



CITY OF CLEAR LAKE

15 North 6th Street • P.O. Box 185 • Clear Lake, IA 50428
Phone (641) 357-5267 • Fax (641) 357-8711
www.cityofclearlake.com

Mayor
NELSON P.
CRABB

City
Administrator
SCOTT
FLORY

COUNCIL MEMBERS

DANA
BRANT
Ward 1

TONY J.
NELSON
Ward 2

JIM
BOEHNKE
Ward 3

MIKE
CALLANAN
At Large

TERRY
UNSWORTH
At Large

February 1, 2013

HONORABLE MAYOR & CITY COUNCIL MEMBERS:

The next meeting of the Clear Lake City Council is scheduled for Monday, **February 4, 2013**, at 6:30 p.m., in the Council Chambers, at City Hall. Please refer to the enclosed agenda for the items discussed below.

ITEM #6A. **12th Ave S. Outdoor Recreation Area Trail Project.** One of the major capital improvement projects budgeted for in FY 13 was to make physical improvements to the City's recreation area located on 12th Ave S. The City budgeted \$100,000 for a future project, which the Parks & Recreation Advisory Board has recommended be utilized to construct a ¾ mile trail that would loop around the site. The Project entails the construction of an 8' wide hard-surfaced trail.

It is proposed to set the date for the bid letting on the Project for March 13, 2013 (10:00 a.m.) and the date for the hearing on the plans & specifications, as well as consideration of an award of contract, for March 18, 2013. The proposed Project construction completion date is set for June 7, 2013.

ITEM #6B. **Main Ave Water Tower Demolition Project.** The roughly 150' tall Main Avenue Water Tower was originally constructed circa 1949. It is a 500,000 gallon elevated water storage tower, with exterior lead-based paint that is corroding. Previously, the City looked at the possibility of sand-blasting and re-painting the venerable old tower, which would require that the entire structure be encased in a plastic wrap in order to contain the lead-based paint and would require several months to complete; but, at an estimated cost of roughly +\$500,000, it was determined to be more cost effective to construct a new and larger tower at another location in town. Additionally, the tower, being 64 years old, is nearing end of its anticipated life, which would be no more than another 10-15 years.



The proposed project also highlights and is made possible as a result of substantial recent improvements to the City's water distribution system. Specifically, these include: the 1 million gallon elevated water storage tower, constructed near the Interstate highway in 2009, and the water looping projects that were completed in 2010. Collectively, these projects represent roughly \$3.5 million worth improvements to the City's infrastructure.

The Main Avenue Tower has been "in-active" (i.e., all water drained) since roughly April of 2012. It is anticipated that the demolition process of the tower will be fairly short, requiring only 3-4 days. Removal of the concrete foundations/footings and piping will require additional time, however. The tower demolition process will involve torches and metal-cutting equipment, cutting the tower into pieces. Those pieces will be lowered by a crane and placed into a scrap truck and hauled away.

The Project bid letting was conducted on January 17th at City Hall. There were a total of two (2) bids received. The bid determined to be the lowest responsible responsive bid was submitted by Iseler Contracting, Romeo, MI. The engineer's estimate of cost was \$64,500. The bid from Iseler was \$35,928.50, which is roughly 44% below the engineer's estimate. The next lowest bid was submitted by Koslinski Contracting, Port Austin, MI, in the amount of \$50,977.75.

The anticipated start date is late-February, 2013 and the completion date is May 17, 2013. However, the start date is contingent upon the removal of all antennas.

ITEM #6C. 2013 G.O. Bond Refunding Loan Agreement. At the January 7th meeting, the Council set the date for a public hearing on the proposal to enter into a loan agreement, in a principal amount not to exceed \$1,260,000, to refund three (3) outstanding City general obligation bond issues. The primary purpose of the transaction is to achieve approximately \$64,142 in total interest savings over the life of the bonds. The authorization of the refunding bonds does NOT result in the City incurring NEW debt, but simply provides for the refinancing of outstanding debt.

The interest rates on the outstanding bonds proposed to be refunded range from 3.95% to 4.20%. The refunding of the outstanding bonds will generate a net present value savings of 5.178% of the refunded bond principal. Generally speaking, a Net Present Value Savings of 3% is what issuers will target. New interest rates range from .4% to .8% over the five (5) year term of the refunding. The average coupon

on the refunded bond issue is .69% vs the current issue debt of 4.16%.

These bonds will be sold at a negotiated sale, with Ruan Securities serving as the underwriter. Because of the flexibility it affords in a fluctuating market environment, as well as the size of this particular issue and the fact that it is "non-rated" support the use of the negotiated sale process.

Again, the proceeds from this issuance will be used to refund the existing debt from three (3) prior bonds issued by the City that are now "callable". Those were as follows: 2006 Capital Improvement Projects (\$1.2M); 2006 City Beach & Aquatic Center Projects (\$900k); and 1st Ave S. & Luker Memorial Industrial Park Projects, 2007 (\$1.1M). The remaining schedule is as follows:

Monday, February 4:

Council considers resolution approving of Bond Purchase Agreement (locks in interest rates on G.O. Refunding) and authorizing redemption of prior debt

Monday, February 18:

Council considers resolution authorizing issuance / legal documents associated with 2013 G.O. Refunding Bonds

Thursday, March 7:

Closing / delivery of funds

Scott Flory
City Administrator

SmartQuote: "In youth we learn; in age we understand." --Marie von Ebner-Eschenbach, Austrian writer

TENTATIVE AGENDA
CLEAR LAKE CITY COUNCIL
CITY HALL – 15 N. 6TH STREET
MONDAY, FEBRUARY 4, 2013
CITY HALL – COUNCIL CHAMBERS
6:30 P.M.

1. Call To Order by Mayor Nelson P. Crabb.
2. Approval of Agenda.
3. Consent Agenda:
 - A. Minutes – January 21 & 30, 2013.
 - B. Approval of the bills & claims.
 - C. Licenses & Permits:
 - Liquor License: Class E Liquor License (LE) with Carryout Beer, Carryout Wine, and Sunday Sales, (renewal).
 - Cigarette Permit: Dollar General, (new).
 - Excavator's License: Charlson Excavating, Clear Lake; A-Plus Skidloader Services, Boone, (renewals).
4. Citizen's opportunity to address the Council on items not on the agenda:
 - In conformance with the City Council's Rules of Procedure, no action can occur on items presented during the Citizens Forum.
 - Please walk to the lectern, state your name (spell last name), address, and subject of your discussion.
 - Speakers are limited to a maximum of five (5) minutes per person.
5. Unfinished Business:
6. New Business:
 - A. 12th Ave S. Outdoor Recreation Area Trail Improvement Project:
 - Introduction by Scott Flory, City Administrator.
 - Review of proposed plans & specifications, Mike Danburg, Yaggy Colby Associates.
 - **Motion to approve Resolution #13-08, "A Resolution fixing the date for a public hearing on plans, specifications, form of contract, & estimate of cost, and setting the date for a bid letting on the proposed '12th Avenue S. Outdoor Recreation Area Trail Improvement Project' for the City of Clear Lake, Iowa, and for the taking of bids therefor."**
 - Discussion and consideration of **Motion** by City Council.

B. Main Avenue Water Tower Demolition Project:

- Review by Scott Flory, City Administrator.
- **Motion** to approve **Resolution #13-09**, "A Resolution approving Contract & bonds for the Main Avenue Water Tower Demolition Project."
- Discussion and consideration of **Motion** by City Council.

C. 2013 General Obligation Bond Refunding Loan Agreement:

- Introduction by Scott Flory, City Administrator.
- Review by Chip Schultz, Ruan Securities.
- **Motion** to approve **Resolution #13-10**, "A Resolution approving Loan Agreement and Bond Purchase Agreement for \$1,260,000 General Obligation Refunding Bonds, Series, 2013."
- Discussion and consideration of **Motion** by City Council.

