

**EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE CITY
OF WELLS, MINNESOTA**

HELD: January 23, 2006

Pursuant to due call and notice thereof, a regular meeting of the City Council (the Council) of the City of Wells (the City), Faribault County, Minnesota, was duly called and held at the City Hall in the City on January 23, 2006, at 5:00 P.M.

The following members were present:

Gaines, Linde, Burns, Jacobson

and the following were absent:

Carroll

Member Burns introduced the following resolution and moved its adoption:

RESOLUTION NO. 2006-01

**RESOLUTION RELATED TO TAX INCREMENT DISTRICT No. 2-5 (County No. 16)
THE WELLS TRUSS PROJECT**

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

1. That Northland Securities, Inc. has prepared and the City Council has reviewed, the following documents, copies of which are attached to this Resolution:

- a. Financial Summary Data (1 page) identified as "Wells 2-5 02c SU Closeout".
- b. Financial Detailed Data (2 pages) identified as "Wells 2-5 03c SU Details".
- c. Redistribution Worksheet (1 page) identified as "Wells 2-5 04b Redistribute".

2. As more particularly detailed in Resolution No. 2005-05 adopted by the Council on 5/9/05, Wells Truss Manufacturing, Inc. has performed all of its obligations under its 1994 Lease Agreement with the City.

3. The present cash balance of \$8,921.90 shall be disbursed \$1,500.00 to Northland Securities, Inc. for professional services related to the District, \$573.75 to US Bank to prepay all remaining paying agent charges on the Escrow Fund related to the 2005 bond defeasance as described in said Resolution 2005-05, and \$6,848.15 shall be disbursed to the Faribault County Auditor for redistribution to Faribault County, the School District, and the City of Wells according to the process set forth in state law.

4. That Tax Increment District No. 2-5 (County Number 16) shall cease to exist as of 12/31/05 and that it shall in all respects be considered "Decertified" as of 12/31/04.

5. This resolution shall supercede and replace Resolution 2005-32.

6. That the City Clerk shall forthwith transmit a certified copy of this Resolution to the Faribault County Auditor together with a City check in the amount specified in Item 3 above.

The motion for the adoption of the foregoing resolution was duly seconded by Member Linde, and upon voted being taken thereon, the following voted in favor thereof:

Gaines, Linde, Burns (Carroll was absent)

and the following voted against the same:

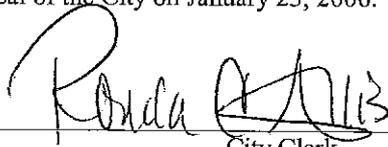
None

Whereupon said resolution was declared duly passed and adopted on January 23, 2006.

STATE OF MINNESOTA)
)SS
COUNTY OF WELLS)

I, the undersigned, being the duly qualified and acting City Clerk of the City of Wells, Faribault County, Minnesota, DO HEREBY CERTIFY, that I have carefully compared the preceding extract of minutes of a meeting of the City Council of said City held on the date therein indicated with the original minutes thereof on file in my office and that the same is a full, true and correct transcript thereof insofar as said minutes relate to the topic described in the title of the resolution set forth in the extract.

WITNESS my hand officially and the official seal of the City on January 23, 2006.



City Clerk

(SEAL)

CITY OF WELLS
TAX INCREMENT DISTRICT 2-5 CLOSEOUT
SOURCES AND USES OF FUNDS
(Modified Version of OSA's Annual District Report (page 3)
(OSA = Office of the State Auditor)

	A	C	D	E	F	G
	ORIGINAL PLAN BUDGET	REPORTED TO OSA THRU 12/31/03	REPORTED TO OSA FOR 2004	TOTALS THRU 12/31/04	ACTIVITY FOR 2005	GRAND TOTAL
REVENUES						
24 Tax increment revenue	116,685	86,218	7,088	93,306	7,088	100,394
26 Investment earnings		6,555	718	7,273	14,658	21,931
27 Bond proceeds	580,000	1,056,623		1,056,623		1,056,623
30 Sale/lease proceeds	719,975	508,478	75,230	583,708	304,133	887,841
33 Local contribution	11,668			0		0
33 Developer deposit		16,283		16,283		16,283
34 Transfer From General F				0	1,297	1,297
35 Total Revenues	1,428,328	1,674,157	83,036	1,757,193	327,176	2,084,369
EXPENDITURES						
44 Bond principal payments	580,000	680,000	60,000	740,000	315,000	1,055,000
45 Bond interest payments	268,328	313,597	13,275	326,872	21,900	348,772
48 Administrative expenses	20,000	20,490	374	20,864	(10,176)	10,688
49 Building construction	560,000	628,819		628,819		628,819
49 Bond Issue Discount				0	12,250	12,250
49 Refunding bond issue costs		16,283		16,283		16,283
49 Defeasance Set Up Costs				0	5,709	5,709
49 Return to County Auditor				0	6,848	6,848
Total	1,428,328	1,659,189	73,649	1,732,838	351,531	2,084,369
Net Revenue (Expenditures)	0	14,968	9,387	24,355	(24,355)	0
Adjustments						
Dec (Inc) Accounts Rec.						
Inc (Dec) Accounts Pay.						
Beginning Cash			14,968		24,355	
Ending Cash	0	14,968	24,355	24,355	0	0

