing all information reasonably necessary and will indemnify the Municipality for any costs incurred.

Section 4.5. Debt Service Coverage Ratio. The Company shall at the end of each fiscal year achieve a Debt Service Coverage Ratio (as evidenced by the financial statements of the Company) of at least 1.10. For purposes of this Section 4.5, the term Debt Service Coverage Ratio means (a) the Company's change in net assets plus depreciation and amortization expenses plus interest expense, divided by (b) scheduled principal and interest payments on all long-term debt. For purposes of this calculation, the change in net assets shall exclude the following: unrealized gains and losses on investments, gains or losses resulting from the sale or disposition of fixed assets, write-offs related to debt extinguishment and any other non-cash charges.

Section 4.6. Days Cash on Hand. The Company shall at the end of each fiscal year maintain at least 80 Days Cash on Hand. For purposes of this Section 4.6, the term Days Cash on Hand means the sum of the Company's cash and cash equivalents, short-term investments and board-designated limited-use assets divided by the quotient obtained by dividing total operating expenses net of depreciation and amortization expenses by 365.

Section 4.7. Capitalization Ratio. At the end of each fiscal year, the Company shall maintain a maximum Capitalization Ratio of .50. For purposes of this Section 4.7, the term Capitalization Ratio means the Company's total long-term debt divided by the sum of the Company's total long-term debt and unrestricted net assets.

Section 4.8. Additional Indebtedness. Prior to issuing any additional indebtedness, other than indebtedness referenced in the Cooperation Agreement, the Company will demonstrate to the Lender that: (i) it will achieve a Debt Service Coverage Ratio (as that term is defined in Section 4.5) for the upcoming two (2) fiscal years assuming that the proposed transaction had occurred at the beginning of the next fiscal year, of not less than 1.50, and (ii) it will remain in compliance with the covenants in Sections 4.5 through 4.7 hereof after giving effect to such additional indebtedness. In addition, if the proposed indebtedness is intended to be secured by a mortgage on parity with the Mortgage, the Company must demonstrate that all indebtedness (including the additional indebtedness) secured by the property and improvements subject to the Mortgage are not greater than 75% of the total appraised value of said property and improvements. It is acknowledged that the Lender may obtain at the Company's expense updated appraisal(s) of all or any portion of the property and improvements subject to the Mortgage in order to verify the loan to value ratio set forth above.

Section 4.9. Deposit Account. The Company agrees to permit the Lender to bid on other services such as a depository relationship and commercial insurance as such services come up for bids. All net proceeds from the issuance of the Revenue Bond to be used for improvements to the Facilities shall be deposited in a savings or investment account with the Lender.

Section 4.10. Amendments. The covenants contained in Sections 4.5 through 4.9 may be modified by written agreement between the Company and the Lender without the consent or involvement of the Municipality.

ARTICLE 5 THE COMPANY'S OPTIONS

Section 5.1. Prepayment of the Promissory Note and the Revenue Bond. The Company shall have, and is hereby granted, the option to prepay the Promissory Note, in whole or in part, on any monthly payment date specified in the Revenue Bond at par plus accrued interest plus any applicable prepayment premium described in the Revenue Bond. Any partial prepayment shall be applied against the principal portion of the installments due under this Sale Agreement and the Promissory Note consistent with the application provided in the Revenue Bond. In the event the Company elects to prepay the Promissory Note, the Company shall give notice to the Municipality and shall also cause to be given in the name of the Municipality due notice to the Lender of redemption or prepayment of the Revenue Bond as required by the Revenue Bond, and shall pay the prepayment price described in the Promissory Note and the Revenue Bond when due to the Lender. The Municipality hereby authorizes the Company to give mailed notice of prepayment and, if required by law, published notice of prepayment of the Revenue Bond in the name of the Municipality, from time to time.

Section 5.2. Termination Upon Retirement of the Revenue Bond. At such time as no principal balance on the Revenue Bond remains outstanding, and arrangements satisfactory to the Lender and the Municipality have been made for the discharge of all other accrued liabilities, if any, under this Sale Agreement, this Sale Agreement shall by its terms terminate; provided that Sections 4.3, 6.4, 7.6 and 7.7 hereof shall survive payment or defeasance of the Revenue Bond and expiration or termination of this Sale Agreement.

ARTICLE 6
EVENTS OF DEFAULT AND REMEDIES

Section 6.1. Events of Default. Any one or more of the following events is an Event of Default under this Sale Agreement:

(A) If the Company shall fail to pay any amount due under this Sale Agreement or the Promissory Note by the date that the payment is due and such failure shall continue unpaid for seven (7) days after such due date;

(B) If the Company shall fail to observe and perform any other covenant, condition or agreement on its part under this Sale Agreement or in any writing contemplated by this Sale Agreement or the Promissory Note; provided that if such failure is able to be remedied, such failure shall not constitute an Event of Default hereunder for a period of thirty (30) days after written notice, specifying such default and requesting that it be remedied, given to the Company by the Municipality or the Lender, if during such 30-day period the Company is diligently acting to remedy such failure; provided, further, that the Lender may agree in writing (with written notice provided to the Municipality) to an extension of such time prior to its expiration;

(C) A “default” or “event of default” shall occur under any agreement between the Company and the Lender (subject to any notice and cure provision stated in the applicable agreement);

(D) If the Company shall file a petition in bankruptcy or for reorganization or for an assignment pursuant to any present state law, or shall make an assignment for the benefit of its creditors or shall admit in writing its inability to pay its debts generally as they become due, or if a petition or answer seeking a reorganization, arrangement with creditors or similar relief under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within sixty (60) days after the filing thereof, or a receiver, trustee or liquidator of the Company, or of all or substantially all of the assets of the Company, or of the Facilities, shall be appointed in any proceeding brought against the Company and shall not be discharged within sixty (60) days after such appointment or if the Company shall consent to or acquiesce in such appointment; or

(E) Any statement, representation or warranty of the Company (or any officer, employee, agent or attorney of the Company) to the Lender or the Municipality at any time, including without limitation any statement, representation or warranty made in this Sale Agreement or in any writing contemplated by this Sale Agreement, shall be incorrect or misleading in any material respect when made.

Section 6.2. Remedies. Whenever any Event of Default referred to in Section 6.1 shall have happened and be subsisting, any one or more of the following remedial steps may be taken by the Municipality (with the prior written consent of the Lender) or the Lender:

(A) Declare the principal of the Promissory Note with interest accrued thereon (being an amount equal to that necessary to pay in full the Revenue Bond assuming acceleration of the Revenue Bond and pay all other indebtedness thereunder) to be immediately due and payable;

(B) Require the Company to furnish copies of all books and records of the Company pertaining to the Facilities; or

(C) Take whatever action at law or in equity may appear necessary or appropriate to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Company under this Sale Agreement, the Promissory Note or any other agreement entered into in connection with the issuance of the Revenue Bond.

Section 6.3. Manner of Exercise. No remedy herein conferred upon or reserved herein is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Sale Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Municipality or the Lender to exercise any right reserved to it in this Article, it shall be necessary to give only such notice as may be herein or therein expressly required. The Municipality may in all events enforce its rights under Sections 4.3, 6.4, 7.6 and 7.7 hereof.

Section 6.4. Attorneys' Fees and Expenses. In the event the Company should default under any of the provisions of this Sale Agreement and the Municipality or the Lender should employ attorneys or incur other expenses for the collection of payments or the enforcement of performance of any obligation or agreement on the part of the Company, the Company will on demand pay to the Municipality or the Lender, respectively, the reasonable fee of such attorneys and such other reasonable expenses so incurred. The Company shall also pay the Municipality's and the Lender's fees and expenses related to any amendment hereof.

Section 6.5. Effect of Waiver. The Lender may, in its discretion, waive any Event of Default hereunder and its consequences and rescind any declaration of acceleration of principal with notice to and consent of the Municipality; provided, however, that waivers of any Event of Default under Section 6.1(C) or 6.1(E) hereof, other than an Event of Default causing or resulting in acceleration of principal, does not require notice to or consent from the Municipality and provided further, that no action or inaction by the Lender shall be deemed a waiver of any of the Lender's rights or remedies unless the Lender specifically agrees in writing that such action or inaction will constitute a waiver of its rights or remedies. Any waiver shall only apply to the particular instance for which it was agreed. No delay by either party in exercising and no failure by either party in exercising any right or remedy hereunder, or afforded by law, shall be a waiver of or preclude the exercise of any right or remedy hereunder, or provided by law, whether on such occasion or any future occasion, nor shall such delay be construed to be a waiver of any Event of Default or acquiescence therein. The exercise or the beginning of the exercise of one right or remedy shall not be deemed a waiver of the right to exercise at the same time or thereafter any other right or remedy.

Section 6.6. Application of Money. The proceeds and avails of any remedy hereunder shall be applied as follows:

To the Lender:

Bremer Bank, National Association
532 South Knowles Avenue
New Richmond, WI 54017-1735
Attn: J. Scott Wagner, Vice President

Section 7.2. Binding Effect. This Sale Agreement shall inure to the benefit of and shall be binding upon the Municipality and the Company and their respective successors and assigns and with respect to the Company such assignment or succession shall be in accordance with Section 4.2(A) hereof. This Sale Agreement shall also benefit the Lender, which is a third-party beneficiary and assignee of this Sale Agreement.

Section 7.3. Severability. If any term, condition or provision of this Sale Agreement or the application thereof to any person or circumstance shall, to any extent, be held to be invalid or unenforceable, the remainder thereof and the application of such term, provision and condition to persons or circumstances other than those as to whom it shall be held invalid or unenforceable shall not be affected thereby, and this Sale Agreement and all the terms, provisions and conditions hereof shall, in all other respects, continue to be effective and be complied with to the full extent permitted by law.

Section 7.4. Amendments, Changes and Modifications. Except as otherwise provided in this Sale Agreement, this Sale Agreement may not be assigned, amended, changed, modified, altered or terminated without the written consent of the Lender, and any assignment, amendment, change, modification, alteration or termination in violation of this Section shall be void.

Section 7.5. Execution Counterparts. This Sale Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 7.6. Limitation on the Municipality's Liability. It is understood and agreed by the Company (A) that no covenant, provision or agreement contained in this Sale Agreement, the Revenue Bond, the Pledge Agreement or in any other agreement, certificate or document executed or delivered in connection with the issuance of the Revenue Bond, and that no obligation herein or therein imposed upon the Municipality (or any other party) or respecting the breach thereof (collectively, the "Indemnified Matters"), shall give rise to a pecuniary liability of the Municipality or a charge against its general credit or taxing powers; and (B) that the Revenue Bond shall be and constitute only a special and limited revenue obligation of the Municipality, payable solely from the revenues pledged to the payment thereof pursuant to the Pledge Agreement and this Sale Agreement and the Promissory Note, and that the Revenue Bond does not now and shall never constitute an indebtedness, a moral or general obligation or a loan of the credit of the Municipality or a charge, lien or encumbrance, legal or equitable, against the Municipality's property (except as described in the Pledge Agreement), general credit or taxing powers. The Company hereby indemnifies the Municipality and each of its officers, agents, employees and governing body members (collectively, the "Indemnified Parties") and the Company agrees to hold the Indemnified Parties harmless against all expenses, loss, claim, judgment, damage and any other liability respecting or arising out of the Indemnified Matters, the Facilities, or the Project, and the Company will reimburse the Indemnified Parties for all legal and other expenses incurred by the Indemnified Parties in relation thereto, and this

covenant to indemnify, hold harmless and reimburse the Indemnified Parties, together with the rights of the Municipality provided in Sections 4.3, 6.4 and 7.7 of this Sale Agreement, shall survive delivery of and payment for or defeasance of the Revenue Bond and the expiration or termination of this Sale Agreement. Notwithstanding any other provision of this Sale Agreement, the Indemnified Parties shall have the right in their discretion to employ separate counsel, and the reasonable fees of said counsel shall be included within the costs indemnified by the Company, and no prior approval of such separate representation and no consent by the Company to settlement or other disposition of such matter shall be required. No failure of the Municipality to comply with any term, condition, covenant or agreement herein shall subject the Municipality to liability for any claim for damages, costs or other financial or pecuniary charges.

The Lender recognizes and agrees that the Municipality has no pecuniary liability to the Lender or any subsequent holder of the Revenue Bond for the Municipality's failure to investigate, or negligence in the investigation of, the financial position or prospects of the Company or for failure of the Municipality to consider, or negligence in the consideration of, the adequacy of terms of, or collateral security for, the Revenue Bond or any related agreement. The Lender recognizes and agrees that the Municipality has no liability in connection with the issuance or sale of the Revenue Bond or concerning representations made by or for performance of the obligation of any person who is a party to a related transaction or agreement, except as is specifically provided in this Pledge Agreement, the Sale Agreement or the Revenue Bond.

Section 7.7. Payment and Indemnification of Municipality. The Company covenants to pay to the Municipality and hold the Municipality and each of its officers, agents, employees and governing body members harmless from all liabilities, costs and other expenses (including attorneys' fees) of the Municipality suffered, incurred or paid at any time in connection with any actions, transactions or other matters contemplated by or taken pursuant (or relating in any matter whatsoever) to the Revenue Bond, the Pledge Agreement, this Sale Agreement or any of the other documents proposed to be executed or delivered in connection with the issuance of or otherwise related to the Revenue Bond, or as may arise in connection with any of the foregoing.

Section 7.8. GAAP. All financial statements to be delivered hereunder, and all financial covenants contained herein, shall be prepared and computed in accordance with generally accepted accounting principles, consistently applied.

IN WITNESS WHEREOF, the Municipality and the Company have caused this Sale Agreement to be executed in their respective names, all as of the date first above written.

CITY OF NEW RICHMOND, WISCONSIN

By _____
Mayor

By _____
Clerk

Signature page to Sale Agreement

WESTFIELDS HOSPITAL, INC.

By _____
Chief Financial Officer

Signature page to Sale Agreement

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT, dated as of June __, 2016, between the City of New Richmond, Wisconsin, a municipal corporation duly organized and existing under the laws of the State of Wisconsin (the "Municipality"), and Bremer Bank, National Association (the "Lender");

WITNESSETH:

WHEREAS, the Municipality has executed its \$_____ Hospital Revenue Refunding Bond (Westfields Hospital, Inc. Project) Series 2016A, of even date herewith (the "Bond") in favor of the Lender; and

WHEREAS, the Municipality has entered into a Sale Agreement of even date herewith (together with any amendments thereof, the "Sale Agreement") with Westfields Hospital, Inc., a Wisconsin nonstock nonprofit corporation (hereinafter referred to as the "Company") and an entity described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, whereby the Municipality will acquire the Facilities (as defined in the Sale Agreement) and sell the Facilities back to the Company as provided in the Sale Agreement, and the Company will execute for the benefit of the Municipality a Promissory Note Series 2016A in the amount of \$_____, dated the date hereof and as amended from time to time (the "Note"), in order to reacquire the Facilities; and

WHEREAS, as a condition to its purchase of the Bond, the Lender is requiring the execution of this Pledge Agreement.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. The Municipality does hereby assign and grant to the Lender a security interest in all of the Municipality's right, title, and interest in and to the Sale Agreement (except for the Municipality's rights under Sections 4.3, 6.4, 7.6 and 7.7 thereof (the "Municipality Rights")) and the Note, and all proceeds thereof.
2. The Municipality hereby represents to the Lender that the Municipality has not previously assigned the Note and the Sale Agreement.
3. The Municipality hereby authorizes the Lender to exercise, whether or not an Event of Default has occurred under the Sale Agreement, either in the Municipality's name (only with prior written notice to the Municipality) or the Lender's name (with written notice to the Municipality), any and all rights or remedies available to the Municipality under the Sale Agreement, provided the Municipality may in all events exercise the Municipality Rights. The Municipality agrees, on request of the Lender, to execute and deliver to the Lender such other documents or instruments as shall be deemed reasonable, necessary or appropriate by the Lender at any time to confirm or perfect the security interest hereby granted.

