

**ACKNOWLEDGEMENT OF RECEIPT OF NOTICE OF MEETING
OF THE MAYOR AND CITY COUNCIL OF
THE CITY OF DAVID CITY, NEBRASKA**

The undersigned members of the governing body of the City of David City, Nebraska, hereby acknowledge receipt of advance notice of a regular meeting of said body and the agenda for such meeting to be held at 7:00 o'clock p.m. on the **11th day of December, 2013**, in the meeting room of the City Office, 557 N 4th Street, David City, Nebraska.

This agenda is available for public inspection in the office of the City Clerk and may be modified up to twenty-four hours prior to the opening of the meeting.

Dated this 5th day of December, 2013.

AGENDA AS FOLLOWS:

1. Roll Call; _____
Mayor Alan Zavodny
2. Pledge of Allegiance;
3. Inform the Public about the location of the Open Meetings Act and the Citizens Participation Rules; _____
Council President Gary L. Kroesing
4. Minutes of the November 13th, 2013 meeting of the Mayor and City Council;
5. Consideration of Claims;
6. Committee and Officer Reports; _____
Council member Michael E. Rogers
7. Consideration of Ordinance 1201 entitled:
AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN \$3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF DEVELOPMENT REVENUE AND REFUNDING BONDS (ST. JOSEPH'S VILLA PROJECT), SERIES 2013, OF THE CITY OF DAVID CITY, NEBRASKA (THE "BONDS") FOR THE PURPOSE OF LOANING THE PROCEEDS THEREOF TO ST. JOSEPH'S VILLA, INC. (THE "BORROWER") IN ORDER TO (i) REDEEM THE CITY'S OUTSTANDING INDUSTRIAL DEVELOPMENT REFUNDING REVENUE BONDS (ST. JOSEPH'S VILLA, INC., PROJECT) SERIES 2004 (THE "SERIES 2004 BONDS") WHICH 2004 BONDS WERE ISSUED UNDER A TRUST INDENTURE DATED DECEMBER 15, 2004 (AS AMENDCED, THE "INDENTURE") BETWEEN THE CITY AND CORNERSTONE BANK (FORMERLY CORNERSTONE BANK, N.A.), AS TRUSTEE (THE "TRUSTEE"), AND (ii) PAY THE COSTS OF CERTAIN ADDITIONS, IMPROVEMENTS AND EQUIPMENT FOR THE ASSISTED LIVING AND SKILLED NURSING FACILITIES OF THE BORROWER (THE "2013 PROJECT"; AND, TOGETHER WITH THE PROJECTS FINANCED AND REFINANCED BY THE 2004 BONDS, THE "PROJECT"), WHICH BONDS AND THE INTEREST THEREON SHALL BE PAYABLE SOLELY FROM THE REVENUES DERIVED FROM THE LOAN AGREEMENT DATED AS OF DECEMBER 15, 2004, BETWEEN HE CITY AND THE BORROWER, AS AMENDED (THE "LOAN AGREEMENT") AND THE PROMISSORY NOTE ISSUED BY THE BORROWER TO THE CITY THEREUNDER (THE "2013 NOTE"), APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENT TO THE LOAN AGREEMENT; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A _____
Council member Ruddy L. Svoboda

Council member William Scribner

Council member Gary D. Smith

Council member John P. Vandenberg

City Clerk Joan E. Kovar

SUPPLEMENT TO THE INDENTURE; APPROVING A MODIFICATION TO THE DEED OF TRUST SECURING THE OBLIGATIONS OF THE BORROWER UNDER THE LOAN AGREEMENT (THE "DEED OF TRUST"); APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT BETWEEN THE CITY, THE BORROWER AND D.A. DAVIDSON & CO.; PROVIDING FOR THE APPROVAL OF AN OFFICIAL STATEMENT; PROVIDING AUTHORIZATION FOR QUALIFICATION AND REGISTRATION FOR SALE OF THE BONDS IN VARIOUS STATES; PROVIDING RATIFYING PRIOR ACTIONS; AUTHORIZING THE EXECUTION AND DELIVERY OF ADDITIONAL DOCUMENTS AND THE TAKING OF ADDITIONAL ACTIONS; MAKING FINDINGS AND DETERMINATIONS WITH RESPECT TO THE PROJECT AND THE BONDS; DETERMINING THAT SAID BONDS SHALL NOT BE A LIABILITY OF THE CITY NOR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS; DETERMINING THAT SAID BONDS ARE QUALIFIED TAX EXEMPT OBLIGATIONS; PROVIDING THAT THE INVALIDITY OF ANY PART OF THIS ORDINANCE SHALL NOT AFFECT THE REMAINDER; PROVIDING THAT THIS ORDINANCE CONSTITUTES A CONTRACT BETWEEN THE CITY AND THE HOLDERS OF THE BOND; PROVIDING FOR THE SEVERABILITY OF THE PROVISIONS HEREOF; REPEALING ALL RESOLUTIONS AND ORDINANCES AND PARTS OF RESOLUTIONS AND ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING FOR THE PUBLICATION AND DATE OF EFFECT OF THIS ORDINANCE.";

8. Presentation concerning the Thorpe Opera House;
9. Consideration of the request by the Park & Recreation Committee to use Sales Tax revenues of \$14,000 for the purchase of mulch;
10. Consideration of the bids received for the purchase of a back hoe for the Water/Sewer Department;
11. Consideration of the In Lieu of Tax payment by the David City Housing Authority;
12. Consideration of refunding the In Lieu of Tax payments paid by the David City Housing Authority for the last three (3) years;
13. Consideration of canceling the Committee of the Whole meeting for December as it falls on Christmas Day, December 25, 2013;
14. Adjournment;