CITY OF WELLS, MINNESOTA
STATEMENT OF REVENUES AND EXPENDITURES
TAX INCREMENT DISTRICT NO. 2-5
WELLS TRUSS MANUFACTURING, INC. DISTRICT

	1994	1995	1996	1997	1998	1999	2000	2001	TOTAL THRU 2001
1 SOURCES OF FUNDS									
2 Pymts From Wells Truss	6,660	45,000	45,000	41,250	67,167	56,229	62,000	62,000	395,306
3 96 TIF Pd to WT					(14,828) /1				(14,828)
4 97 TIF Pd to WT					(14,836) /2				(14,836)
5 98 TIF Pd to WT					(16,419) /3				(16,419)
6 99 TIF Pd to WT						(10,812)		(10,540)	(10,812)
7 00 TIF Pd to WT & 01									(21,080)
8 94-96 Int Pd to WT (\$18 Diff?)					(4,939) /2				(4,939)
9 See deduct 98 Ck 6769									0
10 Net From Wells Truss	6,660	45,000	45,000	41,250	16,145	55,417	51,460	51,460	312,392
11 From Wells EDA /4	8,340	5,000							13,340
12 From Wells EDA /4		11,438							11,438
13 Tax Increments			14,828	14,836	12,190	10,812	10,540	10,540	73,746
14 Bond Proceeds	626,623								626,623
15 Interest	4,264	335	358	316		658		336	6,267
16 Investments Matured									0
17 Investments Purchased									0
18 Other				91					91
19 TOTAL	645,887	61,773	60,186	56,493	28,335	66,229	62,658	62,336	1,043,897
20 USES OF FUNDS									
21 Bond Discount	12,250	458	384	455		250	456	496	12,250
22 Administrative Costs									0
23 Costs To Refinance 94 Bonds									0
24 Costs To Defeas 2002 Bonds									628,816
25 Project Capital Costs	565,442	63,377	15,000	15,000	20,000	25,000	35,000	40,000	150,000
26 Principal on Bonds	9,735	38,940	38,940	38,190	37,410	36,330	34,930	32,900	267,375
27 Interest on Bonds									0
28 Return To County Auditor									0
29 TOTAL	587,427	102,775	54,324	53,645	57,410	61,580	70,386	73,396	1,060,943
30 REVENUES LESS EXPEND.	58,460	(41,002)	5,862	2,848	(29,075)	4,649	(7,728)	(11,060)	(17,046)
31 PRIOR FUND BALANCE	58,460	17,458	23,320	26,168	(2,907)	1,742	(5,986)	(17,046)	
32 CURRENT FUND BALANCE	58,460	17,458	23,320	26,168	(2,907)	1,742	(5,986)	(17,046)	

/1 - City Check No. 6405 dated 11/12/97 payable to "Wells Economic Development Corp" in the amount of \$14,828.36 for Pay 96 tax increment.
/2 - City Check No. 6769 dated 1/21/98 payable to "Wells EDA" in the amount of \$18,477.79 netted as follows: \$14,835.79 for 1997 TIF plus \$4,939 for 94-96 interest earned less \$1,297 95-97 administrative cost. Somehow, the \$1,297 was not credited to the "fund" as revenue in 1998. The \$1,297 will be transferred to the "fund" from the General Fund in 2002.
/3 - City Check No. 7416 dated 5/8/98 payable to "Wells Truss Mfg." in the amount of \$16,420.03 for Pay 98 tax increment.
/4 - From Wells EDA for Debt Service on behalf of Wells Truss. Wells Truss is repaying the amount to the EDA as part of its separate monthly payment of \$369.80. The \$11,438 was from the EDA for "change orders" and it is assumed that Wells Truss is paying it back to the EDA as part of the monthly payment of \$369.80.