4. The Municipality will not, except as may respect Municipality Rights:

(a) exercise or attempt to exercise any remedies under the Sale Agreement, or knowingly terminate, modify, or accept a surrender of, or offer or agree to any termination, modification, or surrender of, the same, or, by affirmative act, consent to the creation or existence of any security interest or other lien in the Sale Agreement or the Note to secure payment of any other indebtedness without consent of the Lender; or

(b) receive or collect or permit the receipt or collection of any payments, receipts, rentals, profits, or other moneys under the Sale Agreement or the Note which are not promptly remitted to Lender, or assign, transfer or hypothecate (other than to the Lender hereunder) any of the same then due or to accrue in the future.

5. The Municipality expressly covenants and agrees that the Lender shall be entitled to receive all payments under the Sale Agreement and Note, other than any payments made in respect of Municipality Rights, and pursuant to the Sale Agreement the Company has agreed to make such payments directly to the Lender. The Lender covenants and agrees that all payments received by the Lender under the Sale Agreement and Note shall be applied to the payment of principal of and interest and other charges as set forth in the Sale Agreement, if any, on the Bond, the Sale Agreement and the Note.

6. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party, and all the covenants, promises, and agreements in this Pledge Agreement contained by or on behalf of the Municipality or the Lender shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

7. The unenforceability or invalidity of any provision or provisions of this Pledge Agreement shall not render any other provision or provisions herein contained unenforceable or invalid.

8. This Pledge Agreement shall in all respects be construed in accordance with and governed by the laws of the State of Wisconsin. This Pledge Agreement may not be amended or modified except in writing signed by the Municipality and the Lender.

9. This Pledge Agreement may be executed, acknowledged, and delivered in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

10. The terms used in this Pledge Agreement which are defined in the Sale Agreement shall have the meanings specified therein unless the context of this Pledge Agreement otherwise requires, or unless such terms are otherwise defined herein.

11. The Lender recognizes and agrees to the limitation of the Municipality's liability as set forth in Sections 4.3 and 7.6 of the Sale Agreement. The Lender recognizes and understands that the Bond is a limited obligation of the Municipality payable solely from payments derived pursuant to the Sale Agreement and the Note and from the property which secures payment of the Bond or the Note. The Lender recognizes and understands that the Bond

and the interest thereon shall never constitute a debt of the Municipality within the meaning of any constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability or a general or moral obligation of the Municipality or a charge against the Municipality's funds, property, general credit or taxing power. The Lender recognizes and understands that the Bond does not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Municipality, except revenues under the Sale Agreement and the Note, and the agreement of the Municipality to perform or cause the performance of the covenants and other provisions set forth in the Bond shall be subject at all times to the availability of revenues from such sources sufficient to pay all costs of such performance or the enforcement thereof.

12. The Lender recognizes and agrees that the Municipality has no pecuniary liability to the Lender or any subsequent holder of the Bond for the Municipality's failure to investigate, or negligence in the investigation of, the financial position or prospects of the Company or for failure of the Municipality to consider, or negligence in the consideration of, the adequacy of terms of, or collateral security for, the Bond or any related agreement. The Lender recognizes and agrees that the Municipality has no liability in connection with the issuance or sale of the Bond or concerning representations made by or for performance of the obligation of any person who is a party to a related transaction or agreement, except as is specifically provided in this Pledge Agreement, the Sale Agreement or the Bond.

[Signature pages to follow.]

IN WITNESS WHEREOF, the Municipality and the Lender have caused this Pledge Agreement to be duly executed as of the day and year first above written.

CITY OF NEW RICHMOND, WISCONSIN

By _____
Mayor

By _____
Clerk

[Signature page to Pledge Agreement.]

**BREMER BANK, NATIONAL
ASSOCIATION**

By _____
Its Vice President

[Signature page to Pledge Agreement.]

COOPERATION AGREEMENT

This Cooperation Agreement (“Agreement”), dated as of June ____, 2016, is by and between the City of New Richmond, Wisconsin (“New Richmond”), and the Village of Star Prairie, Wisconsin (“Star Prairie”), each a municipality organized and existing under the laws of the State of Wisconsin.

RECITALS

WHEREAS, pursuant to Wisconsin Statutes, Section 66.0621, as amended (the “Act”), any municipality (as defined in the Act) may issue revenue bonds to finance public utilities as defined in the Act; and

WHEREAS, New Richmond and Star Prairie are each a municipality (as defined in the Act); and

WHEREAS, Wisconsin Statutes, Section 66.0301, as amended (the “Intergovernmental Cooperation Act”), provides that any municipality may contract with other municipalities for the joint exercise of any power authorized by law, and that the Intergovernmental Cooperation Act is to be interpreted liberally in favor of cooperative action between municipalities; and

WHEREAS, it has been proposed that New Richmond and Star Prairie each issue a revenue bond pursuant to the Act and pursuant to the Intergovernmental Cooperation Act, in order to refinance existing tax exempt debt of such municipalities and finance certain capital improvements to existing hospital and related facilities (the “Project”), owned and operated by Westfields Hospital, Inc. (the “Company”), and located in New Richmond; and

WHEREAS, the respective governing bodies of New Richmond and Star Prairie have authorized the execution and delivery of this Agreement;

NOW, THEREFORE, New Richmond and Star Prairie hereby agree as follows:

1. In order to finance a portion of the Project, New Richmond and Star Prairie shall issue their respective revenue bonds pursuant to the Act, New Richmond in an amount not to exceed \$3,375,000, and Star Prairie in an amount not to exceed \$7,500,000.
2. Each municipality will have no liability with respect to the revenue bonds issued by the other municipalities. None of the municipalities shall incur any obligations or liabilities to each other as a result of the use of the Project by the Company.
3. All costs incurred by New Richmond and Star Prairie in the authorization, execution, delivery and performance of this Agreement shall be paid by the Company.
4. This Agreement may not be terminated by any party so long as any revenue bond described herein is outstanding.
5. This Agreement may be signed in counterparts.

IN WITNESS WHEREOF, duly authorized officers of the City of New Richmond and the Village of Star Prairie have executed this Agreement as of the date and year first above written.

[Signature pages to follow.]

CITY OF NEW RICHMOND

By _____
Mayor

By _____
City Clerk

[Signature page to Cooperation Agreement.]

VILLAGE OF STAR PRAIRIE

By _____
Village President

By _____
Village Clerk

[Signature page to Cooperation Agreement.]

7664449v2

UNITED STATES OF AMERICA
STATE OF WISCONSIN

CITY OF NEW RICHMOND, WISCONSIN

Hospital Revenue Refunding Bond
(Westfields Hospital, Inc. Project)
Series 2016A

No. R-1

\$ _____

The CITY OF NEW RICHMOND, WISCONSIN, a municipal corporation duly organized and existing under the laws of the State of Wisconsin (the "Municipality"), for value received, hereby promises to pay to the order of Bremer Bank, National Association, or registered assigns (the "Holder"), at its offices in New Richmond, Wisconsin, or such other place as the Holder may designate in writing, but solely from the source, and subject to the limitations and in the manner hereinafter provided, the principal sum of _____ Million _____ Hundred Thousand Dollars (\$ _____), or so much thereof as may have been advanced to or for the benefit of the Municipality and remains unpaid from time to time (the "Principal Balance"), with interest thereon from the date hereof at the annual rate equal to _____ percent (___%) per annum. The principal and interest shall be paid in any coin or currency which at the time or times of payment is legal tender for the payment of public and private debts in the United States of America. This Bond is payable in the amounts and at the times provided below.

Commencing on July __, 2016, and on the same day of each month thereafter, principal and interest shall be payable in monthly installments of principal and interest set forth on Exhibit A, at the interest rate set forth above. Interest payments shall be computed on the basis of a year of 360 days consisting of twelve (12) 30-day months. The entire outstanding Principal Balance and interest, if not sooner paid, shall be paid in full January __, 2022. Payments shall be applied first to interest due on the unpaid principal and thereafter to reduction of principal.

In the event of a Determination of Taxability (as defined in the Sale Agreement defined below), the rate of interest hereon shall be automatically adjusted to an annual rate equal to 1.5 times the interest rate set forth in the first paragraph hereof. Such increased rate is to be effective as of the Date of Taxability (as defined in the Sale Agreement). The Municipality shall within 30 days of the receipt of notice of the Determination of Taxability pay to the Holder solely from the source as provided herein the aggregate difference between (i) the amounts actually paid hereunder between the Date of Taxability and the date of receipt of notice of the Determination of Taxability and (ii) the amounts which would have been due during such period if the increased interest rate had been in effect.

In the event that this Bond fails to be treated as "bank qualified" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended (the "Code"), for any reason other than a Determination of Taxability, the interest rate hereon will be adjusted (if appropriate, retroactive to the date this Bond ceased to be treated as "bank qualified" for any reason other than a

Determination of Taxability), to a rate that is 1.4 times the interest rate otherwise applicable hereto. Promptly after determining that this Bond is not "bank qualified" for any reason other than a Determination of Taxability, the Holder shall notify the Municipality and the Company (defined below) of the appropriate adjustment to the interest rate, which determination shall be conclusive in the absence of manifest error. Any interest due resulting from a retroactive increase in the interest rate shall be payable solely from the source as provided herein within 30 days after the date of such notice.

This Bond and a certain related revenue bond of the Village of Star Prairie, Wisconsin are being issued for the purpose of refinancing certain existing tax exempt debt as well as financing certain capital improvements to hospital and related facilities located at 535 Hospital Road in New Richmond, Wisconsin that are owned and operated by Westfields Hospital, Inc., a Wisconsin nonstock nonprofit corporation (the "Company"). The proceeds of the Bond will be made available to the Company for such purposes pursuant to the terms of a Sale Agreement of even date herewith between the Municipality and the Company (the "Sale Agreement"). The Company's payment obligations under the Sale Agreement are evidenced by the Company's Promissory Note Series 2016A, dated the date hereof, in the amount of this Bond (the "Note").

Upon an "Event of Default" as defined in the Sale Agreement, this Bond shall bear a default rate of interest that is 3% per annum over the interest rate otherwise applicable hereto, as provided in Section 6.7 of the Sale Agreement.

This Bond is issued pursuant to and in full compliance with the Constitution and laws of the State of Wisconsin, particularly Wisconsin Statutes, Section 66.0621, as amended, and pursuant to a resolution of the Municipality duly adopted on June 13, 2016 (the "Resolution").

This Bond is payable solely from payments derived pursuant to the Sale Agreement, the Note and from the property subject to the Mortgage (as defined in the Sale Agreement), which payments although to be paid directly to the Holder by the Company, will be deemed to have been first deposited in the Special Redemption Fund created pursuant to the Resolution, from which fund this Bond is payable. This Bond and the interest and any prepayment premium hereon shall never constitute a debt of the Municipality within the meaning of any constitutional provision or statutory limitation and shall never constitute or give rise to an indebtedness, a pecuniary liability, a moral or general obligation or a loan of the credit of the Municipality or a charge against its general credit or taxing powers. This Bond is not secured by and does not constitute a charge, lien, or encumbrance, legal or equitable, upon the property, funds, general credit or taxing powers of the Municipality, except revenues under the Sale Agreement and Note, and the agreement of the Municipality to perform or cause the performance of the covenants and other provisions herein referred to shall be subject at all times to the availability of revenues from such sources sufficient to pay all costs of such performance or the enforcement thereof.

This Bond shall be subject to prepayment on any installment payment date by the Municipality, at the request of the Company, in whole or in part. If the prepayment is from a refinancing from a financial institution other than the Holder, or if the prepayment in any one (1) year period ending on June __ of each calendar year exceeds 10% of the Principal Balance as of June __ of the immediately preceding calendar year, the following schedule of prepayment penalties applies: if the prepayment is on or prior to June __, 2021, the prepayment penalty shall

be 2% of the Principal Balance; if the prepayment is after June __, 2021 but on or prior to the final maturity date of January __, 2022, the prepayment penalty shall be 1% of the Principal Balance. Otherwise, there shall be no prepayment penalty. Notwithstanding the foregoing, there shall be no prepayment penalty if the prepayment is from a refinancing in which HealthPartners, Inc. or a controlled affiliate thereof is the obligor. Notice of any such prepayment shall be given to the Holder by certified or registered mail, addressed to the Holder at its registered address, not less than thirty (30) days prior to the date fixed for prepayment. At the date fixed for prepayment, funds shall be paid to the Holder at its registered address. All prepayments applied to principal shall be applied to installments of principal in the inverse order of their maturity.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the Municipality at the office of the Clerk, by the registered Holder in person or by its attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Clerk duly executed by the registered Holder or its duly authorized attorney. Upon such transfer, the Clerk will note the date of registration and the name and address of the newly registered Holder in the registration blank appearing below. Alternatively, the Clerk will, at the request of the registered Holder, issue new obligations in an aggregate principal amount equal to the unpaid principal balance of this Bond, of like tenor except as to number and principal amount, and registered in the name of the registered Holder. The Clerk may deem and treat the person in whose name this Bond is last registered upon the books of the Clerk, with such registration noted on the Bond, as the absolute owner hereof for the purpose of receiving payment of or on account of the principal balance, redemption price, or interest and for all other purposes; all such payments so made to the registered Holder or upon its order shall be valid and effectual to satisfy and discharge the liability upon this Bond to the extent of the sum or sums so paid, and the Clerk shall not be affected by any notice to the contrary.

All of the agreements, conditions, covenants, provisions and stipulations contained in the Resolution and the Sale Agreement are hereby made a part of this Bond to the same extent and with the same force and effect as if they were fully set forth herein. The Municipality has assigned and granted to the Holder a security interest in all of the Municipality's rights, title, and interest in the Sale Agreement (except the Municipality's rights under Sections 4.3, 6.4, 7.6 and 7.7 of the Sale Agreement). If a default occurs under this Bond and is not cured within any applicable grace period set forth in the Sale Agreement, then, subject to the terms of the Sale Agreement, the Holder may at its right and option declare immediately due and payable, without further notice, the principal balance of this Bond and interest accrued by the Holder in collecting or enforcing payment thereof, whether suit be brought or not, and all other sums due hereunder or under the Sale Agreement, anything to the contrary therein notwithstanding, and payment thereof may be enforced and recovered in whole or in part, at any time, by one or more of the remedies provided in this Bond or the Sale Agreement. The Holder may extend the time for payment of interest and/or principal of this Bond, without notice to or consent of any party liable hereon and without releasing any such party.

Subject to the rights of the Municipality, the remedies of the Holder, as provided herein and in the Sale Agreement shall be cumulative and concurrent, may be pursued singly, successively, or together and at the sole discretion of the Holder, and may be exercised as often

as occasion therefor shall occur. The failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

It is intended that this Bond is made with reference to and shall be construed as a Wisconsin contract and governed by the laws thereof.

This Bond shall be “deemed designated” as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Code.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, and things required to exist, happen, and be performed by the Municipality precedent to or in the issuance of this Bond do exist, have happened, and have been performed in regular and due form as required by law.

[Signature page follows.]

IN WITNESS WHEREOF, the Municipality has caused this Bond to be duly executed by its duly authorized officers as of this _____ day of June, 2016.

[SEAL]

CITY OF NEW RICHMOND, WISCONSIN

By _____
Mayor

By _____
Clerk

[Signature page to Hospital Revenue Bond.]