D. City Hall/Police Department Emergency Generator & Electrical Upgrade Improvement Project:

- Review by Scott Flory, City Administrator.
- **Motion** to approve Pay Estimate #3 by City Council.
- Discussion and consideration by City Council.

7. Chief of Police's Report:

8. Mayor's Report:

- Annual Clear Lake/Mason City Joint Advocacy Trip to Washington D.C.

9. Public Works Director's Report:

10. City Administrator's Report:

- Future Cemetery Expansion Site Grading Project.
- FY 14 Preliminary Budget Review.

11. City Attorney's Report:

12. Other Business:

13. Closed Session: Pursuant to Code of Iowa Section 21.5 (1)(c) to discuss strategy with legal counsel in matters that are in litigation or where litigation is imminent and its disclosure would likely disadvantage the position of the governing body in that litigation.

14. Adjournment.

NEXT REGULAR MEETING – FEBRUARY 18, 2013

RESOLUTION No. _____

A RESOLUTION FIXING THE DATE FOR A PUBLIC HEARING ON PLANS, SPECIFICATIONS, FORM OF CONTRACT & ESTIMATE OF COST, AND SETTING THE DATE FOR A BID LETTING ON THE PROPOSED 12TH AVENUE SOUTH RECREATION AREA TRAIL IMPROVEMENT PROJECT FOR THE CITY OF CLEAR LAKE, IOWA AND FOR TAKING OF BIDS THEREFOR

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLEAR LAKE, IOWA:

That the "12th Avenue South Recreation Area Trail Improvement Project" (hereinafter referred to as the "Project") is hereby ordered to be advertised for bids of construction.

BE IT FURTHER RESOLVED, that the detailed plans & specifications, as submitted for the Project, by Yaggy Colby Associates, for the construction of the Project and the Form of Contract and Notice to Bidders, as approved by the Attorney, be and the same are hereby approved, subject to hearing thereon, and are hereby ordered placed on file in the Office of the City Clerk for public inspection.

BE IT FURTHER RESOLVED, that the amount of security to accompany each bid shall be in an amount, which shall conform to the provisions of the notice to bidders hereby approved as part of said specifications.

BE IT FURTHER RESOLVED, that the Clerk be and is hereby empowered and directed to publish notice to bidders once in the "Clear Lake Mirror Reporter", a legal newspaper, printed wholly in the English language, published at least once weekly, and having a general publication in this City. In accordance with Section 384.96 of the Code of Iowa, publication shall be not less than four (4) nor more than forty-five (45) clear days prior to March 13, 2013, which date is fixed as the date for receiving bids. Said bids are to be filed prior to 10:00 a.m. on said date.

In accordance with Section 384.100 of the Code of Iowa, bids shall be received and opened as provided in the public notice and the results of said bids shall be considered at the meeting of this City Council on March 18, 2013 at 6:30 p.m.

BE IT FURTHER RESOLVED, that, in accordance with Section 384.102 of the Code of Iowa, the Clerk is hereby empowered and directed to publish notice of hearing once in said newspaper, said publication to be not less than four (4) nor more than twenty (20) clear days prior to the date hereinafter fixed as the date for the public hearing on the plans, specifications, form of contract and estimate of costs for said project, said hearing to be held at 6:30 p.m. on March 18, 2013.

PASSED AND APPROVED this 4th day of February, 2013.

Nelson P. Crabb, Mayor

ATTEST:

Jennifer Larsen, City Clerk

ENGINEER'S OPINION OF PROBABLE COST
 12TH AVENUE SOUTH RECREATION AREA
 TRAIL IMPROVEMENT PROJECT
 CLEAR LAKE, IOWA
 11905-13

<u>ITEM NO.</u>	<u>ITEM</u>	<u>QUANTITY</u>	<u>UNIT</u>	<u>UNIT PRICE</u>	<u>AMOUNT</u>
1	Excavation, Cl. 10	1,125	CY	\$7.00	\$7,875.00
2	Recreational Trail, HMA, 4"	3,230	SY	\$20.00	\$64,600.00
3	Recreational Trail, HMA, 6"	30	SY	\$30.00	\$900.00
4	Modified Subbase	1,075	TON	\$16.00	\$17,200.00
5	PCC Sidewalk, 6"	80	SF	\$10.00	\$800.00
6	Detectable Warning Panel	16	SF	\$50.00	\$800.00
7	Turf Restoration	0.30	ACRE	\$5,000.00	\$1,500.00
8	Culvert Extension, 18", HDPE	20	LF	\$50.00	\$1,000.00
9	Mobilization	1	LS	\$5,000.00	\$5,000.00
TOTAL PROJECT					\$99,675.00

**NOTICE OF HEARING AND LETTING
NOTICE TO BIDDERS**

Public notice is hereby given that sealed bids will be received by the City of Clear Lake, at City Hall, 15 North 6th Street, Clear Lake, Iowa, 50428 until 10:00 a.m. on the 13th day of March 2013, for the construction of the 12th Avenue South Recreation Area Trail Improvement Project, Clear Lake, Iowa as described in plans and specifications thereof now on file with the City Clerk in City Hall. Bids will be opened at 10:00 a.m. at the Clear Lake City Hall.

Bids will be considered by the Clear Lake City Council at a meeting to be held in City Hall, Clear Lake, Iowa, at 6:30 p.m., on the 18th day of March, 2013, and will be acted upon at such time and place or at such later time and place as may then be fixed. At said time and place, a public hearing will also be held on the proposed plans, specifications, and proposed form of contract for construction, and at said hearing any interested person may appear and file objections thereto or to cost of said improvements.

The construction proposed consists of, but is not limited to:

1,125 CY of Cl. 10 excavation, 3,230 SY of HMA recreational trail, 1,075 tons of Modified Subbase, 80 SF of 6" PCC sidewalk and 0.30 acres of turf restoration.

Method of construction shall be by contract, and all work is to be done in strict compliance with Plans and Specifications prepared by Yaggy Colby Associates, 215 North Adams, Mason City, Iowa, which have heretofore been approved by the City Council, City of Clear Lake and are now on file for public examination in City Hall. Bid Form, Plans, and Specifications may be obtained from Yaggy Colby Associates, 215 North Adams, Mason City, Iowa 50401. *A cost of \$25.00 is associated with the plans and specification, refundable if returned unused within 14 days after bid opening.*

Work under the proposed contract shall be completed and ready for final acceptance by June 7, 2013.

The kinds of materials proposed to be used and approximate amounts are as set out in the "Bid Form" which by this reference is made a part of this notice.

Each bid must be made out on a Bid Form furnished in the Bidding Documents Manual obtained from Yaggy Colby Associates or on a computerized Bid Form furnished by the bidder. Bid Forms furnished by the bidder shall replicate the Bid Form furnished in the Bidding Documents Manual.

Each bid shall be sealed in an envelope marked "12th Avenue South Recreation Area Trail Improvement Project, Clear Lake, Iowa." Each bid must be accompanied in a separate envelope by a bidding check or bid bond in an amount equal to five percent (5%) of the bid price, said check being either a certified or cashier's check, drawn on a bank in Iowa, or a bank chartered under the laws of the United States, or a Certified share draft drawn on a credit union in Iowa or chartered under the laws of the United States, and made payable to the City of Clear Lake, Iowa, as security that the bidder will furnish the required bonds and enter into a contract within ten (10) working days, excluding Saturday, Sunday, and holidays, after the award of the contract to him.

Bidders shall not be permitted to withdraw their bids for a period of thirty (30) days after the same are opened.

