

**Council Meeting
Tuesday, February 15, 2011
City Council Chambers
7:30 p.m.**



AGENDA

Call to Order
Pledge of Allegiance

1. Approval of Minutes
 - Council Minutes–February 1, 2011
2. Consent Agenda
 - Minutes
 - Street Committee – February 1, 2011
 - Library Board – February 8, 2011
3. Department Heads
4. County Road 13 – County Project Approval
5. Telecommunication Commission Rate Recommendation
6. Ratification of Fire Dept Elections
7. Emergency Management Appointment
8. Cooperation Agreement of Windom HRA
9. 2010 Annual Report
10. Spring Clean-Up
11. Regular Bills
12. Unfinished Business
13. New Business
14. Council Concerns
15. Adjourn



Council Meeting
Windom City Hall, Council Chamber
February 1, 2011
7:30 p.m.

1. Call to Order: The meeting was called to order by Mayor Kruse at 7:30 p.m.

2. Roll Call: Mayor: Kirby Kruse

Council Members: Kelsey Fossing, Dominic Jones, Corey Maricle,
Bradley Powers and JoAnn Ray

Council Members Absent:

City Staff Present: Steve Nasby, City Administrator; Bruce Caldwell,
Street & Park Superintendent; Mark Hanson, EDA
Executive Director; Brad Bussa, Community Center
Director; Dennis Johnson, Wenck and Associates and
Terry Glidden, Telecom

Public Present: Dirk Abraham and Rahn Larson

3. Pledge of Allegiance

4. Approval of Minutes:

Nasby noted that on item #9 the motion should read as "Motion by Maricle" not "Motion by Jones".

Motion by Ray second by Fossing, to approve the City Council minutes from January 18, 2011 as amended. Motion carried 5 – 0.

5. Consent Agenda:

Kruse said there were minutes from the following Boards\Commissions:

Building Committee – January 11, 2011
Economic Development Authority – January 24, 2011
Community Center Commission – January 24, 2011
Telecommunications Commission – January 25, 2011
Utility Commission – January 26, 2011

Correspondence from the SW Regional Development Commission and Minnesota Department of Natural Resources was received.

Jones noted the letter from the DNR regarding the funding for the Windom Dam. He asked if the City Council could have a discussion on this item at a future meeting as it will be part of the long-range planning and goal-setting discussion. The Council agreed to add an item to the February 15, 2011 agenda to discuss the Windom Dam. Nasby noted that the New Ulm DNR office had established a meeting for February 10, 2011 to discuss this item with the Mayor and himself. Also, the U.S. Army Corps of Engineers is supposed to be providing the City with an answer as whether or not they think the Windom Dam has a "federal interest" and if so there could be some funding.

**Motion by Jones second by Ray, to approve the Consent Calendar as presented.
Motion carried 5 – 0.**

6. Department Heads:

None

7. Community Center Commission – Rate Recommendation:

Brad Bussa, Community Center Director, said that the Community Center was recently approved by the Council to be the sole liquor provider for events. As such, a liquor set up fee had been established to off-set the labor cost, liquor license expense, insurance, etc. for these events. The \$250 per event liquor set up fee was based on the use of the bar by large groups. After consideration that the costs would be for smaller events the Community Center Commission is suggesting a tiered fee for small, medium and large events. Their recommendation is to leave the \$250 liquor set up fee for groups over 200 persons and to establish a \$50 fee for small groups under 50 people and a \$150 fee for medium-sized groups of 51 – 200 people.

Council member Maricle introduced the Resolution No. 2011-05, entitled "RESOLUTION ESTABLISHING RATES, CHARGES AND FEES FOR THE WINDOM COMMUNITY CENTER" and moved its adoption. The resolution was seconded by Ray and on roll call vote: Aye: Ray, Fossing, Jones, Maricle and Ray. Nay: None. Absent: None. Resolution passed 5 – 0.

8. EDA Annual Report:

Mark Hanson, EDA Executive Director, presented the 2010 Annual EDA Report to the City Council. The five goals were 1) To continue working on an expansion of the Spec Building; 2) recruit a business to locate in the North Highway 71 Industrial Park; 3) recruit a new restaurant; 4) Sell the one remaining spec home and 5) work with developers to evaluate the feasibility of additional rental housing. Action steps and work was completed on each of the goals, but not all were achieved. The EDA will be setting their 2011 strategic goals shortly.

9. Street Shop Plans and Specifications:

Bruce Caldwell, Street & Park Superintendent and Dennis Johnson, Wenck Associates introduced themselves. Johnson provided an overview of the plans and specifications and went through all of the plans in the Council packet. The work would primarily consist of new steel sheeting for the roof, new sheet steel siding, new windows and doors, a fire wall and the installation of an air exchange system as required by the building code. The plans have three options for the installation of insulation.

Powers asked if this remodeling project would fix the leaking in the office as well. Caldwell noted that it would stop the roof leaks, but there is also a leak around the building where the steel siding meets the concrete slab foundation. Johnson would need to look at this issue too and see what could be done to alleviate that problem.

Fossing asked about the salvage value for the steel. Johnson said it was included in the bid documents.

Jones asked if there was an anticipated cost. Johnson said the cost would be over \$100,000 so the project would be bid out according to state law.

Jones asked about the possible financing. Nasby said there was a memorandum in the Council packet that outlined several options and he is seeking Council's direction.

The options were to finance the project from the City's general fund reserves, bond for the costs and explore the possibility of an inter-fund loan. Nasby noted that there may be a fourth option, which would be a low interest loan from the League of Minnesota Cities (LMC) through their Extraordinary Expense program. The League of Minnesota Cities Extraordinary Expense program had been used for the sewer main collapse on Country Club drive in 2006 and it worked well. The City may or may not qualify for this program as the building had been in need of maintenance.

Discussion by the Council focused on prioritizing the options. The first choice would be to utilize the League of Minnesota Cities Extraordinary Expense program. Second, look into bond financing if it could be combined with other projects to reduce the bond issuance costs. Third, discuss the possibility of an inter-fund loan with the Utilities Commission. Last, to fund the project from the general fund reserve.

10. League of Minnesota Cities – Community Conversations Project:

Kruse said there was a memorandum and information on the League of Minnesota Cities Community Conversations Project in the packet.

Jones said that when he was at the LMC training he spoke to the LMC about long-range planning and goal-setting. This is the type of community project that would engage the public and assist the Council with its planning.

Preliminary

Nasby said the LMC would bring in professional facilitators for the meetings, which would consist of three general public input meetings and one summary meeting. The topics would focus on the provision of municipal services, priorities, funding of services and the public's desire for new services, consolidation of services, service levels and the value of services. The LMC is looking for 8 – 12 cities state-wide, so Windom may or may not be selected. The Windom Area Chamber of Commerce is in support and would be willing to host a general meeting for businesses.

Kruse asked for the Council's wishes. Jones said he is offering to participate in any way needed.

Motion by Jones, seconded by Ray, to enthusiastically support an application to the LMC to host a Community Conversation in Windom. Motion carried 5 – 0.

11. Regular Bills:

Motion by Ray, seconded by Powers, to approve the regular bills. Motion carried 5 – 0.

12. Unfinished Business:

Maricle said he would like to discuss City Council assignments. He asked the Mayor to reconsider the assignments to the Personnel Committee. He noted that he could not serve on the Utility Commission due to scheduling conflicts, but he has a background in human relations issues through his work at Staples Oil, as a former City employee and former union president.

Kruse said he would take the item under advisement.

13. New Business:

Maricle said he read the memorandum regarding the Emergency Management Director position and thought it could be within Law Enforcement rather than the Fire Department. Nasby said the Police Department was not interested in combining it within their Department for various reasons, but there were positive discussions with the Fire Department.

Jones noted that the memorandum showing the LMC information states that the Emergency Management Director shall be by Mayoral appointment.

14. Council Concerns:

Ray thanked the Street Department for their work in plowing the streets and asked that the citizens be patient as the winter snow has been difficult.

Preliminary

Jones said that the LMC training for newly elected officials was wonderful and he would encourage everyone to attend. He also asked for the public's patience with the snow emergency now in effect.

Nasby said the first round of legislative action on cuts to Local Government Aid and Home Market Value Credit had passed the Minnesota House and the cuts to Windom under that bill would total \$379,625.

15. Adjourn:

Kruse adjourned the meeting by unanimous consent

Meeting adjourned at 8:25 p.m.

Kirby Kruse, Mayor

Attest: _____
Steve Nasby, City Administrator

**STREET COMMITTEE
MINUTES FEBRUARY 1, 2011**

- Call to Order: The meeting was called to order at 6:15 P.M. at City Hall.
- Members Attending: Committee Members Attending - Brad Powers & JoAnn Ray
- City Staff Present: Street Superintendent Bruce Caldwell & City Administrator Steve Nasby
- Public: None

1. 18th Avenue Storm Water Project Update to Committee; Caldwell met with SEH and discussed some items they will need for the project in which the city will supply due to the deep snows in the 18th avenue corridor. Caldwell said he has sent a email to the Cottonwood County Engineers & the Soil and Water District concerning the large amount of water flowing into the city limits north of 18th avenue and we are looking at remedies. They were asked to forward items that SEH may need to move ahead on the project such as as-builts and GPS surveys in the area north of the city limits. Currently there isn't a time line on the project but we are hopeful the county and city can work out a workable solution. According to the Soil & Water Conservation District there is a possibility that funding could be available to build retainage ponds through the EQIP program.
2. Street Shop Building Remodel Project; the committee reviewed the plans and specifications provided by Wenck Engineering for the improvements that will go to the City Council later in the evening.
3. 2011 Spring Flood Discussion; Caldwell said HSEM (Homeland Security and Emergency Management) has scheduled a Spring Flood Planning Coordination WebEx (Flood Briefing) on Monday February 7, 2011 at 10:00 a.m. – 12:00 noon for region 5 – SW MN. This webinar is designed to provide an overview of disaster logistics management and how the State Emergency Operations Center performs. Caldwell stated that if we need to do further planning we need to bring in specialized individuals to aid the city.
Caldwell said the city doesn't have the staff or expertise to design or build dikes/levees in the event of pre-flooding. The newly appointed Cities Emergency Management Person and the Cottonwood County Director of Emergency Management will have to help aid us on what direction we need to explore.
4. 2011 Seal Coat Project Update Caldwell contacted our project engineers and notified them that the city will hold off on any plans and specifications until April due to the amount of snow this winter making it difficult to inspect the streets. Caldwell said due to the snow removal costs this winter it is likely we will have to reduce the current budget for the seal coat project this year. The engineers also said due to the uncertainty of the oil prices it would be better to wait until the snows melt in the spring to get a better bid on the project.
5. Pavement Management Survey; the Committee reviewed the pavement management survey recently completed by Caldwell and his Staff. Currently this survey only covers street items. Mike Haugen WWTP Superintendent is working on water and waste water items to go along with this survey to help prioritize future projects. This survey will be valuable resource to make better educated decisions on re-construction projects for future years. This survey would need to be revised every five years.

Continued page 2, Street Committee Meeting February 1, 2011

6. CIP Street Reconstruction Projects; Using the Pavement Management Survey the committee was able to prioritize streets for reconstruction in 2012. Caldwell said he is also working on CIP street projects through 2018 so the council can set long term projects goals.
7. New Snow Plow Policy Review; Caldwell attended a League of Minnesota Cities meeting concerning building a new Snow Plow and Ice Control Policy. The current policy is outdated. The committee reviewed the first draft of the new policy which Caldwell designed with the aid of the league. The committee will discuss any changes in this draft at the next Street Committee meeting. When done this will be given to the City Council for adoption.
8. Cottonwood County Resolution for highway repairs on County Road 13 beginning at Lakeview Avenue going east within the city limits.

Motion to approve

Motion Carried Unanimous

9. Safe Routes to School Updates; below are several requests from the Safe Routes to School Committee including the Street Committee comments and recommendation for any changes.
 - a. Movable cross walks signs; the signs need to meet the new signage codes. Also there are concerns that these signs would be in the way for bus & other vehicle traffic. Someone other than the city staff would be responsible to put up the signs daily during the school hours. Caldwell stated that he would have major concerns if the signs are placed in the middle of the intersections or streets hampering snow removal.
 - b. Plow 17th Street wider to help accommodate walkers on the sides of the road in winter. The street is already plowed as wide as possible currently; generally it is curb to curb. If we need to bring in the big snow blower to widen the street due to the open area creating high drifts along the north side of the street the cost to run that equipment is extremely high. That operation can not be performed daily basis as we have the entire town to take care off.
 - c. Change speed limits by Winfair and Middle\High School to 20 mph zones this request was denied by the Street Committee and also the Chief of Police Jeff Shirkey.
 - d. Place lighted "speed" signs by the schools like on Hwy 60 that show motorists their speed; the funding would have to come from outside sources other than the city including long term maintenance costs. Question on damage from snow removal or accidents that are not reported to these signs. (Who would pay for repairs?) With the limited budget and the cost to replace this type of sign (estimated cost per sign would run around \$5,500 and up.) Two signs would be needed on 17th street only nothing for 6th ave. Committee would only approve this option if funding can be provided from outside sources which would include long term maintenance expenditures.
 - e. One way on 6th Avenue (14th - 16th Streets) by Winfair this request was denied by the Street Committee and also the Chief of Police Jeff Shirkey.
 - f. Stop sign at 17th Street and 6th Avenue in place of the yield sign this was approved by Police and Street Committee.
Motion to approve signage change from yield to stop sign at the intersection of 6th ave and 17th street west of the St. Francis Xavier Church.
Motion Carried Unanimous.
 - g. Sidewalks and/or bike lanes on 17th Street (sidewalk on one side or bike lanes on both sides of the street) who would pay for long term maintenance such as painting and if a sidewalk is constructed who would be responsible for snow removal in the winter and issues for property owners between 6th avenue and 9th avenue.
 - H. Increased police presence during drop off and pick up times Police Chief Jeff Shirkey has already increased police patrol during the heavy traffic time periods on school days.

10. Meeting adjourned at 7:25 P.M.

Windom Library Board Meeting
Windom Library
February 8, 2011
5:05 p.m.

1. Call to order: The meeting was called to order by Jan Johnson at 5:05 p.m.

2. Roll Call:
Members Present: Kathy Hiley, Charles Reid, Jan Johnson, Anita Winkel and John Duscher

Members Absent: Mary Erickson and Beth Fleming

Library Staff Present: Joan Hunter and Dawn Aamot

City Council Member Present: Kelsey Fossing

3. Agenda and Minutes
Motion by Anita Winkel, seconded by Charles Reid to approve the Agenda and the Minutes.

4. Financial Report:

Joan reported that the annual licensing fee was paid to Plum Creek Library System.
Motion by John Duscher and seconded by Kathy Hiley to approve the Financial Report.

5. Librarians Report:
Joan reported that February is "Fine Free Month". People with overdue materials are being called. The adult winter reading program is going well.

Dawn reported that February 19th is Dinosaur Day. Dinosaur dioramas for Winfair will be displayed and the Friends of the Library will be serving refreshments. She has started weeding out books. Joan and Dawn shared the method used to decide which books are to be discarded.

Motion by Charles Reid and seconded by John Duscher to approve the librarian's report.

6. Old Business:
None

7. New Business:
Kelsey Fossing our new representative for the City Council was welcomed.
Anita shared with Joan and the board that she was told at another library in the Plum Creek System that she needed a library card from that location to check out books there. Joan stated that anyone with a Plum Creek Library card can check out books from any library in the Plum Creek System. She will be looking into it.