BOND REGISTER

CITY OF NEW RICHMOND, WISCONSIN
HOSPITAL REVENUE REFUNDING BOND
(WESTFIELDS HOSPITAL, INC. PROJECT)
SERIES 2016A

<u>Name and Address of Registered Holder</u>	<u>Bond No.</u>	<u>Date of Registration</u>	<u>Signature of Clerk</u>
Bremer Bank, National Association 532 South Knowles Avenue New Richmond, WI 54017-1735	R-1	June __, 2016	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

EXHIBIT A
PAYMENT SCHEDULE

MEMORANDUM

TO: City Council, City of New Richmond
CC: Mike Darrow, City Administrator
Bev Langenback, Treasurer
FROM: Weston Arndt, WPPI Energy Services Representative
DATE: June 13, 2016
SUBJECT: RESOLUTION AUTHORIZING BORROWING FROM WPPI ENERGY

Background

The street upgrades planned and underway for the summer of 2016 also include the installation of new street lighting. This offers an opportunity for the City to continue its effort to install LED street lighting that has been underway since our first changes in 2010. This strategic energy efficiency improvement of installing LED technology in lieu of incumbent high pressure sodium and metal halide fixtures reduces maintenance costs and provides energy savings for the life of the installations.

Similar to previous LED streetlight conversions, a member-loan from WPPI Energy is available for these improvements. In the instance of the new installations, the loan can be applied to the full project cost. The WPPI Energy member loan offers zero-percent interest over a ten year term, for a 1% loan origination fee.

WPPI Energy members can apply for multiple loans, but the total loan funding available for each member is \$500,000. City staff applied for the maximum remaining loan amount available to the City of \$280,592 and this request was approved by WPPI Energy. The one-time 1% administration fee of \$2,805.92 will be included on the first month's invoice.

Street lighting infrastructure included in the request will be located at North Starr Ave. & Hughes Street, 115th Street, East North Shore Drive, East North Shore Trail, and 140th Street.

Approval Requested

WPPI Energy requires authorization by resolution from the common council to approve the loan and issue the final documents. Staff recommends approving the resolution authorizing borrowing from WPPI Energy for the LED street lighting projects.

**COMMON COUNCIL
OF THE
CITY OF NEW RICHMOND**

**RESOLUTION #061603
RESOLUTION AUTHORIZING BORROWING FROM WPPI ENERGY**

WHEREAS, the **City of New Richmond, Wisconsin** (the “Municipality”) intends to **install new energy efficient LED Street Lighting as part of the 2016 Street & Utility Improvement Projects** (the “Project”);

WHEREAS, in order to fund all or a portion of the Project, the Municipality intends to borrow from WPPI Energy (“WPPI”) an amount not to exceed Two hundred eighty thousand and 00/100 dollars (\$280,592.00) at an interest rate of zero percent (0%) over a ten (10) year term (the “Loan”); and

WHEREAS, the Loan will be evidenced and secured by a promissory note from the Municipality to WPPI (the “Note”) and a loan agreement by and between the Municipality and WPPI (the “Loan Agreement”, and together with the Note, the “Loan Documents”); and

WHEREAS, the **[Common Council]** of the Municipality has determined that funding of the Project, in whole or in part, through the Loan and executing and delivering the Loan Documents in substantially the form presented is necessary and in the best interest of the Municipality.

NOW, THEREFORE, BE IT RESOLVED by the **[Common Council]** of the Municipality that:

1. The Loan Documents, as presented to the **Common Council** of the Municipality, and all of the terms and conditions therein are hereby approved. The **Mayor, the City Manager and City Clerk** of the Municipality, or officers authorized to act in their absence, are authorized on behalf of the Municipality to execute and deliver the Loan Documents in substantially their respective forms as presented to the **Common Council** of the Municipality. The **Mayor, City Manager and City Clerk** and officers authorized to act in their absence are hereby authorized to prepare or to have prepared and to execute, file and deliver, as appropriate, all such other documents, affidavits, agreements or instruments as may be deemed necessary by those officials in order to effectuate the Loan as contemplated in this Resolution.
2. This Resolution shall be effective immediately upon its adoption and approval.

Adopted and approved by the **Common Council** of the Municipality this 13th day of June, 2016.

Name: Frederick Horne
Title: Mayor

Attest:

Name: Tanya Reigel
Title: City Clerk



Memo

To: City Council of the City of New Richmond, WI
From: Sean Lentz, Ehlers
Cc: Mike Darrow, City Administrator
Date: June 13, 2016
Subject: Resolutions Providing for the sale of \$4,640,000 General Obligation Corporate Purpose Bonds, Series 2016A and \$3,345,000 Water and Sewer System Revenue Bonds, Series 2016B

\$4,640,000 General Obligation Corporate Purpose Bonds, Series 2016A

At the City Council Workshop on May 23, the Council reviewed two options for repayment of the proposed \$4,640,000 General Obligation Corporate Purpose Bonds, Series 2016A:

1. Option No. 1 resulted in an estimated increase in the City's total debt levy from the 2016 amount of \$1,530,008 to \$1,728,777 in 2017, a projected increase of \$198,769. The estimated increase on a \$200,000 property in 2017 was \$70.
2. Option No. 2 reduced principal payments on the tax levy portion of the 2016 Bonds in 2017 and 2018 in an attempt to minimize the tax impact. The total City debt levy for 2017 was estimated at \$1,621,745, a \$91,737 increase over the 2016 level. The estimated increase on a \$200,000 property in 2017, based on Option No. 2, was \$34. Deferring the principal payments would increase the estimated total interest expense on the issue by approximately \$120,000.

The consensus of the Council, at the Workshop, was Option No. 1 was the best option for the City. The Pre-Sale Report for the \$4,640,000 General Obligation Corporate Purpose Bonds, Series 2016A is based on Option No. 1. Exhibit 3 of the report is an update to a future debt forecast slide discussed by the Council at the May 23rd Workshop. The original slide estimated future debt issues of \$5 Million in 2018, 2020, and 2022. Based on feedback from the Council, the future debt issues were reduced to \$2 Million. With the reduction in projected debt issuance, the forecasted future issues can be added without an increase in the total City debt levy.

Approval of the resolution providing for the sale of \$4,640,000 General Obligation Corporate Purpose Bonds, Series 2016A will result in a bond sale on July 11, 2016. Results of the sale will be reviewed with the Council at the July 11th meeting.





\$3,345,000 Water and Sewer System Revenue Bonds, Series 2016B

The City's Utility Commission met on June 1 to review options for financing the Water and Sewer Utility portions of the 2016 capital project list. The 2016 finance plan included refinancing the \$2,865,000 Water and Sewer Utility Revenue Bonds of 2007. Estimated savings of refinancing the 2007 Bonds is over \$200,000. The Utility Commission recommends repaying the new money portion of the proposed 2016B Revenue Bonds over a 19 year period. The Commission discussed other repayment options and determined the recommended option matches the useful life of the improvements, takes advantage of the current low interest rate environment, and provides flexibility to manage the rate impact of future capital needs of the Sewer and Water Utility.

Approval of the resolution providing for the sale of \$3,345,000 Water and Sewer System Revenue Bonds, Series 2016B will result in a bond sale on July 11, 2016. Results of the sale will be reviewed with the Council at the July 11th meeting.



June 13, 2016 (DRAFT)

Pre-Sale Report for

City of New Richmond, Wisconsin

\$3,345,000 Water and Sewer System Revenue Bonds,
Series 2016B

City of New Richmond

Prepared by:

Sean Lentz
Senior Municipal Advisor

And

Brian Reilly
Senior Municipal Advisor

Executive Summary of Proposed Debt

Proposed Issue:	\$3,345,000 Water and Sewer System Revenue Bonds, Series 2016B
Purposes:	<p>The proposed issue includes financing for the following purposes:</p> <ul style="list-style-type: none"> • Current Refunding of Water and Sewer Utility Revenue Bonds, Series 2007B (\$1,930,000) – Debt service will be paid from water and sewer utility revenues. <p>Interest rates on the obligations proposed to be refunded are 3.80% to 4.00%. The refunding is expected to reduce interest expense by approximately \$204,116 over the next 11 years. The Net Present Value Benefit of the refunding is estimated to be \$162,389, equal to 8.349% of the refunded principal.</p> <p>This refunding is considered to be a Current Refunding as the obligations being refunded are callable now.</p> <ul style="list-style-type: none"> • New money for water projects (\$795,000) – Debt service will be paid from water utility revenues. • New money for sewer projects (\$620,000) – Debt service will be paid from water utility revenues.
Authority:	<p>The Bonds are being issued pursuant to Wisconsin Statute:</p> <ul style="list-style-type: none"> • 66.0621 <p>The Bonds are not general obligations of the City and are payable only from and secured by a pledge of income and revenue to be derived from the operation of the Water and Sewerage Systems.</p>
Term/Call Feature:	<p>The Bonds are being issued for a 19-year term. Principal on the Bonds will be due on May 1 in the years 2017 through 2035. Interest is payable every six months beginning May 1, 2017.</p> <p>The Bonds maturing on and after May 1, 2026 will be subject to prepayment at the discretion of the City on May 1, 2025 or any date thereafter.</p>
Bank Qualification:	<p>Because the City is expecting to issue no more than \$10,000,000 in tax exempt debt during the calendar year, the City will be able to designate the Bonds as “bank qualified” obligations. Bank qualified status broadens the market for the Bonds, which can result in lower interest rates.</p>
Rating:	<p>The City’s most recent water and sewer system revenue bond issues were rated A3 by Moody’s Investors Service. The City will request a new rating for the Bonds.</p> <p>If the winning bidder on the Bonds elects to purchase bond insurance, the</p>



	rating for the issue may be higher than the City's bond rating in the event that the bond rating of the insurer is higher than that of the City.
Basis for Recommendation:	<p>Based on our knowledge of your situation, your objectives communicated to us, our advisory relationship as well as characteristics of various municipal financing options, we are recommending the issuance of Water and Sewer System Revenue Bonds through a competitive public offering due to the following factors:</p> <ul style="list-style-type: none"> • Revenue bonds do not count against general obligation borrowing capacity, and the water and sewer utilities have sufficient debt service coverage to issue revenue bonds. • We discussed the pros and cons of one bond issue secured by a joint pledge of water and sewer utility revenues versus two issues secured only by their respective repayment source and the City decided a single, jointly-pledged issue better met the City's needs. • The size, structure, term and security of the issue will position it well to receive interest from potential investors.
Method of Sale/Placement:	<p>In order to obtain the lowest interest cost to the City, we will competitively bid the purchase of the Bonds from local and national underwriters/banks.</p> <p>We have included an allowance for discount bidding equal to 1.20% of the principal amount of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.</p> <p>If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to lower your borrowing amount.</p> <p>Premium Bids: Under current market conditions, most investors in municipal bonds prefer "premium" pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered "reoffering premium."</p> <p>The amount of the premium varies, but it is not uncommon to see premiums for new issues in the range of 2.00% to 10.00% of the face amount of the issue. This means that an issuer with a \$2,000,000 offering may receive bids that result in proceeds of \$2,040,000 to \$2,200,000.</p> <p>For this issue of Bonds, any premium amount received may: be retained; used to reduce the issue size; or combination thereof. These adjustments may slightly change the true interest cost of the original bid, either up or down. We anticipate using any premium amounts received to reduce the issue size.</p> <p>The amount of premium allowed can be restricted in the bid</p>



	<p>specifications. Restrictions on premium may result in fewer bids, but may also eliminate large adjustments on the day of sale and unintended results with respect to debt service payment impacts. Ehlers will identify appropriate premium restrictions for the Bonds intended to achieve the City’s objectives for this financing.</p>
Review of Existing Debt:	<p>We have reviewed all outstanding indebtedness for the City and find that, other than the obligations proposed to be refunded by the Bonds, the General Obligation Corporate Purpose Bonds, Series 2007A and the 2015 State Trust Fund Loan (extension of balloon payment) are good candidates for refunding. The Series 2007A Bonds would be an advance refunding, and City staff has directed us to continue monitoring savings and to not refund the Bonds at this time. A separate Pre-Sale Report details the refunding proposal for the 2015 State Trust Fund Loan.</p> <p>We will continue to monitor the market and the call dates for the City’s outstanding debt and will alert you to any future refunding opportunities.</p>
Continuing Disclosure:	<p>Because the City has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the “MSRB”), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.</p>
Arbitrage Monitoring:	<p>Because the Bonds are tax-exempt securities, the City must ensure compliance with certain Internal Revenue Service (IRS) rules throughout the life of the issue. These rules apply to all gross proceeds of the issue, including initial bond proceeds and investment earnings in construction, escrow, debt service, and any reserve funds. How issuers spend bond proceeds and how they track interest earnings on funds (arbitrage/yield restriction compliance) are common subjects of IRS inquiries. Your specific responsibilities will be detailed in the Tax Exemption Certificate prepared by your Bond Attorney and provided at closing. We recommend that you regularly monitor compliance with these rules and/or retain the services of a qualified firm to assist you. We also recommend that you establish written procedures regarding compliance with IRS rules if you have not already done so.</p>
Risk Factors:	<p>Utility Revenue: The City expects to pay the Bond debt service with water and sewer utility revenues. In the event utility revenues are insufficient to pay debt service, the Common Council is committing to consider appropriating funds from any other available sources in an amount sufficient to cover the shortfall. If it chooses to do so, the City may levy a tax to make up a shortfall. Any amount levied for this purpose is exempted from levy limits. While the City is not required to appropriate the funds necessary to remedy any shortfall in revenues needed to pay debt service, failure to do so would result in either a</p>



	<p>lack of access to capital markets in the future, or access at a substantially higher cost.</p> <p>Current Refunding: The Bonds are being issued for the purpose of current refunding prior City debt obligations. Those prior debt obligations are “callable” now and can therefore be paid off within 90 days or less. The new Bonds will not be pre-payable until May 1, 2025. This refunding is being undertaken based in part on an assumption that the City does not expect to have future revenues to pay off this debt prior to the new call date and that market conditions warrant the refinancing at this time.</p>
<p>Other Service Providers:</p>	<p>This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, but final fees may vary. If you have any questions pertaining to the identified service providers or their role or if you would like to use a different service provider for any of the listed services please contact us.</p> <p>Bond Attorney: Quarles & Brady LLP</p> <p>Paying Agent: Bond Trust Services Corporation</p> <p>Rating Agency: Moody’s Investors Service</p>

This Pre-Sale Report summarizes our understanding of the City’s objectives for the structure and terms of this financing as of this date. As additional facts become known or capital markets conditions change, we may need to modify the structure and/or terms of this financing to achieve results consistent with the City’s objectives.



Proposed Debt Issuance Schedule

Pre-Sale Review by Utility Commission	June 1, 2016
Pre-Sale Review by Common Council:	June 13, 2016
Distribute Official Statement:	Late June 2016
Conference with Rating Agency:	Early July 2016
Common Council Meeting to Award Sale of the Bonds:	July 11, 2016
Estimated Closing Date:	August 4, 2016
Redemption Date for 2007B Bonds:	August 15, 2016

Attachments

Proposed Debt Service Schedule with Sources and Uses of Funds
Refunding Savings Analysis
Water and Sewer Utility Debt Service Coverage Projection

Ehlers Contacts

Municipal Advisors:	Sean Lentz	(651) 697-8509
	Brian Reilly	(651) 697-8541
Disclosure Coordinator:	Jen Chapman	(651) 697-8566
Financial Analyst:	Beth Mueller	(651) 697-8553

The Official Statement for this financing will be mailed to the members of the Common Council at their home addresses or e-mailed for review prior to the sale date.