CITY COUNCIL PROCEEDINGS

December 11, 2013

The City Council of the City of David City, Nebraska, met in open public session in the meeting room of the City Office, 557 N 4th Street, David City, Nebraska. The Public had been advised of the meeting by publication of notice in The Banner Press on December 5th, and an affidavit of the publisher is on file in the office of the City Clerk. The Mayor and members of the City Council acknowledged advance notice of the meeting by signing the Agenda which is a part of these minutes. The advance notice to the Public, Mayor, and Council members conveyed the availability of the agenda, which was kept continuously current in the office of the City Clerk and was available for public inspection during regular office hours. No new items were added to the agenda during the twenty-four hours immediately prior to the opening of the Council meeting.

Present for the meeting were: Mayor Alan Zavodny, Council members Gary Kroesing, Ruddy Svoboda, Gary Smith, John Vandenberg, Mike Rogers, and Bill Scribner. Also present were City Administrator Abbie Cornett, City Attorney Jim Egr, and City Clerk Joan Kovar.

Also present for the meeting were: Ryan Pluta of Titan Machinery, Park/Auditorium Supervisor Scott Bales, Electric Supervisor Pat Hoef, WA/SE Supervisor Gary Janicek, Janis Cameron, Carolyn Yates, and Banner Press Editor Larry Peirce.

The meeting opened with the Pledge of Allegiance.

Mayor Zavodny informed the public of the "Open Meetings Act" posted on the east wall of the meeting room.

Mayor Zavodny asked for consideration of the minutes of the November 13, 2013 meeting of the Mayor and City Council.

Council member Kroesing stated: "This past summer I brought concerns to the Council about the sirens and the problems we're having in my end of town. I've had four people contact me about not being able to hear these sirens at all and then the concerns about being in the house and not hearing them at all, and last night there was a brand new complaint from a younger person to say she could not hear them in the house at all. So, I tested this theory myself. While one of these sirens was blowing, and it sounded like it was way off in the distance anyway, I went in the house and lost it completely, came back out and it works. So, you cannot hear these sirens, all of them, in the house. That theory about the new sirens not working while you're in the house, I hope that's all false because you shouldn't be standing outside when you have an eminent tornado coming down the street at you."

Mayor Zavodny stated: "Correct; and actually the way I believe it was first discussed with us, the one on top of the fire station is for the fires and it's supposed to cover the entire view of our city limits. We have certain sirens that will only blow during a tornado."

Council member Kroesing stated: "The test ones, when they all blow at once, is not a problem. But this other siren, it's not making it; and we can tell exactly when we've lost the siren in our neighborhood, cause now the one we are listening to is off in the distance and I asked at that time when I brought that concern to the council, I asked to have an inventory of the sirens, what is really wrong with them, and what it takes to get them operational, so they're not all junk."

Mayor Zavodny stated: "I think we did do that, and it's like \$2,800 to fix the ones that aren't working and we were wondering if that was worth it to do it for that."

Council member Kroesing asked: "Who gave you that estimate?"

Electric Supervisor Pat Hoeft stated: "Jim Bomgardner with Schmader Electric."

Council member Kroesing asked: "Did he actually go up and inspect them?"

Electric Supervisor Pat Hoeft stated: "It's going to take all new boxes on the bottom of the pole, plus some of them have more problems than that. My sirens went down for over ten years, I think it was brought up at the time, and it was said just leave it go, they're not fixable. So as they went down they were told to just pull the levers."

Mayor Zavodny asked: "Do you know when the sirens were first put into service?"

Electric Supervisor Pat Hoeft stated: "1976".

Mayor Zavodny stated: "And if you'll remember, my concern was at the time, the worst thing you can do is give citizens a false sense of security thinking they have a siren that is going to warn them of something, when it's not operational; that's probably a hundred times worse."

Council member Rogers stated: "My concern is that the people are inside the house and they can't hear the sirens; what good are they?"

Council member Kroesing stated: "I don't buy this fringe area stuff; if you live in the fringe area; that's a crock because our town is expanding. We've got people clear out by St. Mary's Cemetery now, and way over past Kozisek's Addition and we can't afford fringed areas; there's just no way."

Council member Rogers stated: "I can hear mine at the Dollar Store. I would like to really see us table this matter until the spring when we can get a little bit better idea."

Mayor Zavodny stated: "I don't think that's a terrible idea. I will say we will have to take action by this governing body because right now we have decided our policy was we weren't going to fix those old ones, the new system was supposed to have coverage and we were going to take down those real old ones that we weren't going to fix. We may want to revisit that or figure out, how do we put newer ones up if we don't want to just use the ones on the fire hall? That's a policy decision that you will have to make. Do you want to spend the money? Where do you think they should be located? I do have some concerns especially when the Dollar Store siren wasn't working. Our biggest employer out there (Timp) needs to be warned when something's going on. To Pat's credit he worked really hard and it took several attempts to get that darn thing to work. First they thought the antennae was too short, well that didn't fix it so it was one of those you trouble shoot. Try this, that didn't fix it, try something else, and finally they got to the bottom of it. It's a policy decision we will have to make."

Council member Kroesing stated: "I agree with Mike, I would like to see it tabled, I don't want to see a bucket truck coming in here and yanking them all off the top of these poles and they're gone. I'd like to see them stay there until we can actually evaluate them and see if there's any hope for some of those sirens. So what, so we have to replace the box."