9. New Book Suggestions:

The board presented their suggestions.

10. Adjourn:

Motion by Anita Winkel, seconded by Charles Reid to adjourn.

Meeting adjourned at 5:20 p.m.

Respectfully submitted,

Kathy Hiley, recording secretary

MEMORANDUM



CITY OF WINDOM
444 9th Street
Windom, MN 56101
Phone: 507-831-6129
Fax: 507-831-6127
www.windom-mn.com

TO: City Council
FROM: City Administrator 
DATE: February 10, 2011
RE: Cottonwood County – Request for Approval (County Highway 13 Project)

Cottonwood County has asked the City of Windom to formally approve their proposed project to improve a portion of County Road 13 that is located within the City of Windom. Attached is the information, and a resolution of approval, for this project. The project location is shown as starting at Lakeview Avenue and going east out of town.

As a portion of this improvement project is located within a municipality the County is required to obtain municipal approval. The Street Committee has reviewed and discussed the project and is recommending approval of the County's request. There is no cost share or matching funds required or requested from the City for this project.

RESOLUTION #2011-

INTRODUCED:

SECONDED:

VOTED: Aye:

Nay:

Absent:

STATE AID FOR LOCAL TRANSPORTATION
RESOLUTION APPROVING COUNTY PROJECT WITHIN
MUNICIPAL CORPORATE LIMITS

WHEREAS, plans for Project No. S.P. 17-613-38 showing proposed alignment, profiles grades and cross-sections for the construction, reconstruction or improvement of County State-Aid Highway No. 13 within the limits of the City of Windom as a (Federal) (State) Aid Project have been prepared and presented to the City of Windom.

1. **NOW, THEREFORE, BE IT RESOLVED** by the City Council of Windom, Minnesota, that said plans be in all things approved.

Adopted this 15th day of February, 2011.

Kirby G. Kruse, Mayor

ATTEST:

Steven Nasby, City Administrator

CERTIFICATION

State of Minnesota

County of Cottonwood

City of Windom

I hereby certify that the foregoing resolution is a true and correct copy of a resolution presented to and adopted by the City Council of the City of Windom at a meeting therefore held in the City of Windom, Minnesota, on the 15th day of February, 2011, as disclosed by the records of said City in my possession.

Steve Nasby, City Administrator

(Seal)

ESTIMATED QUANTITIES			
SPCC. NO.	ITEM	UNIT OF MEASURE	TOTAL ESTIMATED
2112.501	SUBGRADE PREPARATION	RD. STA.	507.8
2112.501	SUBGRADE PREPARATION 6"-12"	RD. STA.	10
(1) 2221.503	AGGREGATE SHOULDERING, CLASS 1	TON	11,300
(1) 2221.503	AGGREGATE SHOULDERING, CLASS 3	TON	18,500
2357.502	BITUMINOUS MATERIAL FOR TACK COAT	GAL	17,700
(2) 2360.501	TYPE SP 19 WEARING COURSE MIX (2.B)	TON	17,100
(2) 2360.502	TYPE SP 19 NON WEAR COURSE MIX (2.B)	TON	34,300
(3) 2563.601	TRAFFIC CONTROL	LUMP SUM	1
2582.502	LINEAR MARKINGS 4" LATEX BROKEN YELLOW	LIN FT	48,600
2582.502	LINEAR MARKINGS 4" LATEX SOLID YELLOW	LIN FT	32,900
2582.502	LINEAR MARKINGS 6" LATEX SOLID WHITE	LIN FT	101,550

PAVEMENT GE SUMMARY	
2" BIT. WEARING COURSE GE	4.50
4" BIT. BASE COURSE GE	9.00
6" CLASS 7 AGGREGATE INPLACE GE	5.00
TOTAL GE	19.50

STANDARD PLATES

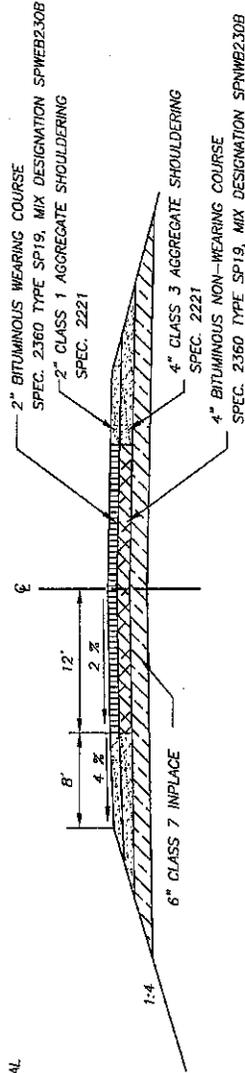
THE FOLLOWING STANDARD PLATES AS APPROVED BY THE FHWA SHALL APPLY ON THIS PROJECT.

PLATE NO.	DESCRIPTION
8000I	STANDARD BARRICADES
9000D	APPROACHES AND ENTRANCES

TYPICAL SURFACE & SHOULDERING SECTION

NOT DRAWN TO SCALE

STA. 15+05 TO 70+00, STA. 113+00 TO 522+80
 STA. 70+00 TO 92+00 LT 4' PAVED SHOULDER
 STA. 92+00 TO 113+00 RT 4' PAVED SHOULDER



BASIS FOR ESTIMATED QUANTITIES

- * AGGREGATE SHOULDERING-COMPACTED DRY DENSITY = 140 LBS./C.F., MATERIAL ASSUMED TO CONTAIN 4% MOISTURE BY WEIGHT.
- * TYPE SP 19 WEAR/NON WEAR COURSE - 110 LBS./S.Y PER INCH OF DEPTH OF BIT. MATERIAL
- * BIT. MATERIAL FOR TACK COAT - 0.05 GALS./S.Y.

NOTES:

1. INCLUDES AGGREGATE QUANTITY FOR FIELD ENTRANCES
2. APPROX. NO. OF FIELD ENTRANCES = 62
3. INCLUDES BITUMINOUS QUANTITY FOR ENTRANCES, INTERSECTIONS
4. NO. OF PAVED ENTRANCES (FARM, TWP RD, CO. RDS) = 44
5. PAVE 2' WIDE EXTENSIONS ON ENTRANCES. EXACT LENGTH TO BE DETERMINED IN THE FIELD.
6. ALL TRAFFIC CONTROL SIGNING & DEVICES SHALL CONFORM TO THE MMUTCD MANUAL

STATE PROJ. No. 17-613-98 Sheet No. 2 of 3 Sheets

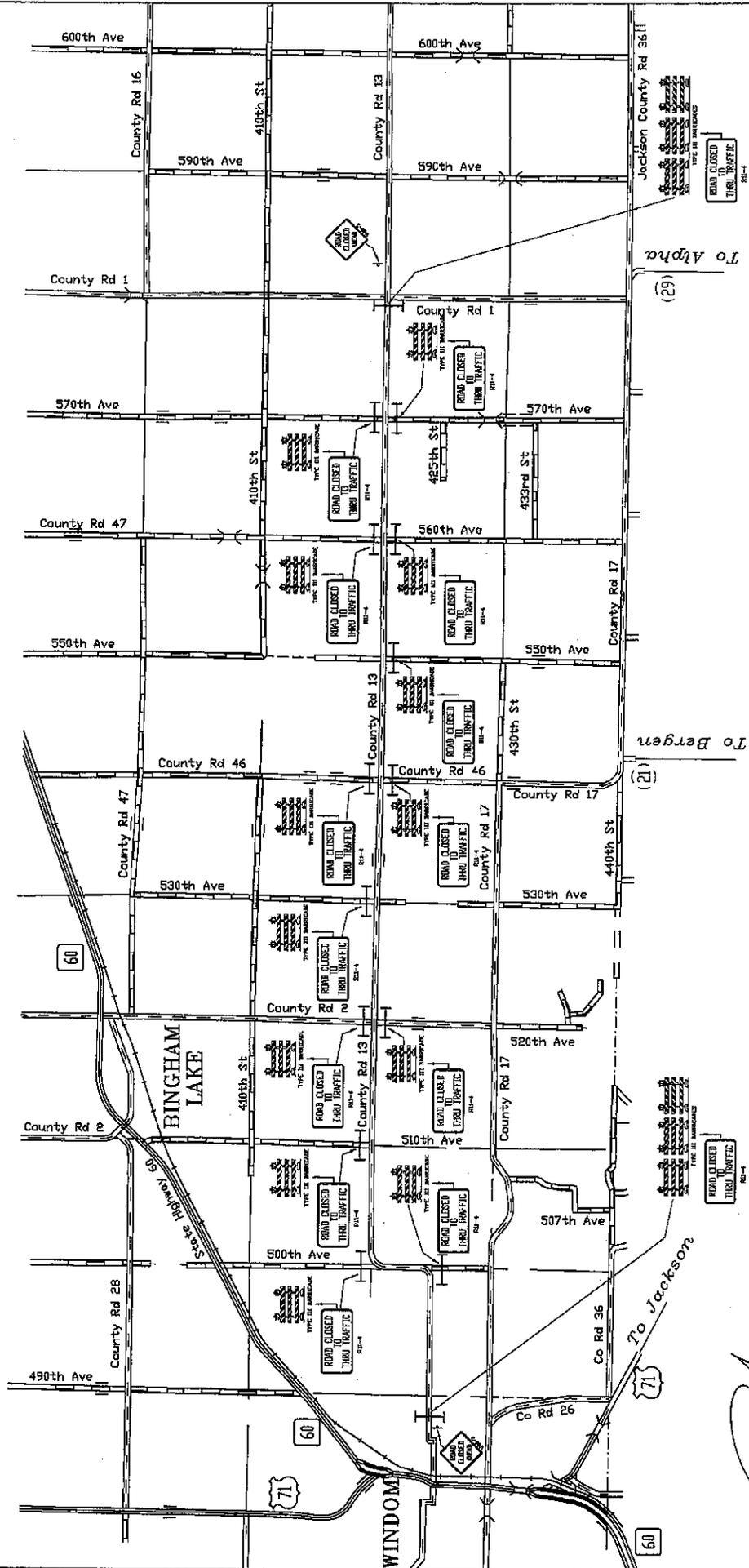
QUANTITIES/TYPICAL SECTIONS

4-21-2010 DATE

RONALD GREGG
 REGISTERED PROFESSIONAL ENGINEER NO. 26799

TRAFFIC CONTROL SIGN TABULATION	
Sign Description	No. Required
TYPE III BARRICADE	19
R11-4	19
W20-3	2

All traffic control devices shall conform to the Minnesota Manual on Uniform Traffic Control Devices, 1985 Edition, as amended by the Temporary Control Zone Layouts - April 1995.
All traffic control devices shall have retroreflective sheeting.



STATE PROJ. No. 17-613-38 Sheet No. 3 of 3 Sheets

TRAFFIC CONTROL PLAN

DATE 4-21-2010

RONALD CREGG
REGISTERED PROFESSIONAL ENGINEER NO. 28799



RESOLUTION #2011-

INTRODUCED:

SECONDED:

VOTED: Aye:

Nay:

Absent:

CITY OF WINDOM

**RESOLUTION ESTABLISHING
RATES, CHARGES AND FEES FOR
TELECOMMUNICATIONS ENTERPRISE FUND**

WHEREAS, the City Council has the authority to establish fees and charges for municipal services; and

WHEREAS, the City Council periodically establishes rates and fees for municipal utilities; and

WHEREAS, projected quarterly interstate, international, and Federal Universal Access End-User Charges and fees revenue exceeds the Federal De Minimis threshold; and

WHEREAS, as a result of the loss of the De Minimis designation, the City of Windom is now required to make mandatory contributions to the Federal Universal Service Fund program; and

WHEREAS, the Windom Telecommunication Commission recommends to begin the recovery of the costs associated with the mandatory contributions to the Federal Universal Service Charge (FUSC) Surcharge Factor; and

WHEREAS, the Windom Telecommunication Commission also recommends changing the rate for the Federal Universal Access End-User Charge to reflect the current Windom Federal Communications Commission (FCC) Interstate Tariff from a monthly rate of \$4.90 to \$4.92; and

WHEREAS, it is in the best interests of the City of Windom and its citizens to operate the city enterprise funds in a cost-effective manner.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Windom, Minnesota, as follows:

1. The City Administrator is directed to take steps to begin recovering the cost associated with the mandatory contributions to the Federal Universal Service Charge (FUSC) Surcharge Factor. The percentage rate for this federal tax is calculated quarterly by the Federal Communications Commission (FCC) and will be applied to customer billings for interstate, international, toll and Federal Universal Access End-User charges and fees and any other mandated services.
2. The Federal Universal Access End-User Charge shall be changed to reflect the current Windom FCC Interstate Tariff by increasing the monthly rate from \$4.90 to \$4.92.

Adopted this 15th day of February, 2011.

Kirby G. Kruse, Mayor

ATTEST:

Steven Nasby, City Administrator

WINDOM FIRE DEPARTMENT

444 9th St
WINDOM MN.56101

To: The Members of the Windom City Council

Subject: Results of the Windom Fire Department Officer Elections

The Windom Fire Department held it's annual officer elections on Thursday, Feb. 3rd 2011

Fire Chief – Dan Ortmann
1st. Asst. Chief – Mark Stevens
2nd Asst. Chief/Training Officer – Mark Marcy
3rd Asst. Chief/Secretary – Roger Winker

Thanks,
Dan Ortmann
Fire Chief
Windom Fire Department

RESOLUTION #2011-

INTRODUCED:

SECONDED:

VOTED: Aye:

Nay:

Absent:

**RESOLUTION AUTHORIZING EXECUTION
OF COOPERATION AGREEMENT**

WHEREAS, the Housing and Redevelopment Authority of Windom and the City of Windom entered into a certain Cooperation Agreement on February 15, 2011, proposing to develop and administer a low-rent project or projects to consist of approximately __ dwelling units; and

WHEREAS, the City of Windom (HEREIN CALLED THE "Municipality"), desires to enter into a Cooperation Agreement with the Housing and Redevelopment Authority, in connection with such projects(s).

NOW, THEREFORE, BE IT RESOLVED by the City Council of Windom, Minnesota, as follows:

1. That the City of Windom shall enter into a Cooperation Agreement with the Housing and Redevelopment Authority of Windom in substantially the attached form.
2. The Mayor is hereby authorized and directed to execute said Cooperation Agreement, in triplicate, on behalf of the City of Windom and the City Administrator is hereby authorized and directed to affix the corporate seal of the City of Windom and to attest the same.
3. The Chairman be and is hereby authorized and directed to execute said Amendment, in triplicate, on behalf of said Local Authority and Secretary is hereby authorized and directed to affix the corporate seal of said Local Authority thereon and to attest the same.
4. That this Resolution shall take effect immediately.

Adopted this 15th day of February, 2011.

Kirby G. Kruse, Mayor

ATTEST:

Steven Nasby, City Administrator



U.S. Department of Housing and Urban Development

Minneapolis Field Office
920 Second Avenue South, Suite 1300
Minneapolis, Minnesota 55402-4012

Ms. Vicki Flatgard, Executive Director
Housing and Redevelopment Authority
of Windom
605 Tenth Street, Apt. 104
Windom, MN 56101-1365

Dear Ms. Flatgard:

Subject: Cooperation Agreement

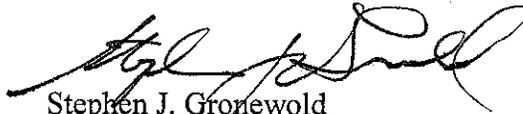
As discussed in your phone conversation with Michelle Kielas on February 3, 2010, enclosed are sample copies of a resolution and cooperation agreement. Sample/Blank copies of these documents were attached to an email we sent you today.