Resolution No. _____

Council Member _____ introduced the following resolution and moved its adoption:

**Resolution Providing for the Sale of
\$3,345,000 Water and Sewer System Revenue Bonds, Series 2016B**

- A. WHEREAS, the City Council of the City of New Richmond, Wisconsin, has heretofore determined that it is necessary and expedient to issue the City's \$3,345,000 Water and Sewer System Revenue Bonds, Series 2016B (the "Bonds"), to provide funds to pay for the costs of acquisitions, improvements and additions to the City's Water and Sewer System and to refinance the \$2,865,000 Water and Sewer Utility Revenue Bonds in accordance with 66.0621 Wisconsin Statutes; and
- B. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent financial advisor;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of New Richmond, Wisconsin, as follows:

1. Authorization; Findings. The City Council hereby authorizes Ehlers to solicit proposals for the sale of the Bonds.
2. Meeting; Proposal Opening. The City Council shall meet at 7:00 pm on July 11, 2016 for the purpose of considering proposals for and awarding sale of the Bonds.
3. Request for Proposal. In connection with said sale, the officers or employees of the City are hereby authorized to cooperate with Ehlers and participate in the preparation of an Official Statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

The motion for the adoption of the foregoing resolution was duly seconded by Council Member _____ and, after full discussion thereof and upon a vote being taken thereon, the following Council Members voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Dated this 13th day of June, 2016.

City Clerk



Exhibit 1

City of New Richmond, WI

Debt Service and Capitalization Schedule

\$3,345,000 Water and Sewerage System Revenue Bonds, Series 2016B

Year	Principal	Rate	Interest	Total P&I	Refund 2007B Water	Refund 2007B Sewer	New Money Water	New Money Sewer
2016								
2017	155,000	0.95%	77,396	232,396	149,497	43,103	22,254	17,542
2018	160,000	1.05%	60,613	220,613	142,445	46,118	17,923	14,128
2019	225,000	1.15%	58,479	283,479	146,096	40,706	52,721	43,955
2020	235,000	1.30%	55,658	290,658	149,533	40,278	57,260	43,588
2021	245,000	1.40%	52,415	297,415	157,708	39,805	56,720	43,183
2022	245,000	1.55%	48,801	293,801	150,681	44,250	56,130	42,740
2023	240,000	1.70%	44,863	284,863	148,488	43,600	55,480	37,295
2024	255,000	1.85%	40,464	295,464	160,953	42,890	54,770	36,851
2025	250,000	2.00%	35,605	285,605	153,115	42,120	54,000	36,370
2026	265,000	2.10%	30,323	295,323	160,038	41,300	53,180	40,805
2027	270,000	2.20%	24,570	294,570	156,705	40,440	52,320	45,105
2028	100,000	2.30%	20,450	120,450	-	-	66,248	54,203
2029	100,000	2.40%	18,100	118,100	-	-	64,955	53,145
2030	100,000	2.50%	15,650	115,650	-	-	63,608	52,043
2031	100,000	2.60%	13,100	113,100	-	-	62,205	50,895
2032	100,000	2.75%	10,425	110,425	-	-	60,734	49,691
2033	100,000	2.90%	7,600	107,600	-	-	59,180	48,420
2034	100,000	3.05%	4,625	104,625	-	-	57,544	47,081
2035	100,000	3.10%	1,550	101,550	-	-	55,853	45,698
Totals	3,345,000		620,684	3,965,684	1,675,257	464,610	1,023,083	802,735

Issue Summary

Key Dates

Dated Date:	8/4/2016
First Interest Payment:	5/1/2017
First Principal Payment:	5/1/2017

Projected Interest Rates

Basis:	Current market for A3 rated revenue bonds
True Interest Cost (TIC):	2.359%
All Inclusive Cost (AIC):	2.632%

Sources and Uses

	Total	Refund 2007 Water	Refund 2007 Sewer	New Money Water	New Money Sewer
Par Amount of Bonds	3,345,000	1,510,000	420,000	795,000	620,000
Transfers from Prior Issue Debt Service Funds	54,075	42,409	11,666	-	-
Transfer from Prior Issue DSR Funds	198,717	155,296	43,421	-	-
Total Sources	3,597,792	1,707,705	475,087	795,000	620,000
Underwriter's Discount (1.20%)	40,140	18,120	5,040	9,540	7,440
Costs of Issuance	66,000	29,794	8,287	15,686	12,233
Deposit to Debt Service Reserve Fund (DSRF)	264,497	119,399	33,210	62,862	49,025
Deposit to Project Fund	1,258,000	-	-	706,000	552,000
Deposit to Current Refunding Fund	1,967,042	1,537,228	429,814	-	-
Rounding Amount	2,113	3,164	(1,264)	911	(698)
Total Uses	3,597,792	1,707,705	475,087	795,000	620,000

Exhibit 2

City of New Richmond, WI



Preliminary Refunding Savings Analysis - Overall Debt Issue for Both Utilities

Year	PRIOR TO THE REFUNDING					FOLLOWING THE REFUNDING					DEBT SERVICE SAVINGS
	Existing Debt Service (to be refunded)					New Debt Service (Refunding portion of 2016 Bonds)					
	\$2,865,000					\$3,345,000					
	Water and Sewer Utility Revenue Bonds, Series 2007B Dated: 12/6/2005					Water and Sewerage System Revenue Bonds, Series 2016B Dated: 6/30/2016					
	Principal 5/1	Rate	Interest 5/1 & 11/1	Less: Fund Transfers	Net Debt Service	Principal 5/1	Rate	Interest 5/1 & 11/1	Less: Fund Transfers	Net Debt Service	
2016			38,149		38,149					-	38,149
2017	140,000	3.800%	73,639		213,639	155,000	0.95%	37,600		192,600	21,039
2018	145,000	3.800%	68,224		213,224	160,000	1.05%	28,563		188,563	24,661
2019	150,000	3.800%	62,619		212,619	160,000	1.15%	26,803		186,803	25,816
2020	160,000	3.875%	56,669		216,669	165,000	1.30%	24,810		189,810	26,859
2021	170,000	3.875%	50,275		220,275	175,000	1.40%	22,513		197,513	22,763
2022	175,000	3.875%	43,591		218,591	175,000	1.55%	19,931		194,931	23,659
2023	180,000	4.000%	36,600		216,600	175,000	1.70%	17,088		192,088	24,513
2024	195,000	4.000%	29,100		224,100	190,000	1.85%	13,843		203,843	20,258
2025	200,000	4.000%	21,200		221,200	185,000	2.00%	10,235		195,235	25,965
2026	215,000	4.000%	12,900		227,900	195,000	2.10%	6,338		201,338	26,563
2027	215,000	4.000%	4,300	(198,717)	20,583	195,000	2.20%	2,145	(152,609)	44,536	(23,953)
Total	1,945,000		497,265	(198,717)	2,243,548	1,930,000		209,866	(152,609)	1,987,257	256,291

Notes: Plus Rounding: 1,900
Less Transfer from Prior Issue DSF: (54,075)

Total Cash Flow (Future Value) Savings:	204,116
Present Value Savings of 8.349%:	162,389

<u>Sources</u>		<u>Uses</u>	
Par Amount of Bonds:	1,930,000	Underwriter's Discount:	23,160
Transfer from Prior Issue DSF:	54,075	Costs of Issuance:	38,081
Transfer from Prior Issue DSR:	198,717	Deposit to Debt Service Reserve Fund:	152,609
		Deposit to Current Refunding Fund:	1,967,042
		Rounding Amount:	1,900
Total:	2,182,792		2,182,792

Prepared by Ehlers and Associates, Inc.

Exhibit 3

For Discussion Only

City of New Richmond, WI

Water & Sewer Utility Revenue Debt - With 2016 Borrowing

Year	Sewer 100.00%	Sewer	Water	Sewer	Water	Water	A	B	B / A
	2.64% 1998 Clean Water Fund Loan \$2,823,953	2007 Water & Sewer \$2,865,000	2007 Water & Sewer \$2,865,000	Projected 2016 Water & Sewer \$3,345,000	Projected 2016 Water & Sewer \$3,345,000	Projected 2016 Safe Drinking Water Loan \$380,028	Total Revenue Debt	2015 Adjusted Revenue Available for Debt Service	Revenue Debt Coverage
2016	174,603	38,894	131,693			2,428	347,618	812,081	2.34
2017	174,546			60,645	171,751	19,951	426,893	812,081	1.90
2018	174,488			60,245	160,368	19,949	415,049	812,081	1.96
2019				84,661	198,818	19,947	303,426	812,081	2.68
2020				83,865	206,793	19,945	310,602	812,081	2.61
2021				82,988	214,428	19,943	317,358	812,081	2.56
2022				86,990	206,811	19,941	313,742	812,081	2.59
2023				80,895	203,968	19,939	304,801	812,081	2.66
2024				79,741	215,723	19,936	315,400	812,081	2.57
2025				78,490	207,115	19,934	305,539	812,081	2.66
2026				82,105	213,218	19,932	315,255	812,081	2.58
2027				85,545	209,025	19,930	314,500	812,081	2.58
2028				54,203	66,248	19,927	140,377	812,081	5.78
2029				53,145	64,955	19,925	138,025	812,081	5.88
2030				52,043	63,608	19,923	135,573	812,081	5.99
2031				50,895	62,205	19,920	133,020	812,081	6.10
2032				49,691	60,734	19,918	130,343	812,081	6.23
2033				48,420	59,180	19,915	127,515	812,081	6.37
2034				47,081	57,544	19,913	124,538	812,081	6.52
2035				45,698	55,853	19,910	121,460	812,081	6.69
2036						19,907	19,907	812,081	40.79

	Sewer Draft Audit - 2015	Water Draft Audit - 2015	Total Draft-2015	Water (Adj.) Draft Audit - 2015	Total Draft-2015
Operating Revenues	1,449,056	1,461,574	2,910,630	1,461,574	2,910,630
Oper. & Maintenance	1,057,603	1,179,276	2,236,879	774,406	1,832,009
Depreciation	540,384	307,220	847,604	307,220	847,604
Taxes	32,317	17,089	49,406	17,089	49,406
Operating Expenses	1,630,304	1,503,585	3,133,889	1,098,715	2,729,019
Operating Income	(181,248)	(42,011)	(223,259)	362,859	181,611
Plus: Depreciation	540,384	307,220	847,604	307,220	847,604
Plus: Interest Income	30,379	14,613	44,992	14,613	44,992
Less: Tax Equivalent	-	(262,126)	(262,126)	(262,126)	(262,126)
Amount Avail. for Debt	\$ 389,515	\$ 17,696	\$ 407,211	\$ 422,566	\$ 812,081

Prepared by Ehlers and Associates, Inc.

6/5/2016

June 13, 2016 (DRAFT)

Pre-Sale Report for

City of New Richmond, Wisconsin

\$4,640,000 General Obligation Corporate Purpose
Bonds, Series 2016A

City of New Richmond

Prepared by:

Sean Lentz
Senior Municipal Advisor

And

Brian Reilly
Senior Municipal Advisor

Executive Summary of Proposed Debt

Proposed Issue:	\$4,640,000 General Obligation Corporate Purpose Bonds, Series 2016A
Purposes:	<p>The proposed issue includes financing for the following purposes:</p> <ul style="list-style-type: none"> • Street projects (\$2,870,000) – Debt service will be paid from ad valorem property taxes. • Storm water projects (\$375,000) – Debt service will be paid from storm water revenues. • Sidewalk projects (\$35,000) – Debt service will be paid from special assessments. • Tax Increment District No. 6 projects (\$735,000) – Debt service will be paid from TID No. 6 revenues. • Current Refunding of 2015 State Trust Fund Loan (\$625,000) – Debt service will be paid from ad valorem property taxes. <p>The refunding is being undertaken to extend a balloon payment due in 2017. The Loan was originally issued as interim financing for a ladder truck, street projects and boilers with the intention of refunding it with this year’s bond issue.</p> <p>This refunding is considered to be a Current Refunding as the obligation being refunded is callable (pre-payable) now.</p>
Authority:	<p>The Bonds are being issued pursuant to Wisconsin Statute:</p> <ul style="list-style-type: none"> • 67.04 <p>The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.</p> <p>The Bonds count against the City’s General Obligation Debt Capacity Limit of 5% of total City Equalized Valuation. Following issuance of the Bonds, the City’s total General Obligation debt principal outstanding will be \$21,180,610, which is 70% of its limit. Remaining General Obligation Borrowing Capacity will be approximately \$9,180,000.</p>
Term/Call Feature:	<p>The Bonds are being issued for a 20-year term. Principal on the Bonds will be due on October 1 in the years 2017 through 2035 and on April 1, 2036. Interest is payable every six months beginning April 1, 2017.</p> <p>The Bonds maturing on and after October 1, 2026 will be subject to prepayment at the discretion of the City on October 1, 2025 or any date thereafter.</p>
Bank Qualification:	Because the City is expecting to issue no more than \$10,000,000 in tax exempt



	<p>debt during the calendar year, the City will be able to designate the Bonds as “bank qualified” obligations. Bank qualified status broadens the market for the Bonds, which can result in lower interest rates.</p>
<p>Rating:</p>	<p>The City’s most recent bond issues were rated Aa3 by Moody’s Investors Service. The City will request a new rating for the Bonds.</p> <p>If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the City’s bond rating in the event that the bond rating of the insurer is higher than that of the City.</p>
<p>Basis for Recommendation:</p>	<p>Based on our knowledge of your situation, your objectives communicated to us, our advisory relationship as well as characteristics of various municipal financing options, we are recommending the issuance of General Obligation Bonds sold through a competitive public offering based on the following factors:</p> <ul style="list-style-type: none"> • General Obligation debt is the only viable financing option for most of the projects and will provide the lowest cost of financing. • The City has sufficient G.O. borrowing capacity to use G.O. Bonds for the financing. • The size, structure, security and rating of the issue will position it well to receive interest from potential investors.
<p>Method of Sale/Placement:</p>	<p>In order to obtain the lowest interest cost to the City, we will competitively bid the purchase of the Bonds from local and national underwriters/banks.</p> <p>We have included an allowance for discount bidding equal to 1.20% of the principal amount of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.</p> <p>If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to lower your borrowing amount.</p> <p>Premium Bids: Under current market conditions, most investors in municipal bonds prefer “premium” pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered “reoffering premium.”</p> <p>The amount of the premium varies, but it is not uncommon to see premiums for new issues in the range of 2.00% to 10.00% of the face amount of the issue. This means that an issuer with a \$2,000,000 offering may receive bids that result in proceeds of \$2,040,000 to \$2,200,000.</p>



	<p>Any premium amount received for that portion of the Bonds being issued for the purpose of refunding existing debt will be used to reduce the issue size. Any premium amount received for the remainder of the Bonds that is in excess of the underwriting discount and any capitalized interest amounts must be placed in the debt service fund and used to pay a portion of the interest payments due on the Bonds. These adjustments may slightly change the true interest cost of the original bid, either up or down.</p> <p>The amount of premium allowed can be restricted in the bid specifications. Restrictions on premium may result in fewer bids, but may also eliminate large adjustments on the day of sale and unintended results with respect to debt service payment impacts. Ehlers will identify appropriate premium restrictions for the Bonds intended to achieve the City's objectives for this financing.</p>
<p>Review of Existing Debt:</p>	<p>We have reviewed all outstanding indebtedness for the City and find that, other than the obligations proposed to be refunded by the Bonds, the General Obligation Corporate Purpose Bonds, Series 2007A and Water and Sewer System Revenue Bonds, Series 2007B are good candidates for refunding. The Series 2007A Bonds would be an advance refunding, and City staff has directed us to continue monitoring savings and to not refund the Bonds at this time. A separate Pre-Sale Report details the refunding proposal for the Series 2007B Bonds.</p> <p>We will continue to monitor the market and the call dates for the City's outstanding debt and will alert you to any future refunding opportunities.</p>
<p>Continuing Disclosure:</p>	<p>Because the City has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the "MSRB"), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.</p>
<p>Arbitrage Monitoring:</p>	<p>Because the Bonds are tax-exempt securities, the City must ensure compliance with certain Internal Revenue Service (IRS) rules throughout the life of the issue. These rules apply to all gross proceeds of the issue, including initial bond proceeds and investment earnings in construction, escrow, debt service, and any reserve funds. How issuers spend bond proceeds and how they track interest earnings on funds (arbitrage/yield restriction compliance) are common subjects of IRS inquiries. Your specific responsibilities will be detailed in the Tax Exemption Certificate prepared by your Bond Attorney and provided at closing. We recommend that you regularly monitor compliance with these rules and/or retain the services of a qualified firm to assist you. We also recommend that you establish written procedures regarding compliance with IRS rules if you have not already done so.</p>



Risk Factors:	<p>Offsetting Revenues: The City expects to pay portions of the debt service using storm water, TID No. 6 and special assessment revenues. Because the Bonds are general obligation debt, the City will be required to pay those portions of the debt service using other funds if the offsetting revenues are insufficient.</p>
Other Service Providers:	<p>This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, but final fees may vary. If you have any questions pertaining to the identified service providers or their roles, or if you would like to use a different service provider for any of the listed services please contact us.</p> <p>Bond Attorney: Quarles & Brady LLP Paying Agent: Bond Trust Services Corporation Rating Agency: Moody's Investors Service</p>

This Pre-Sale Report summarizes our understanding of the City's objectives for the structure and terms of this financing as of this date. As additional facts become known or capital markets conditions change, we may need to modify the structure and/or terms of this financing to achieve results consistent with the City's objectives.