By virtue of statutory authority, preference will be given to products of and provisions grown within the State of Iowa and to Iowa domestic labor.

Pursuant to Chapter 73 of the Code of Iowa, out-of-state bidders are hereby advised of the Iowa Bidding Preference Law extending to Iowa firms any preference which may be (a) strict preference, (b) reciprocal preference, or (c) combination preference and reciprocal. Application of such preference will be extended from any "public improvement" as defined in Chapter 73A of the Code of Iowa.

Bidders shall be expected to comply with Chapters 91C and 103A of the Code of Iowa concerning the registration and bonding of construction contractors and the successful bidder shall be required to supply the City of Clear Lake with proof of said compliance.

Payment for said "12th Avenue South Recreation Area Trail Improvement Project, Clear Lake, Iowa," will be made from the General Fund of the City of Clear Lake or from such other funds as may be legally used for such purposes. Monthly estimates will be made by the ENGINEER and payment will be made to the CONTRACTOR in the amount of ninety-five percent (95%) of said estimate on or about the tenth of the following month. Final payment will be made not sooner than thirty (30) days following final acceptance of the work by the City of Clear Lake in accordance with Iowa Code chapters 26 and 573, as applicable.

The bidders attention is called to the prompt payment to the subcontractors under Chapter 573.12 of the Code of Iowa.

Plans and specifications governing the construction of the proposed improvements have been prepared by Yaggy Colby Associates, 215 North Adams, Mason City, Iowa, which plans and specifications, and also prior proceedings of the City of Clear Lake referring to and defining said proposed improvements, are hereby made a part of this notice and the proposed contract by reference, and the proposed contract shall be executed in compliance therewith.

Copies of said plans and specifications are now on file in the office of the Clear Lake City Clerk (City Hall), for examination by bidders.

All bids shall NOT include Iowa Sales Tax for materials used in the project. Upon award, the successful bidder shall immediately provide a listing of subcontractors and associated Federal ID or Social Security Numbers for both the contractor and subcontractors. The City will register the contractor and subcontractors with the Iowa Department of Revenue and will provide appropriate certificates to the contractor for distribution and use.

The City of Clear Lake reserves the right to reject any and all bids and to waive technicalities and irregularities.

Published upon order of the City of Clear Lake, Iowa.

Jennifer Larson, City Clerk
Clear Lake, Iowa

12TH AVENUE SOUTH RECREATION AREA
TRAIL IMPROVEMENT PROJECT
CLEAR LAKE, IOWA
PROPOSED TIME SCHEDULE

11905
01/29/13

ITEM NO.	DESCRIPTION	BY	SCHEDULED DATE	PHASE
1	REVIEW OF PROJECT	PARK BOARD	01/23/13	D
2	REVIEW OF PROJECT ADOPT RESOLUTION SETTING BID OPENING, HEARING DATES & ORDERING CLERK TO PUBLISH NOTICE	CITY COUNCIL	02/04/13	B
3	MAIL NOTICE TO CONTRACTORS & PLAN ROOMS	YCA	BY 02/08/13	B
4	PUBLISH NOTICE OF HEARING AND LETTING	CITY	02/27/13 or 03/06/13	B
5	BID OPENING	CITY/YCA	03/13/13	B
6	PUBLIC HEARING: RESOLUTION ADOPTING PLANS, SPECIFICATIONS, & FORM OF CONTRACT	CITY COUNCIL	03/18/13	B
7	AWARD OF CONTRACT BY RESOLUTION	CITY COUNCIL	03/18/13	B
8	APPROVAL OF CONTRACT & BOND	CITY COUNCIL	04/01/13	C
9	BEGIN CONSTRUCTION	CONTRACTOR	BY 04/22/13	C
10	END CONSTRUCTION	CONTRACTOR	BY 06/07/13	C

LEGEND OF PHASES

B = BIDDING
C = CONSTRUCTION
D = DESIGN

RESOLUTION No. _____

A RESOLUTION APPROVING CONSTRUCTION CONTRACT AND BONDS FOR
THE MAIN AVENUE WATER TOWER DEMOLITION PROJECT

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLEAR LAKE, IOWA; that the construction contract and bond executed and insurance coverage for the construction of certain public improvements described in general as construction of the Main Avenue Water Tower Demolition Project, and as described in detail in the plans and specifications heretofore approved, and which have been signed by the Mayor and Clerk on behalf of the City be and the same are hereby approved as follows:

Contractor: Iseler Demolition, Inc., of Romeo, Michigan

Bond surety: Merchants Bonding Company

Date of Bond: January 21, 2013

Portion of project: All construction work.

PASSED AND APPROVED, this 4th day of February, 2013.

Nelson P. Crabb, Mayor

ATTEST:

Jennifer Larsen, City Clerk

SECTION 00510

AGREEMENT BETWEEN OWNER AND CONTRACTOR

THIS AGREEMENT, made and entered into this 21st day of January, 2013, by and between the **City of Clear Lake**, Iowa, party of the first part, hereinafter referred to as the "Owner", and Iseler Demolition, Inc., party of the second part, hereinafter referred to as the "Contractor".

WITNESSETH: THAT WHEREAS, the Owner has heretofore caused to be prepared certain specifications and bid form blanks, dated the 28th day of September 2012, for **Main Water Tower Demolition Project** under the terms and conditions therein fully stated and set forth, and,

WHEREAS, said specifications and bid form blanks accurately and fully describe the terms and conditions upon which the Contractor is willing to perform the work specified:

NOW, THEREFORE, IT IS AGREED:

That the Owner hereby accepts the bid of the Contractor for the work, as follows:

ARTICLE 1 - THE PROJECT

1.01 The Project for which the Work under the Contract Documents may be the whole or only a part is named as follows:

MAIN WATER TOWER DEMOLITION PROJECT

ARTICLE 2 - WORK

2.01 Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows:

Project includes all labor, materials and equipment necessary to demolish in it's entirety the existing 500,000 gallon multi-legged steel water tower including all accessories such as ladders, railings, cross-braces, etc. along with complete foundation removal. Valve vault removal, capping of existing water main and miscellaneous associated work, including cleanup and disposal.

ARTICLE 3 - ENGINEER

3.01 The Project has been designed by Veenstra & Kimm, Inc. (Engineer), who is to act as Owner's representative, assume all duties and responsibilities, and have the rights and authority assigned to Engineer in the Contract Documents in connection with the completion of the Work in accordance with the Contract Documents.

ARTICLE 4 - CONTRACT TIMES

4.01 Time of the Essence

- A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.

4.02 Days to Achieve Substantial Completion and Final Payment

- A. The water tower demolition (Bid Item 2.1) shall be completed by April 30, 2013. However, once CONTRACTOR begins work on the demolition the demolition shall progress in a continuous manner and shall be completed within 10 working days.
- B. All work shall be substantially completed by May 17, 2013; However, once Contractor begins work on the foundation removal, the foundation removal and all restoration work shall progress in a continuous manner and shall be completed within 10 working days.
- C. All work shall be complete and ready for Final Payment within 30 days after Substantial Completion.

4.03 Liquidated Damages

- A. Contractor and Owner recognize that time is of the essence of this Agreement and that Owner will suffer financial loss if the Work is not completed within the times specified in Article 4.02 above, plus any extensions thereof allowed in accordance with Article 1.22 of the General Conditions. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty), Contractor shall pay Owner \$500 for each calendar day that expires after the time specified in Article 4.02 for Substantial Completion until the Work is substantially complete. After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Time or any proper extension thereof granted by Owner, Contractor shall pay Owner \$200 for each calendar day that expires after the time specified in Article 4.02 for completion and readiness for final payment until the Work is completed and ready for final payment.
- B. Further, the Contractor shall pay Owner \$500 for each time periods day where portions of the Contract have specific completion dates, specified calendar or where specific completion dates are otherwise agreed to in writing or are identified on Contractor's Project Schedule as submitted, for work which remains uncompleted after said specified or agreed to date.