A new resolution must be passed that gives the date of the Cooperation Agreement and states the name and title (Mayor) of the person authorized to sign on behalf of the City of Windom and the name and title (Chairman) of the person authorized to sign on behalf of the Local Authority.

In the Cooperation Agreement, please complete the blank for the number of units, in Section 2., line three. The number of units shown in PIC is 91, so the number of units shown in the Cooperation Agreement must be at least 91. If the HRA and City would like to allow for any future growth, you can enter a higher, agreed upon number.

If you have any questions, please contact Michelle Kielas, Paralegal Specialist, at 612/370-3000 x2240/FAX #370-3187/TDD #370-3186.

Very sincerely yours,



Stephen J. Gronewold
Chief Counsel

Enclosures

COOPERATION AGREEMENT

This Agreement entered into this ____ day of _____, _____, by and between the Housing and Redevelopment Authority of Windom, Minnesota (herein called the "Local Authority") and the City of Windom, State of Minnesota (herein called the "Municipality"), witnesseth:

In consideration of the mutual covenants hereinafter set forth, the parties hereto do agree as follows:

1. Whenever used in this Agreement:

(a) The term "Project" shall mean any low-rent housing hereafter developed or acquired by the Local Authority with financial assistance of the United States of America acting through the Secretary of Housing and Urban Development (herein called the "Government"); excluding, however, any low-rent housing project covered by any contract for loans and annual contributions or grants entered into between the Local Authority and the Government, or its predecessor agencies, prior to the date of this Agreement.

(b) The term "Taxing Body" shall mean the State or any political subdivision or taxing unit thereof in which a Project is situated and which would have authority to assess or levy real or personal property taxes or to certify such taxes to a taxing body or public officer to be levied for its use and benefit with respect to a Project if it were not exempt from taxation.

(c) The term "Shelter Rent" shall mean the total of all charges to all tenants of a Project for dwelling rents and non-dwelling rents (excluding all other income of such Project), less the cost to the Local Authority of all dwelling and non-dwelling utilities.

(d) The term "Slum" shall mean any area where dwellings predominate which, by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light or sanitation facilities, or any combination of these factors, are detrimental to safety, health, or morals.

2. The Local Authority shall endeavor: (a) to secure a contract or contracts with the Government for loans and annual contributions or grants covering one or more Projects comprising approximately ____ units of low-rent housing and (b) to develop or acquire and administer such Project or Projects, each of which shall be located within the corporate limits of the Municipality. The obligations of the parties hereto shall apply to each such Project.
3. (a) Under the constitution and statutes of the State of Minnesota, all Projects are exempt from all real and personal property taxes levied or imposed by any Taxing Body. With respect to

any Project, so long as either (i) such Project is owned by a public body or governmental agency and is used for low-rent housing purposes, or (ii) any contract between the Local Authority and the Government in connection with such Project remains in force and effect, or (iii) any bonds issued in connection with such Project or any monies due to the Government in connection with such Project remain unpaid, whichever period is the longest, the Municipality, on behalf of all Taxing Bodies, agrees that they will not levy or impose any real or personal property taxes *[or special assessments] upon such Project or upon the Local Authority with respect thereto. During such period, the Local Authority shall make annual payments (herein called "Payments in Lieu of Taxes") in lieu of such taxes *[and special assessments] and in payment for the Public services and facilities furnished from time to time without other cost or charge for or with respect to such Project.

(b) Each such annual Payment in Lieu of Taxes shall be made at the time when real property taxes on such Project would be paid if it were subject to taxation, and shall be in an amount equal to either (i) ten percent (10%) of the Shelter Rent actually collected but in no event to exceed ten percent (10%) of the Shelter Rent charged by the Local Authority in respect to such Project during the preceding calendar year, or (ii) the amount permitted to be paid by applicable State law in effect on the date such payment is made.

(c) The Municipality shall distribute the Payments in Lieu of Taxes among the Taxing Bodies in the proportion which the real property taxes which would have been paid to each Taxing Body for such year if the Project were not exempt from taxation bears to the total real property taxes which would have been paid to all of the Taxing Bodies for such year if the Project were not exempt from taxation; Provided, however, That no payment for any year shall be made to any Taxing Body in excess of the amount of the real property taxes which would have been paid to such Taxing Body for such year if the Project were not exempt from taxation.

(d) Upon failure of the Local Authority to make any Payment in Lieu of Taxes, no lien against any Project or assets of the Local Authority shall attach, nor shall any interest or penalties accrue or attach on account thereof.

~~4. The Municipality agrees that, subsequent to the date of initiation (as defined in the United States Housing Act of 1937) of each Project and within five years after the completion thereof, or such further period as may be approved by the Government [and in addition to the number of unsafe or unsanitary dwelling units which the Municipality is obligated to eliminate as a part of the low-rent housing project(s) heretofore undertaken by the Local Authority and identified as~~

~~Project(s) No.(s) _____ there has been or will be elimination, as certified by the Municipality, by demolition, condemnation, effective closing, or compulsory repair or improvement, of unsafe or unsanitary dwelling units situated in the locality or metropolitan area in which such Project is located, substantially equal in number to the number of newly constructed dwelling units provided by such Project; Provided, That, where more than one family is living in an unsafe or unsanitary dwelling unit, the elimination of such unit~~

~~shall county as the elimination of units equal to the number of families accommodated therein; and Provided, further, That this paragraph 4 shall not apply in the case of (i) any Project developed on the site of a Slum cleared subsequent to July 15, 1949, and that the dwelling units eliminated by the clearance of the site of such Project shall not be counted as elimination for any other Project or any other low-rent housing project, or (ii) any Project located in a rural nonfarm or Indian area.~~

5. During the period commencing with the date of the acquisition of any part of the site or sites of any Project and continuing so long as either (i) such Project is owned by a public body or governmental agency and is used for low-rent housing purposes, or (ii) any contract between the Local Authority and the Government in connection with such Project remains in force and effect, or (iii) any bonds issued in connection with such Project or any monies due to the Government in connection with such Project remain unpaid, whichever period is the longest, the Municipality or other appropriate Taxing Body without cost or charge to the Local Authority or (* Special assessments are a negotiable item; delete and initial if they are not to be made exempt by this agreement.) the tenants of such Project (other than the Payments in Lieu of Taxes) shall:
 - (a) Furnish or cause to be furnished to the Local Authority and the tenants of such Project public services and facilities of the same character and to the same extent as are furnished from time to time without cost or charge to other dwellings and inhabitants in the Municipality;
 - (b) Vacate such streets, roads, and alleys within the area of such Project as may be necessary in the development thereof, and convey without charge to the Local Authority such interest as the Municipality, or other Taxing Body may have in such vacated areas; and, in so far as it is lawfully able to do so without cost or expense to the Local Authority or to the Municipality or other Taxing Body, cause to be removed from such vacated areas, in so far as it may be necessary, all public or private utility lines and equipment;
 - (c) In so far as the Municipality or other Taxing Body may lawfully do so, (i) grant such deviations from the building code of the Municipality or other Taxing Body as are reasonable and necessary to promote economy and efficiency in the development and administration of such Project, and at the same time safeguard health and safety, and (ii) make such changes in any zoning of the site and surrounding territory of such Project as are reasonable and necessary for the development and protection of such Project and the surrounding territory;
 - (d) Accept grants of easements necessary for the development of such Project; and
 - (e) Cooperate with the Local Authority by such other lawful action or ways as the Municipality or other Taxing Body and the Local Authority may find necessary in connection with the development and administration of such Project.
6. In respect to the initial development of any Project, the Municipality further agrees, on behalf of all Taxing Bodies, that within a reasonable time after receipt of a written request therefor

from the Local Authority:

- (a) They will accept the dedication of all interior streets, roads, alleys, and adjacent sidewalks within the area of such Project, together with all storm and sanitary sewer mains in such dedicated areas, after the Local Authority, at its own expense, has completed the grading, improvement, paving, and installation thereof in accordance with specifications acceptable to the Municipality or other Taxing Body;
 - (b) They will accept necessary dedications of land for, and will grade, improve, pave, and provide sidewalks for, all streets bounding such Project or necessary to provide adequate access thereto (in consideration whereof the Local Authority shall pay to the Municipality or other Taxing Body such amount as would be assessed against the Project site for such work if such site were privately owned); and
 - (c) They will provide, or cause to be provided, water mains, and storm and sanitary sewer mains, leading to such Project and serving the bounding streets thereof (in consideration whereof the Local Authority shall pay to the Municipality or other Taxing Body such amount as would be assessed against the Project site for such work if such site were privately owned).
7. If by reason of the Municipality's or other Taxing Body's failure or refusal to furnish or cause to be furnished any public services or facilities which they have agreed hereunder to furnish or cause to be furnished to the Local Authority or to the tenants of any Project, the Local Authority incurs any expense to obtain such services or facilities, then the Local Authority may deduct the amount of such expense from any Payments in Lieu of Taxes due or to become due to the Municipality or other Taxing Body in respect to any Project or any other low-rent housing projects owned or operated by the Local Authority.
 8. No Cooperation Agreement heretofore entered into between the Municipality and the Local Authority shall be construed to apply to any Project covered by this Agreement.
 9. No member of the governing body or any other public official of the Municipality or other Taxing Body who exercises any responsibilities or functions with respect to any Project during his tenure or for one year thereafter shall have any interest, direct or indirect, in any Project or any property included or planned to be included in any Project, or any contracts in connection with such Projects or property. If any such governing body member or such other public official of a Taxing Body involuntarily acquires or had acquired prior to the beginning of his tenure any such interest, he shall immediately disclose such interest to the Local Authority.
 10. So long as any contract between the Local Authority and the Government in connection with any Project remains in force and effect, or so long as any bonds issued in connection with any Project or any monies due to the Government in connection with any Project remain unpaid, this Agreement shall not be abrogated, changed, or modified without the consent of the Government. The privileges and obligations of the Municipality and other Taxing Bodies hereunder shall remain in full force and effect with respect to each Project so long as the

beneficial title to such Project is held by the Local Authority or by any other public body or governmental agency, including the Government, authorized by law to engage in the development or administration of low-rent housing projects. If at any time the beneficial title to, or possession of, any Project is held by such other public body or governmental agency, including the Government, the provisions hereof shall inure to the benefit of and may be enforced by, such other public body or governmental agency, including the Government.

IN WITNESS WHEREOF the Municipality and the Local Authority have respectively signed this Agreement and caused their seals to be affixed and attested as of the day and year first above written.

(SEAL) _____
(Corporate Name of Municipality)

By _____
(Title)

Attest:

(Title)

(SEAL) _____
(Corporate Name of Local Authority)

By _____
Chairman

Attest:

(Title)



Memo

To: Mayor and Council Members
From: Denise Nichols
CC: Steve Nasby
Date: 2/10/2011
Re: Annual City-Wide Spring Cleanup

The two waste service providers (Waste Management and Hometown Sanitation) were contacted to provide a quote for the cost of services for the spring cleanup. Instructions given to the service providers were to submit a quote at a per ton rate and to supply available dates for conducting the event. Waste Management was contacted twice and given several opportunities to provide a quote based on a per ton rate. However, a quote was never submitted. Attached you will find the proposal that was received from Hometown Sanitation.

Eagle Recycling has also been contacted and will provide appliance recycling services during the event. They are unavailable on May 7th but could conduct the entire portion of the Citywide recycling during one Saturday. Cost for each appliance will be \$10.00. Electronics will not be collected during the event given that the County plans to conduct an electronics recycling event in August.

I contacted Ron Gregg, Cottonwood County Engineer, to make a formal request to the County Commissioners for a reduction of the County tipping fees for the annual City-Wide Cleanup. In years past, the Commissioners have approved reducing the tipping fees by 50%. The request has not yet been discussed by the County Commissioners.

In the past, we have tried to hold the cleanup prior to Graduation. Windom Area High School graduation will be held on May 15th.

Requested Action: Select a waste service provider and dates to conduct the annual Citywide Cleanup and Recycling event.

HOMETOWN

SANITATION SERVICES LLC

1041 3rd Avenue • PO Box 68 • Windom, MN 56101
Phone: 507-832-8946 • 1-877-545-4877

February 8th, 2011

City of Windom
Steve Nasby, City Administrator
Windom City Hall
444 9th Street
Windom, MN 56101

Dear Steve:

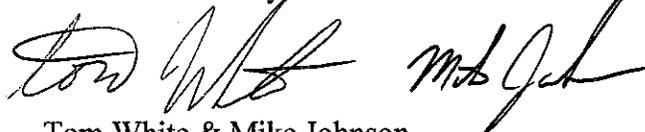
We are pleased to submit an offer to the City of Windom to provide services for the city-wide cleanup in May. We understand that the City is still considering dates, and we are more than willing to work with the City and determine which two weekends in May will work the best.

We want to thank you for your continued support of Hometown Sanitation. Over the past 18 months, we hope we have shown you how dedicated we are to supporting our hometown community, and providing quality service. We were excited to take on the challenge of completing our 1st City-Wide Cleanup last spring, and we're equally excited to take what we learned from last year and put it into practice this year.

The bid we have for the city-wide cleanup is exactly what we bid last year. Our bid is \$99.87 per ton. We understand that bids are to be included in the Council packets for February 11th, and any bids submitted after that date will not be considered.

We hope this bid is acceptable to you and look forward to continuing to do business with the City. Thank you again for the opportunity to present this offer.