Proposed Debt Issuance Schedule

Approval of Initial Resolutions (Not to exceed)	May 9, 2016 (Completed)
Common Council Workshop to discuss Finance Plan:	May 23, 2016 (Completed)
Approval of Pre-Sale Report by Common Council:	June 13, 2016
Distribute Official Statement:	Late June 2016
Conference with Rating Agency:	Early July 2016
Common Council Meeting to Award Sale of the Bonds:	July 11, 2016
Estimated Closing Date:	August 4, 2016
Redemption Date of 2015 State Trust Fund Loan:	August 15, 2016

Attachments

Proposed Debt Service Schedule with Sources and Uses of Funds
 Projected General Obligation Debt Levy
 Projected General Obligation Debt Levy (with Future Borrowing - \$2 Million every - other year)
 General Obligation Borrowing Capacity
 Tax Increment District No. 6 Forecast

Ehlers Contacts

Municipal Advisors:	Sean Lentz	(651) 697-8509
	Brian Reilly	(651) 697-8541
Disclosure Coordinator:	Jen Chapman	(651) 697-8566
Financial Analyst:	Beth Mueller	(651) 697-8553

The Official Statement for this financing will be mailed to the members of the Common Council at their home addresses or e-mailed for review prior to the sale date.



Resolution No. _____

Council Member _____ introduced the following resolution and moved its adoption:

**Resolution Providing for the Sale of
\$4,640,000 General Obligation Corporate Purpose Bonds, Series 2016A**

- A. WHEREAS, the City Council of the City of New Richmond, Wisconsin, has heretofore determined that it is necessary and expedient to issue the City's \$4,640,000 General Obligation Corporate Purpose Bonds, Series 2016A (the "Bonds"), to provide funds to pay for the costs of Street Improvements, Storm Water Improvements, Sidewalk projects, Tax Increment District No. 6 projects, and the refinancing of the 2015 State Trust Fund Loan (balloon extension) in accordance with 67.04 Wisconsin Statutes; and
- B. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent financial advisor;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of New Richmond, Wisconsin, as follows:

1. Authorization; Findings. The City Council hereby authorizes Ehlers to solicit proposals for the sale of the Bonds.
2. Meeting; Proposal Opening. The City Council shall meet at 7:00 pm on July 11, 2016 for the purpose of considering proposals for and awarding sale of the Bonds.
3. Request for Proposal. In connection with said sale, the officers or employees of the City are hereby authorized to cooperate with Ehlers and participate in the preparation of an Official Statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

The motion for the adoption of the foregoing resolution was duly seconded by Council Member _____ and, after full discussion thereof and upon a vote being taken thereon, the following Council Members voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Dated this 13th day of June, 2016.

City Clerk



Exhibit 1

For Discussion Only

City of New Richmond, WI

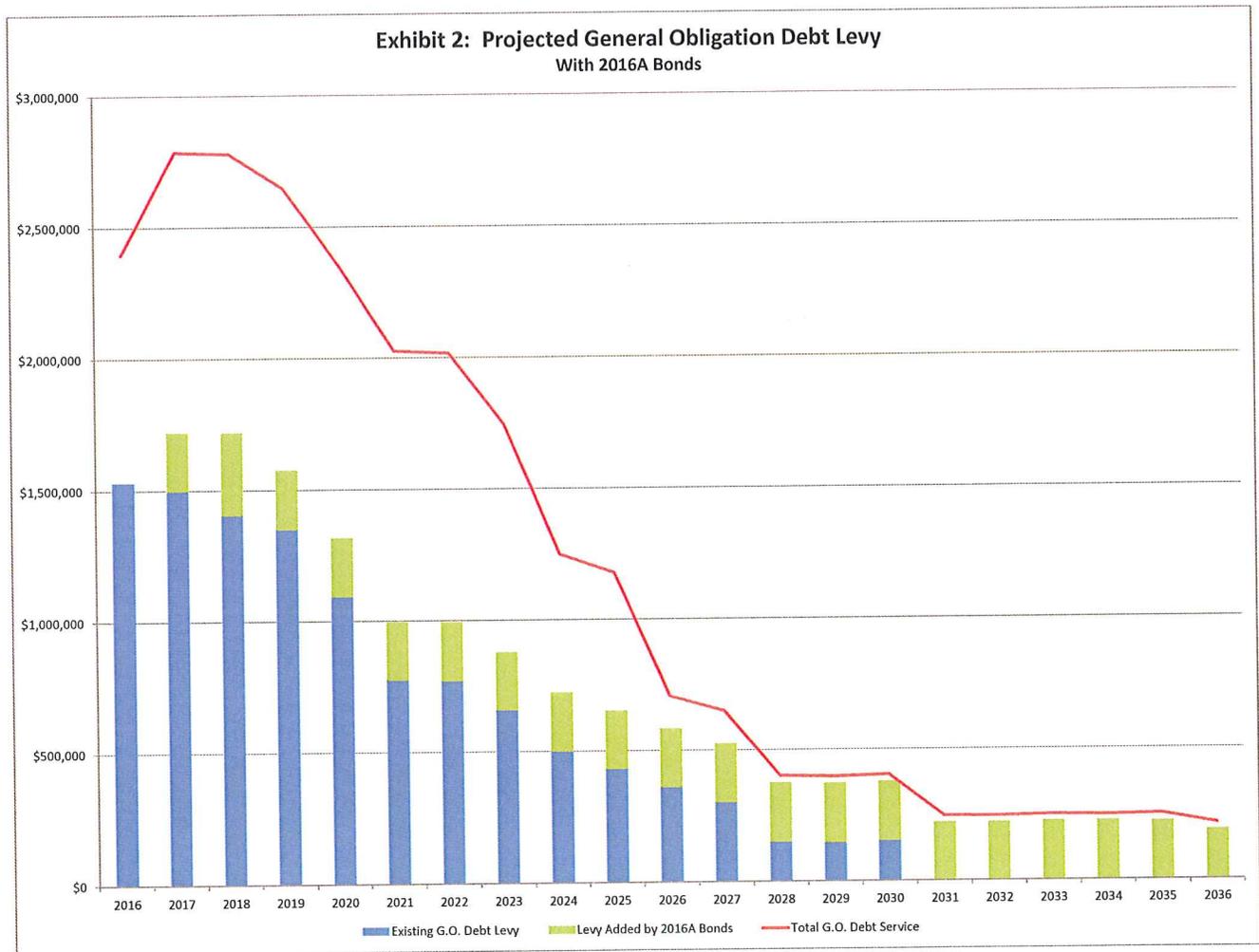
Estimated Debt Service and Capitalization Schedule

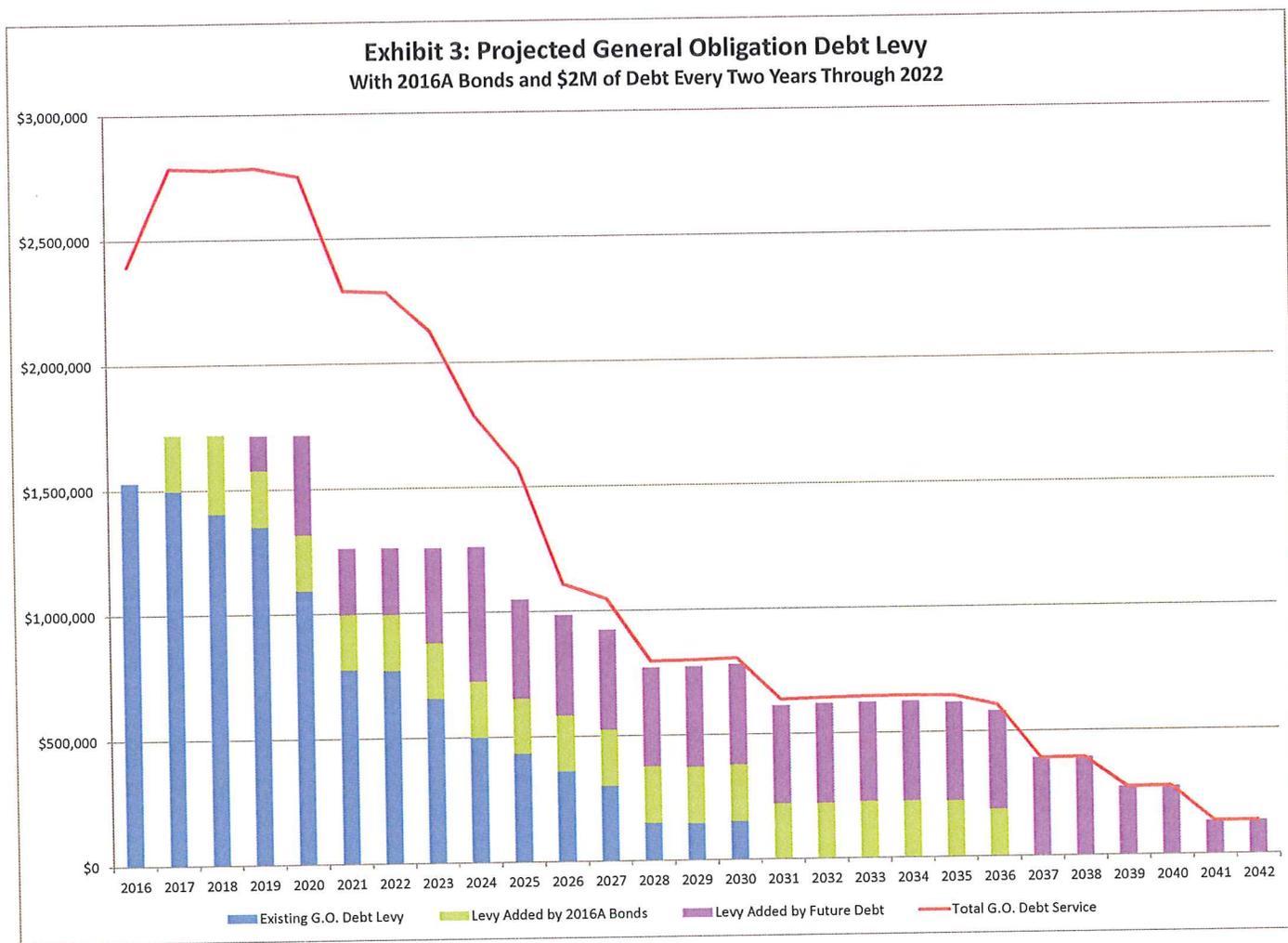
\$4,640,000 General Obligation Corporate Purpose Bonds, Series 2016A

Year	Principal	Rate	Interest	Total P&I	Sidewalk				
					Streets	Storm Water	Assessments	TID No. 6	Refund STFL
2016									
2017	250,000	1.00%	116,395	366,395	183,051	25,228	5,556	112,302	40,258
2018	355,000	1.15%	97,985	452,985	186,333	23,680	5,430	109,620	127,923
2019	275,000	1.35%	93,903	368,903	189,953	23,508	5,373	113,470	36,600
2020	280,000	1.45%	90,190	370,190	188,265	23,305	10,305	112,053	36,263
2021	280,000	1.60%	86,130	366,130	186,453	23,088	10,160	110,530	35,900
2022	280,000	1.70%	81,650	361,650	189,453	22,848	-	113,850	35,500
2023	280,000	1.80%	76,890	356,890	187,243	22,593	-	111,980	35,075
2024	180,000	1.95%	71,850	251,850	189,903	27,323	-	-	34,625
2025	180,000	2.10%	68,340	248,340	187,270	26,933	-	-	34,138
2026	185,000	2.20%	64,560	249,560	189,435	26,513	-	-	33,613
2027	190,000	2.30%	60,490	250,490	186,355	26,073	-	-	38,063
2028	195,000	2.50%	56,120	251,120	188,135	25,613	-	-	37,373
2029	200,000	2.60%	51,245	251,245	189,510	25,113	-	-	36,623
2030	205,000	2.70%	46,045	251,045	190,610	24,593	-	-	35,843
2031	205,000	2.80%	40,510	245,510	186,425	24,053	-	-	35,033
2032	210,000	2.95%	34,770	244,770	187,085	23,493	-	-	34,193
2033	220,000	3.05%	28,575	248,575	187,365	22,903	-	-	38,308
2034	225,000	3.15%	21,865	246,865	187,333	22,293	-	-	37,240
2035	235,000	3.25%	14,778	249,778	186,978	26,663	-	-	36,138
2036	210,000	3.40%	3,570	213,570	188,145	25,425	-	-	-
Totals	4,640,000		1,205,860	5,845,860	3,755,296	491,233	36,824	783,804	778,703

Issue Summary						
<u>Key Dates</u>						
		Dated Date:	8/4/2016			
		First Interest Payment:	4/1/2017			
		First Principal Payment:	10/1/2017			
<u>Projected Interest Rates</u>						
		Basis:	Current market for Aa3 rating plus 0.25%			
		True Interest Cost (TIC):	2.708%			
		All Inclusive Cost (AIC):	2.852%			
<u>Sources and Uses</u>	Total	Streets	Storm Water	Sidewalk Assessments	TID No. 6	Refund STFL
Par Amount of Bonds	4,640,000	2,870,000	375,000	35,000	735,000	625,000
Total Sources	\$4,640,000	\$2,870,000	\$375,000	\$35,000	\$735,000	\$625,000
Underwriter's Discount (1.20%)	55,680	34,440	4,500	420	8,820	7,500
Costs of Issuance	55,500	34,329	4,485	419	8,791	7,476
Deposit to Project Fund	3,913,460	2,796,857	366,186	31,775	718,642	-
Deposit to Current Refunding Fund	614,987	-	-	-	-	614,987
Rounding Amount	373	4,374	(171)	2,386	(1,253)	(4,962)
Total Uses	\$4,640,000	\$2,870,000	\$375,000	\$35,000	\$735,000	\$625,000