Electric Supervisor Pat Hoefft stated: "Where's the money coming from?"

Council member Kroesing stated: "Are we going to argue about money if we've got a fringed area?"

Electric Supervisor Pat Hoefft stated: "There's not a fringed area in this town."

Council member Kroesing stated: "There isn't? You want to go talk to these people and blow your sirens? We lost our siren. People that were used to the sirens being blown; a short blast meant a country fire or a medical emergency, a three minute blast meant a city fire. I know that for a fact because every time that siren blew for three minutes, even if it was in the middle of the night I was shooting out of bed and checking my neighborhood to make sure everything was okay, and now that we have lost our siren there is no chance you are ever going to find out if there's something going on because you can't hear the siren inside the house."

Electric Supervisor Pat Hoefft stated: "You're not supposed to hear the siren in the house; it's an outside warning device."

Council member Kroesing stated: "There we go right there."

Council member Rogers asked: "What good is that going to do the elderly if they're inside the house and don't have a scanner?"

Electric Supervisor Pat Hoefft stated: "It's an outside warning device. We're talking about fire sirens. We can turn around and blow every siren in town for every fire. That's your decision because it was voted on four or five years ago at a council meeting that the new sirens would only blow for a tornado."

Mayor Zavodny stated: "What we need to revisit is what does it take now if we want to have more of them blow, because the sales pitch was we have an aging infrastructure of sirens and the new one on top of the fire department, and they showed us the map, was supposed to cover the whole area. I would agree with you, if you have any noise in your house, and the way houses are, pretty tight, you're not going to hear them. I don't hear anything in my house, that's just the nature of it. I think this is a good discussion item for the Committee of the Whole meeting in January."

Electric Supervisor Pat Hoefft stated: "There's a guy coming to jerk them down. I've got these two that have to come to the ground."

Mayor Zavodny asked: "Which are those two?"

Electric Supervisor Pat Hoefft stated: "The one on 1st Street has not worked for about 4 or 5 years and the one on "K" Street hasn't worked for ten years."

Council member Kroesing stated: "Well don't sell them to C.M.I. or something in case we need parts to build a couple more to put back up."

Electric Supervisor Pat Hoefft stated: "Well I've got the one from the fire hall still at the City Shop. That's the best siren that was up for the distance."

The minutes of the November 13th, 2013 meeting of the Mayor and City Council were approved upon a motion by Council member Kroesing and seconded by Council member Rogers. Voting AYE: Council members Vandenberg, Svoboda, Kroesing, Scribner, Rogers, and Smith. Voting NAY: None. The motion carried.

Mayor Zavodny asked for consideration of claims. Council member Kroesing made a motion to authorize the payment of claims and Council member Vandenberg seconded the motion. Voting AYE: Council members Rogers, Scribner, Svoboda, Smith, Vandenberg, and Kroesing. Voting NAY: None. The motion carried.

Mayor Zavodny called for Committee and Officer Reports.

Mayor Zavodny stated: "Our Recognition Banquet will be Friday, January 3, 2014, at Par IV at 6:00 p.m., dinner at 6:30 p.m."

Christmas Decoration Project Chairman Janis Cameron stated: "The first part of the Christmas street lighting project has been accomplished and I think it's time to recognize those that made it happen. First: the project would not have happened without Pat Hoefft and Tim Kozisek; those two put everything they had into it. Not only did they do their job but they were very supportive of it. How about this? How about that? They were making sure the brackets fit

and testing the old ones and the new ones to calculate how much energy we would save; they really went beyond what was called for. Second: Gary Smith and Ruddy Svoboda. They were at every meeting and had good ideas and input, and then at the end they were the ones standing out there in the bitter cold holding the new ones up for Tim Kozisek to hoist up. Stephanie Dubbs served on the committee. She did an amazing amount of work writing letters, asking for donations, sending the Thank You's; I've couldn't have done that without her, my word processing skills are pretty poor, and I don't think I would have, or I could have chaired this committee without Caroline (Yates) agreeing to be part of it; she's the most amazing person on being organized, has the best ideas, and she knows what it takes to get it accomplished and she was there in the bitter cold too for the ceremony."

Mayor Zavodny stated: "Well stop, stop a second. I know you're not going to say this but I will. If it wouldn't have been for your perseverance and tenaciousness and sometimes annoying nature at times, you know I'm teasing, I don't think this project would have reached where it did, so I want to recognize you because you can't really recognize yourself."

Christmas Decoration Project Chairman Janis Cameron stated: "Now comes the big question, and I will be honest with you, I was not excited to have to fund raise for this project. I didn't know if it really could be done but it turned out there are some of the most generous people and business owners that live here and around David City. The day the article first came out in the Banner a lady came into our store and asked who the check should be made out to. Her address isn't even in David City and she's not the only one who donated that doesn't even live in David City. The Chamber has been selling the old ones, because they own them, and they have been submitting that money to the City. Now the dollars and cents:

Decorations:	\$10, 436.08
<u>Donations to Date:</u>	<u>8,435.00</u>
Remaining:	\$2,001.08

We made an application to the Butler County Area Foundation and we found out this last week that they did award a thousand dollars which means that there is now \$1,001.08 left to raise. So my question tonight is who's ready to contribute to this fund and finish it off; anybody in the room?"

Mayor Zavodny stated: "Well, as I said, I'll buy one. I'll have to see which one I like the best. I think they look very nice; they're nicer in the day, they shimmer a little bit. I will say the bells created more excitement than I was anticipating; I think that's memories from generations ago; those bells have seen some winters."