Sincerely,



Tom White & Mike Johnson
Hometown Sanitation Services, LLC
Windom, MN 56101

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
MAYOR & COUNCIL	MN MAYORS ASSOCIATIO	DUES	20.00
	Total for Department 101		20.00*
CITY OFFICE	MII LIFE	VEBA	198.40
CITY OFFICE	MN NCPERS LIFE INSUR	INSURANCE	80.00
CITY OFFICE	DENNIS L. RICK LTD	AUDIT SERVICE	500.00
	Total for Department 103		778.40*
P & Z / BUILDING OFF	ELECTRIC FUND	MAINTENANCE	15.84
P & Z / BUILDING OFF	Verizon Wireless	TELEPHONE	34.10
P & Z / BUILDING OFF	MII LIFE	VEBA	148.80
P & Z / BUILDING OFF	MN NCPERS LIFE INSUR	INSURANCE	24.00
	Total for Department 106		222.74*
CITY HALL	SANDRA HERDER	CLEANING	343.80
CITY HALL	JOE'S LAWN CARE	BOILER INSPECTION	26.25
CITY HALL	JAY KUEHL	SNOW REMOVAL	30.00
CITY HALL	MELISSA PENAS	CLEANING	343.80
	Total for Department 115		743.85*
POLICE	MII LIFE	VEBA	1,584.64
POLICE	MN NCPERS LIFE INSUR	INSURANCE	128.00
POLICE	SOUTHWEST CHIEFS OF	DUES	35.00
POLICE	VOYAGER FLEET SERVIC	GAS	66.40
POLICE	HOLSTERS PLUS	MAINTENANCE	120.60
	Total for Department 120		1,934.64*
FIRE DEPARTMENT	Verizon Wireless	TELEPHONE	34.10
	Total for Department 125		34.10*
STREET	Verizon Wireless	TELEPHONE	38.77
STREET	MII LIFE	VEBA	841.92
STREET	MN NCPERS LIFE INSUR	INSURANCE	80.00
STREET	VOYAGER FLEET SERVIC	GAS	84.11
	Total for Department 140		1,044.80*
PARKS	MII LIFE	VEBA	185.68
PARKS	MN NCPERS LIFE INSUR	INSURANCE	16.00
	Total for Department 165		201.68*
	Total for Fund 01		4,980.21*
LIBRARY	SANDRA HERDER	CLEANING	343.80
LIBRARY	JOE'S LAWN CARE	BOILER INSPECTION	26.25
LIBRARY	JAY KUEHL	SNOW REMOVAL	30.00
LIBRARY	MELISSA PENAS	CLEANING	343.80
	Total for Department 171		743.85*
	Total for Fund 03		743.85*
AIRPORT	SO. CENTRAL ELECTRIC	POWER COST	1,335.02

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
		Total for Department 174	1,335.02*
		Total for Fund 11	1,335.02*
AMBULANCE	SUBWAY	EXPENSE	76.95
		Total for Department 176	76.95*
		Total for Fund 13	76.95*
MULTI-PURPOSE BUILDI	BATCHELLER'S EVER-GR	SERVICE	277.51
MULTI-PURPOSE BUILDI	Verizon Wireless	TELEPHONE	34.10
MULTI-PURPOSE BUILDI	MII LIFE	VEBA	284.88
MULTI-PURPOSE BUILDI	MN NCPERS LIFE INSUR	INSURANCE	32.00
MULTI-PURPOSE BUILDI	VOYAGER FLEET SERVIC	GAS	71.60
		Total for Department 177	700.09*
		Total for Fund 14	700.09*
N IND PARK	SO. CENTRAL ELECTRIC	POWER COST	39.40
		Total for Department 147	39.40*
		Total for Fund 18	39.40*
LIQUOR	BEVERAGE WHOLESALERS	MERCHANDISE	2,701.56
LIQUOR	WIRTZ BEVERAGE MN WI	MERCHANDISE	1,914.34
LIQUOR	HAGEN DISTRIBUTING	MERCHANDISE	4,447.95
LIQUOR	A H HERMEL CANDY & T	MERCHANDISE	270.74
LIQUOR	JOHNSON BROS.	MERCHANDISE	4,010.60
LIQUOR	MII LIFE	VEBA	371.36
LIQUOR	MN NCPERS LIFE INSUR	INSURANCE	32.00
LIQUOR	PHILLIPS WINE & SPIR	MERCHANDISE	2,825.45
LIQUOR	QUALITY WINE SPIRITS	MERCHANDISE	2,495.67
LIQUOR	DENNIS L. RICK LTD	AUDIT SERVICE	1,500.00
LIQUOR	THE AMERICAN BOTTLIN	MERCHANDISE	124.68
LIQUOR	BANK MIDWEST	NSF CHECK	92.54
LIQUOR	WINE MERCHANTS	MERCHANDISE	592.00
		Total for Department 180	21,378.89*
		Total for Fund 60	21,378.89*
WATER	AMUNDSON DIG	MAINTENANCE	300.00
WATER	MN DEPT OF NAT RES-	WATER PERMITS	1,888.00
WATER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	156.25
WATER	Verizon Wireless	TELEPHONE	57.48
WATER	MII LIFE	VEBA	374.54
WATER	MN NCPERS LIFE INSUR	INSURANCE	40.00
WATER	DENNIS L. RICK LTD	AUDIT SERVICE	1,000.00
WATER	RED ROCK RURAL WATER	WATER	23.50
WATER	VOYAGER FLEET SERVIC	GAS	329.95
WATER	ERIC MILLER	REFUND - STATEMENT CREDI	37.87

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
Total for Department 181			4,207.59*
Total for Fund 61			4,207.59*
	LESTER KNUDSON	REFUND - STATEMENT CREDI	.11
	ERIC MILLER	REFUND - STATEMENT CREDI	6.24
Total for Department			6.35*
ELECTRIC	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	156.25
ELECTRIC	Verizon Wireless	TELEPHONE	39.44
ELECTRIC	MII LIFE	VEBA	1,049.86
ELECTRIC	MN NCPERS LIFE INSUR	INSURANCE	96.00
ELECTRIC	DENNIS L. RICK LTD	AUDIT SERVICE	1,000.00
ELECTRIC	BRAD BUSSA	CLEANING	184.60
ELECTRIC	VOYAGER FLEET SERVIC	GAS	42.35
ELECTRIC	BANK MIDWEST	NSF CHECK	122.77
ELECTRIC	LESTER KNUDSON	REFUND - STATEMENT CREDI	1.67
ELECTRIC	ERIC MILLER	REFUND - STATEMENT CREDI	64.54
Total for Department 182			2,757.48*
Total for Fund 62			2,763.83*
SEWER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	156.25
SEWER	Verizon Wireless	TELEPHONE	57.47
SEWER	MII LIFE	VEBA	931.58
SEWER	MN NCPERS LIFE INSUR	INSURANCE	56.00
SEWER	DENNIS L. RICK LTD	AUDIT SERVICE	1,000.00
SEWER	VOYAGER FLEET SERVIC	GAS	88.70
SEWER	ERIC MILLER	REFUND - STATEMENT CREDI	26.58
Total for Department 183			2,316.58*
Total for Fund 63			2,316.58*
ARENA	Verizon Wireless	TELEPHONE	69.43
ARENA	MII LIFE	VEBA	371.36
ARENA	MN NCPERS LIFE INSUR	INSURANCE	32.00
ARENA	VOYAGER FLEET SERVIC	GAS	42.43
Total for Department 184			515.22*
Total for Fund 64			515.22*
ECONOMIC DEVELOPMENT	ESSEX CAPITAL, LLC	DUES	3,000.00
ECONOMIC DEVELOPMENT	MARK HANSON	MOVING EXPENSE	110.05
ECONOMIC DEVELOPMENT	Verizon Wireless	TELEPHONE	34.10
ECONOMIC DEVELOPMENT	MII LIFE	VEBA	235.28
ECONOMIC DEVELOPMENT	MN NCPERS LIFE INSUR	INSURANCE	8.00
Total for Department 187			3,387.43*
Total for Fund 67			3,387.43*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
	MN 9-1-1 PROGRAM	911 SERVICE	1,095.65
	Total for Department		1,095.65*
TELECOMMUNICATIONS	B B C AMERICA	SUBSCRIBER	18.36
TELECOMMUNICATIONS	BIG TEN NETWORK	SUBSCRIBER	1,535.91
TELECOMMUNICATIONS	DISCOVERY DIGITAL NE	SUBSCRIBER	50.88
TELECOMMUNICATIONS	FOX SPORTS	SUBSCRIBER	5,553.60
TELECOMMUNICATIONS	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	468.75
TELECOMMUNICATIONS	HUB TELEVISION NETWO	SUBSCRIBER	8.30
TELECOMMUNICATIONS	LIFETIME	SUBSCRIBER	715.12
TELECOMMUNICATIONS	LIFETIME MOVIE NETWO	SUBSCRIBER	30.00
TELECOMMUNICATIONS	Verizon Wireless	TELEPHONE	241.07
TELECOMMUNICATIONS	MII LIFE	VEBA	665.78
TELECOMMUNICATIONS	NATIONAL CABLE TV CO	SUBSCRIBER	21,993.93
TELECOMMUNICATIONS	MN NCPERS LIFE INSUR	INSURANCE	64.00
TELECOMMUNICATIONS	QUEST	TELEPHONE	99.62
TELECOMMUNICATIONS	DENNIS L. RICK LTD	AUDIT SERVICE	2,000.00
TELECOMMUNICATIONS	SUBWAY	EXPENSE	55.84
TELECOMMUNICATIONS	VOYAGER FLEET SERVIC	GAS	145.28
TELECOMMUNICATIONS	BANK MIDWEST	NSF CHECK	92.00
	Total for Department 199		33,738.44*
	Total for Fund 69		34,834.09*
	LAW ENFORCMENT LABOR UNION DUES		294.00
	LOCAL UNION #949	UNION DUES	1,507.46
	MN NCPERS LIFE INSUR	INSURANCE	32.00
	Total for Department		1,833.46*
	Total for Fund 70		1,833.46*
	Grand Total		79,112.61*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
CITY OFFICE	ELECTRIC FUND	UTILITY BILLING	180.14
CITY OFFICE	SECR REV FUND/CITY O	POSTAGE	.50
CITY OFFICE	SECR REV FUND/CITY O	SUPPLIES	9.66
	Total for Department 103		190.30*
P & Z / BUILDING OFF	ELECTRIC FUND	UTILITY BILLING	51.23
P & Z / BUILDING OFF	VET'S WHOA N'GO	GAS	103.07
	Total for Department 106		154.30*
CITY HALL	ELECTRIC FUND	MAINTENANCE	31.46
CITY HALL	ELECTRIC FUND	UTILITY BILLING	574.87
CITY HALL	JAY KUEHL	SNOW REMOVAL	120.00
	Total for Department 115		726.33*
POLICE	ELECTRIC FUND	UTILITY BILLING	83.17
POLICE	KEVIN L. PATTERSON	MILEAGE	48.37
POLICE	VET'S WHOA N'GO	GAS	51.24
POLICE	WATONWAN COUNTY	MAINTENANCE	234.99
	Total for Department 120		417.77*
FIRE DEPARTMENT	ELECTRIC FUND	UTILITY BILLING	27.25
	Total for Department 125		27.25*
STREET	ELECTRIC FUND	UTILITY BILLING	4,700.32
STREET	ERICKSON OIL CO	GAS	3,313.22
STREET	VET'S WHOA N'GO	GAS	1,288.10
	Total for Department 140		9,301.64*
PARKS	ELECTRIC FUND	UTILITY BILLING	13.52
	Total for Department 165		13.52*
	Total for Fund 01		10,831.11*
LIBRARY	CITIZEN PUBLISHING C	SUBSCRIPTION	43.00
LIBRARY	ELECTRIC FUND	UTILITY BILLING	292.35
LIBRARY	JAY KUEHL	SNOW REMOVAL	120.00
	Total for Department 171		455.35*
	Total for Fund 03		455.35*
AMBULANCE	WDR - DEPUTY REGISTR	AMBULANCE REGISTRATION	20.00
AMBULANCE	ELECTRIC FUND	UTILITY BILLING	24.96
AMBULANCE	TIM HACKER	EXPENSE	79.49
AMBULANCE	VET'S WHOA N'GO	GAS	1,292.56
AMBULANCE	ANDY WALL	EXPENSE	73.00
	Total for Department 176		1,490.01*
	Total for Fund 13		1,490.01*
MULTI-PURPOSE BUILDI	ELECTRIC FUND	UTILITY BILLING	1,259.72
MULTI-PURPOSE BUILDI	RIVER BEND LIQUOR	MERCHANDISE	31.12

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
		Total for Department 177	1,290.84*
		Total for Fund 14	1,290.84*
SCDP	SW MN HOUSING PARTNE	DRAW REQUEST 19	8,631.00
SCDP	SW MN HOUSING PARTNE	SCDP 09 GRANT EXPENSE	15,750.00
		Total for Department 163	24,381.00*
		Total for Fund 17	24,381.00*
LIQUOR	BEVERAGE WHOLESALERS	MERCHANDISE	3,695.65
LIQUOR	ELECTRIC FUND	MAINTENANCE	38.54
LIQUOR	ELECTRIC FUND	UTILITY BILLING	932.69
LIQUOR	HAGEN DISTRIBUTING	MERCHANDISE	11,800.15
LIQUOR	JOHNSON BROS.	MERCHANDISE	2,371.85
LIQUOR	PHILLIPS WINE & SPIR	MERCHANDISE	1,036.70
LIQUOR	BANK MIDWEST	NSF CHECK - RIVER BEND L	24.85
		Total for Department 180	19,900.43*
		Total for Fund 60	19,900.43*
WATER	DATA-PAC MAILING SYS	RESET FEE	1.49
WATER	ELECTRIC FUND	UTILITY BILLING	4,210.38
WATER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	167.71
WATER	STELLAR BILLING LLC	SPECIAL SERVICE	19.70
WATER	STELLAR BILLING LLC	UTILITY BILL SERVICES	807.38
WATER	SECR REV FUND/CITY O	POSTAGE	6.70
		Total for Department 181	5,213.36*
		Total for Fund 61	5,213.36*
	SECR REV FUND/CITY O	REFUND - UTILITY PREPAYM	550.00
	SHAWN MURPHY	REFUND - UTILITY PREPAYM	125.00
	AMY SOKOLOFSKY	REFUND - UTILITY PREPAYM	20.00
		Total for Department	695.00*
ELECTRIC	DATA-PAC MAILING SYS	RESET FEE	1.50
ELECTRIC	ELECTRIC FUND	UTILITY BILLING	268.54
ELECTRIC	ERICKSON OIL CO	GAS	181.26
ELECTRIC	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	167.71
ELECTRIC	STELLAR BILLING LLC	SPECIAL SERVICE	22.61
ELECTRIC	STELLAR BILLING LLC	UTILITY BILL SERVICES	1,665.22
ELECTRIC	HSBC BUSINESS SOLUTI	SUPPLIES	252.87
ELECTRIC	SECR REV FUND/CITY O	POSTGE	9.44
ELECTRIC	VET'S WHOA N'GO	GAS	197.96
ELECTRIC	DEPARTMENT OF ENERGY	POWER COST	93,291.63
		Total for Department 182	96,058.74*
		Total for Fund 62	96,753.74*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
SEWER	DATA-PAC MAILING SYS	RESET FEE	1.49
SEWER	ELECTRIC FUND	UTILITY BILLING	16,114.66
SEWER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	167.70
SEWER	STELLAR BILLING LLC	UTILITY BILL SERVICES	807.41
SEWER	VET'S WHOA N'GO	GAS	34.47
		Total for Department 183	17,125.73*
		Total for Fund 63	17,125.73*
ARENA	ELECTRIC FUND	MAINTENANCE	106.57
ARENA	ELECTRIC FUND	UTILITY BILLING	7,787.14
ARENA	VET'S WHOA N'GO	GAS	52.31
		Total for Department 184	7,946.02*
		Total for Fund 64	7,946.02*
ECONOMIC DEVELOPMENT	ELECTRIC FUND	UTILITY BILLING	70.47
ECONOMIC DEVELOPMENT	SECR REV FUND/CITY O	SUPPLIES	11.00
		Total for Department 187	81.47*
		Total for Fund 67	81.47*
TELECOMMUNICATIONS	DATA-PAC MAILING SYS	RESET FEE	4.47
TELECOMMUNICATIONS	ELECTRIC FUND	UTILITY BILLING	1,876.56
TELECOMMUNICATIONS	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	503.13
TELECOMMUNICATIONS	KARE	SUBSCRIBER	505.20
TELECOMMUNICATIONS	STELLAR BILLING LLC	UTILITY BILL SERVICES	1,766.13
TELECOMMUNICATIONS	QWEST COMMUNICATIONS	DIRECTORY LISTING	177.39
TELECOMMUNICATIONS	SECR REV FUND/CITY O	POSTAGE	9.80
TELECOMMUNICATIONS	SECR REV FUND/CITY O	SUPPLIES	6.00
TELECOMMUNICATIONS	SIJAMBO CAFE	EXPENSE	56.43
TELECOMMUNICATIONS	VET'S WHOA N'GO	GAS	76.44
TELECOMMUNICATIONS	WOODSTOCK TELEPHONE	SERVICE	186.67
		Total for Department 199	5,168.22*
		Total for Fund 69	5,168.22*
		Grand Total	190,637.28*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
MAYOR & COUNCIL	CITIZEN PUBLISHING C	ADVERTISING	634.80
MAYOR & COUNCIL	INDOFF, INC	SUPPLIES	30.68
MAYOR & COUNCIL	MCDONALD & SCHRAMEL	LEGAL FEES	228.00
	Total for Department 101		893.48*
CITY OFFICE	INDOFF, INC	SUPPLIES	193.18
CITY OFFICE	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
CITY OFFICE	QUILL CORP	SUPPLIES	115.54
	Total for Department 103		315.22*
P & Z / BUILDING OFF	INDOFF, INC	SUPPLIES	19.49
P & Z / BUILDING OFF	WINDOM AUTO VALU	MAINTENANCE	26.90
P & Z / BUILDING OFF	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
P & Z / BUILDING OFF	PAMIDA	SUPPLIES	23.53
	Total for Department 106		76.42*
CITY HALL	AMERIGAS - WORTHINGT	WATER TREATMENT	23.46
CITY HALL	COTTONWOOD COUNTY SO	RECYCLING PICK UP	144.00
CITY HALL	HOMETOWN SANITATION	HAUL GARBAGE	85.04
CITY HALL	SCHWALBACH HARDWARE	MAINTENANCE	40.60
	Total for Department 115		293.10*
POLICE	BATTERIES PLUS	SUPPLIES	37.47
POLICE	COTTONWOOD CO TREASU	DISPATCHING	275.00
POLICE	COTTONWOOD CO TREASU	RENT	1,500.00
POLICE	INDOFF, INC	SUPPLIES	52.04
POLICE	GALLS	SUPPLIES	37.60
POLICE	MCDONALD & SCHRAMEL	LEGAL FEES	4,248.00
POLICE	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	22.50
POLICE	SCHWALBACH HARDWARE	MAINTENANCE	73.68
POLICE	UNIFORM UNLIMITED	CLOTHING	136.84
POLICE	WINDOM AREA HOSPITAL	TESTING	74.00
POLICE	QUICK MEDICAL	SUPPLIES	39.58
	Total for Department 120		6,496.71*
FIRE DEPARTMENT	COTTONWOOD CO TREASU	DISPATCHING	212.50
FIRE DEPARTMENT	INDOFF, INC	SUPPLIES	342.74
FIRE DEPARTMENT	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
FIRE DEPARTMENT	QUEST	TELEPHONE	58.86
FIRE DEPARTMENT	SW REGIONAL FIRE DEP	DUES	50.00
FIRE DEPARTMENT	UNITED MEDICAL CLINI	PHYSICALS	864.00
	Total for Department 125		1,534.60*
EMERGENCY MANAGEMENT	COTTONWOOD CO TREASU	DISPATCHING	12.50
EMERGENCY MANAGEMENT	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	200.00
	Total for Department 130		212.50*
ANIMALS	COTTONWOOD-SLAYTON V	VETERINARY SERVICE	334.60
	Total for Department 135		334.60*
STREET	CITIZEN PUBLISHING C	ADVERTISING	132.00