Note: Streets and State Trust Fund Loan refunding portions are paid by debt levy





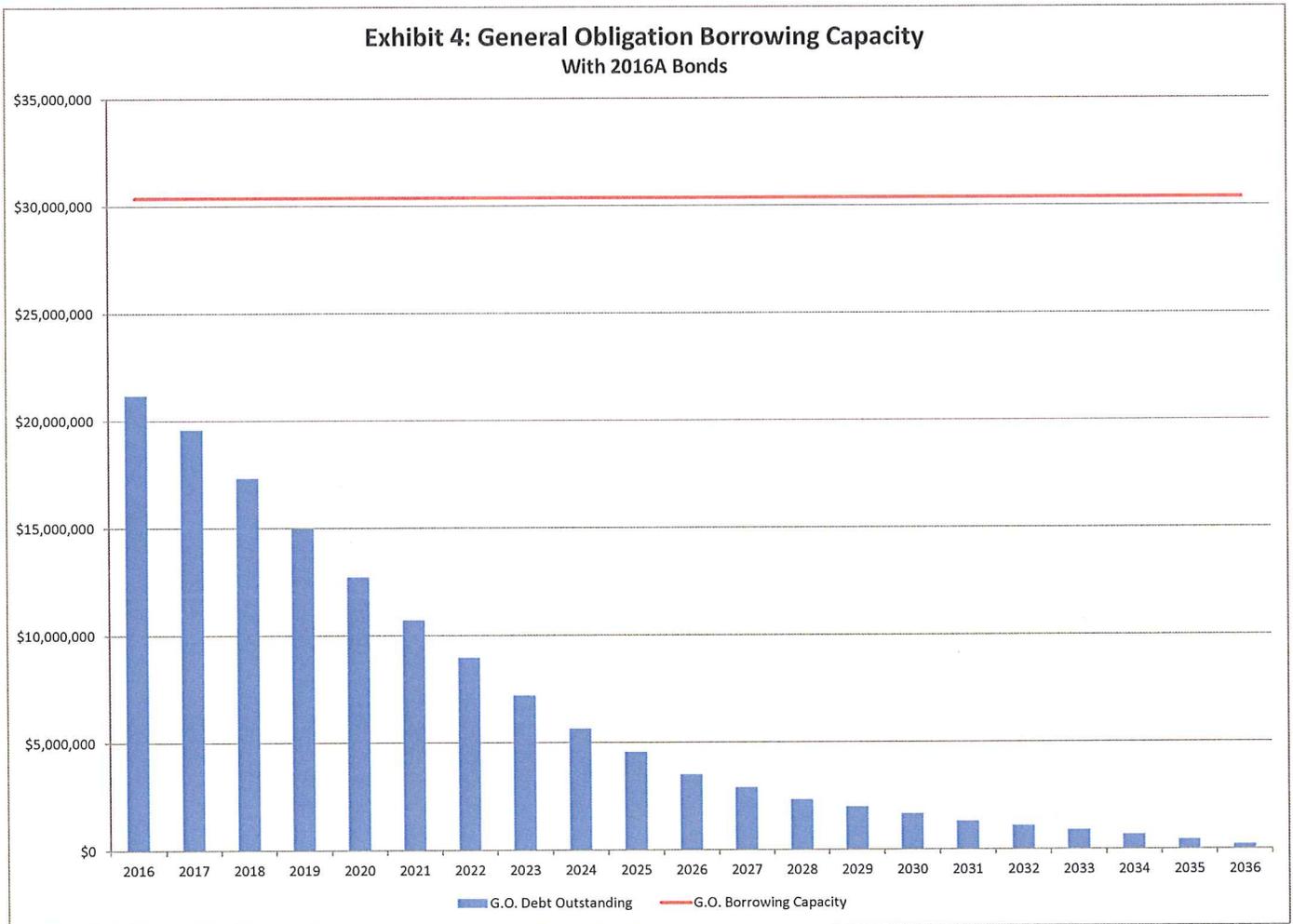


Exhibit 5

For Discussion Only

City of New Richmond, WI

Tax Increment Forecast

TID No. 6

Creation Date (Council Approval) Sept. 11, 1995
 End of Expenditure Period Sept. 11, 2017
 Maximum Life of District (Termination Date) Sept. 11, 2022
 Final Revenue Collection Year 2023

Inflation Factor: 0.00%

Revenue Year	Inflation Increment	New Valuation	TID Value Increment	Tax Rate	REVENUES				EXPENSES						Projected Total Expenses	Annual Balance	Cumulative Balance	
					Projected Tax Increment	Land Sale Proceeds	Other Revenues	Projected Total Revenues	TID No. 6 Portion 2007 G.O. Bonds	TID No. 6 Portion 2008 G.O. Bonds	TID No. 6 Portion 2009 G.O. Notes	TID No. 6 Portion 2011 G.O. Bonds	TID No. 6 Portion 2012 G.O. Bonds	Proposed TID No. 6 2016 G.O. Bonds				Other Expenses
2014	-				240,635	779,467	6,656	1,026,658	41,003	12,100	35,295	110,453	237,350		487,000	923,200	103,458	500,779
2015	-		9,786,900	24.58	270,556			270,556	176,003	11,750	39,515	189,403		50,000	466,670	(196,114)	304,665	
2016	-		11,190,200	24.18	373,148			373,148	175,771	11,400	38,500	186,613		112,302	524,585	(151,437)	153,228	
2017	-	4,243,232	15,433,432	24.18	404,580			404,580	175,346	11,050	37,415	188,513		109,620	521,944	(117,364)	35,864	
2018	-	1,300,000	16,733,432	24.18	404,580			404,580	174,728	10,700	35,621	190,313		113,470	524,831	(120,252)	(84,388)	
2019	-		16,733,432	24.18	404,580			404,580	173,915	10,350		191,600		112,053	487,918	(83,338)	(167,726)	
2020	-		16,733,432	24.18	404,580			404,580	177,870			192,350		110,530	480,750	(76,170)	(243,856)	
2021	-		16,733,432	24.18	404,580			404,580	171,435			192,450		113,850	477,735	(73,155)	(317,052)	
2022	-		16,733,432	24.18	404,580			404,580				242,050		111,980	354,030	50,550	(266,502)	
2023	-		16,733,432	24.18	404,580			404,580										

Rev. Year	Type	Est. Tax Value	Land Sales
2017	Culvers	993,232	211,747
2017	Backyard Paradise	500,000	1,820
2017	W.H. St. Croix	750,000	140,900
2017	45th Parallel	500,000	
2017	Barley Johns	1,500,000	
2018	Goodwill	1,300,000	425,000
Total		\$5,643,232	\$779,467

Note: \$2,250,000 of additional increment would be required to fully recover costs with 2016A Bonds



MEMO

TO: Mayor and City Council

FROM: Jeremiah Wendt, Director of Public Works

DATE: June 8, 2016

RE: City of New Richmond Dorset Lane

The City of New Richmond has a number of retail developments that will be under construction shortly in the area around St. Croix County Services Center on Dorset Lane. As part of the development process in this area, City Staff is planning for long-term impacts in the area.

One item that has come up in this process is the fact that the public Right-of-Way (ROW) for Dorset Lane ends at the north lot line of the County's parcel, with a 16' access easement extending southward from that point along the County's west lot line.

In order to provide the best service to the County, the proposed retail developments, and future development to the south, the City is proposing to extend the public ROW along the west lot line of the County's property. The City would also propose to finish construction of the access drive in this area (which was left unfinished during the initial development) as a City street. This construction would be in conjunction with the retail development in this area which is expected to conclude this fall.

City and County staff have met to discuss this idea, and developed a concept plan for review by the City Council and County Administration Committee. That plan is attached for your reference.

Following approval of the concept by the City and County, City staff will develop engineered plans for the construction of this street.



156 East First Street
New Richmond, WI 54017
Ph 715-246-4268 Fax 715-246-7129
www.newrichmondwi.gov

TO: Mayor and City Council

FROM: Jeremiah Wendt, Public Works Director

DATE: June 9, 2016

RE: Federal Foam – Paperjack Drive Appraisal & Offering Price Report

Background

City Staff and Consultants have completed an appraisal for a 3,142 square foot permanent easement and 4,258 square foot temporary easement for construction of a sidewalk to connect the existing Knowles Avenue sidewalk to the proposed Paperjack Drive sidewalk, to be constructed as part of the 2016 Street and Utility Projects.

The offering Price Report is attached to this memo, along with the survey showing the proposed easements. Based on the appraisal performed by Radichel & Associates, the value of the easements is \$12,700.

Recommendation

Staff recommends approval of the Offering Price Report for \$12,700 to acquire these easements.

OFFERING PRICE REPORT AND SUBMITTAL

LPA1894 02/07 (Replaces LPA2001) Ch. 32 Wis. Stats.

Date May 27, 2016	Region
To Jeremiah Wendt, City of New Richmond, Director of Public Works	
From Laura J. Humphrey, Timbers-Selissen-Rudolph Land Specialists, Inc.	
Owner Federal Foam Technologies, Inc.	

We are submitting and recommending the following parcel for approval. The objective review meets the required guidelines. The areas and interests agree with the right of way plat; the owner(s) were given the opportunity to accompany the appraiser; the date of opinion corresponds to the last inspection date; all math calculations are correct or have been noted in the attached appraisals; and the certificate of appraiser is included.

Review Comments: None

ACQUISITION OF

Fee Simple N/A	Permanent Limited Easement 3,142 square feet
Highway Easement N/A	Temporary Interest 4,258 square feet
Access Rights <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Other Sign

APPROVED BY ~ City of New Richmond

Having made a complete review of this property, an analysis of the appraisal(s) submitted, and in consideration of all supporting material included, it is my opinion that the total loss or damage is:

Jeremiah Wendt, City of New Richmond, Director of Public Works Date \$12,700.00

Project ID Paperjack Drive	County St. Croix	Parcel No. 1 & 2
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SHEET NUMBER - 1 TOTAL SHEETS - 2
 R/W PROJECT NUMBER -
 R/W PROJECT NUMBER -

PLAT OF RIGHT-OF-WAY REQUIRED FOR
 PAPERJACK DRIVE - S.T.H. "65"
 CITY OF NEW RICHMOND, ST. CROIX COUNTY

ACQUISITION OF EASEMENTS
 REVISIONS -

BEARINGS ARE REFERENCED TO THE
 WEST LINE OF THE NW1/4, SECTION 11,
 BEARING N00°14'08"E, ST. CROIX
 COUNTY COORDINATE SYSTEM.

APPROVED FOR THE CITY OF NEW RICHMOND
 CITY ADMINISTRATOR
 DATE

Survey is prepared at the request of the City of New Richmond, St. Croix County, WI.

I, Edwin C. Flanum, Professional Wisconsin Land Surveyor, hereby certify that the described and mapped property was surveyed by me or under my direct supervision and that this map is a correct representation to scale of the boundaries to the best of my knowledge and belief.



EDWIN C. FLANUM, P.L.S. #2487
 3/24/16
 DATE

PREPARED BY EDWIN FLANUM
 JOB #16-09



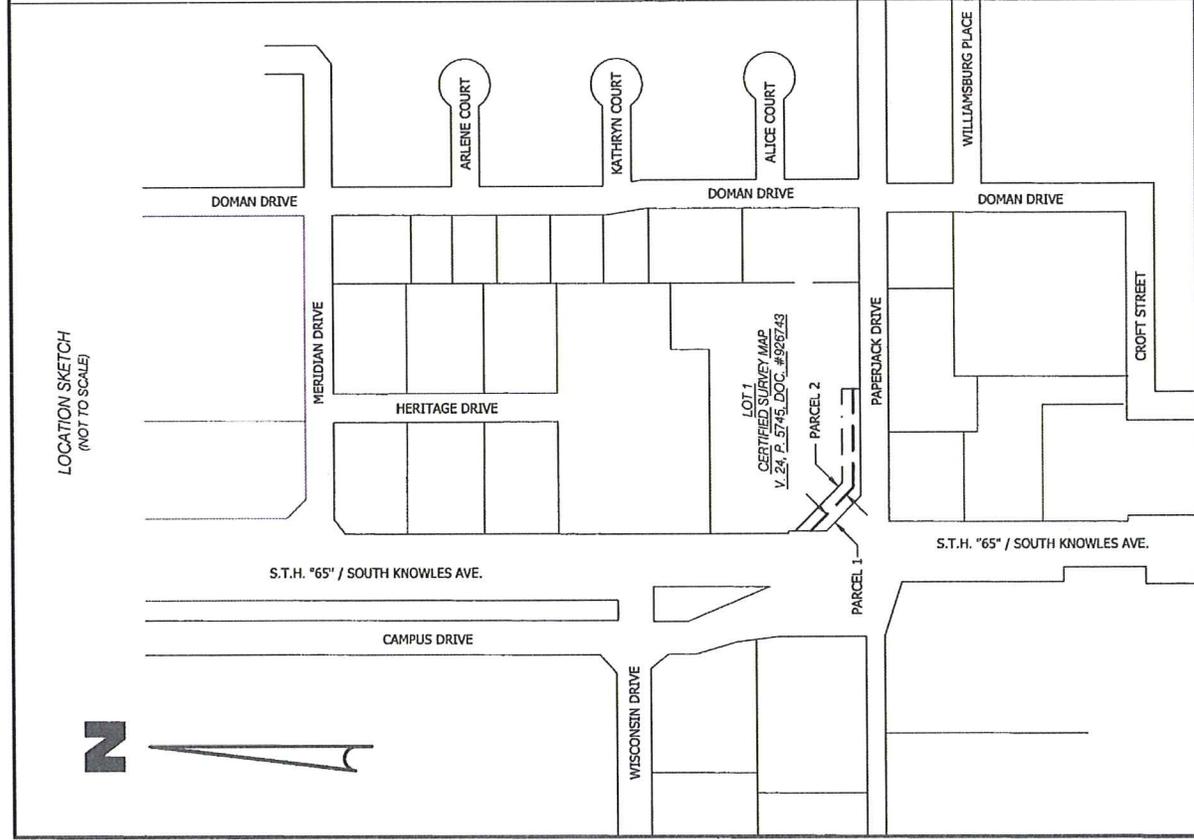
PARCEL 1 - PERMANENT EASEMENT DESCRIPTION

Located in part of the NW1/4 of the NW1/4 of Section 11, T30N, R18W, City of New Richmond, St. Croix County, Wisconsin; described as follows:
 Commencing at the W1/4 Corner of Section 11; thence N00°14'08"E, along the west line of the NW1/4 of Section 11, 1352.58 feet to the westerly extension of the monumented south line of Lot 1 of Certified Survey Map recorded in volume 24, Page 5745; Document Number 926743; thence S89°52'15"E, along said westerly extension, 75.17 feet to an found iron rebar being the southwest corner of said Lot 1 and being the point of beginning; thence N61°21'39"E, along a northwesterly line of said Lot 1, 3.95 to the southwesterly line of said Lot 1; thence N45°16'20"W, along said southwesterly line, 56.25 feet to the westerly line of said Lot 1; thence N00°08'27"W, along said westerly line, 21.16 feet; thence S45°16'20"E 74.85 feet; thence S89°52'15"E 207.72 feet; thence S00°07'45"W 10.00 feet to previously said south line of Lot 1; thence N89°52'15"W, along said south line, 224.33 feet to the point of beginning.
 Described easement contains 3,142 Sq. Ft.