Council member Vandenberg made a motion to accept the committee and officers reports as presented. Council member Smith seconded the motion. Voting AYE: Council members Svoboda, Scribner, Kroesing, Rogers, Smith, and Vandenberg. Voting NAY: None. The motion carried.

Consideration of Ordinance No. 1201. City Attorney Egr stated: "Let me explain why this is coming back up. I visited with the attorneys from Baird Holm, in particular T. Parker Schenken. This Statute, that was passed allowing the Mayor to vote in case there weren't enough members here, is so brand new, and Bond Council tends to be very, very, very conservative. You have to have a special license to be a Bond Council and then they sell these out, not just to people locally, but all over the place, and because it's so new there's not been

any court interpretations on that and so forth, they suggested, "let's take a conservative approach, let's not mess up the bond issue for the Villa and so forth", and so we're starting over where you introduce, waive the three readings because you have all six council members here this time, and get it done. They are very conservative about this situation and they thought it's so brand new they don't want to be the test case in case something would come up."

Council member Scribner introduced Ordinance No. 1201. Council member Kroesing made a motion to suspend the statutory rule that requires an Ordinance be read on three separate days. Council member Scribner seconded the motion. Voting AYE: Council members Kroesing, Vandenberg, Svoboda, Smith, Rogers, and Scribner. Voting NAY: None. The motion carried.

Council member Kroesing made a motion to pass and adopt Ordinance No. 1201 on the third and final reading. Council member Scribner seconded the motion. Voting AYE: Council members Smith, Vandenberg, Rogers, Scribner, Svoboda, and Kroesing. Voting NAY: None. The motion carried and Ordinance No. 1201 was passed and adopted as follows:

ORDINANCE NO. 1201

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN \$3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF DEVELOPMENT REVENUE AND REFUNDING BONDS (ST. JOSEPH'S VILLA PROJECT), SERIES 2013, OF THE CITY OF DAVID CITY, NEBRASKA (THE "BONDS") FOR THE PURPOSE OF LOANING THE PROCEEDS THEREOF TO ST. JOSEPH'S VILLA, INC. (THE "BORROWER") IN ORDER TO (i) REDEEM THE CITY'S OUTSTANDING INDUSTRIAL DEVELOPMENT REFUNDING REVENUE BONDS (ST. JOSEPH'S VILLA, INC., PROJECT) SERIES 2004 (THE "SERIES 2004 BONDS") WHICH 2004 BONDS WERE ISSUED UNDER A TRUST INDENTURE DATED DECEMBER 15, 2004 (AS AMENDED, THE "INDENTURE") BETWEEN THE CITY AND CORNERSTONE BANK (FORMERLY CORNERSTONE BANK, N.A.), AS TRUSTEE (THE "TRUSTEE"), AND (ii) PAY THE COSTS OF CERTAIN ADDITIONS, IMPROVEMENTS AND EQUIPMENT FOR THE ASSISTED LIVING AND SKILLED NURSING FACILITIES OF THE BORROWER (THE "2013 PROJECT"; AND, TOGETHER WITH THE PROJECTS FINANCED AND REFINANCED BY THE 2004 BONDS, THE "PROJECT"), WHICH BONDS AND THE INTEREST THEREON SHALL BE PAYABLE SOLELY FROM THE REVENUES DERIVED FROM THE LOAN AGREEMENT DATED AS OF DECEMBER 15, 2004, BETWEEN THE CITY AND THE BORROWER, AS AMENDED (THE "LOAN AGREEMENT") AND THE PROMISSORY NOTE ISSUED BY THE BORROWER TO THE CITY THEREUNDER (THE "2013 NOTE"), APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENT TO THE LOAN AGREEMENT; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENT TO THE INDENTURE; APPROVING A MODIFICATION TO THE DEED OF TRUST SECURING THE OBLIGATIONS OF THE BORROWER UNDER THE LOAN AGREEMENT (THE "DEED OF TRUST"); APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT BETWEEN THE CITY, THE BORROWER AND D.A. DAVIDSON & CO.; PROVIDING FOR THE APPROVAL OF AN OFFICIAL STATEMENT; PROVIDING AUTHORIZATION FOR QUALIFICATION AND REGISTRATION FOR SALE OF THE BONDS IN VARIOUS STATES; PROVIDING RATIFYING PRIOR ACTIONS; AUTHORIZING THE EXECUTION AND DELIVERY OF ADDITIONAL DOCUMENTS AND THE TAKING OF ADDITIONAL ACTIONS; MAKING FINDINGS AND DETERMINATIONS WITH RESPECT TO THE PROJECT AND THE BONDS; DETERMINING THAT SAID BONDS SHALL NOT BE A LIABILITY OF THE CITY NOR A CHARGE AGAINST

ITS GENERAL CREDIT OR TAXING POWERS; DETERMINING THAT SAID BONDS ARE QUALIFIED TAX EXEMPT OBLIGATIONS; PROVIDING THAT THE INVALIDITY OF ANY PART OF THIS ORDINANCE SHALL NOT AFFECT THE REMAINDER; PROVIDING THAT THIS ORDINANCE CONSTITUTES A CONTRACT BETWEEN THE CITY AND THE HOLDERS OF THE BOND; PROVIDING FOR THE SEVERABILITY OF THE PROVISIONS HEREOF; REPEALING ALL RESOLUTIONS AND ORDINANCES AND PARTS OF RESOLUTIONS AND ORDINANCES IN CONFLICT HERewith; AND PROVIDING FOR THE PUBLICATION AND DATE OF EFFECT OF THIS ORDINANCE.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA:

Section 1. The Mayor and Council of the City of David City, Nebraska, finds and determines:

(a) That the City is authorized by Section 2 of Article XIII of the Constitution of the State of Nebraska and by Neb. Rev. Stat. § 13-1101 through 13-1110, R.R.S. Neb., as amended (hereinafter referred to as the "Act") to finance and refinance the acquisition, construction, rehabilitation or purchase of one or more projects for use as a "nonprofit enterprise" (as defined in the Act), regardless of whether such project or projects are located within a blighted area, including the power to enter into any type of agreement, including a loan agreement, of and to issue revenue bonds thereby provide financing and refinancing for such project; which bonds shall be payable solely out of the revenue derived from the payments made under the said loan agreement.