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
STREET	COTTONWOOD CO TREASU	DISPATCHING	125.00
STREET	INDOFF, INC	SUPPLIES	221.30
STREET	DEFRIES COLLISION CE	MAINTENANCE	529.00
STREET	DICKS WELDING INC	MAINTENANCE	378.17
STREET	FOX BROTHERS	MAINTENANCE	2,588.33
STREET	GEMPLER'S	SUPPLIES	525.76
STREET	HOMETOWN SANITATION	HAUL GARBAGE	130.85
STREET	WINDOM AUTO VALU	MAINTENANCE	259.86
STREET	JERRY'S REPAIR	MAINTENANCE	95.00
STREET	MACQUEEN EQUIP. CO.	INCORRECT PAYMENT ON LAS	783.66
STREET	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
STREET	MESSER MACHINE & MFG	MAINTENANCE	90.00
STREET	MILLS & MILLER, INC	SALT	3,323.60
STREET	M-R SIGNS CO., INC	MAINTENANCE	65.69
STREET	NORTHLAND CHEMICAL C	SUPPLIES	79.40
STREET	QUEST	TELEPHONE	58.86
STREET	PETERSON SMITH GRAVE	MAINTENANCE	360.00
STREET	PRAXAIR DISTRIBUTION	SERVICE	214.01
STREET	RUNNING'S SUPPLY	MAINTENANCE	306.07
STREET	SANFORD LABORATORIES	TESTING	35.54
STREET	SCHWALBACH HARDWARE	MAINTENANCE	2.89
STREET	TOWMASTER	MAINTENANCE	76.98
STREET	COUNTRY PRIDE SERVIC	DISCOUNT FOR FUEL PER CO	-90.04
STREET	COUNTRY PRIDE SERVIC	MAINTENANCE	3,013.35
STREET	CARQUEST AUTO PARTS	MAINTENANCE	155.11
STREET	WINTER EQUIPMENT	MAINTENANCE	1,079.90
	Total for Department 140		14,546.79*
PARKS	COTTONWOOD CO TREASU	DISPATCHING	37.50
PARKS	RUNNING'S SUPPLY	MAINTENANCE	34.18
PARKS	SCHWALBACH HARDWARE	MAINTENANCE	112.27
PARKS	WINDOM QUICK PRINT	SUPPLIES	159.94
	Total for Department 165		343.89*
	Total for Fund 01		25,047.31*
LIBRARY	BIRDS & BLOOMS	SUBSCRIPTION	14.98
LIBRARY	CENTER POINT LARGE P	BOOKS	43.74
LIBRARY	COOK'S COUNTRY	SUBSCRIPTION	24.95
LIBRARY	COTTONWOOD COUNTY SO	RECYCLING PICK UP	24.00
LIBRARY	GALE	BOOKS	379.41
LIBRARY	INGRAM	BOOKS	991.96
LIBRARY	J & K WINDOWS	CLEANING	20.00
LIBRARY	KIPLINGER'S	SUBSCRIPTION	23.95
LIBRARY	MAXIMUM PC	SUBSCRIPTION	14.95
LIBRARY	MICROMARKETING	BOOKS & AUDIO	330.27
LIBRARY	PLUM CREEK LIBRARY	ANNUAL SYSTEM UPGRADE	4,200.00
LIBRARY	PLUM CREEK LIBRARY	DELIVERY	1,000.00
LIBRARY	PLUM CREEK LIBRARY	EMAIL ADDRESS LICENSE	48.00
LIBRARY	QUILTER'S WORLD	SUBSCRIPTION	23.95

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
LIBRARY	RECORDED BOOKS, LLC	AUDIO	76.40
LIBRARY	READERS SERVICE	BOOK	40.22
LIBRARY	READERS DIGEST - AUD	SUBSCRIPTION	39.98
LIBRARY	HARPERS BAZAAR	SUBSCRIPTION	21.97
LIBRARY	PAPER CRAFTS	SUBSCRIPTION	15.97
LIBRARY	WOODWORKER'S JOURNAL	SUBSCRIPTION	19.95
LIBRARY	DISNEY MOVIE CLUB	MOVIES	124.75
	Total for Department 171		7,479.40*
	Total for Fund 03		7,479.40*
	WENCK ASSOCIATES, IN	STREET SHOP	10,052.00
	Total for Department		10,052.00*
	Total for Fund 04		10,052.00*
AIRPORT	JAVENS ELECTRIC	MAINTENANCE	535.50
AIRPORT	SCHWALBACH HARDWARE	MAINTENANCE	15.49
	Total for Department 174		550.99*
	Total for Fund 11		550.99*
AMBULANCE	BOUND TREE MEDICAL,	EQUIPMENT	694.27
AMBULANCE	COTTONWOOD CO TREASU	DISPATCHING	200.00
AMBULANCE	EMERGENCY MEDICAL PR	SUPPLIES	133.66
AMBULANCE	LEWIS FAMILY DRUG #5	SUPPLIES	1.21
AMBULANCE	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	871.99
AMBULANCE	QUEST	TELEPHONE	58.87
AMBULANCE	PRAXAIR DISTRIBUTION	SERVICE	163.99
AMBULANCE	QUILL CORP	SUPPLIES	7.27
AMBULANCE	SANFORD USD MEDICAL	MAINTENANCE	44.48
AMBULANCE	SCHWALBACH HARDWARE	MAINTENANCE	36.79
AMBULANCE	MN WEST COMMUNITY	REGISTRATION	343.60
AMBULANCE	WINDOM AREA HOSPITAL	SERVICE	1,923.73
AMBULANCE	CARQUEST AUTO PARTS	MAINTENANCE	74.13
AMBULANCE	ZOLL MEDICAL CORPORA	SUPPLIES	1,029.25
	Total for Department 176		5,583.24*
	Total for Fund 13		5,583.24*
MULTI-PURPOSE BUILDI	CITIZEN PUBLISHING C	ADVERTISING	264.20
MULTI-PURPOSE BUILDI	COLE PAPER INC.	SUPPLIES	10.89
MULTI-PURPOSE BUILDI	HOMETOWN SANITATION	HAUL GARBAGE	51.52
MULTI-PURPOSE BUILDI	HY-VEE FOOD STORE	MERCHANDISE	94.79
MULTI-PURPOSE BUILDI	KDOM RADIO	ADVERTISING	160.50
MULTI-PURPOSE BUILDI	LIVEWIRE PRINTING	ADVERTISING	97.60
MULTI-PURPOSE BUILDI	SCHWALBACH HARDWARE	MAINTENANCE	268.12
MULTI-PURPOSE BUILDI	STONER INDUSTRIAL, I	SERVICE	126.33
MULTI-PURPOSE BUILDI	WORTHINGTON DAILY GL	ADVERTISING	72.63
	Total for Department 177		1,146.58*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
Total for Fund 14			1,146.58*
LIQUOR	ADRIAN'S PLUMBING &	MAINTENANCE	70.54
LIQUOR	ENVIROMASTER, INC.	SERVICE	39.54
LIQUOR	GOPHER ALARMS	SERVICE	51.30
LIQUOR	HEARTLAND PAPER COMP	SUPPLIES	158.10
LIQUOR	PAMIDA	SUPPLIES	28.05
LIQUOR	RUNNING'S SUPPLY	MAINTENANCE	32.04
Total for Department 180			379.57*
Total for Fund 60			379.57*
HD SUPPLY WATERWORKD MAINTENANCE			85.48
Total for Department			85.48*
WATER	CALIFORNIA CONTRACTO	SUPPLIES	218.40
WATER	COTTONWOOD CO TREASU	DISPATCHING	100.00
WATER	HAWKINS, INC	CHEMICALS	2,869.93
WATER	GCC ALLIANCE CONCRET	MAINTENANCE	61.56
WATER	HACH COMPANY	SUPPLIES	131.41
WATER	HOMETOWN SANITATION	HAUL GARBAGE	85.04
WATER	JIFFY-JR. PRODUCTS	SUPPLIES	131.40
WATER	LAMPERTS YARDS, INC.	MAINTENANCE	68.23
WATER	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
WATER	MN VALLEY TESTING	TESTING	56.25
WATER	QUEST	TELEPHONE	58.87
WATER	RUNNING'S SUPPLY	MAINTENANCE	187.88
WATER	SCHWALBACH HARDWARE	MAINTENANCE	87.56
WATER	HD SUPPLY WATERWORKD	MAINTENANCE	208.41
WATER	SVOBODA EXCAVATING,	MAINTENANCE	4,037.50
WATER	TOOLS PLUS IND	SUPPLIES	103.21
WATER	CARQUEST AUTO PARTS	MAINTENANCE	27.15
Total for Department 181			8,439.30*
Total for Fund 61			8,524.78*
BORDER STATES ELECTR INVENTORY			4,036.82
DAKOTA SUPPLY GROUP MAINTENANCE			716.11
J. H. LARSON SUPPLIES/MAINTENANCE			635.45
RESCO INVENTORY			2,321.97
WESCO DISTRIBUTION, MAINTENANCE			492.03
PAUL & KELLY KLEVEN REFUND - UTILITY PREPAYM			300.00
Total for Department			8,502.38*
ELECTRIC	COTTONWOOD CO TREASU	DISPATCHING	187.50
ELECTRIC	GDF ENTERPRISES, INC	MAINTENANCE	525.43
ELECTRIC	HOMETOWN SANITATION	HAUL GARBAGE	84.75
ELECTRIC	MCDONALD & SCHRAMEL	LEGAL FEES	264.00
ELECTRIC	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
ELECTRIC	MMUA	CONNECTOR LAYOUT	250.00

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
ELECTRIC	QUEST	TELEPHONE	55.41
ELECTRIC	HSBC BUSINESS SOLUTI	SUPPLIES	326.46
ELECTRIC	RUNNING'S SUPPLY	MAINTENANCE	159.26
ELECTRIC	SCHWALBACH HARDWARE	MAINTENANCE	43.09
ELECTRIC	STAPLES OIL CO	FUEL	172.28
ELECTRIC	STONER INDUSTRIAL, I	SERVICE	102.30
ELECTRIC	WERNER ELECTRIC	MAINTENANCE	1,741.75
ELECTRIC	WINDOM AREA DEVELOPM	INDUSTRIAL DEVELOPMENT	1,200.00
ELECTRIC	WINDOM QUICK PRINT	SUPPLIES	202.90
ELECTRIC	CARQUEST AUTO PARTS	MAINTENANCE	12.76
ELECTRIC	BANK MIDWEST INSURAN	SURETY BOND	100.00
	Total for Department 182		5,434.39*
	Total for Fund 62		13,936.77*
SEWER	A & B BUSINESS EQUIP	MAINTENANCE CONTRACT	81.11
SEWER	ATCO INTERNATIONAL	MAINTENANCE	137.80
SEWER	CALIFORNIA CONTRACTO	SUPPLIES	219.00
SEWER	COTTONWOOD CO TREASU	DISPATCHING	100.00
SEWER	INDOFF, INC	SUPPLIES	37.13
SEWER	DICKS WELDING INC	MAINTENANCE	178.58
SEWER	HACH COMPANY	SUPPLIES	341.55
SEWER	WINDOM AUTO VALU	MAINTENANCE	96.14
SEWER	JIFFY-JR. PRODUCTS	SUPPLIES	131.41
SEWER	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
SEWER	MN VALLEY TESTING	TESTING	2,830.20
SEWER	QUEST	TELEPHONE	55.41
SEWER	SCHWALBACH HARDWARE	MAINTENANCE	75.04
SEWER	TOOLS PLUS IND	SUPPLIES	103.21
	Total for Department 183		4,393.08*
	Total for Fund 63		4,393.08*
ARENA	AMERIPRIDE LINEN CO	SERVICE	80.72
ARENA	GDF ENTERPRISES, INC	MAINTENANCE	38.66
ARENA	GOPHER SPORT & PLAY	SUPPLIES	101.45
ARENA	HOMETOWN SANITATION	HAUL GARBAGE	130.88
ARENA	KDOM RADIO	ADVERTISING	74.00
ARENA	LAMPERTS YARDS, INC.	MAINTENANCE	1,173.14
ARENA	LARSON SHARPENING SE	MAINTENANCE	320.00
ARENA	RUNNING'S SUPPLY	MAINTENANCE	4.58
ARENA	SCHWALBACH HARDWARE	MAINTENANCE	231.51
ARENA	STONER INDUSTRIAL, I	SERVICE	9.55
ARENA	CARQUEST AUTO PARTS	MAINTENANCE	42.19
	Total for Department 184		2,206.68*
	Total for Fund 64		2,206.68*
ECONOMIC DEVELOPMENT	CITIZEN PUBLISHING C	ADVERTISING	90.00
ECONOMIC DEVELOPMENT	INDOFF, INC	SUPPLIES	133.52