PARCEL 2 - TEMPORARY EASEMENT DESCRIPTION

Located in part of the NW1/4 of the NW1/4 of Section 11, T30N, R18W, City of New Richmond, St. Croix County, Wisconsin; described as follows:
 Commencing at the W1/4 Corner of Section 11; thence N00°14'08"E, along the west line of the NW1/4 of Section 11, 1352.58 feet to the westerly extension of the monumented south line of Lot 1 of Certified Survey Map recorded in volume 24, Page 5745; Document Number 926743; thence S89°52'15"E, along said westerly extension, 75.17 feet to an found iron rebar being the southwest corner of said Lot 1; thence N61°21'39"E, along a northwesterly line of said Lot 1, 3.95 to the southwesterly line of said Lot 1; thence N45°16'20"W, along said southwesterly line, 56.25 feet to the westerly line of said Lot 1; thence N00°08'27"W, along said westerly line, 21.16 feet to the point of beginning; thence continuing N00°08'27"W along said westerly line, 21.16 feet; thence S45°16'20"E 83.63 feet; thence S89°52'15"E 201.57 feet; thence S00°07'45"W 15.00 feet; thence N89°52'15"W, along said south line, 207.72 feet; N45°16'20"W 74.85 feet to the point of beginning.
 Described easement contains 4,258 Sq. Ft.

PARCEL NUMBER	OWNERS	INTERESTS REQUIRED	RIGHT-OF-WAY SQUARE FEET
1	FEDERAL FOAM TECHNOLOGIES INC	P/E	3,142
2	FEDERAL FOAM TECHNOLOGIES INC	T/E	4,258



SHEET NUMBER - 2 TOTAL SHEETS - 2

R/W PROJECT NUMBER -

R/W PROJECT NUMBER -

PLAY OF RIGHT-OF-WAY REQUIRED FOR
 PAPERJACK DRIVE - S.T.H. #65
 CITY OF NEW RICHMOND, ST. CROIX COUNTY

ACQUISITION OF EASEMENTS

REVISIONS -

BEARINGS ARE REFERENCED TO THE
 WEST LINE OF THE NW1/4, SECTION 11,
 BEARING N00°14'08"E, ST. CROIX
 COUNTY COORDINATE SYSTEM

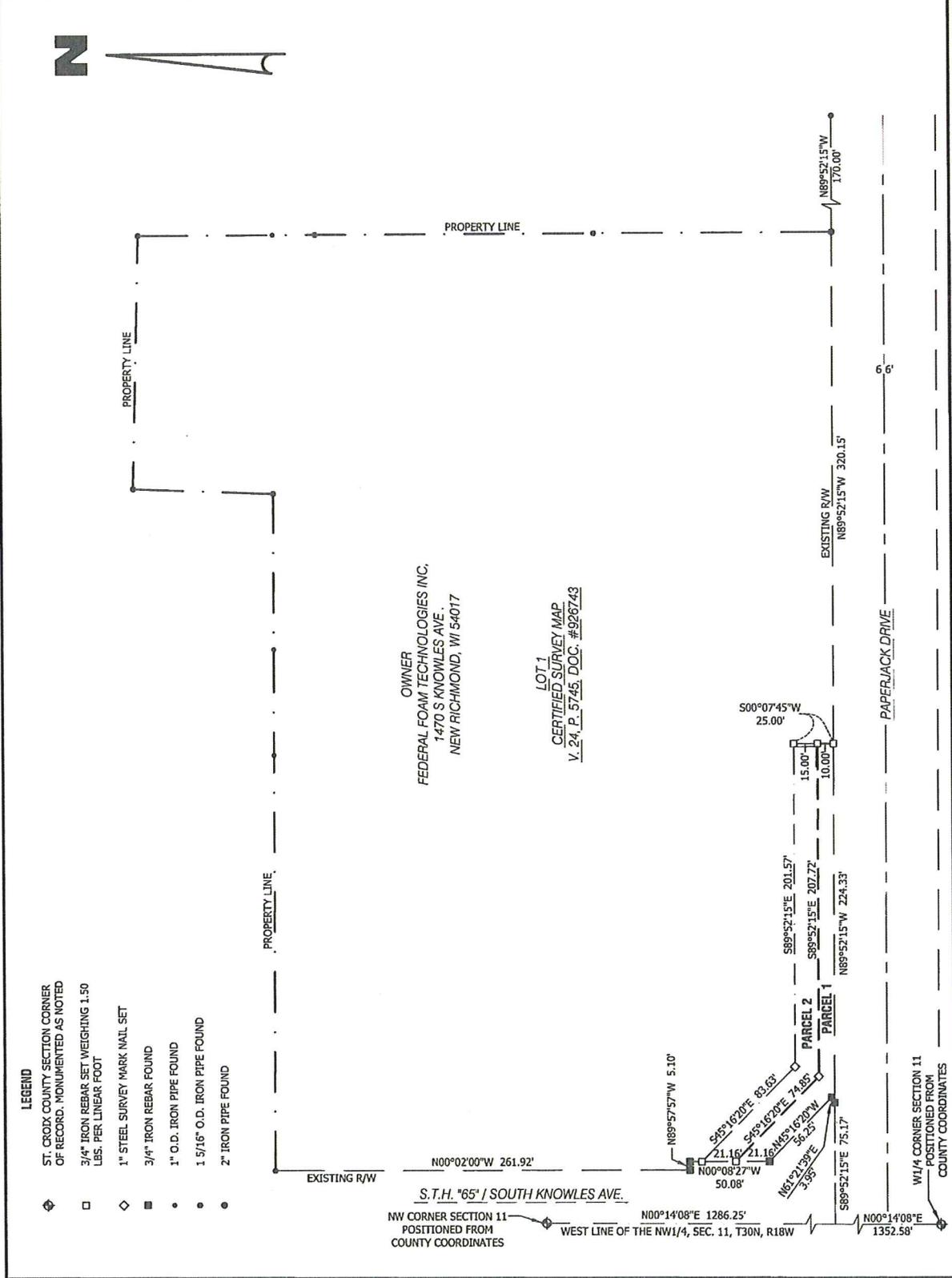
SCALE IN FEET 1" = 60'

0 30 60

EDWIN C. FLANUM
 PLANNING
 & SURVEY
 ALBANY
 WI

EDWIN C. FLANUM, P.L.S. #2487
 7/24/16
 DATE

Northland Surveying
 AMERY, WISCONSIN





156 East First Street
New Richmond, WI 54017
Ph 715-246-4268 Fax 715-246-7129
www.newrichmondwi.gov

TO: Mayor and City Council

FROM: Jeremiah Wendt, Public Works Director

DATE: June 9, 2016

RE: 140th Street Trail Construction

Background

The Town of Richmond, in cooperation with the Pathways Committee, Wisconsin DNR, and the City of New Richmond is planning to construct a segment of trail on 140th Street that will connect the City's existing trail segments along 140th Street between Richmond Way and Paperjack Drive. Construction is slated to begin in June and conclude in July.

Staff will provide an update on this project, the City's role in this partnership, the City's benefit from the project, and an updated timeline.



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TO: Mayor and City Council

FROM: Tanya Reigel, City Clerk

DATE: June 9, 2016

RE: Proposed Ag Ordinance

Background

At the Council work session on May 23, 2016 the Council discussed this ordinance and recommended changes. The changes have been incorporated and a new copy is attached.

Recommendation

Staff is recommending Council approval of this ordinance.

ORDINANCE #___

THE COMMON COUNCIL OF THE CITY OF NEW RICHMOND DOES ORDAIN AS FOLLOWS:

Section 1. Section 90-3(b)(2) of the City Code (Weed and Grass Nuisances) is hereby amended to read as follows:

- (2) For that reason, any lawn, grass or weed on a lot or other parcel of land which exceeds eight inches in length is hereby declared to be a public nuisance, except for property located in a designated floodplain area and/or wetland area, where the lawn, grass or weed(s) is part of a natural lawn approved pursuant to Section 90-2 or; exceptions established by Section 90-4; or where the property is zoned residential/agricultural/residential Z1 used for agricultural purposes within the Z1 District established by the Zoning Ordinance.

Section 2. Section 90 of the City Code (Vegetation) is hereby amended to add the following provisions:

90-4. – Outlots and Undeveloped Parcels.

- (1) An outlot, undeveloped parcel or contiguous parcels with a minimum area of one (1) acre shall be planted with a grass seed mixture or agricultural crop, such as grass, legumes, or other herbaceous plants used for hay, grains, or vegetables, approved by the Public Works Director and maintained to prevent growth of noxious weeds prohibited by Section 90-1 of this Section.
- (2) Cultivation of agricultural crops on outlots or undeveloped parcels within the Z1, Z2, Z3, Z4, Z5 and Z7 Districts established by the Zoning Ordinance shall be allowed subject to annual approval of a permit by the Public Works Director, provided that:
 - (a) The minimum area for cultivation shall be two (2) acres consisting of one (1) parcel or contiguous parcels.
 - (b) The plants shall not exceed four (4) feet in height. Where the cultivated area is less than ten (10) acres in area:
 - (i) The plants shall not exceed four (4) feet in height.

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(cii) The cultivation shall be setback twenty (20) feet from all lot lines abutting a public right-of-way and ten (10) feet from interior side and rear lot lines.

(dc) The property owner shall identify any in-ground utilities or storm water drainage facilities and shall not cultivate an area ten (10) feet wide overlying the trench unless approved by the Public Works Director.

(ed) All erosion control issues, including requirements for a construction site rock entrance and sweeping of public streets, shall be subject to review and approval of the Public Works Director.

(fe) There shall be no pasturing of farm animals upon the property.

(gf) Application of fertilizer, herbicides and/or pesticides upon the property shall be subject to approval of the Public Works Director.

(hi) Fences shall comply with the provisions of the Zoning Ordinance.

This ordinance shall take effect immediately upon its passage and publication as provided by law.

Passed and approved:
Published and effective:

CITY OF NEW RICHMOND

By: _____
Fred Horne, Mayor

ATTEST: _____
Tanya Reigel, City Clerk

ORDINANCE #___

THE COMMON COUNCIL OF THE CITY OF NEW RICHMOND DOES ORDAIN AS FOLLOWS:

Section 1. Section 90-3(b)(2) of the City Code (Weed and Grass Nuisances) is hereby amended to read as follows:

- (2) For that reason, any lawn, grass or weed on a lot or other parcel of land which exceeds eight inches in length is hereby declared to be a public nuisance; except for property located in a designated floodplain area and/or wetland area; where the lawn, grass or weed(s) is part of a natural lawn approved pursuant to Section 90-2 or exceptions established by Section 90-4 or where the property is used for agricultural purposes within the Z1 District established by the Zoning Ordinance.

Section 2. Section 90 of the City Code (Vegetation) is hereby amended to add the following provisions:

90-4. – Outlots and Undeveloped Parcels.

- (1) An outlot, undeveloped parcel or contiguous parcels with a minimum area of one (1) acre shall be planted with a grass seed mixture or agricultural crop, such as grass, legumes, or other herbaceous plants used for hay, grains, or vegetables, approved by the Public Works Director and maintained to prevent growth of noxious weeds prohibited by Section 90-1 of this Section.
- (2) Cultivation of agricultural crops on outlots or undeveloped parcels within the Z2, Z3, Z4, Z5 and Z7 Districts established by the Zoning Ordinance shall be allowed subject to annual approval of a permit by the Public Works Director, provided that:
 - (a) The minimum area for cultivation shall be two (2) acres consisting of one (1) parcel or contiguous parcels.
 - (b) Where the cultivated area is less than ten (10) acres in area:
 - (i) The plants shall not exceed four (4) feet in height.
 - (ii) The cultivation shall be setback twenty (20) feet from all lot lines abutting a public right-of-way and ten (10) feet from interior side and rear lot lines.

- (c) The property owner shall identify any in-ground utilities or storm water drainage facilities and shall not cultivate an area ten (10) feet wide overlying the trench unless approved by the Public Works Director.
- (d) All erosion control issues, including requirements for a construction site rock entrance and sweeping of public streets, shall be subject to review and approval of the Public Works Director.
- (e) There shall be no pasturing of farm animals upon the property.
- (f) Application of fertilizer, herbicides and/or pesticides upon the property shall be subject to approval of the Public Works Director.
- (i) Fences shall comply with the provisions of the Zoning Ordinance.

This ordinance shall take effect immediately upon its passage and publication as provided by law.

Passed and approved:
Published and effective:

CITY OF NEW RICHMOND

By: _____
Fred Horne, Mayor

ATTEST: _____
Tanya Reigel, City Clerk



156 East First Street
New Richmond, WI 54017
Ph 715-246-4268 Fax 715-246-7129
www.newrichmondwi.gov

TO: Mayor and City Council

FROM: Jeremiah Wendt, Public Works Director

DATE: June 9, 2016

RE: Sewer Ordinance Changes

Background

Staff has been in the process of drafting the City of New Richmond's first Capacity Management, Operation and Maintenance program (CMOM). One facet of this program is to review the existing sewer use ordinances, and make any recommended changes. After review by the water, wastewater, and engineering staff, three changes are recommended. Those changes are shown on the attached proposed ordinance and are summarized as follows:

- Define a sanitary sewer service and clarify that the property served owns the sewer lateral to the center of the sewer main.
- Expand the City's ability to require a monitoring manhole as part of a development project.
- Clarify the discharge volume that would require a user to obtain a permit from the City.

Recommendation

These changes have been reviewed by the City's Development Review Committee (DRC) and the Utility Commission and both are recommending approval of the ordinance changes by the City Council.

ORDINANCE # _____

THE COMMON COUNCIL OF THE CITY OF NEW RICHMOND DOES ORDAIN AS FOLLOWS:

Section 1. Section 86-23 of the City Code (Sewers and Sewage Disposal) is hereby amended to add the following definition:

Sanitary sewer service. Discharge of waste or wastewater through a sewer lateral that conveys waste from a private property to the City's municipal sanitary sewer main. The sewer lateral, including the portion of the lateral within the City's Right-of-Way, to the center of the sanitary sewer main, is the property of the property owner receiving sanitary sewer service through any such sewer lateral, and such property owner shall be responsible for costs and expenses associated with any maintenance, repair, removal, or replacement of such sewer lateral.

Section 2. Section 86-28(c) of the City Code (Wastewater measurement and sampling) is hereby amended to read as follows:

(c) ~~All persons~~ Any non-residential property discharging industrial wastes or wastewater to the City's sanitary collection system may be required, at the discretion of the Director of Public Works, ~~to into the wastewater works shall~~ construct and maintain control manholes in suitable and accessible positions within the City's Right-of-Way or on public property or an easement in favor of the City, or any City agency, to facilitate the observation, measurement and sampling of all ~~his~~ waste or wastewater. Control manholes shall be located and constructed in a manner approved by the ~~Superintendent~~ Director of Public Works and in conformance with WI Administrative Code SPS 381-391. Plans shall be submitted to the ~~Superintendent~~ Director of Public Works prior to construction.

Section 3. Section 86-30(a)(1) of the City Code (Wastewater discharge permit) is hereby amended to read as follows:

(a) *Permit*

- (1) A wastewater discharge permit is required under this section if a person's discharge into the City wastewater works has any of the following characteristics:
- a. A BOD greater than 300 mg/l.
 - b. A suspended solids concentration greater than 300 mg/l.

- c. A volume of 10,000 gallons per day or greater is discharged by any user at one or more points of discharge.
- d. Any of the characteristics listed under Section 86-24.

This ordinance shall take effect immediately upon its passage and publication as provided by law.