(b) That the Mayor and Council have investigated and determined that St. Joseph's Villa, Inc., a Nebraska nonprofit corporation (the "Borrower"), is a nonprofit corporation qualified under Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended, operating a nursing and assisted living facility within the City as a nonprofit enterprise as defined in the Act, and that the Borrower desires that the City issue not to exceed \$3,000,000 in aggregate principal amount of Development Revenue and Refunding Bonds (St. Joseph's Villa Project) Series 2013 (the "Bonds") pursuant to the Trust Indenture dated as of December 15, 2004, as amended, including as amended by the Supplemental Indenture described below (the "Indenture"), and loan the proceeds thereof to the Borrower pursuant to the Loan Agreement dated as of December 15, 2004, as amended, including as amended by the Amendment described below (the "Loan Agreement") in order to pay costs of the 2013 Project and redeem and refinance the Outstanding Indebtedness and thereby provide for the financing and refinancing for the Project, all to induce the Borrower to continue its operations in the City, and that, accordingly, a public benefit will result from said Project through the financing and refinancing of the Project by the City, which public benefit shall include, but not be limited to, maintaining the employment of residents of the City, the providing of nursing and assisted living facilities within the City which benefits the health and welfare of the residents of the City, with an intended increase in the general economic activity within the City.

Section 2. An amendment to the Loan Agreement (the "Amendment") in substantially the form and content presented to the meeting, and the form of the 2013 Note be, and the same hereby are, in all respects, authorized, approved and confirmed, and the Mayor and the City Clerk be, and they hereby are, authorized to execute and deliver said Amendment and related documents, including necessary counterparts, in substantially the form and content as presented to the meeting for and on behalf of the City with such changes, alterations, amendments, revisions

and modifications thereto as the Mayor, in the exercise of his or her independent judgment and discretion, may deem necessary or appropriate, such determinations to be evidenced by his or her execution thereof.

Section 3. A supplement to the Trust Indenture (the "Supplemental Indenture") between the City and Cornerstone Bank (formerly Cornerstone Bank, N.A.), as trustee (the "Trustee") in substantially the form and content presented to the meeting, be and the same hereby is, in all respects authorized, approved and confirmed, and the Mayor and City Clerk be, and they hereby are, authorized to execute and deliver said Supplemental Indenture, including necessary counterparts, in substantially the same form and content presented to the meeting for and on behalf of the City with such changes, alterations, amendments, revisions and modifications thereto as the Mayor, in the exercise of his or her independent judgment and discretion, may deem necessary or appropriate, such determinations to be evidenced by his or her execution thereof.

Section 4. A modification or supplement (the "Supplemental Deed of Trust") to the Restated and Amended Deed of Trust and Security Agreement dated as of December 15, 2004, given by the Borrower, as trustor, for the benefit of the City, as beneficiary (the "Existing Deed of Trust"), in substantially the form and content presented to the meeting be and the same hereby is, in all respects authorized, approved and confirmed, in substantially the same form and content presented to the meeting, with such modifications thereto as the Mayor, in the exercise of his or her independent judgment and discretion, may deem necessary or appropriate such determinations to be evidenced by his or her execution thereof.

Section 5. A Bond Purchase Agreement between the City, the Borrower and D.A. Davidson & Co. ("Underwriter") be and the same hereby is in all respects authorized, approved and confirmed, and the Mayor and City Clerk or Deputy City Clerk be, and they hereby are, authorized to execute and deliver said Bond Purchase Agreement, including necessary counterparts, in such form and content as the Mayor, in the exercise of his or her independent judgment and discretion, may deem necessary or appropriate, such determination to be evidenced by his or her execution thereof. The sale of the Bonds pursuant to the Bond Purchase Agreement at the purchase price to be stated therein (as determined in accordance with the Bond Purchase Agreement) is hereby authorized, adopted, specified, accepted, ratified, approved and confirmed.

Section 6. The issuance the Bonds in the form set forth in the Supplemental Indenture be, and the same hereby is, in all respects, authorized, approved and confirmed, and the Mayor and City Clerk be, and they hereby are, authorized to execute (either by manual or facsimile signatures), seal with the official seal of the City, register said Bonds with the Paying Agent and Registrar; file a record of information with the Auditor of Public Accounts of the Sate of Nebraska, and deliver said Bonds in registered book entry form or otherwise in accordance with the Bond Purchase Agreement, and all other provisions of the Indenture with respect to said Bonds be, and they hereby are, incorporated herein by reference. The Mayor is hereby authorized, for and on behalf of the City, to establish for the Bonds (a) the principal and interest payment dates thereof and the principal amount thereof maturing on such dates, with a final maturity not later than December 31, 2025; (b) the interest rate or rates to be borne by the Bonds, which in the aggregate shall result in a true interest cost not in excess of 6.50%, (c) the date on which the Bonds are subject to the optional redemption under provisions of the Indenture and the redemption prices thereof, (d) the date or dates (if any) upon which the holder or holders of Bonds may tender the Bonds for payment in advance of their final maturity, and (e) such other terms and provisions as the Mayor deems necessary and appropriate in connection with the contemplated transactions.