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
ECONOMIC DEVELOPMENT	PAMIDA	SUPPLIES	23.53
		Total for Department 187	247.05*
		Total for Fund 67	247.05*
		GLOBAL GOV'T/EDUCATI BACK UP BILLING SYSTEM	2,776.69
		Total for Department	2,776.69*
TELECOMMUNICATIONS	CITIZEN PUBLISHING C	ADVERTISING	88.00
TELECOMMUNICATIONS	GLOBAL GOV'T/EDUCATI	BACK UP BILLING SYSTEM	936.98
TELECOMMUNICATIONS	GRAYBAR ELECTRIC CO	MAINTENANCE	476.89
TELECOMMUNICATIONS	HOMETOWN SANITATION	HAUL GARBAGE	73.92
TELECOMMUNICATIONS	KDOM RADIO	ADVERTISING	292.00
TELECOMMUNICATIONS	LOCATORS & SUPPLIES,	SUPPLIES	440.81
TELECOMMUNICATIONS	NATIONAL CABLE TV CO	SUBSCRIBER	5,763.72
TELECOMMUNICATIONS	QUEST	TELEPHONE	205.20
TELECOMMUNICATIONS	ONVOY, INC	BANDWIDTH BILLING	1,999.08
TELECOMMUNICATIONS	ONVOY, INC	DEDICATED FACILITIES	972.88
TELECOMMUNICATIONS	RUSHMORE INDUSTRIES,	FREIGHT	13.64
TELECOMMUNICATIONS	SCHWALBACH HARDWARE	MAINTENANCE	29.91
TELECOMMUNICATIONS	SOUTHWEST/WEST CENTR	SERVICE	833.33
TELECOMMUNICATIONS	SUBWAY	EXPENSE	55.84
TELECOMMUNICATIONS	STONER INDUSTRIAL, I	SERVICE	57.39
TELECOMMUNICATIONS	WINDOM QUICK PRINT	SUPPLIES	151.39
TELECOMMUNICATIONS	ZAYO BANDWIDTH	BANDWIDTH BILLING	5,808.83
TELECOMMUNICATIONS	JR CLASS	DONATION	100.00
		Total for Department 199	18,299.81*
		Total for Fund 69	21,076.50*
		COLONIAL LIFE INSURA	INSURANCE
		Total for Department	8.82*
		Total for Fund 70	8.82*
		Grand Total	100,632.77*



Coalition of Greater Minnesota Cities
CGMC in Brief

February 10, 2011

Contact: Tim Flaherty
651-225-8840

**CGMC Legislative
Action Day a
Historic Success!**

On Wednesday, over 90 greater Minnesota city officials descended upon St. Paul for the CGMC's annual legislative action day and reception dinner. This significant turnout represents one of the largest action days in CGMC history. Members were treated to a comprehensive overview of CGMC activities and strategies, as well as a legislative leadership panel. Members then dispersed to the Capitol to meet with their local legislators. In the evening, the group heard remarks from Governor Mark Dayton, fresh off his State of the State address that afternoon. The CGMC was pleased to hear the Governor commit anew to the LGA program, promising cities that his budget (scheduled for release on February 15) would not be balanced on the backs of local property tax payers.

Attached is the LGA Messaging handout included in the meeting packet distributed on Wednesday.

Thank you to all Members who braved the cold to attend the Legislative Action Day, as well as to the Governor and all Legislators who attended the CGMC's reception and dinner at Mancini's restaurant.

**Budget Bill Heads to
Governor. Veto?**

Both the House and Senate have passed the conference report for HF130, also known as the Phase 1 budget cut. The bill includes a total of \$900 million in budget cuts. The conference report passed the Senate on a party-line vote, and passed the House with three Republicans voting no: Rep. King Banaian (St. Cloud), Rep. Rich Murray (Albert Lea) and Rep. Deb Kiel (Crookston). The bill now heads to Governor Dayton, who has criticized the approach taken by the Republican-controlled legislature yet not officially announced a veto threat.

In the next two-year budget cycle, the bill would reduce city aids and credits by \$150 million each year. The reductions would only apply for the next biennium, however, and not carry forward permanently.

A city run of aid reductions in the bill can be found on the CGMC website at <http://bit.ly/fRxtrh>.



DNR Examining Legislation on Aquatic Invasive Species

The threat of aquatic invasive species concerns many of our cities with lakes or rivers that provide recreational opportunities for residents and/or attract tourists to their cities. At a recent hearing, the Minnesota Department of Natural Resources indicated it is exploring possible legislation to address the growth in species such as the zebra mussel, asian carp, curly pondweed and asian milfoil. The DNR explained to the committee that 95 % of the species are moved place to place by humans. Suggestions to tackle the human factor in transporting these species included increasing the surcharge on boat registration, requiring boaters to certify that they have read the warnings about aquatic invasive species, and a tiered licensing system in which boaters are charged more if they transport their boats to different lakes.

CGMC will continue to monitor legislative progress on this issue. Questions regarding this topic or other environmental issues can be directed to Elizabeth Wefel, eawefel@flaherty-hood.com or 651-259-1924.

Sustainability Technical Assistance Available for Cities

The Environmental Protection Agency recently announced its Sustainable Community Building Blocks Program. Through this program it will select 20 communities that it will visit later this spring and provide one day's worth of technical expertise "to implement development approaches that protect the environment, improve public health, create jobs, expand economic opportunity, and improve overall quality of life." The application process is simple, but the turnaround is very quick. More details can be found at <http://www.epa.gov/smartgrowth/buildingblocks.htm>

Reminder: Greater Minnesota Advocate

As a reminder, CGMC launched a weekly newsletter to legislators this session about important policy issues from a rural perspective. To read the latest issue and back issues, click here: <http://bit.ly/icwNBP>.

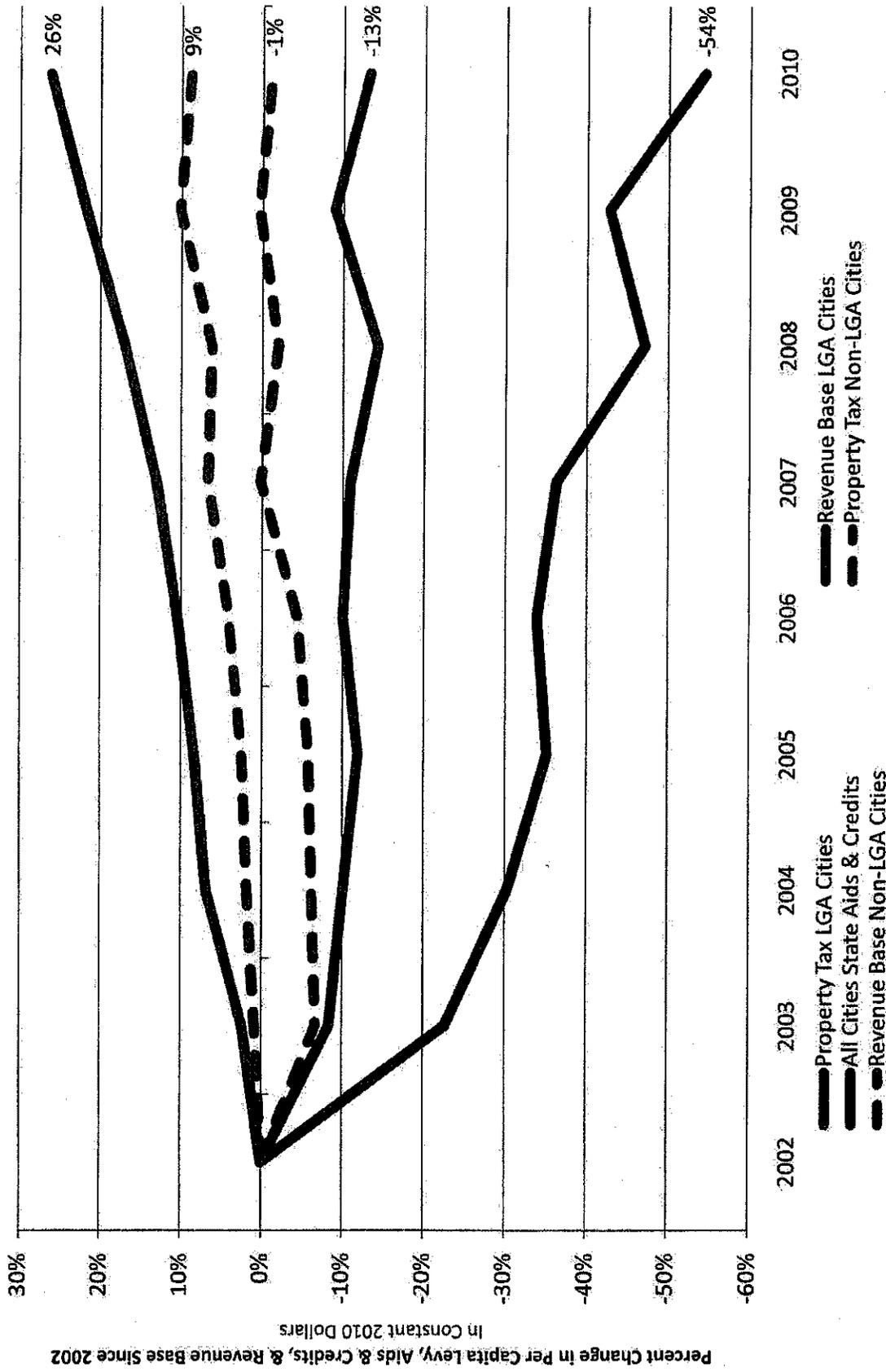


LGA: The economic viability of your district depends on it

- Greater Minnesota cities are counting on you to solve the state's budget crisis in a way that **protects the communities in your district.**
- In order for greater Minnesota cities to survive this economic downturn, the state must **stop targeting your communities for disproportionate budget cuts.**
 - *Since 2002, LGA has been cut \$873 million. 2010 paid LGA was 25% lower than in 2002. The program is 2.7% of the forecasted 2012-2013 state budget.*
 - *Despite higher property tax increases that resulted from LGA cuts, cities that receive LGA have seen their revenue base drop more than cities that do not receive LGA. See graph on reverse.*
- The only way to equitably solve the state's fiscal problems is to cut programs that effect all Minnesotans and/or raise revenue from all Minnesotans—**not just increase property taxes on those in your district.**
- No matter what side of the aisle you sit on or what the position of your caucus is, **the residents in your communities need you as their advocate on LGA.** Affordable property taxes and quality essential services keep rural Minnesota communities strong and economically viable.



LGA cities' revenue base has dropped more than that of non-LGA cities despite larger property tax increases since 2002



LGA cities = Cities with certified 2010 LGA > 0. Conversion to constant 2010 dollars based on implicit price deflator for state local govt. purchases. Revenue Base = Sum of aids credits paid + property taxes. Source: MN Dept. of Revenue Data.



PROM 2011

Windom Area High School

Saturday April 16, 2011

Hello,

In anticipation of Windom's 2011 Junior and Senior Class Prom, plans are now being made by the Junior Parent After-Prom Committee to provide an elegant, memorable and safe evening for all prom attendees. The evening consists of before and after prom activities.

With intentions to keep prom attendees at prom events, the parent committee is seeking prize donations of cash and merchandise from area businesses, clubs, organizations and colleges. The prizes will be given away during the evening's After-Prom event.

As parents, it is our goal to have a wide variety of prizes available to help make this prom a success. The parent committee is asking for any donation that you are able to give towards Windom's Prom. Donations are requested by March 1st.

As a thank you for your donations, money donations will be used to purchase prizes in our **local stores only**, or to purchase Windom Chamber Bucks as prizes. That way all money donated will benefit local businesses.

The Junior Parent After-Prom Committee and the Junior/Senior Classes **thank you** in advance for your support in helping to make this special event an evening to remember for all prom attendees.

If you have any questions regarding Prom 2011, or to arrange to have a donation picked up, please call the number below. Your donation may also be sent to the Jr. Parent After Prom Committee in care of:

Melanie Patterson

732 16th St

Windom, MN 56101

831-1478 home or work: 831-1006

******THANKS FOR YOUR SUPPORT - IT'S GREATLY APPRECIATED!!******



Phase 1 Budget Bill Agreement Includes City Cuts

The conference committee agreement reduces city LGA and MVHC reimbursement for 2011 and 2012.

(Published Feb 9, 2011)

The House/Senate conference committee on **HF 130** *(Link to:*

https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF130&ssn=0&y=2011) agreed to local government aid (LGA) cuts of about \$102 million, and reductions of about \$48 million per year in market value homestead credit (MVHC) reimbursements to cities for 2011 and 2012.

The conference committee met on Feb. 7 and quickly reached agreement on the differences between the two versions of the first phase of the Legislature's effort to address the state's \$6.2 billion deficit. The conference committee report will be sent back to the House and Senate floors, where the bill will likely be considered for final passage later this week.

Details about the city cuts

HF 130 (Rep. Mary Liz Holberg *(Link to: <http://www.house.leg.state.mn.us/members/members.asp?id=10262>)*, R-Lakeville) and the Senate companion (**SF 60** *(Link to: [https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?](https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=Senate&f=SF0060&ssn=0&y=2011&ls=87)*

b=Senate&f=SF0060&ssn=0&y=2011&ls=87), **Sen. Claire Robling** *(Link to: http://www.senate.leg.state.mn.us/members/member_bio.php?mem_id=1052)*, R-Jordan) both included cuts to cities that were almost identical. The final conference committee report mirrors the original House and Senate plans and includes roughly \$102 million in reductions in LGA payments for the 2011 and 2012 calendar year distributions, leaving the total annual appropriation at approximately \$425 million. The final agreement will also cut the reimbursements to cities for MVHC distributions in 2011 and 2012 by roughly \$48 million per year. This is in addition to the \$26.6 million in permanent MVHC cuts for about 120 cities contained in last year's supplemental budget bill.

The final bill also adopted the House position on the duration of the city and county aid and credit reimbursement reductions. While the original Senate bill permanently reduced both LGA and MVHC reimbursements to cities, the final bill will only make those reductions for the fiscal year (FY) 2012-2013 biennium, which will impact city payments for LGA and MVHC in calendar years 2011 and 2012.

The final agreement includes an adjustment for the city of Houston to address the fact that their population declined to less than 1,000 shortly after the original 2009 and 2010 unallotment reductions were computed. When those unallotments were announced, cities that had a current population figure (at that point 2008 data was used) below 1,000 with below average tax base per capita were exempted. All cities were impacted by last year's supplemental budget cuts that applied to each city's MVHC reimbursement.

Other proposed cuts

One of the largest changes in the final compromise bill was a reduction in the required cuts to state agencies. The final agreement requires an immediate FY 2010-2011 reduction in state agency appropriations of \$100 million, compared to the House cut of roughly \$200 million and the Senate proposal of \$125 million. The \$100 million in state agency reductions must be identified and implemented by the commissioner of Minnesota Management and Budget before the end of the current FY 2010-2011 biennium, which ends on June 30, 2011.

Similar to the original House and Senate bills, the conference committee report includes cuts to higher education, human services, the renters' refund program, and the sustainable forest incentive program as well as the elimination of the political campaign refund program. The final agreement did not include the House plan to freeze state employee salaries.