Passed and approved:
Published and effective:

CITY OF NEW RICHMOND

By: _____
Fred Horne, Mayor

ATTEST: _____
Tanya Reigel, City Clerk



156 East First Street
New Richmond, WI 54017
Ph 715-246-4268 Fax 715-246-7129
www.newrichmondwi.gov

MEMORANDUM

TO: Mayor Horne and City Council

FROM: Mike Darrow, City Administrator

DATE: June 8, 2016

SUBJECT: New Richmond School District – Commons Property Agreement

BACKGROUND

The School District of New Richmond has reviewed the revisions proposed by the City of New Richmond during our initial agreement review. Some of the key areas of the agreement (or those that need to be revised) include the following:

- A master plan will be prepared for the site by the end of 2016. This plan will require approval from both the School Board and City Council. This plan is a USE plan and not a site plan, meaning the master plan will generally call out areas within the site for specific uses and the purpose of those uses.
- The School District will be responsible for all costs associated with the demolition if the grant is received through the CDBG process. The City would waive any fees for demolition since this would be considered a municipal project. (This section of the agreement should be revised).
- We are proposing that the City should have any right to generate funds for the project. (This section of the agreement should be revised).
- Once the closing of the purchase and sale of the property occurs, the School District will transfer all future rights to the City of New Richmond.
- The project date of build out construction will be six (6) years. (This section of the agreement should be revised).
- The sale of the property will be \$1.

Our City Attorney will provide an overview of the contract during this presentation.

ACTION REQUESTED

After further review, the City Council may choose to approve the contract. If approved, we will provide a proposal for the Master Plan during the June 27th City Council work session meeting.

PURCHASE AGREEMENT

This Agreement is made and entered into by and between The School District of New Richmond ("Seller") and the City of New Richmond ("Buyer"). The Seller and Buyer are collectively referred to herein as the "Parties".

RECITALS:

A. Seller is the fee owner of approximately 3.914 acres of property legally described in the attached Exhibit A ("Property"). A location map is attached hereto as Exhibit B.

B. Seller wishes to convey, and Buyer wishes to purchase the Property, together with all rights, privileges, easements, and appurtenances belonging thereto.

AGREEMENT:

In consideration of the mutual covenants and agreements herein contained and other valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Purchase Price and Manner of Payment.** The total purchase price ("Purchase Price") to be paid by Buyer for the Property shall be \$1.00. The Purchase Price shall be payable as at Closing.
2. **Condition of Property.** Seller is selling the Property to Buyer on an as-is, where-is, with-all-faults basis. Seller makes no representations about the condition or status of the Property. Buyer represents that it has had an adequate opportunity to review and inspect the Property to satisfy itself as to the condition and status of the Property.
3. **Demolition.** Seller either has or intends to demolish the structures located on the Property prior to sale. Seller agrees to furnish Buyer with all reports or information available concerning the demolition
4. **Closing.** The closing of the purchase and sale of the Property contemplated by this Agreement shall occur on a "Closing Date" which shall occur on or before _____, 2016. Seller agrees to deliver possession of the Property to Buyer on the Closing Date. At the closing, Buyer shall pay the Purchase Price to Seller and the following closing documents shall be executed and delivered.

- a. A quit claim deed conveying to Buyer Seller's interests in the Property.
 - b. A standard Affidavit of Seller.
 - c. A closing statement detailing the financial terms of the closing.
 - d. All other documents necessary to transfer the Property to Buyer.
5. **Costs and Prorations.** Seller and Buyer agree to the following prorations and allocations of costs:
- a. **Closing Costs.** Buyer shall pay all costs of closing.
 - b. **Documentary Taxes.** Buyer shall pay the associated transfer fee payable to the County for the transaction contemplated by this Agreement.
 - c. **Real Estate Taxes and Levied and Pending Assessments.** General real estate taxes due in the year of closing shall be prorated by Seller and Buyer as of the Closing Date based upon the net general taxes for the preceding year, or the current year if available. Buyer shall be responsible for all special assessments levied or pending against the Property as of the date of this Agreement.
 - d. **Attorney's Fees.** Each party will pay its own attorney's fees, except that a party defaulting under this Agreement or any closing document will pay the reasonable attorney's fees and court costs incurred by the non-defaulting party to enforce its rights regarding such default.
6. **Title.**
- a. **Quality of Title.** Seller shall convey its interests in the property by quit claim deed.
 - b. **Title Evidence.** Within fifteen (15) days after this Agreement is fully executed by the Parties, Buyer shall procure a commitment ("Title Commitment") for an owner's policy of insurance in the amount of the Purchase Price insuring title to the Property subject only to the Permitted Encumbrances.
 - c. **Buyer's objections.** Within ten (10) business days after receiving the Title Commitment, Buyer may advise Seller of written objections ("Objections")

to the form and/or contents of the Title Commitment. Buyer's failure to make Objections within such time period will constitute waiver of Objections. Buyer may proceed to cure any objections at its cost. Buyer shall have sixty (60) days after receipt of the Objections to cure the Objections, during which period the Closing will be postponed as necessary. Buyer shall use its best efforts to correct any Objections. If the Objections are not cured within such 60-day period, Buyer will, in addition to any other remedy available at law or under this Agreement, have the option to do either of the following:

- (1) Terminate this Agreement; or
- (2) Waive the Objections and proceed to close.

7. **Representations and Warranties by Seller.** Seller represents and warrants to Buyer as follows:

- a. **Authority.** Seller has the requisite power and authority to enter into and perform this Agreement.
- b. **Rights of Others to Purchase Property.** Seller has not entered into any other contracts for the sale of the Property.
- c. **FIRPTA.** Seller is not a "foreign person," "foreign partnership," "foreign trust" or "foreign state" as those terms are defined in § 1445 of the Internal Revenue Code.
- d. **Proceedings.** To the best knowledge of Seller, there is no action, litigation, investigation, condemnation or proceeding of any kind pending or threatened against the Property.
- e. **Wells and Septic Systems.** Seller represents there are no septic systems and wells located on the Property.

8. **Representations and Warranties by Buyer.** Buyer represents and warrants to Seller as follows:

- a. Buyer has the requisite power and authority to enter into this Agreement and perform it.
- b. Buyer understands that Seller makes no representations or warranties, except those contained in this agreement. Buyer disclaims all warranties or representations concerning the condition of the Property, except as otherwise provided herein.

With a copy to: Jay Squires
Rupp, Anderson, Squires & Waldspurger
333 South Seventh Street, Suite 2800
Minneapolis, MN 55402

If to Buyer: City of New Richmond
[insert contact info]

With a copy to: [insert]

Notices shall be deemed effective on the earlier of the date of receipt or in the case of such deposit in the mail or overnight courier, on the first business day following such deposit. Any party may change its address for the service of notice by giving written notice of such change to the other party.

15. **Captions.** The captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.
16. **Entire Agreement.** This written Agreement constitutes the complete agreement between the parties and supersedes any and all other oral or written agreements, negotiations, understandings and representations between the parties regarding the Property. There are no verbal or written side agreements that change this Agreement.
17. **Amendment; Waiver.** No amendment of this Agreement, and no waiver of any provision of this Agreement, shall be effective unless set forth in a writing expressing the intent to so amend or waive, and the exact nature of such amendment or waiver, and signed by both parties (in the case of amendment) or the waiving party (in the case of waiver). No waiver of a right in any one instance shall operate as a waiver of any other right, nor as a waiver of such right in a later or separate instance.
18. **Governing Law.** This Agreement is made and executed under and in all respects is to be governed and construed under the laws of the State of Wisconsin.
19. **Binding Effect.** This Agreement binds and benefits the parties and their respective successors and assigns.
20. **Remedies.**

- a. **Default by Buyer.** If Buyer defaults under this Agreement, Seller shall have the right to terminate this Agreement by giving a 30-day written notice to Buyer. If Buyer fails to cure such default within thirty (30) days of the date of such notice, this Agreement will terminate, and upon such termination Seller shall retain the Earnest Money as liquidated damages, time being of the essence of this Agreement; or Seller may sue for specific performance of this Agreement or actual damages caused by Buyer's default.

- b. **Default by Seller.** If Seller defaults under this Agreement, Buyer may sue for specific performance of this Agreement or actual damages caused by Seller's default.

SELLER

By: _____

Dated: _____

Its: _____

BUYER

By: _____

Dated: _____

Its: _____

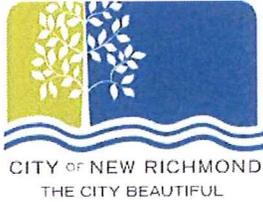
RASW: 9961

EXHIBIT A

Legal Description

EXHIBIT B

Location Map of Property



COMMUNITY COMMONS DEVELOPMENT AGREEMENT

THIS COMMUNITY COMMONS DEVELOPMENT AGREEMENT (“Agreement”) is made the ____ day of _____, 2016 (“Effective Date”) by and between the School District of New Richmond (“District”) and the City of New Richmond (“City”).

RECITALS

A. District is the owner of certain property formerly operated as a public middle school (“Property”) located within the City, legally described in **Exhibit A** and depicted on **Exhibit B**.

B. District has determined the Property is no longer suitable for future educational use due to prohibitive costs to, among other things, update the middle school facility.

C. The District and City have engaged in a comprehensive study, through Leo A. Daly Architects, to determine how the Property might be used by the community in the future.

D. The City has expressed a desire and a willingness to redevelop the Property for public use and shall raise capital through private donations to support the redevelopment of the Property.

E. The District and City have determined that the best opportunity to preserve the Property for future public and community use involves conveyance of the Property to the City on the terms set forth as follows:

AGREEMENT

In consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. **Initial Term.** The Term of this Agreement shall remain in effect until completion of the Master Plan from the Effective Date of this Agreement. This Agreement may be extended from time to time as agreed upon in writing by the City and the District.

2. **Master Plan.** City shall develop a Master Plan for the redevelopment and use of the Property. The Master Plan shall identify intended uses for the Property showing anticipated building locations and uses. The Master Plan will broadly describe the City's vision for the development of the Property. The process of developing the Master Plan shall include at a minimum the following:

a. **Community Meetings.** Community meetings shall be scheduled by the City to provide the public with an opportunity to offer input on the redevelopment and reuse of the Property.

b. **Master Plan.** The Master Plan shall be completed by the City and submitted to the District on or before December 31, 2016. The Master Plan shall be designed to serve all residents of the District. The Master Plan shall be expressly approved by City's Common

Council and the District's Board of Education. The District shall have no obligation to convey and the City shall have no obligation to accept a transfer of the Property as described in this Agreement, until the Master Plan is approved by both the City's Common Council and the District's Board of Education.

3. **Demolition.** District shall provide for the demolition of the existing middle school building, clearing of the Property and seeding of the Property with grass. The timeline for the demolition shall be determined by the District.

- a. **Demolition Costs (District).** District shall be solely responsible for all costs and expenses associated with the demolition of the existing middle school building, the clearing of the Property and the planting of grass on the site.
- b. **Demolition Costs (City).** The City has no obligation for any cost associated with the demolition of the Property. However, the City shall apply for and use its best efforts to secure a Community Development Block Grant in the amount of \$500,000 to apply towards demolition costs to be incurred by the District. All grant application-related costs shall be paid by City.
- c. **Maintenance and Continuing Use.** Upon completion of the demolition, City shall maintain the property as a "Green Space". The City will become responsible for the care and maintenance of the Property to include snow removal, weed control, lawn mowing, and upkeep of the landscape after installation. The continued use

of the property will be reserved for the District residents as Green Space until such time a construction begins on the Master Plan. All costs of post-demolition maintenance subsequent to the approval of the Master Plan will be the responsibility of the City.

4. **Transfer of Property.** In anticipation of the transfer of the Property, the City and District shall execute the Purchase Agreement attached and incorporated as **Exhibit C.** Execution of the Exhibit C Purchase Agreement shall occur upon approval of the Master Plan by the City and District, and conveyance of the Property shall be on the following terms:

- a. **Master Plan.** Approval of the Master Plan by the City's Common Council and the District's Board of Education.
- b. **Master Plan Execution.** Construction under the Master Plan must begin within 120 days of Transfer.
- c. **Demolition.** Completion of the demolition of the Property.
- d. **Purchase Price.** Sale of the Property by the District to the City for One Dollar (\$1.00).
- e. **Closing Date.** The sale of the Property shall close within thirty (30) days of the approval of the Master Plan and the completion of demolition of the Property.
- f. **Transfer and Closing Costs.** All costs required to effect the transfer of the Property to City shall be paid by the City.
- g. **Use Limitation.** The use of the Property shall be limited to those uses set forth in the approved Master Plan.

- h. **Condition of Property.** The Property shall be sold and conveyed as-is, where-is, and with all faults. District makes no representations concerning its condition.
- i. **Attorneys' Fees.** Each party shall be responsible for its own attorneys' fees incurred in the transfer of the Property.

5. **Redevelopment Obligations and Expenses.** The City shall be solely responsible for completing the redevelopment of the Property in a manner and timeline consistent with the approved Master Plan. All costs incurred in the redevelopment of the Property shall be paid by the City.

6. **Default / Remedies.** In the event of a breach of this Agreement, the non-breaching party shall give the other party a sixty day (60) notice of the default, and an opportunity to cure the default. If the other party fails to cure the default within this cure period, the non-breaching party may pursue all remedies available at law or by terms in this Agreement. The City shall be obligated subsequent to the transfer of Property to execute the Master Plan approved by both the City's Common Council and the District's Board of Education. In the event the City fails to complete the redevelopment identified in the approved Master Plan within 36 months of the conveyance, the City will, at the District's request and at the City's sole cost, convey the Property back to the District free of any and all encumbrances, restrictions or zoning limitations. In the event of reconveyance, the City would be responsible for reimbursement of any grant funds resulting from failure to redevelop the Property.

7. **Miscellaneous.**

- a. **Dispute Resolution.** Disputes regarding the interpretation of this Agreement will be resolved through the mutual cooperation of the parties. If the matter is not resolved within 60 days then the parties will enter into non-binding mediation to be conducted by a mediator jointly selected by the City and the District to reach a resolution. If no agreement is reached in mediation, either party may exercise its remedies provided by law.
- b. **Assignment.** Neither party may assign its rights or obligations under this Agreement, in whole or in part, without the express written consent of the other party.
- c. **Entire Agreement.** This Agreement constitutes the complete agreement between the City and the District, and supersedes all prior or contemporaneous discussions or undertakings.
- d. **Amendment.** This Agreement may only be amended by a writing signed by both parties.
- e. **Survival.** All terms contained herein shall survive and be enforceable subsequent to conveyance of the Property.
- f. **Governing Law.** This Agreement shall be construed under the laws of the State of Wisconsin.
- g. **Captions.** The captions appearing in this Agreement are for convenience only, and are not a part of the Agreement.

- h. **Extension.** This agreement may be extended for 12 months by mutual agreement in writing of both parties.
- i. **Termination.** Either party may terminate this agreement in writing. Conveyance of the Property will not terminate either party's rights or obligations under this agreement. For avoidance of doubt, termination for any reason will not relieve the City's obligation to meet the requirements outlined within an approved Master Plan.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on or as of the day and year first written above.

CITY:

CITY OF NEW RICHMOND

DISTRICT:

**SCHOOL DISTRICT OF
NEW RICHMOND**

By: Frederick Horne
Its: Mayor

By:
Its:

ATTEST:

By: Tanya Reigel
Its: City Clerk

EXHIBIT A

LEGAL DESCRIPTION

SEC 2 T30N R18W PT NW NW & SW NW; BEING OUTLOTS 115 & 116 & 129
NKA CSM 25-5763 LOT 2

(3.914AC)

PARCEL ID: 261114595200

EXHIBIT B

SITE PLAN

See Attached.

EXHIBIT C
OFFER TO PURCHASE

See Attached.