ARTICLE 5 - CONTRACT PRICE

5.01 Owner shall pay Contractor for completion of the Work in accordance with the Contract Documents an amount in current funds equal to the sum of the amounts determined pursuant to Paragraphs 5.01.A.

A. Unit Price Work

1. As provided in Article 1.04 of Section 01025 – Measurement and Payment, estimated quantities are not guaranteed, and determinations of actual quantities and classifications are to be made by Engineer as provided in Article 1.05 of Section 01025 – Measurement and Payment. Payment shall be computed as provided Article 1.06 of Section 01025 – Measurement and Payment.
2. For all Unit Price Work, at the prices stated in Contractor's Bid, attached hereto as an exhibit, the total contract amount is **\$35,928.90**.

ARTICLE 6 - PAYMENT PROCEDURES

6.01 Submittal and Processing of Payments

A. Contractor shall submit Applications for Payment in accordance with Article 1.04 of Section 01019 – Contract Considerations. Applications for Payment will be processed by Engineer as provided in Article 1.04 of Section 01019 – Contract Considerations and Article 1.31 of Section 00700 – General Conditions.

6.02 Progress Payments; Retainage

A. Owner shall make progress payments on account of the Contract Price on the basis of Contractor's Applications for Payment submitted by the 30th day of each month during performance of the Work as provided in Paragraphs 6.02.A.1 and 6.02.A.2 below. All such payments will be determined based on the number of units completed:

1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Engineer may determine or Owner may withhold, including but not limited to liquidated damages, in accordance with Article 1.31 of Section 00700 – General Conditions:

a. 95 percent of Work completed (with the balance being retainage);

and

- b. 95 percent of cost of materials and equipment not incorporated in the Work (with the balance being retainage).
2. Upon Substantial Completion, Owner shall pay an amount sufficient to increase total payments to Contractor to 95 percent of the Work completed, less such amounts as Engineer shall determine in accordance with Article 1.31 of Section 00700 - General Conditions.

6.03 Final Payment

- A. Upon receipt of the final Application for Payment accompanied by Engineer's recommendation of payment in accordance with Article 1.32 of Section 00700 - General Conditions, Owner shall pay Contractor as provided in Article 1.32 of Section 00700 - General Conditions the remainder of the Contract Price as recommended by Engineer as provided in said Article 1.32, less any sum Owner is entitled to withhold per Engineer's recommendation, including but not limited to liquidated damages.

ARTICLE 7 - INTEREST

- 7.01 All moneys not paid when due as provided in Article 1.32 of Section 00700 - General Conditions shall bear interest at the maximum legal rate.

ARTICLE 8 - CONTRACTOR'S REPRESENTATIONS

- 8.01 In order to induce Owner to enter into this Agreement Contractor makes the following representations:
 - A. Contractor has examined and carefully studied the Contract Documents and the other related data identified in the Bidding Documents.
 - B. Contractor has visited the Site and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
 - C. Contractor is familiar with and is satisfied as to all federal, state, and local Laws and Regulations that may affect cost, progress, and performance of the Work.
 - D. Contractor has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site (except Underground Facilities) which have been identified in the Contract Documents and (2) reports and drawings of a Hazardous Environmental Condition, if any, at the Site which has been identified in the Contract Documents.

- E. Contractor has obtained and carefully studied (or assumes responsibility for doing so) all additional or supplementary examinations, investigations, explorations, tests, studies, and data concerning conditions (surface, subsurface, and Underground Facilities) at or contiguous to the Site which may affect cost, progress, or performance of the Work or which relate to any aspect of the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, including any specific means, methods, techniques, sequences, and procedures of construction expressly required by the Bidding Documents, and safety precautions and programs incident thereto.
- F. Contractor does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract Documents.
- G. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
- H. Contractor has correlated the information known to Contractor, information and observations obtained from visits to the Site, reports and drawings identified in the Contract Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Contract Documents.
- I. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
- J. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.

ARTICLE 9 - GUARANTEE

- 9.01 Contractor guarantee's all work constructed under this agreement, regardless if said work is performed by Contractor, his subcontractors, or other third tier subcontractors retained by subcontractor's, against defective workmanship and / or materials for a period of two (2) years from the date of Final Acceptance of work by Owner.

Workmanship and / or materials shall be considered defective when a condition causing premature failure (whole or in part) which was present in the relevant part or component of work when it was constructed or installed, or comes into existence as a result of the way in which the relevant part or component of work was constructed or installed.

9.02 The Contractor shall faithfully perform the contract on it's part and shall fully indemnify and save harmless the Owner from all cost and damage which Owner may suffer by reason of defective workmanship and / or materials, and shall fully reimburse and repay the Owner all outlay and expense which the Owner may incur in making good any such default.

ARTICLE 10 - CONTRACT DOCUMENTS

10.01 Contents

- A. The Contract Documents consist of the following:
1. This Agreement (pages 1 to 9, inclusive).
 2. Performance bond (pages 1 to 3, inclusive).
 3. Payment bond (pages 1 to 3, inclusive).
 4. General Conditions (pages 1 to 17, inclusive).
 5. Special Conditions (pages 1 to 4, inclusive).
 6. Specifications as listed in the table of contents of the Project Manual.
 7. Drawings consisting of 7 sheets with each sheet bearing the following general title: Main Water Tower Demolition Project.
 8. Addenda (numbers 1 to 1, inclusive).
 9. Exhibits to this Agreement (enumerated as follows):
 - a. Notice of Award (pages 1 to 1, inclusive).
 - b. Contractor's Bid (pages 1 to 8, inclusive).
 - c. Documentation submitted by Contractor prior to Notice of Award (pages 1 to 43, inclusive).

10. The following which may be delivered or issued on or after the Effective Date of the Agreement and are not attached hereto:
 - a. Notice to Proceed (pages 1 to 1, inclusive).
 - b. Work Change Directives.
 - c. Change Order(s).
- B. The documents listed in Paragraph 10.01.A are made part of this Agreement by reference; exhibits to this Agreement as listed in Paragraph 10.01.A.11 are attached except as expressly noted otherwise above.
- C. There are no Contract Documents other than those listed above in this Article 10.
- D. The Contract Documents may only be amended, modified, or supplemented as provided in Paragraph 1.23 of Section 00700 - General Conditions.

ARTICLE 11 - MISCELLANEOUS

11.01 Terms

- A. Terms used in this Agreement will have the meanings stated in the Section 00100 – Instructions to Bidders.

11.02 Assignment of Contract

- A. No assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

11.03 Successors and Assigns

- A. Owner and Contractor each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

11.04 Severability

- A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Owner and Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

11.05 Controlling Law

- A. This Agreement and any of its terms and provisions shall be interpreted or construed under the laws of the State of Iowa.

11.06 Other Provisions

None

IN WITNESS WHEREOF, Owner and Contractor have signed this Agreement in three copies. One counterpart each has been delivered to Owner, Contractor, and Engineer. All portions of the Contract Documents have been signed, initialed, or identified by Owner and Contractor or identified by Engineer on their behalf.

This Agreement will be effective January 21, 2013 (which is the Effective Date of the Agreement).

OWNER:
City of Clear Lake

CONTRACTOR:
Iseler Demolition, Inc.

By: _____

By: Douglas Iseler

Title: _____

Title: Douglas Iseler/President

Attest: _____

Attest: Scott C Iseler

Title: _____

Title: V.P.

Designated Representatives:

Designated Representatives:

Name: Joe Weigel

Name: Douglas Iseler/President

Title: Public Works Director

Title: _____

Address for giving notices:

Address for giving notices:

City of Clear Lake

ISELER DEMOLITION, INC.

