

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

HELD: December 28, 2009

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 December 28, 2009, at 5:00 P.M.

The following members were present:

and the following were absent:

Member Gaines introduced the following resolution and moved its adoption:

RESOLUTION NO. 2009- 10

**RESOLUTION RELATED TO TAX INCREMENT DISTRICT No. 2-7 (County
No. 22)
WELLS CONCRETE NO. 2 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. Sources and Uses of Funds Document identified as "Wells 2-7 02b SU Closeout".
 - b. Redistribution Worksheet identified as "Wells 2-7 09a Redistribute".
2. The last of all payments due from the City to Wells Concrete Products, Co. under the Development Agreement dated February 1, 1998, was made in 2006.
3. The District had cash balance of \$5,484.00 at 12/31/07 and it had no financial activity in either in 2008 or through November of 2009.
4. The present cash balance of \$5,484 shall be paid \$4,284 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. Said \$4,284 consists of \$3,230 of tax increment received in 2007 after 5/6/07 (the legal ending date of the District) and \$1,054 of unused funds in

the District. The remaining \$1,200 shall be paid to Northland Securities, Inc. as Administrative Expenses for their assistance with annual reporting and other compliance matters for the District.

5. That Tax Increment District No. 2-7 (County Number 22) did cease to exist as of 5/6/07 and that it shall in all respects be considered "Decertified" as of 5/6/07 as per statutory duration limits set forth in state law

6. That the City Administrator shall forthwith transmit a certified copy of this Resolution to the Faribault County Auditor and the Office of the State Auditor, TIF Division.

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

Savick, Burns, Gaines, Seedorf, Weber

and the following voted against the same:

NONE

Whereupon said resolution was declared duly passed and adopted on December 28, 2009.

STATE OF MINNESOTA)
)SS
COUNTY OF WELLS)

I, the undersigned, being the duly qualified and acting City Administrator 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 December 28, 2009.

Jeremy R. Heiman
City Administrator

(SEAL)

CITY OF WELLS
TAX INCREMENT DISTRICT 2-7 CLOSEOUT
SOURCES AND USES OF FUNDS
 (Modified Version of OSA's Annual District Report (page 3))

(OSA = Office of the State Auditor)

	A	B	OSA REPORT FOR 2004	OSA REPORT FOR 2005	OSA REPORT FOR 2006	OSA REPORT FOR 2007	OSA REPORT FOR 2008	TOTALS THRU 12/31/08	PENDING ACTIVITY FOR 2009	GRAND TOTAL
CITY FUND NO. 410										
REVENUES										
26 Tax increment revenue	226,707	55,826	6,643	6,669	6,408	3,230		78,776		78,776
28 Investment earnings		(126)						(126)		(126)
35 Local Contribution	22,671	3,407						3,407		3,407
37 Total Revenues	249,378	59,107	6,643	6,669	6,408	3,230	0	82,057	0	82,057
EXPENDITURES										
38 Land/Buildings Acquisition	176,707	58,220	5,978	6,003	6,087			76,288		76,288
39 Site improvements /	50,000							285	1,200	1,485
50 Administrative expenses	22,671	285							3,230	3,230
51 Return 2007 Increment to County /1								0	1,054	1,054
51 Return to county auditor									5,484	5,484
Total	249,378	58,505	5,978	6,003	6,087	0	0	76,573	(5,484)	82,057
Net Revenue (Expenditures)	0	602	665	666	321	3,230	0	5,484		0
Adjustments										
Dec (Inc) Accounts Rec.										
Inc (Dec) Accounts Pay.										
Beginning Cash		602	602	1,267	1,933	2,254	5,484	5,484	5,484	5,484
Ending Cash	0	602	1,267	1,933	2,254	5,484	5,484	5,484	0	0

/1 - The statutory decertification date for the District was 5/6/07. The first half of taxes for 2007 (\$3,230) was received by the City after 5/6/07 so it must be 100% returned to the County Auditor for redistribution. Said \$3,230 was not paid out to the Developer as a PayGo payment in 2007. This fund, City Fund No. 410, had no financial activity in 2008.

Equals Cash and Fund Balance in 2008 City Audit.

**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. 2-7

1 Date Funds Returned By City To County Auditor 12/31/09 By
2 Total Dollars Returned For Distribution \$4,284.00

	<u>Pay 09 Rate</u>	<u>% Of Total</u>
2 Current Year Local Tax Rates		
City of Wells	65.142%	55.45%
County of Faribault	46.010%	39.16%
School District	6.333%	5.39%
Total	<u>117.485%</u>	<u>100.00%</u>

	<u>Related To District 2-7</u>
3 Distribution of Dollars To:	
City of Wells	\$2,375.48
County of Faribault	\$1,677.61
School District	<u>\$230.91</u>
Total	<u>\$4,284.00</u>

NUMBERS ARE SUBJECT TO COUNTY AUDITOR REVIEW / RECALCULATION