The House conferees included Reps. Holberg, **Greg Davids** (*Link to: <http://www.house.leg.state.mn.us/members/members.asp?id=10123>*) (R-Preston), **Jim Abeler** (*Link to: <http://www.house.leg.state.mn.us/members/members.asp?id=10002>*) (R-Anoka), **Bud Nornes** (*Link to: <http://www.house.leg.state.mn.us/members/members.asp?id=10467>*) (R-Fergus Falls), and **Bob Gunther** (*Link to: <http://www.house.leg.state.mn.us/members/members.asp?id=10748>*) (R-Fairmont). The Senate conferees were Sens. Robling, **Mike Parry** (*Link to:*) (R-Waseca), **David Hann** (*Link to:*) (R-Eden Prairie), **Julianne Ortman** (*Link to:*) (R-Chanhassen), and **Michelle Fischbach** (*Link to:*) (R-Paynesville).

Gov. Dayton has publicly indicated his preference to address the entire \$6.2 billion state deficit in a structured budget package rather than through several independent bills. At this point, the governor has stopped just short of saying that he will veto the bill, which could land on his desk late this week.

Read the current issue of the Cities Bulletin (*Link to: <http://www.lmc.org/page/1/cities-bulletin-newsletter.jsp>*)

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House Committee to Hear Public Employee Compensation Freeze Bill

The bill would freeze all public employee wages and benefits in Minnesota, but the author has said he will amend it to preserve local government control over their own wages.

(Published Feb 9, 2011)

On Feb. 10, the **House Government Operations and Elections Committee** *(Link to:*

<http://www.house.leg.state.mn.us/comm/committee.asp?comm=87009>) will hear **HF 192** *(Link to:*

https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF192&ssn=0&y=2011) (**Rep. Keith Downey** *(Link to:*

<http://www.house.leg.state.mn.us/members/members.asp?id=15311>), R-Edina), a bill that prohibits public employers in Minnesota from increasing employee compensation for any reason.

The measure, coined the “Reinventing Government Employment Act,” contains provisions that would institute a broad array of public sector employment changes, including a freeze on public employee compensation. League staff on Feb. 7 spoke to Rep. Downey, who indicated he will amend the bill at the hearing so that local units of government would not be affected by the proposed compensation freeze.

Since the introduction of this legislation was reported in the Jan. 26 *Cities Bulletin*, many city officials have contacted legislators and the League to say the bill is an unnecessary infringement on local control. Many cities have already frozen salaries and made difficult personnel decisions under tight budget conditions. The League has advocated that preserving this local control allows cities to respond to unique circumstances and meet local voters’ expectations.

On a related note, **HF 130** *(Link to: [https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?](https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF130&ssn=0&y=2011)*

b=House&f=HF130&ssn=0&y=2011) (**Rep. Mary Liz Holberg** *(Link to: <http://www.house.leg.state.mn.us/members/members.asp?id=10262>)*, R-Lakeville), the first budget bill passed by the Legislature, also contained a public employee

salary freeze provision. The salary freeze provision was removed in conference committee on Jan. 7 (see **related article** *(Link to: <http://www.lmc.org/page/1/phase1budget-house.jsp>)*).

In its current form, HF 192 would prohibit any public sector compensation increase, including:

- Across-the-board increases.
- Cost-of-living adjustments.
- Increases based on longevity.
- Increases as a result of step and lane changes.
- Increases in the form of lump-sum payments.
- Increases in employer contributions to deferred compensation plans.

- Any increase in employer contributions toward the cost of medical, dental, life, or other insurance.

The legislation would also require governmental employers to institute a private sector compensation comparison requirement.

Union contracts already in place will not be affected by the freeze initially; however, a governmental employer may not enter into a new contract or extend an expiring contract if it conflicts with the requirements of the compensation freeze.

While the freeze is in place, the legislation requires the commissioner of Minnesota Management and Budget to contract for a compensation study for government position descriptions. The study would compare the total compensation, including salary and benefits, of each position description with positions in the private sector in which the skill, effort, responsibilities, and working conditions are similar. The commissioner must report the results of the study by March 1, 2012.

By July 1, 2012, each government employer must implement a compensation system for each position for its employees that, as nearly as practicable, is comparable to the compensation of private sector positions with similar skill, effort, responsibilities, and working conditions, as determined by the commissioner.

The bill also includes an early retirement program for state employees and would establish an employee “gainshare” program that would provide one-time bonus compensation to state employees for efforts made to reduce operating costs of state government or for ways of providing better or more efficient state services. The bill would also create a “value-added service” system that would allow state employees to compete for state agency contract work by submitting responses to agency’s solicitations.

Finally, the legislation includes a “right to work” constitutional amendment that would eliminate Minnesota’s current requirement that an employee in a position represented by a collective bargaining unit participate in that unit. This section includes an elimination of the requirement that the employee pay a “fair share fee” if he or she does not join the union that has been elected to represent his or her job classification.

HF 192 does not currently have a Senate companion.

Read the current issue of the Cities Bulletin (*Link to: <http://www.lmc.org/page/1/cities-bulletin-newsletter.jsp>*)

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Bill Seeks to Repeal Broad Swath of Property Tax and State Aid Systems

The proposal includes the repeal of the LGA and MVHC programs.

(Published Feb 9, 2011)

Rep. Ann Lenczewski ([Link to: http://www.house.leg.state.mn.us/members/members.asp?id=10369](http://www.house.leg.state.mn.us/members/members.asp?id=10369)) (DFL-Bloomington) on Feb. 7 introduced **HF 398** ([Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?](https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF398&ssn=0&y=2011)

[b=House&f=HF398&ssn=0&y=2011](https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF398&ssn=0&y=2011)), a far-reaching bill that would essentially repeal many components of the current property tax and state aid systems.

Under the proposal, aid and credit programs—including local government aid (LGA) and the market value homestead credit (MVHC)—would be repealed. Meanwhile, the direct taxpayer property tax relief via the homeowner property tax refund program would be expanded and used to buffer tax increases.

In addition to the aid and credit repealers, the bill would terminate all maintenance-of-effort requirements; abolish the prohibition against local sales taxes; eliminate metro and iron range fiscal disparities programs; and repeal levy limits.

The bill would also repeal the following programs:

- Green acres, rural preserves, and metropolitan agricultural preserves programs.
- Public Employees Retirement Association employer contribution aid.
- Disparity reduction aid and credit programs.

This session, Rep. Lenczewski has introduced a number of other provocative bills, including stand-alone bills to repeal the metropolitan fiscal disparities program, allow local sales taxes with an LGA offset, and effectively prohibit new or expanded tax increment financing districts. Rep. Lenczewski said her goal is to illustrate how these systems intertwine and who benefits from the various components of the property tax system.

The bill has no Senate companion and has not yet been scheduled for a hearing.

Read the current issue of the Cities Bulletin ([Link to: http://www.lmc.org/page/1/cities-bulletin-newsletter.jsp](http://www.lmc.org/page/1/cities-bulletin-newsletter.jsp))

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Mandate Repeal Bill Hearing Set for Feb. 16

The bill would repeal several city mandates, including the pay equity reporting requirement.
(Published Feb 9, 2011)

The Senate Committee on Local Government and Elections on Feb. 16 will hear **SF 159** (Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=Senate&f=SF0159&ssn=0&y=2011), a bill to repeal several local government mandates, including the pay equity reporting requirement for cities.

SF 159 (Sen. John Carlson (Link to: http://www.senate.leg.state.mn.us/members/member_bio.php?leg_id=15324), R-Bemidji) repeals a number of local government mandates of interest to cities, including:

- Library maintenance-of-effort grants (**Minnesota Statutes, section 134.34** (Link to: <https://www.revisor.mn.gov/statutes/?id=134.34>))
- Development/building fee reports (**Minnesota Statutes, section 326B.145** (Link to: <https://www.revisor.mn.gov/statutes/?id=326B.145>))
- Reporting of 3.2 beer-liquor licenses (**Minnesota Statutes, section 340A.403** (Link to: <https://www.revisor.mn.gov/statutes/?id=340A.403>))
- Aggregate value of benefits (**Minnesota Statutes, section 471.6161** (Link to: <https://www.revisor.mn.gov/statutes/?id=471.6161>))
- Out-of-state travel reporting (**Minnesota Statutes, section 471.661** (Link to: <https://www.revisor.mn.gov/statutes/?id=471.661>))
- Pay equity statutes (**Minnesota Statutes, section 471.991-999** (Link to: <https://www.revisor.mn.gov/statutes/?id=471>))
- High-speed police chase training (**Minnesota Statutes, section 626.8458** (Link to: <https://www.revisor.mn.gov/statutes/?id=626.8458>))
- Part-time police officers cap/training required (**Minnesota Statutes, section 626.8468** (Link to: <https://www.revisor.mn.gov/statutes/?id=626.8468>))
- Reporting of communications devices (**Minnesota Statutes, section 626A.17** (Link to: <https://www.revisor.mn.gov/statutes/?id=626A.17>))

The companion bill, **HF 7** (Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF7&ssn=0&y=2011), (**Rep. Steve Drazkowski** (Link to: <http://www.house.leg.state.mn.us/members/members.asp?id=15286>), R-Mazeppa) was introduced on Jan. 10, but has not yet been scheduled for a hearing. Rep. Drazkowski is working on an amendment to expand the number of mandates addressed in his bill.

Pay equity

While the League obviously supports the goals behind the Pay Equity Act, since 1992, cities, counties, and school districts have incurred significant costs and administrative burdens as a result of having to file pay equity reports with the state every three years showing that their pay practices do not discriminate based on gender.

The League has taken a position supporting repeal of the pay equity requirements because the law is a significant unfunded mandate on cities, and because of the fact that there are still many other state and federal laws that govern gender discrimination (Equal Pay Act, Title VII of the Civil Rights Act, and the Minnesota Human Rights Act). The League's position is further based on the fact that local units of government already have the ability to conduct their own gender equity pay studies; and the principle that they should have the flexibility to develop local compensation systems that address gender-based disparities, compensation priorities, or other employment needs in a manner that makes the most sense for them.

Read the current issue of the Cities Bulletin (*Link to: <http://www.lmc.org/page/1/cities-bulletin-newsletter.jsp>*)

Your LMC Resource

For general information about the mandate repeal bill:

Contact Jennifer O'Rourke

IGR Representative

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jorourke@lmc.org (*Link to: <mailto:jorourke@lmc.org>*)

For information specifically about the repeal of pay equity reporting requirements:

Contact Gary Carlson

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House Launches Effort to Reform State Aid and Credit Programs

The House Property and Local Tax Division chair convened a working group to begin discussions about local aid reform.

(Published Feb 9, 2011)

Rep. Linda Runbeck (*Link to: <http://www.house.leg.state.mn.us/members/members.asp?id=10575>*) (R-Circle Pines), chair of the **House Property and Local Tax Division** (*Link to: <http://www.house.leg.state.mn.us/comm/committee.asp?comm=87022>*), convened a working group of House members on Feb. 7 to begin discussions of potential reforms to the local government aid (LGA), county program aid (CPA), and market value homestead credit (MVHC) reimbursement programs.

Rep. Runbeck invited members of the House of Representatives to volunteer to participate in the effort. Legislators in attendance at the first meeting were Reps. **Marion Greene** (*Link to:*

<http://www.house.leg.state.mn.us/members/members.asp?id=15286>) (DFL-Minneapolis), **Tim O'Driscoll** (*Link to:*

<http://www.house.leg.state.mn.us/members/members.asp?id=15364>) (R-Sartell), **John Benson** (*Link to:*

<http://www.house.leg.state.mn.us/members/members.asp?id=15270>) (DFL-Minnetonka), **Roger Crawford** (*Link to:*

<http://www.house.leg.state.mn.us/members/members.asp?id=15344>) (R-Mora), **Diane Loeffler** (*Link to:*

<http://www.house.leg.state.mn.us/members/members.asp?id=12270>) (DFL-Minneapolis), **Paul Marquart** (*Link to:*

<http://www.house.leg.state.mn.us/members/members.asp?id=10401>) (DFL-Dilworth), **Morrie Lanning** (*Link to:*

<http://www.house.leg.state.mn.us/members/members.asp?id=10771>) (R-Moorhead), **Bev Scalze** (*Link to:*

<http://www.house.leg.state.mn.us/members/members.asp?id=12279>) (DFL-Little Canada), **Rich Murray** (*Link to:*

<http://www.house.leg.state.mn.us/members/members.asp?id=15362>) (R-Albert Lea), **Mindy Greiling** (*Link to:*

<http://www.house.leg.state.mn.us/members/members.asp?id=10218>) (DFL-Roseville), **Kory Kath** (*Link to:*

<http://www.house.leg.state.mn.us/members/members.asp?id=15305>) (DFL-Owatonna), **Mike LeMieur** (*Link to:*

<http://www.house.leg.state.mn.us/members/members.asp?id=15357>) (R-Little Falls) and **John Persell** (*Link to:*

<http://www.house.leg.state.mn.us/members/members.asp?id=15298>) (DFL-Bemidji).

In a communication with representatives who have volunteered for the working group, Rep. Runbeck asked each to be prepared to discuss the goals of the LGA, CPA, and MVHC programs, and what information members need on these systems, including information about potential elements of a new formula, information about cities and counties, or other information that might be useful for the group. At the meeting, Rep. Runbeck said given the severe state budget deficit, she wants to review existing programs and prioritize how state funds are distributed.

During the hour-long meeting, the group discussed elements of the LGA, CPA, and MVHC reimbursement programs, specifically some of the shortcomings of each system. The discussion of LGA focused on the complexity of the current formula, particularly the statistical measure of each city's

“need.” Members discussed whether the formula’s current need factor should be updated to reflect other statistical measures of city need or whether an entirely new city “need” factor should be developed.

The group also discussed problems with the CPA program and the frustration with the fact that cuts to MVHC reimbursement funding preserve the homeowner’s credit but reduce the affected local unit of government’s property tax levy receipts.

The group is tentatively scheduled to meet again on Feb. 14 to continue its discussion of possible reforms to the three programs. League staff are working with House Research staff to prepare some background information for the group, including a list of different need variables considered over the history of the LGA program.

Read the current issue of the Cities Bulletin (*Link to: <http://www.lmc.org/page/1/cities-bulletin-newsletter.jsp>*)

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Subject: [legislative] LMC Friday Fax February 4, 2011
Senate approves its version of Phase 1 budget bill

After more than two hours of debate on Thursday, the full Minnesota Senate approved its version of the Phase-1 budget balancing bill on a 37 to 27 vote. The Senate version of the bill differs from the House bill and as a result, the bill will head to a conference committee next week.

Although similar to the House bill, the Senate version includes a slightly smaller \$928 million overall cut in state appropriations. The smaller overall reduction is largely due to a smaller immediate FY 2010-2011 reduction in state agency appropriations of \$125 million compared to the House cut of roughly \$200 million. These immediate state agency reductions must be implemented by the commissioner of the Department of Management and Budget before the end of the current FY 2010-2011 biennium, which ends on June 30, 2011.

Similar to the House bill, SF 60 includes cuts to higher education, human services, the renters' refund program, and the sustainable forest incentive program as well as the elimination of the political campaign refund program. The city cuts are almost identical to the House bill and include roughly \$102 million in reductions in LGA payments for the 2011 and 2012 calendar year distributions, leaving the total annual appropriation at approximately \$425 million. The Senate bill will also cut the reimbursements to cities for MVHC distributions in 2011 and 2012 by \$48 million per year, which is in addition to the \$26.6 million in permanent MVHC cuts impacting about 120 cities contained in last year's supplemental budget bill.