15 North 6th Street

71231 Burlison Lane

Clear Lake, Iowa 50428

Romeo, MI 48065

Phone: 641-357-6135 Fax: 641-357-6150

Phone: 989-428-4216 Fax: 989-428-4689

License No.: _____
(Where Applicable)

Agent for service or process:
CT. Corp. SYSTEM

(If Contractor is a corporation or a partnership, attach evidence of authority to sign.)

SECTION 00610

Bond No.: IAC 582422

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS: that Isele Demolition, Inc.
(Name of Contractor)

71231 Burlison Lane, Romeo, Michigan 48065
(Address of Contractor)

a Corporation hereinafter called the PRINCIPAL,
(Corporation, Partnership or Individual)

and Merchants Bonding Company (Mutual)
(Name of Surety)

2100 Fleur Drive, Des Moines, IA 50321-1158
(Address of Surety)

hereinafter called the Surety, are held and firmly bound unto

City of Clear Lake
(Name of Owner)

15 North 6th Street
(Address of Owner)

hereinafter called the OWNER, in the sum of Thirty Five Thousand Nine Hundred Twenty Eight and 90/100 Dollars (\$35,928.90), in lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such that whereas, the PRINCIPAL entered into a certain contract with the OWNER, dated the 21st day of January, 2013, a copy of which is hereto attached and made a part hereof for the construction of:

Main Water Tower Demolition Project

9/28/12

NOW, THEREFORE, if the PRINCIPAL shall well, truly and faithfully perform its duties, all the undertakings, covenants, terms, conditions, and agreements of said contract during the original term thereof, and any extensions thereof which may be granted by the OWNER, with or without notice to the SURETY or SURETIES and during the 2-year guaranty period, and if he shall satisfy all claims and demands incurred under such contract, and shall fully indemnify and save harmless the OWNER from all costs and damages which it may suffer by reason of failure to do so, and shall reimburse and repay the OWNER all outlay and expense which the OWNER may incur in making good any default, then this obligation shall be void; otherwise to remain in full force and effect.

PROVIDED, FURTHER, that the said SURETY or SURETIES for value received hereby stipulate(s) and agree(s) that no change, extension of time, alteration or addition to the terms of the contract or to the WORK to be performed thereunder or the SPECIFICATIONS accompanying the same shall in any wise affect its obligation on this BOND, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the WORK or to the SPECIFICATIONS.

PROVIDED, FURTHER, that no final settlement between the OWNER and the CONTRACTOR shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

IN WITNESS WHEREOF, this instrument is executed in 3 counterparts, each one of
(Number)
which shall be deemed an original, this 24th day of January, 2013.

PRINCIPAL: Iseler Demolition, Inc.
Contractor

BY *Douglas Iseler*
Signature
Douglas Iseler/President
Title

SURETY: Merchants Bonding Company (Mutual)
Surety Company

BY *Pamela Y. Majors*
Signature Attorney-in-Fact

Pamela Y. Majors, Attorney-In-Fact
Name of Attorney-in-Fact

Merchants Bonding Company (Mutual)
Company Name

2100 Fleur Drive
Company Address

Des Moines, IA 50321-1158
(Including Zip Code)

(800) 678-8171
Company Telephone Number

NOTE: Date of BOND must not be prior to date of Contract.
If CONTRACTOR is Partnership, all partners should execute BOND.

IMPORTANT: Surety companies executing BONDS must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the State where the PROJECT is located.

SECTION 00620

Bond No.: IAC 582422

PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS: that Iseler Demolition, Inc.
(Name of Contractor)

71231 Burlison Lane, Romeo, Michigan 48065
(Address of Contractor)

a Corporation hereinafter called the PRINCIPAL,
(Corporation, Partnership or Individual)

and Merchants Bonding Company (Mutual)
(Name of Surety)

2100 Fleur Drive, Des Moines, IA 50321-1158
(Address of Surety)

hereinafter called the Surety, are held and firmly bound unto

City of Clear Lake
(Name of Owner)

15 North 6th Street

hereinafter called the OWNER, in the sum of Thirty Five Thousand Nine Hundred Twenty Eight and 90/100 Dollars (\$35,928.90) in lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such that whereas, the PRINCIPAL entered into a certain contract with the OWNER, dated the 21st day of January, 2013, a copy of which is hereto attached and made a part hereof for the construction of:

Main Water Tower Demolition Project

NOW, THEREFORE, if the PRINCIPAL shall promptly make payment to all persons, firms, SUBCONTRACTORS, and corporations furnishing materials for or performing labor in the prosecution of the WORK provided for in such contract, and any authorized extension or modification thereof, including all amounts due for materials, lubricants, oil, gasoline, coal and coke, repairs on machinery, equipment and tools, consumed or used in connection with the construction of such WORK, and all insurance premiums on said WORK, and for all labor, performed in such WORK whether by SUBCONTRACTOR or otherwise, then this obligation shall be void; otherwise to remain in full force and effect.

PROVIDED, FURTHER, that the said SURETY or SURETIES for value received hereby stipulate(s) and agree(s) that no change, extension of time, alteration or addition to the terms of the contract or to the WORK to be performed thereunder or the SPECIFICATIONS accompanying the same shall in any wise affect its obligation on this BOND, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the WORK or to the SPECIFICATIONS.

PROVIDED, FURTHER, that no final settlement between the OWNER and the CONTRACTOR shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

9/28/12

Payment Bond

IN WITNESS WHEREOF, this instrument is executed in 3 counterparts, each one of which shall be
(Number)
deemed an original, this 24th day of January, 2013.

PRINCIPAL: Isele Demolition, Inc.
Contractor

BY *Douglas Iseler*
Signature

Douglas Iseler/President

Title

SURETY: Merchants Bonding Company (Mutual)
Surety Company

BY *Pamela Y. Majors*
Signature Attorney-in-Fact

Pamela Y. Majors, Attorney-In-Fact

Name of Attorney-in-Fact

Merchants Bonding Company (Mutual)

Company Name

2100 Fleur Drive

Company Address

Des Moines, IA 50321-1158

(Including Zip Code)

(800) 678-8171

Company Telephone Number

NOTE: Date of BOND must not be prior to date of Contract.
If CONTRACTOR is Partnership, all partners should
execute BOND.

IMPORTANT: Surety companies executing BONDS must
appear on the Treasury Department's most current list
(Circular 570 as amended) and be authorized to transact
business in the State where the PROJECT is located.



NOTICE OF AWARD

To: Iseler Demolition, Inc.
71231 Burlison Lane
Romeo, MI 48065

Main Water Tower Demolition Project

Project includes all labor, materials and equipment necessary to demolish in it's entirety the existing 500,000 gallon multi-legged steel water tower including all accessories such as ladders, railings, cross-braces, etc. along with complete foundation removal; Valve vault removal, capping of existing water main and miscellaneous associated work, including cleanup and disposal.

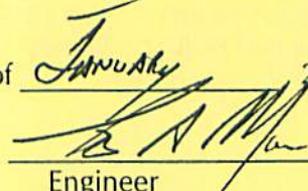
The OWNER has considered the BID submitted by you for the above described WORK in response to its Advertisement for Bids dated December 12, 2012, and information for Bidders.

You are hereby notified that your Bid has been accepted for items in the amount of \$35,928.90. In accordance with Article 1.16 of Section 00100 - Instruction to Bidders your firm is required to execute the Agreement and furnish the required CONTRACTOR'S Performance BOND and Payment BOND and Certificates of Insurance within ten (10) calendar days from the date of this Notice to you.