All of such final terms shall be set forth in the Amendment, Supplemental Indenture, Bonds and other authorized documents as executed and delivered.

Section 7. The Preliminary Official Statement with respect to the Bonds is hereby approved and deemed final as of its date (as to information concerning the City) and the Mayor and/or City Clerk or Deputy City Clerk are each hereby authorized to execute or approve a final Official Statement containing information substantially similar to that provided in said Preliminary Official Statement but with any required changes to reflect the final terms specified in the documents approved in this Ordinance and any additional necessary information. The use of such final Official Statement in connection with the issuance, sale and delivery of the Bonds be, and the same hereby is, authorized, adopted, specified, accepted, ratified, approved and confirmed.

Section 8. It is hereby found and determined that it may be desirable and in the best interest of the City that the Bonds be qualified or registered for sale in various states; that the City Clerk or Deputy City Clerk is hereby authorized to determine, in consultation with the Underwriter, the states, if any, in which the appropriate action shall be taken to qualify or register for sale all or any part of the Bonds as said City Clerk or Deputy City clerk, in consultation with the Underwriter, may deem advisable; that the Mayor and/or City Clerk or Deputy City Clerk each are hereby authorized to perform on behalf of the City any and all acts as he or she may deem necessary or advisable in order to comply with the applicable law of such states, and in accordance therewith, to execute, deliver and file all requisite papers and documents, including, but not limited to, applications, reports, surety bonds, irrevocable consents and appointments of attorneys for service of process; and that the execution by the Mayor and/or City Clerk or Deputy City Clerk of any such paper or document or the doing by him or her of any act in connection with the foregoing matters, shall conclusively establish his or her authority therefor from the City and the approval and ratification by the City of the papers and documents so executed and the action so taken.

Section 9. All actions taken prior to the effective date of this Ordinance by the Mayor and City Clerk or Deputy City Clerk in connection with the issuance, sale and delivery of the Bonds, including, without limitation, (a) the expenditure of funds, (b) the selection, appointment and employment of bond counsel, financial advisors, and underwriters, and (c) the preparation, approval and circulation of the Preliminary Official Statement in connection with the issuance and sale of the Bonds, together with all other actions taken in connection with any of the foregoing, be, and the same hereby is in all respects, authorized, adopted, specified, accepted, ratified, approved and confirmed.

Section 10. The principal, premium (if any) and interest upon the Bonds shall not be construed, constitute, nor give rise to any pecuniary liability of the City nor a charge against its general credit or taxing powers, but shall be payable solely from the revenues of the Project.

Section 11. The City does not reasonably expect that it will issue tax-exempt obligations in excess of \$10,000,000 during the calendar year ending December 31, 2013. The City, in accordance with Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, does hereby designate the Bonds as qualified tax-exempt obligations.

Section 12. That the Mayor, City Clerk or Deputy City clerk and other appropriate officers and officials of the City be, and they hereby are, authorized to take such additional action and to execute and deliver for and on behalf of the City any and all additional certificates, documents, opinions or other papers and to perform all other acts (including without limitation the filing of any

financing statements, continuation statements or other documents to create or maintain security interests pledged as security for the bonds) as they may deem necessary or appropriate in order to carry out the intent and purposes of this Ordinance.

Section 13. If any section, paragraph, clause or provision of the Ordinance shall be held invalid or unenforceable by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

Section 14. The provisions of this Ordinance shall constitute a contract between the City and the holders of the Bonds herein authorized and the said Trustee and/or the holder of any one or more of the Bonds (subject to the provisions of the aforesaid Loan Agreement and Trust Indenture) may sue in any action in mandamus, injunction or other proceedings, either at law or in equity, to enforce or compel performance of all duties and obligations required by this Ordinance to be done or performed by the said City. Nothing contained in this Ordinance shall, however, be construed to impose upon the said City and duty or obligation to levy any taxes in order to meet any obligations contained herein or to pay the principal of, interest or premium, if any, on the Bonds of the City herein authorized.

Section 15. In order to promote compliance with certain federal tax and securities laws relating to the bonds herein authorized (as well as other outstanding bonds) the policy and procedures attached hereto as Exhibit "A" (the "Post-Issuance Compliance Policy and Procedures") are hereby adopted and approved in all respects. To the extent that there is any inconsistency between the attached Post-Issuance Compliance Policy and Procedures and any similar policy or procedures previously adopted and approved, the Post-Issuance Compliance Policy and Procedures shall control.

Section 16. The City shall, and the officers, agents and employees of the City are hereby authorized and directed to, take such further action, and to approve and execute such other documents, certificates and instruments, including, without limitation, any security documents, financing statements, note endorsements, arbitrage certificates, closing certificates or tax forms as may be necessary or desirable to carry out and comply with the intent of this Ordinance, and to carry out, comply with and perform the duties of the City with respect to the Amendment, the Supplemental Indenture, the Bonds and the other authorized documents.

Section 17. All ordinances or resolutions, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of any such conflict, hereby repealed.

Section 18. The City Clerk shall cause this Ordinance to be published in pamphlet form once in a legal newspaper as required by law.

Section 19. This Ordinance shall be in full force and effect from and after its passage as provided by law.