**CITY OF WELLS, MINNESOTA
STATEMENT OF REVENUES AND EXPENDITURES
TAX INCREMENT DISTRICT NO. 2-5
WELLS TRUSS MANUFACTURING, INC. DISTRICT**

	2001 FORWARD	Actual 2002	Actual 2003	Actual 2004	1 2005	2 2005	TOTAL THRU 2005	Est. 2006	GRAND TOTAL
1 SOURCES OF FUNDS									
2 Pymts From Wells Truss	395,306	112,361	75,230	75,230	304,133		962,260		962,260
3 96 TIF Pd to WT	(14,828)						(14,828)		(14,828)
4 97 TIF Pd to WT	(14,836)						(14,836)		(14,836)
5 98 TIF Pd to WT	(16,419)						(16,419)		(16,419)
6 99 TIF Pd to WT	(10,812)						(10,812)		(10,812)
7 00 TIF Pd to WT & 01	(21,080)						(21,080)		(21,080)
8 94-96 Int Pd to WT (\$18 Diff?)	(4,939)						(4,939)		(4,939)
9 See deduct 98 Ck 6769	0				1,297		1,297		1,297
10 Net From Wells Truss	312,392	112,361	75,230	75,230	305,430	0	880,643	0	880,643
11 From Wells EDA /4	13,340						13,340		13,340
12 From Wells EDA /4	11,438						11,438		11,438
13 Tax Increments	73,746	5,941	6,348	7,088	7,088		100,211		100,211
14 Bond Proceeds	626,623	430,000					1,056,623		1,056,623
15 Interest	6,267	95	193	718	191		7,464		7,464
16 Investments Matured	0					60,888	60,888	270,125	331,013
17 Investments Purchased	0					(316,546)	(316,546)		(316,546)
18 Other	91						91		91
19 TOTAL	1,043,897	548,397	81,771	83,036	(3,837)	60,888	1,814,152	270,125	2,084,277
20 USES OF FUNDS									
21 Bond Discount	12,250						12,250		12,250
22 Administrative Costs	2,499	914	4,735	374	2,074		10,596		10,596
23 Costs To Refinance 94 Bonds	0	13,364	2,919				16,283		16,283
24 Costs To Defeas 2002 Bonds	0					5,709	5,709		5,709
25 Project Capital Costs	628,819						628,819		628,819
26 Principal on Bonds	150,000	475,000	55,000	60,000		55,000	795,000	260,000	1,055,000
27 Interest on Bonds	267,375	30,500	15,722	13,275	5,887	5,888	338,647	10,125	348,772
28 Return To County Auditor	0					6,848	6,848		6,848
29 TOTAL	1,060,943	519,778	78,376	73,649	20,518	60,888	1,814,152	270,125	2,084,277
30 REVENUES LESS EXPEND.	(17,046)	28,619	3,395	9,387	(24,355)	0	0	0	0
31 PRIOR FUND BALANCE			(17,046)	14,968	24,355	0	0	0	0
32 CURRENT FUND BALANCE		(17,046)	11,573	14,968	24,355	0	0	0	0

DETAILS OF COSTS TO DEFEASE BONDS

Bank Wire Fee	15.00
State Deed Tax	1,044.59
Local Legal Fees	649.00
US Bank Fee	750.00
Other Fees	3,250.00
Total	5,708.59

Northland \$1,500 for TIF Services and
\$573.75 to US Bank for 2005 & 2006
Paying Agent Services

**WORKSHEET FOR
REDISTRIBUTION OF
TAX INCREMENT DOLLARS
BY THE COUNTY AUDITOR**
Minnesota Statutes, Section 469.176(2)
CITY OF WELLS, MINNESOTA
TAX INCREMENT DISTRICT NO. 2-5

1 Date Funds Returned By City To County Auditor 1/24/06
2 Total Dollars Returned For Distribution \$6,848.15

	<u>Pay 05 Rate</u>	<u>% Of Total</u>
2 Current Year Local Tax Rates		
City of Wells	70.171%	56.00%
County of Faribault	47.147%	37.63%
School District	7.980%	6.37%
Total	<u>125.298%</u>	<u>100.00%</u>

	<u>Related To District 2-3</u>
3 Distribution of Dollars To:	
City of Wells	\$3,834.96
County of Faribault	\$2,576.96
School District	\$436.23
Total	<u>\$6,848.15</u>

NUMBERS ARE SUBJECT TO COUNTY AUDITOR REVIEW / RECALCULATION