If you fail to execute said Agreement and to furnish said BONDS, within fifteen (15) days from the date of this Notice, said OWNER will be entitled to consider all your rights arising out of the OWNER'S acceptance of your BID as abandoned and as a forfeiture of your BID BOND. The OWNER will be entitled to such rights as may be granted by law.

You are required to return an acknowledged copy of this NOTICE OF AWARD to the OWNER.

Dated this 22 day of JANUARY 2013.



Engineer

By: Timothy A. Moreau, P.E.

Title: Project Manager

ACCEPTANCE OF NOTICE

Receipt of the above NOTICE OF AWARD is hereby acknowledged

By Douglas Iseler
this the 24 day of Jan, 2013.

By Douglas Iseler/President
Title _____

RESOLUTION NO. _____

Approving Loan Agreement and Bond Purchase Agreement for \$1,260,000 General Obligation Refunding Bonds, Series 2013

WHEREAS, pursuant to the provisions of Section 384.24A of the Code of Iowa, the City Council of the City of Clear Lake, Iowa (the "City"), has proposed to enter into a General Obligation Refunding Loan Agreement (the "General Obligation Loan Agreement") and issue General Obligation Refunding Bonds in the amount of \$1,260,000 (the "Refunding Bonds"), for the purpose of refunding the outstanding balances of the City's General Obligation Corporate Purpose Bond, dated June 15, 2006 (the "2006 Bond"); General Obligation Corporate Purpose Note, dated September 12, 2006 (the "2006 Note") and General Obligation Corporate Purpose Bonds, dated June 15, 2007 (the "2007 Bonds"), and has published notice of the proposed action and has held a hearing thereon; and

WHEREAS, it has been proposed that the City enter into the General Obligation Loan Agreement with Ruan Securities, a division of D.A. Davidson & Co, Des Moines, Iowa (the "Underwriter") and issue the Refunding Bonds in evidence of its obligations under such Loan Agreement; and

WHEREAS, a Bond Purchase Agreement (the "Bond Purchase Agreement") has been prepared setting forth the terms of the Refunding Bonds and the understanding between the City and the Underwriter, and it is now necessary to make provision for the approval of the Bond Purchase Agreement; and

WHEREAS, pursuant to the resolutions that authorized the issuance of the 2006 Bond, 2006 Note and 2007 Bonds, the City reserved the right to call the outstanding balances of the 2006 Bond, 2006 Note and 2007 Bonds for early redemption, and it is necessary to take action to authorize such early redemption;

NOW, THEREFORE, It Is Resolved by the City Council of the City of Clear Lake, Iowa, as follows:

Section 1. The City shall enter into the General Obligation Loan Agreement with the Underwriter in substantially the form as has been placed on file with the Council, providing for a loan to the City for the purpose set forth in the preamble hereof.

The Mayor and City Clerk are hereby authorized and directed to sign the Loan Agreement on behalf of the City, and the Loan Agreement is hereby approved.

Section 2. The Bond Purchase Agreement is hereby approved in substantially the form as presented to this Council. The Mayor and City Clerk are hereby authorized and directed to execute and deliver the Bond Purchase Agreement to the Underwriter.

Section 3. The City Finance Officer, as Registrar and Paying Agent for the 2006 Bond, 2006 Note and 2007 Bonds, is hereby authorized to take all action necessary to call the outstanding balance of the 2006 Note for redemption as of March 7, 2013 and the outstanding balances of the 2006 Bond and the 2007 Bonds for redemption as of June 1, 2013 (together, the "Redemption Dates") and is further authorized and directed to give notice of such redemptions by sending notice to each of the registered owners of the 2006 Bond, 2006 Note or 2007 Bonds to be redeemed at the addresses shown on the City's registration records, not less than 30 days prior to each of the Redemption Dates.

Section 4. All resolutions and orders or parts thereof in conflict with the provisions of this resolution, to the extent of such conflict, are hereby repealed.

Passed and approved February 4, 2013.

Mayor

Attest:

City Clerk

••••

The City Administrator reported that further action to authorize the issuance of the Refunding Bonds would take place at the Council meeting scheduled to be held on February 18, 2013, and, on motion and vote, the meeting adjourned.

Mayor

Attest:

City Clerk

CITY OF CLEAR LAKE, IOWA



\$1,260,000 General Obligation Refunding Bonds, Series 2013

Cover Letter
Proposed Rates and Savings Analysis
Proposed Bond Purchase Agreement

**Monday, February 4, 2013
Council Meeting**

Chip Schultz
(515) 471-2720
chip.schultz@dadco.com

RUAN SECURITIES
A Division of **D.A. Davidson & Co.**
member SIPC

February 1, 2013

Honorable Mayor Nelson Crabb and
City Council Members
Scott Flory, City Administrator
Linda Nelson, Finance Officer
Jennifer Larsen, City Clerk
City of Clear Lake
15 North 6th Street
Clear Lake, Iowa 50428

RE: 2013 Proposed General Obligation Refunding Bonds

Dear City Officials:

The purpose of this letter is to present our proposed interest rates and terms for the City's \$1,260,000 General Obligation Refunding Bonds, Series 2013 (the "Series 2013 Bonds"). The attached refunding analysis summarizes the savings available to the City and includes the proposed rates. Also attached is a proposed form of Bond Purchase Agreement for your consideration on February 4, which serves to lock in the interest rates and terms on the proposed Series 2013 Bonds.

The attached information reflects net savings to the City of \$66,629.58, which is slightly higher than the \$65,583 savings we reviewed on January 7. The present value savings reflected in the attached analysis is \$65,247.15, up from \$64,142.76 reviewed on January 7. Issuer's typically target present value savings as a percentage of the refunded par amount of 3% or higher. The City's Series 2013 Bonds achieve savings far above this target, by achieving 5.178% savings. The proposed average coupon rate on the Series 2013 Bonds is .69% which compares with 4.16% as the average rate on the debt which will be refunded by the Series 2013 Bonds, including:

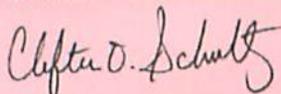
- The June 1, 2014 – 2016 maturities of the City's Series 2006 Bond (refunded on June 1, 2013)
- The June 1, 2013 – 2016 maturities of the City's Series 2006 Notes (refunded on March 7, 2013)
- The June 1, 2014 – 2017 maturities of the City's Series 2007 Bonds (refunded on June 1, 2013)

Should the Council approve the Bond Purchase Agreement at the February 4 meeting, it is requested that the Council proceed with authorizing the issuance resolution at the February 18 meeting (which formalizes the rates agree to on February 4), with delivery of funds planned for March 7.

I look forward to discussing this information with you at the February 4 Council meeting and answering any questions you may have. Thank you for the opportunity to serve the City of Clear Lake.