Passed and approved this 11th day of December, 2013.

CITY OF DAVID CITY, NEBRASKA

By: _____

Mayor Alan Zavodny

ATTEST:

City Clerk Joan Kovar

Mayor Zavodny stated: "Agenda Item #8 – Presentation concerning the Thorpe Opera House – is off of the agenda this evening. The people who needed to be present for this had a conflict so we will revisit this at some point in the future."

Mayor Zavodny asked for consideration of the request by the Park & Recreation Committee to use Sales Tax revenues of \$14,000 for the purchase of mulch.

Mayor Zavodny stated: "I assume this is part of the \$40,000 budgeted. I remember when we did the budget, I insisted we put the \$7,500, for the Ball Association, not as a stand-alone but that had to come out of the \$40,000."

City Administrator Abbie Cornett stated: "It is not a full \$14,000. There is a grant that I have found for the mulch, it is recycled tires, from the Department of Environmental Quality of the State. If we purchase the \$14,000 they will include the under layer that goes under it and we will only pay \$7,000 approximately. It is a 50% matching grant. Any area that's a playground area that isn't done currently will be done with the mulch."

Park Supervisor Scott Bales stated: "So we will cut them a check for \$14,072.50 and then when the project is done they will cut us a check for half of that."

Council member Scribner made a motion to authorize the expenditure of \$14,072.50 that will come out of the budgeted \$40,000 for Park and Recreation - Sales Tax Revenues - for the purchase of mulch. Council member Rogers seconded the motion. Voting AYE: Council members Svoboda, Kroesing, Vandenberg, Smith, Rogers, and Scribner. Voting NAY: None. The motion carried.

The City published an Invitation for Bids for a new backhoe. The bids were publicly opened and read aloud on Tuesday, December 10, 2013, at 2:00 p.m. The following bids were received:

MURPHY

TRACTOR & EQUIPMENT CO.

1337 E Broadway Ave
Des Moines, IA 50317-4744
515-263-0055

PO Box 1760
Dodge City, KS 67801-1760
620-227-3139

1303 3rd Ave. NW
Fort Dodge, IA 50501-2257
515-576-3184

P.O. Box 460
Gering, NE 69341-0460
308-436-2177

3204 S. Engleman Road
Grand Island, NE 68803-6621
308-381-0741

P.O. Box 1206
Great Bend, KS 67530-1206
620-792-2748

8600 NE Parvin Road
Kansas City, MO 64161-8300
816-483-5000

6100 Arbor Road
Lincoln, NE 68517-3211
402-467-1300

P.O. Box 1013
Platte, NE 69103-1013
334-7020

9751 S. 148th Street
Omaha, NE 68138-3898
402-894-1899

P.O. Box 5349
Sioux City, IA 51102-5349
712-252-2753

1401 S State Highway MM
Springfield, MO 65802-7726
417-863-1000

1621 NW Cage Blvd.
Topeka, KS 66618
785-233-0556

P.O. Box 387
Ulisses, KS 67880-0387
620-356-1071

P.O. Box 2520
Waterloo, IA 50704-2520
319-235-7085

5255 N Deere Road
Park City, KS 67219-3308
316-942-1457

Corporate Office:

5375 N Deere Road
City, KS 67219-3307
45-1015

December 4, 2013

City of David City
174 E Street
David City, NE 68632

We are pleased to quote the following for your consideration:

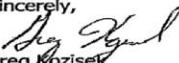
(1) John Deere 310SK Backhoe Loader, new 2014 model, John Deere PowerTech Plus 4.5L Engine Meets IT4 and Stage IIIB Emissions (97 Net Peak hp); JDLink Ultimate Cellular for the Americas, English Decals with English Operator and Safety Manuals; Mechanical Front Wheel Drive (MFWD) with Limited Slip Differential and 5F/3R Powershift Transmission; Goodyear 19.5L - 24 In. 10 PR (R4) Tubeless Rear and 12.5/80 - 18 In. 14 PR Traction Front Sure Grip Lug Tires; Ultimate Cab with Dual Doors and Air Conditioning; Dual Batteries, 300 Minute Reserve Capacity, Extendible Dipperstick; Mechanical Controls, Two Lever, ISO; 24" Wide, Heavy-Duty, 7.5 Cu. Ft. Capacity Bucket; Less Coupler; Two-Function Loader Hydraulics, Single Lever; 1000 Lb. (454 kg) Front Counterweight; 1.3 Cu. Yd. 92 in. wide, Heavy Duty Long Lip Bucket with Bolt on Cutting Edge and Skid Plates; Ride Control , S/N Factory Order. .

* Base Warranty is 12 Months with Full Machine Coverage, Power-train & Hydraulics Extended Service Coverage out to a total of 36 Months or 3,000 Hours, whichever comes first, no deductible on all items covered; **\$1,958.75** additional charge (not included in sale price).

Cash Sale Price:	\$80,793
Less Trade Allowance:	\$13,000. Trade unit(s): 1992 CASE 580SK, SN JIG0167958;
Sales/Excise Tax(es):	Governmental Sale No Tax
Price Complete, Delivered:	\$67,793.00

We believe the equipment as quoted will exceed your expectations. On behalf of Murphy Tractor & Equipment Co., Inc., thank you for the opportunity to quote John Deere machinery.

Sincerely,


Greg Kozisek
TSM

CUSTOMER ACCEPTANCE:

'I accept the equipment & terms stated herewith.'

City of David City

Date

'This proposal is good for 30 days

TITAN MACHINERY

6310 N 56TH ST, LINCOLN, NE | 402-464-3711

Quotation # 64674

Quote Date: 10/24/2013
 Quote Valid Until:
 RYAN PLUTA -

CUSTOMER:	CITY OF DAVID CITY 1220 E STREET PO BOX 191 DAVID CITY NE 68632-0191	Telephone: 402-367-3109 Cell Phone: -
------------------	---	--

PURCHASED EQUIPMENT:		
(1) NEW	3654800 CASE 580SN, Serial # NDC585585	\$88,000.00
	Total Delivery Charge:	\$0.00
	Total Price:	\$88,000.00
TRADE-IN EQUIPMENT:		
(1) USED	9102334 CASE 580SK, Serial # JJG0167958	\$20,000.00
	Total Trade-In Allowance:	\$20,000.00

QUOTE SUMMARY:			
RETAIL FINANCE TERMS:	Total Equipment/Trade Difference: \$68,000.00		
Finance Company:	Other Options/Fees: \$0.00		
	Sales Tax: \$0.00		
	Total Balance Due: \$68,000.00		
Payment Schedule			
EST. NO. OF PAYMENTS	EST. PERIOD OF PAYMENTS	EST. BEGINNING MM/DD/YYYY	EST. AMOUNT OF EACH PAYMENT
	0 months		\$0.00

Water/Sewer Supervisor Gary Janicek stated: "We've had 4 water main breaks in the last 6 months. We received only two bids. Kevin (Betzen) and I tested both of these. The two estimates came from Murphy Tractor for the John Deere, they're out of Lincoln, and Titan Machinery, out of Lincoln also. The bids are in front of you. The differences that we found, the CASE is a little more to begin with, it's got a little more options than what they're doing. They actually have one on the lot that they would sell us, it's a 2013. The John Deere would have to be ordered, that's 40 to 60 days out is what they told us. Besides that, they are really equal in the quality and stuff. CASE, we have a CASE now. Kevin and I kind of discussed it; we are kind of leaning more towards the CASE, we are real familiar with it. The push for that one is it comes standard with a 3 year warranty where the John Deere comes with a 1 year warranty and any other warranty after that has to be purchased year by year which a 3 year warranty onto the John Deere would be about another \$2,000 – \$3,000, but other than that they are pretty identical machines. The CASE, it's available right now where the John Deere wouldn't be available till half the winter would be almost gone before we'd even see that. There are payment options too. We budgeted \$40,000 from water and \$40,000 from sewer split both ways. A lump sum payment would be \$68,000 for the CASE and the John Deere was \$67,793.00 but there are options in which we could pay it off in 2 years, 3 years, 4 years, if that would make it a little more appealing too so you're not coming up with the whole chunk of change all at once."

Council member Kroesing asked: "Is this one of those pieces of equipment that we were talking about previously in leasing like the skid loader was?"

Water/Sewer Supervisor Gary Janicek stated: "We talked about it with both manufacturers but basically they tell us with the amount of money they don't generally lease something that is that expensive, because a lot of times on these leases when they get them back they are really beaten up and abused, they don't get the resale value back out of them., so we basically went with the purchase price of it."

Mayor Zavodny stated: "Considering the amounts are almost identical it seems that the warranty would tilt it."

Discussion followed. The Council members all agreed that both are quality back hoes. The difference seems to be the 3 year warranty.

Council member Rogers made a motion to accept the bid of Titan Machinery for a CASE 580SN, Serial #NDC585585 in the amount of \$68,000.00 that includes a 3 year warranty. Council member Vandenberg seconded the motion. Voting AYE: Council members Smith, Kroesing, Svoboda, Vandenberg, Scribner, and Rogers. Voting NAY: None. The motion carried.

City Attorney Jim Egr stated: I am meeting with Mr. Achola Friday morning. He contacted me, I have to be in Omaha for another matter, so I will take care of two birds with one stone. So, if we could table agenda items #11 and #12 both.....

Council member Scribner made a motion to table agenda item #11 – Consideration of the In Lieu of Tax payment by the David City Housing Authority and agenda item #12 – Consideration of refunding the In-Lieu of Tax Payments paid by the David City Housing Authority for the last three (3) years to the next City Council meeting. Council member

Vandenberg seconded the motion. Voting AYE: Council members Svoboda, Scribner, Vandenberg, Rogers, Kroesing, and Smith. Voting NAY: None. The motion carried.

Council member Rogers made a motion to cancel the Committee of the Whole meeting for December as it falls on Christmas Day, December 25, 2013. Council member Kroesing seconded the motion. Voting AYE: Council members Scribner, Svoboda, Vandenberg, Smith, Kroesing, and Rogers. Voting NAY: None. The motion carried.

There being no further business to come before the Council, Council member Kroesing made a motion to adjourn. Council member Rogers seconded the motion. Voting AYE: Council members Vandenberg, Rogers, Kroesing, Scribner, Svoboda, and Smith. Voting NAY: None. The motion carried and Mayor Zavodny declared the meeting adjourned at 7:42 p.m.



CERTIFICATION OF MINUTES
December 11, 2013

I, Joan E. Kovar, duly qualified and acting City Clerk for the City of David City, Nebraska, do hereby certify with regard to all proceedings of December 11, 2013; that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and available for public inspection at the office of the City Clerk; that such subjects were contained in said agenda for at least twenty-four hours prior to said meeting; that the minutes of the meeting of the City Council of the City of David City, Nebraska, were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meetings of said body were provided with advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

Joan E. Kovar, City Clerk