Very truly yours,

Ruan Securities,
a division of D.A. Davidson & Co., Des Moines, Iowa



Clifton O. (Chip) Schultz
Managing Director, Public Finance

SOURCES AND USES OF FUNDS

EXHIBIT A

CITY OF CLEAR LAKE, IOWA
 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013

- Current Refunding 2014-16 Maturities of 2006 Gen. Oblig. Corp. Purpose Bond, dated 6/15/06 -
- Current Refunding 2013-16 Maturities of 2006 Gen. Oblig. Corp. Purpose Note, dated 9/12/06 -
- Current Refunding 2014-17 Maturities of 2007A Gen. Oblig. Corp. Purp. Bonds, dated 6/15/07 -
 Non-Callable Series 2013 Bonds
 - Proposed to City Council February 4, 2013 -

Dated Date 03/07/2013
 Delivery Date 03/07/2013

Sources:

<hr/>		
Bond Proceeds:		
Par Amount		1,260,000.00
Other Sources of Funds:		
Cash on Hand - to Pay All Issuance Costs		26,370.00
		<hr/>
		1,286,370.00
		<hr/> <hr/>

Uses:

<hr/>		
Current Refund Prior:		
General Obligation Debt		1,260,000.00
Delivery Date Expenses:		
Cost of Issuance		11,250.00
Underwriter's Discount		15,120.00
		<hr/>
		26,370.00
		<hr/>
		1,286,370.00
		<hr/> <hr/>

SAVINGS

EXHIBIT A

CITY OF CLEAR LAKE, IOWA
 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013
 - Current Refunding 2014-16 Maturities of 2006 Gen. Oblig. Corp. Purpose Bond, dated 6/15/06 -
 - Current Refunding 2013-16 Maturities of 2006 Gen. Oblig. Corp. Purpose Note, dated 9/12/06 -
 - Current Refunding 2014-17 Maturities of 2007A Gen. Oblig. Corp. Purp. Bonds, dated 6/15/07 -
 Non-Callable Series 2013 Bonds
 - Proposed to City Council February 4, 2013 -

Date	Prior Debt Service	Refunding Debt Service	Refunding Adjustments	Refunding Net Cash Flow	Savings	Annual Savings
03/07/2013	(4,224.00)		26,370.00	26,370.00	(30,594.00)	
06/01/2013	97,920.00	91,861.42		91,861.42	6,058.58	(24,535.42)
12/01/2013	24,285.00	3,808.75		3,808.75	20,476.25	
06/01/2014	359,285.00	353,808.75		353,808.75	5,476.25	25,952.50
12/01/2014	17,401.25	2,933.75		2,933.75	14,467.50	
06/01/2015	362,401.25	347,933.75		347,933.75	14,467.50	28,935.00
12/01/2015	10,253.75	1,812.50		1,812.50	8,441.25	
06/01/2016	370,253.75	351,812.50		351,812.50	18,441.25	26,882.50
12/01/2016	2,697.50	500.00		500.00	2,197.50	
06/01/2017	132,697.50	125,500.00		125,500.00	7,197.50	9,395.00
	1,372,971.00	1,279,971.42	26,370.00	1,306,341.42	66,629.58	66,629.58

Savings Summary

Dated Date	03/07/2013
Delivery Date	03/07/2013
Savings PV rate	0.692222%
PV of savings from cash flow	65,247.15
Net PV Savings	65,247.15

BOND DEBT SERVICE

EXHIBIT A

CITY OF CLEAR LAKE, IOWA

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013

- Current Refunding 2014-16 Maturities of 2006 Gen. Oblig. Corp. Purpose Bond, dated 6/15/06 -
 - Current Refunding 2013-16 Maturities of 2006 Gen. Oblig. Corp. Purpose Note, dated 9/12/06 -
 - Current Refunding 2014-17 Maturities of 2007A Gen. Oblig. Corp. Purp. Bonds, dated 6/15/07 -
- Non-Callable Series 2013 Bonds
- Proposed to City Council February 4, 2013 -

Dated Date 03/07/2013
Delivery Date 03/07/2013

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2013	90,000	0.400%	1,861.42	91,861.42	91,861.42
12/01/2013			3,808.75	3,808.75	
06/01/2014	350,000	0.500%	3,808.75	353,808.75	357,617.50
12/01/2014			2,933.75	2,933.75	
06/01/2015	345,000	0.650%	2,933.75	347,933.75	350,867.50
12/01/2015			1,812.50	1,812.50	
06/01/2016	350,000	0.750%	1,812.50	351,812.50	353,625.00
12/01/2016			500.00	500.00	
06/01/2017	125,000	0.800%	500.00	125,500.00	126,000.00
	1,260,000		19,971.42	1,279,971.42	1,279,971.42

PRIOR BOND DEBT SERVICE

EXHIBIT A

CITY OF CLEAR LAKE, IOWA
 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013
 - Current Refunding 2014-16 Maturities of 2006 Gen. Oblig. Corp. Purpose Bond, dated 6/15/06 -
 - Current Refunding 2013-16 Maturities of 2006 Gen. Oblig. Corp. Purpose Note, dated 9/12/06 -
 - Current Refunding 2014-17 Maturities of 2007A Gen. Oblig. Corp. Purp. Bonds, dated 6/15/07 -
 Non-Callable Series 2013 Bonds
 - Proposed to City Council February 4, 2013 -

Dated Date 03/07/2013
 Delivery Date 03/07/2013

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/07/2013	90,000	4.400%	7,920.00	(4,224.00)	93,696.00
06/01/2013	335,000	** %	24,285.00	24,285.00	383,570.00
12/01/2013	335,000	** %	24,285.00	359,285.00	383,570.00
06/01/2014	345,000	** %	17,401.25	17,401.25	379,802.50
12/01/2014	345,000	** %	17,401.25	362,401.25	379,802.50
06/01/2015	360,000	** %	10,253.75	10,253.75	380,507.50
12/01/2015	360,000	** %	10,253.75	370,253.75	380,507.50
06/01/2016	130,000	4.150%	2,697.50	2,697.50	135,395.00
12/01/2016	130,000	4.150%	2,697.50	132,697.50	135,395.00
06/01/2017	1,260,000		112,971.00	1,372,971.00	1,372,971.00

SUMMARY OF BONDS REFUNDED

EXHIBIT A

**CITY OF CLEAR LAKE, IOWA
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013**

- Current Refunding 2014-16 Maturities of 2006 Gen. Oblig. Corp. Purpose Bond, dated 6/15/06 -
 - Current Refunding 2013-16 Maturities of 2006 Gen. Oblig. Corp. Purpose Note, dated 9/12/06 -
 - Current Refunding 2014-17 Maturities of 2007A Gen. Oblig. Corp. Purp. Bonds, dated 6/15/07 -
- Non-Callable Series 2013 Bonds**
- Proposed to City Council February 4, 2013 -

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Gen. Oblig. Corporate Purp. Bond, dtd 6/15/06:					
SERIAL	06/01/2014	4.050%	130,000.00	06/01/2013	100.000
	06/01/2015	4.100%	135,000.00	06/01/2013	100.000
	06/01/2016	4.200%	145,000.00	06/01/2013	100.000
			<u>410,000.00</u>		
Gen. Oblig. Corp. Purpose Note, dtd 9/12/06:					
SERIAL	06/01/2013	4.400%	90,000.00	03/07/2013	100.000
	06/01/2014	4.400%	90,000.00	03/07/2013	100.000
	06/01/2015	4.400%	90,000.00	03/07/2013	100.000
	06/01/2016	4.400%	90,000.00	03/07/2013	100.000
			<u>360,000.00</u>		
Gen. Oblig. Corporate Purpose Bonds, Series 2007A:					
SERIAL	06/01/2014	3.950%	115,000.00	06/01/2013	100.000
	06/01/2015	4.000%	120,000.00	06/01/2013	100.000
	06/01/2016	4.050%	125,000.00	06/01/2013	100.000
	06/01/2017	4.150%	130,000.00	06/01/2013	100.000
			<u>490,000.00</u>		
			<u>1,260,000.00</u>		

COST OF ISSUANCE

EXHIBIT A

CITY OF CLEAR LAKE, IOWA
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013

- Current Refunding 2014-16 Maturities of 2006 Gen. Oblig. Corp. Purpose Bond, dated 6/15/06 -
 - Current Refunding 2013-16 Maturities of 2006 Gen. Oblig. Corp. Purpose Note, dated 9/12/06 -
 - Current Refunding 2014-17 Maturities of 2007A Gen. Oblig. Corp. Purp. Bonds, dated 6/15/07 -
Non-Callable Series 2013 Bonds
- Proposed to City Council February 4, 2013 -

Cost of Issuance	\$/1000	Amount
Bond Counsel (estimated)	7.93651	10,000.00
DTC/Cusip Expense Fee	0.99206	1,250.00
	8.92857	11,250.00

SUMMARY OF REFUNDING RESULTS

EXHIBIT A

**CITY OF CLEAR LAKE, IOWA
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013**

- Current Refunding 2014-16 Maturities of 2006 Gen. Oblig. Corp. Purpose Bond, dated 6/15/06 -
- Current Refunding 2013-16 Maturities of 2006 Gen. Oblig. Corp. Purpose Note, dated 9/12/06 -
- Current Refunding 2014-17 Maturities of 2007A Gen. Oblig. Corp. Purp. Bonds, dated 6/15/07 -
Non-Callable Series 2013 Bonds
- Proposed to City Council February 4, 2013 -

Dated Date	03/07/2013
Delivery Date	03/07/2013
Arbitrage yield	0.692222%
Escrow yield	
Bond Par Amount	1,260,000.00
True Interest Cost	1.227034%
Net Interest Cost	1.216762%
All-In TIC	1.631159%
Average Coupon	0.692490%
Average Life	2.289
Par amount of refunded bonds	1,260,000.00
Average coupon of refunded bonds	4.163481%
Average life of refunded bonds	2.317
PV of prior debt to 03/07/2013 @ 0.692222%	1,351,617.15
Net PV Savings	65,247.15
Percentage savings of refunded bonds	5.178345%
Percentage savings of refunding bonds	5.178345%

BOND PURCHASE AGREEMENT

This Agreement is entered into between the City of Clear Lake, Iowa (the "Issuer") and Ruan Securities, a division of D.A. Davidson & Co., Des Moines, Iowa (the "Underwriter") as of the 4th day of February, 2013.

WHEREAS, pursuant to the provisions of Chapter 384 of the Code of Iowa, the Issuer has proposed to enter into a loan agreement (the "Loan Agreement") and to issue General Obligation Refunding Bonds, Series 2013 (the "Bonds") in the aggregate principal amount of \$1,260,000 for the purpose of paying the cost, to that extent, of current refunding, on June 1, 2013, the 2014 through 2016 maturities of the City's General Obligation Corporate Purpose Bond, dated June 15, 2006 (the "2006 Bond"); current refunding, on March 7, 2013, the 2013 through 2016 maturities of the General Obligation Corporate Purpose Note, dated September 12, 2006 (the "2006 Note") and current refunding, on June 1, 2013, the 2014 through 2017 maturities of the General Obligation Corporate Purpose Bonds, dated June 15, 2007 (the "2007 Bonds");

WHEREAS, it has been proposed that the Issuer enter into the Bond Purchase Agreement with and issue the Bonds to the Underwriter upon the terms and conditions set forth as Exhibit A to this Agreement, and this Agreement has been prepared to set forth the mutual understanding and intent of the Issuer and the Underwriter with respect to the Bond Purchase Agreement and the issuance of the Bonds;

NOW, THEREFORE, in consideration of the mutual obligations contained in this Agreement, the parties hereto agree as follows:

1) The Issuer agrees to enter into the Bond Purchase Agreement with the Underwriter and to issue the Bonds to the Underwriter in accordance with the terms and conditions set forth as Exhibit A hereto.

2) The Issuer acknowledges and agrees that the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between the Issuer and the Underwriter, acting solely as a principal and not as a financial advisor or agent of the Issuer, and that the Underwriter does not have a fiduciary duty to the Issuer and has not assumed a financial advisory responsibility in favor of the Issuer with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Issuer on other matters) or any other obligation to the Issuer except the obligations expressly set forth in this Agreement, it being the Issuer's understanding that a financial advisory relationship shall not be deemed to exist when, in the course of acting as an underwriter, a broker, dealer or municipal securities dealer, a person renders advice to an issuer, including advice with respect to the structure, timing, terms and other similar matters concerning a new issue of municipal securities.

3) The Underwriter agrees to enter into the Bond Purchase Agreement and to purchase the Bonds from the Issuer in accordance with the terms and conditions set forth as Exhibit A hereto.

4) This Agreement may not be amended or assigned by either party without the prior written consent of the other party.

5) This Agreement shall be deemed to be a contract made under the laws of the State of Iowa and for all purposes shall be governed by and construed in accordance with laws of the State of Iowa.

The Issuer and the Underwriter have caused this Agreement to be signed, in their names, and on their behalf by their duly authorized officers, all as of the day and date written above.

CITY OF CLEAR LAKE, IOWA

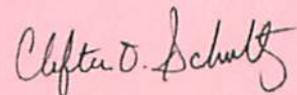
By

Mayor

Attest:

City Clerk

RUAN SECURITIES, a division of D.A. Davidson & Co.,
Des Moines, Iowa



Clifton O. (Chip) Schultz
Managing Director, Public Finance

APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF #

PAGES

TO OWNER City of Clear Lake
PO Box 181
Clear Lake, IA 50428

PROJECT: CL City/PD Generator
15 N 6th St
Clear Lake, IA 50428

APPLICATION NO: 11012-1-1 #3

Distribution to:

<input type="checkbox"/>	OWNER
<input type="checkbox"/>	ARCHITECT
<input checked="" type="checkbox"/>	CONTRACTOR
<input type="checkbox"/>	
<input type="checkbox"/>	

PERIOD TO: 12/31/2012

FROM CONTRACTOR:
Jim Hunt Electric
PO Box 150
Clear Lake, IA 50428

VIA ARCHITECT:
Bergland & Cram
102 E State St Ste A
Mason City IA 50428

PROJECT NOS: 11012-1

CONTRACT FOR: Electrical Contract

CONTRACT DATE

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM	\$	<u>108,180.00</u>
2. Net change by Change Orders	\$	
3. CONTRACT SUM TO DATE (Line 1 + 2)	\$	<u>108,180.00</u>
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$	<u>97,124.51</u>
5. RETAINAGE:		
a. 5 % of Completed Work (Column D + E on G703)	\$	<u>4,856.23</u>
b. 5 % of Stored Material (Column F on G703)	\$	<u>0.00</u>
Total Retainage (Lines 5a + 5b or Total in Column I of G703)	\$	<u>4,856.23</u>
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	\$	<u>92,268.28</u>
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	\$	<u>31,423.63</u>
8. CURRENT PAYMENT DUE	\$	<u>60,844.65</u> ✓
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)	\$	<u>15,911.72</u>

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month		
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order	\$0.00	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: Jim Hunt Electric LLC

By: David Snyder Date: 1-29-13

State of: Iowa Iowa
Subscribed and sworn to before me this
Notary Public: Andrew Fedders
My Commission expires: 7-5-15



ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$ 60,844.65

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT: Bergland & Cram

By: [Signature] Date: 1.30.13

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CONTINUATION SHEET

AIA DOCUMENT G703

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 11012-1-1
APPLICATION DATE: 12/24/12

PERIOD TO: 12/31/12

ARCHITECT'S PROJECT NO: 11012-1

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G + C)		
1	Electrical								
	Materials	\$85,239.83	\$13,185.76	\$62,447.00		\$75,632.76	88.73%	\$9,607.07	\$3,781.64
	Labor	\$7,309.17	\$4,260.75	\$1,600.00		\$5,860.75	80.18%	\$1,448.42	\$293.04
2	Charlson Excavating	\$5,029.00	\$5,029.00			\$5,029.00	100.00%		\$251.45
3	Burtness Plumbing & Heat	\$9,102.00	\$9,102.00			\$9,102.00	100.00%		\$455.10
4	Dick Paulson	\$1,500.00	\$1,500.00			\$1,500.00	100.00%		\$75.00
	GRAND TOTALS	\$108,180.00	\$33,077.51	\$64,047.00	\$0.00	\$97,124.51	89.78%	\$11,055.49	\$4,856.23