The Senate has not posted a spreadsheet with the projected impacts on cities but given the similar structure of the Senate bill (with the exception of an adjustment for the City of Houston), the cuts should be similar to the estimates provided in the House Research estimates that can be found at:

<http://www.house.leg.state.mn.us/hrd/issinfo/h0130e1.pdf>

One important difference for cities is that the Senate bill makes the cuts for LGA and MVHC permanent while the House bill only includes reductions in those programs for the upcoming FY 2012-2013 biennium, which impact aid and credit payments for calendar years 2011 and 2012.

There are other differences between the two bills. Unlike the House bill, the Senate bill does not include a salary freeze for state workers. The differences between the two bills will be resolved by a conference committee. The House conferees include Representatives Mary Liz Holberg (R-Lakeville), Greg Davids (R-Preston), Jim Abeler (R-Anoka), Bud Nornes (R-Fergus Falls) and Bob Gunther (R-Fairmont). The Senate Conferees are Claire Robling (R-Jordan), Mike Parry (R-Waseca), David Hann (R-Eden Prairie), Julianne Ortman (R-Chanhassen) and Michelle Fischbach (R-Paynesville)

Gov. Dayton has publicly indicated his preference to address the entire \$6.2 billion state deficit in a structured budget package rather than through several independent bills. At this point, it is not entirely clear if that preference would lead to a veto of the bill.

Questions? Contact Gary Carlson at 651-281-1255 or gcarlson@lmc.org

House to initiate a local aid reform effort

On Monday, the chair of the House Property and Local Tax Division will convene a working group of House members to begin discussions of potential reforms to the local government aid (LGA), county program aid (CPA) and the market value homestead credit (MVHC) reimbursement programs.

Representative Linda Runbeck (R-Circle Pines) is organizing the work group and she has invited members

of the House of Representatives to participate in the effort. The initial hearing is scheduled for 11AM on Monday.

In a communication with representatives who have volunteered for the workgroup, Rep. Runbeck has asked each to be prepared to discuss the goals of the LGA, CPA and MVHC programs and to discuss what information members need on these systems including information about potential elements of a new formula, information about cities and counties or other information that might be useful for the group.

We do not yet have a full list of participating legislators but the League will have staff in attendance at the meeting. We will report on the discussions in next week's *Cities Bulletin*.

Questions? Contact Gary Carlson at 651-281-1255 or gcarlson@lmc.org

Representative Lenczewski stirs the tax pot

During this past week, Representative Ann Lenczewski (DFL-Bloomington) offered several bills that are sure to create discussions at the Capitol.

One of her bills, HF 336 would generally authorize cities to enact, with voter approval, a local sales tax of up to 0.5 percent with voter approval that can be used for any general fund purpose. For cities with existing local sales taxes, the authorization would only allow up to a 0.25 percent sales tax while the other tax is imposed. However, one of the most notable requirements is a 50 percent reduction in the city's LGA distribution that would occur when the tax is imposed.

A second bill, HF 357 would repeal the balance of the metropolitan fiscal disparities program (but not the similar Iron Range Program). Under fiscal disparities, cities share 40 percent of their growth in commercial and industrial value that has occurred since 1971. This pool of "contribution value" is then redistributed to each city based on its population and the relative property wealth per capita (on an inverse basis).

There would be both direct and indirect effects on taxpayers in cities, counties and schools in the metropolitan area. Directly, cities that currently receive more tax base through the program distribution than they contribute would generally see increases in their local tax burdens while cities that are net contributors would see reductions in their local taxes. Indirectly, state aid programs that rely on relative tax base wealth, including school aids and local government aid to cities, would tend to act in reverse. The cities, counties and schools that lose the redistributed tax base would tend to receive more state aid while the jurisdictions that gain under the elimination would receive less state aid.

Lenczewski has also introduced HF 337 and HF 338, two bills that will impact the tax increment financing (TIF) tool. HF337 would remove the county levy from the computation of increment for TIF districts created after June 30, 2011 while HF 338 would prohibit any new or expanded TIF districts after June 30, 2011 and prohibit most modifications to any existing TIF district.

Questions? Contact Gary Carlson at 651.281.1255 or gcarlson@lmc.org or Jenn O'Rourke at 651.281.1261 or jorourke@lmc.org

Synthetic marijuana ban bill headed to House floor

The House Judiciary Policy and Finance Committee on Thursday held a hearing and passed HF 57 (Kriesel, R-Cottage Grove), a bill that regulates sale or possession of synthetic cannabinoids (a form of marijuana). The legislation responds to a growing trend in the sale and use of synthetic cannabinoids, which are functionally similar to the active component of cannabis. Synthetic cannabinoids, also known as K2, bind to the same cannabinoid receptors in the brain and other organs as marijuana. The product is known to cause dangerous side-effects such as seizures.

The legislation is supported by the League of Minnesota Cities, Minnesota Sheriff's Association, Minnesota Chiefs of Police Association and the Minnesota Juvenile Officers Association. The bill was passed to the House floor. It does not yet have a Senate companion.

Questions? Contact Anne Finn at 651.281.1263 or afinn@lmc.org.

Liquor legislation update: Sunday sales and more

SF 197 won't help anyone trying to buy beer this Super Bowl Sunday, but might in the future. Sen. Roger Reinert (DFL-Duluth) introduced the bill this week that would allow liquor stores to be open on Sundays, which is currently prohibited in Minnesota. The bill also removes the prohibition that stores cannot be open on Thanksgiving Day, and after 8 p.m. on Christmas Eve. On Wednesday, Senator Reinert declared, in a press release, that the bill would generate an extra \$10.6 million in revenue for the state coffers. Opponents will argue that this simply spreads purchasing out over seven days, instead of six and drives up overhead costs of staffing and energy costs. The Minnesota Licensed Beverage Association and the Minnesota Municipal Beverage Association are opposing the bill. A House companion has not yet been introduced. The League does not have an official position, but is interested in hearing from cities that license retailers or have municipal operations. Please direct responses to Jennifer O'Rourke jorourke@lmc.org

In other liquor news, it is believed that the retail organizations will advance legislation that would take the cap off of the number of licenses one holder can have in a city. A bill has not been officially introduced at this time. Another perennial topic, a wine-in-grocery-stores bill, could easily be introduced, especially given the new legislative landscape. All these issues will most likely start in the House Commerce and Regulatory Reform Committee, and the Senate Commerce and Consumer Protection Committee.

Questions? Contact Jennifer O'Rourke at 651.281.1261 or jorourke@lmc.org.

Registration open for joint city/county/school district/townships legislative day on March 24th

This joint legislative event—co-sponsored by the League, Association of Minnesota Counties, Minnesota School Boards Association, and Minnesota Association of Townships—is an opportunity to learn about legislative issues, network with other local officials, and talk to state decision-makers about the legislative priorities of Minnesota local governments. Mark your calendar, check out the agenda, and register now at: <http://www.lmc.org/page/1/legislativeconf11.jsp>

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House Approves Phase 1 Budget Balancing Bill

Senate version of the bill is likely to advance to the floor by Feb. 4.

(Published Feb 2, 2011)

The full House on Jan. 27 approved **HF 130** ([Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF130&ssn=0&y=2011](https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF130&ssn=0&y=2011)) (**Rep. Mary Liz Holberg** ([Link to: http://www.house.leg.state.mn.us/members/members.asp?leg_id=10262](http://www.house.leg.state.mn.us/members/members.asp?leg_id=10262)), R-Lakeville), the first round of state budget cuts. The bill, which includes significant reductions in local government aid (LGA) and market value homestead credit (MVHC) reimbursements to cities, was approved on a 68 to 63 vote.

The bill includes roughly \$1 billion in state spending reductions, including immediate reductions in state agency budgets, and cuts to fiscal year 2012-2013 appropriations for higher education, human services, LGA, and MVHC reimbursements to cities and counties.

In addition to direct appropriation reductions, the bill includes a salary freeze for state workers. The bill provides that state employees may not receive salary or wage increases, effective July 1, 2011, unless an employee is promoted or transferred to a position with greater responsibilities. The salary freeze provisions generally prohibit any state agency from entering into a collective bargaining agreement or implementing a compensation plan that increases salary or wages. The bill also prohibits any arbitration award that would generally increase salary or wages.

Gov. Dayton has publicly indicated his preference to address the entire \$6.2 billion state deficit in a structured budget package rather than through several independent bills. At this point, it is not entirely clear if that preference would lead to a veto of the bill.

The bill's impact on cities

The estimates of the impact of HF 130 on LGA and MVHC reimbursements to cities have been slightly revised. Under the House-approved version, total city LGA payments for 2011 and 2012 would be reduced by roughly \$102 million, leaving the total appropriation at approximately \$425 million, or 81 percent of the amount certified to cities last July.

For the 2011 and 2012 calendar year distributions of LGA, a city would receive either its actual paid 2010 LGA or its certified 2011 LGA, whichever is less. Beyond the 2011 and 2012 distributions, which are paid from the state's 2012-2013 biennial budget, the permanent \$102 million appropriation reduction initially contained in the bill has been eliminated. As a result, the LGA appropriation would technically return to \$527 million beginning with the 2013 distribution, which is the first year of the 2014-2015 biennium.

The bill will also cut the reimbursements to cities for MVHC for distributions in 2011 and 2012 by \$43.4 million, which is in addition to the \$26.6 million in permanent MVHC cuts impacting roughly 120

cities contained in last year's supplemental budget bill. As a result of these two rounds of MVHC reimbursement cuts, only 14.8 percent of the \$82.1 million of the credits given to homeowners will actually be reimbursed to cities in 2011 and 2012. Similar to the LGA appropriation, the \$43 million in additional MVHC reimbursement cuts under this bill would only impact distributions in 2011 and 2012. The \$26.6 million in last year's MVHC reductions would continue indefinitely.

- **View a spreadsheet by the House Research Department showing the city-by-city estimates of the impact of HF 130 (pdf)** ([Link to: http://www.house.leg.state.mn.us/hrd/issinfo/h0130e1.pdf](http://www.house.leg.state.mn.us/hrd/issinfo/h0130e1.pdf))

Other cuts in the bill

The bill also includes a directive to the commissioner of Minnesota Management and Budget to identify roughly \$200 million in state agency cuts from appropriations for the remaining five months of the current 2010-2011 biennium, a freeze on state government employee salaries, cuts to higher education, and health and human service programs and a number of federal income tax conformity provisions. The bill also makes reductions in general fund appropriations in fiscal year 2011 for the House of Representatives, the state auditor, the attorney general, and the secretary of state.

The table below summarizes the appropriation adjustments contained in the bill. The bill includes language to conform Minnesota's individual income tax and corporate franchise tax to most federal changes enacted in the Patient Protection and Affordable Care Act of 2010, the Health Care and Education Reconciliation Act of 2010, and the Small Business Jobs Act of 2010. These conformity provisions actually reduce state revenues and, therefore, reduce the overall savings of the other spending reductions in the "all other changes" line in the table below.

HF 130 Budget Reductions

(\$ in thousands)

	FY 2011	FY2012	FY2013	Total
University of Minnesota	\$0	\$-44,606	\$-44,606	\$-89,212
MnSCU (State Colleges)	0	-47,921	-47,921	-95,842
Human Service Programs	0	-22,434	-24,029	-46,463
FY 2011 General Reductions	-199,236	0	0	-199,236
House of Reps	-96	0	0	-96
State Auditor	-41	0	0	-41
Attorney General	-500	0	0	-500
Secretary of State	-127	0	0	-127
Renter's Credit	0	-52,600	-53,300	-105,900
Sustainable Forest Incentive Program	0	-8,100	-8,400	-16,500
Political Contribution Refund	0	-5,400	-6,400	-11,800
City Local Government Aid	0	-101,883	-101,883	-203,767
City MVHC Reimbursement	0	-48,108	-49,206	-97,314
County Program Aid	0	-36,353	-36,348	-72,702
County MVHC	0	-56,091	-57,624	-113,715
All Other Changes	+18,910	+6,759	+24,330	+49,999
Total	\$-181,090	\$-416,737	\$-405,387	\$-1,003,204

The Senate version of the bill, **SF 60** ([Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=Senate&f=SF0060&ssn=0&y=2011&ls=87](https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=Senate&f=SF0060&ssn=0&y=2011&ls=87))

(**Sen. Claire Robling** ([Link to: http://www.senate.leg.state.mn.us/members/member_bio.php?mem_id=1052&ls=](http://www.senate.leg.state.mn.us/members/member_bio.php?mem_id=1052&ls=)), R-Jordan)

will likely be considered on the Senate floor by Feb. 4. Although the city cuts for the 2011 and 2012 distributions are generally identical in the Senate bill, the cuts to cities are currently extended permanently. Unless the Senate amends its bill to make it consistent with the House

bill, or the House accepts the Senate version of the bill, a conference committee will have to be appointed to resolve the differences.

Read the current issue of the Cities Bulletin (*Link to: <http://www.lmc.org/page/1/cities-bulletin-newsletter.jsp>*)

Your LMC Resource

Contact Gary Carlson

IGR Director

(651) 281-1255 or (800) 925-1122

gcarlson@lmc.org (*Link to: <mailto:gcarlson@lmc.org>*)

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League Seeks Cities to Host Community Conversations: New Deadline Feb. 25

As part of our project “Cities, Services & Funding: Broader Thinking, Better Solutions,” the League is now seeking cities to host community conversations with residents about the future of city services. The deadline to apply to be a host has been extended to **Feb. 25**.

The Cities, Services & Funding initiative aims to engage people throughout Minnesota in serious, broad-based dialogue on the services they expect to receive in their communities, how those services can best be delivered, and how those services should be paid for.

Roles and responsibilities

Applications to host community conversation events are welcome from city staff and elected officials as well as from community groups that are active in and have the support of their city. The League, in conjunction with the University of Minnesota Extension Service and the Bush Foundation, will be responsible for all the costs, facilitation, and planning of the meetings. The main role host cities play is in gaining support from a few community leaders—both to host conversations at their facilities and to help recruit participants (see the **application process instructions [pdf]** *(Link to:*

http://www.lmc.org/media/document/1/csf_applicationprocess.pdf) for more details).

These conversations will be focused broadly on city government in Minnesota, not on any particular budget challenges of the host city. While participants will speak from their experience in their own communities, that experience will provide context for the ideas and opinions sought about Minnesota cities in general.

Selection criteria

The League is seeking six to 10 host cities that can show they have an existing network of community “partners”—a variety of groups in which city or area residents regularly and actively participate. Criteria for selection will include:

- A demonstrated ability to partner with other local leaders.
- Enthusiasm for the project.
- Commitment to continuing the conversation.
- Demographic representation.

The goal is to hold the community conversations events between March and June. The League will work with the host city to schedule a date that is convenient for the city.

Rewards of hosting

These conversations will inform the next step in the project: policy development. In addition to the pride

that your community can take in knowing it is part of this process, the League will publicly recognize participating communities through media relations efforts and at its 2011 Annual Conference and Marketplace. Host cities will also receive one complimentary registration for the LMC 2011 Annual Conference and Marketplace, happening June 15-17 in Rochester.

The application process instructions contain more details on the dialogue phase to help you complete it on behalf of your city or community. Again, the application deadline is **Feb. 25**.

- **View the Cities, Services & Funding community conversations hosting application process instructions (pdf)** (*Link to: http://www.lmc.org/media/document/1/csf_applicationprocess.pdf*)
- **View the Cities, Services & Funding community conversations hosting application (doc)** (*Link to: http://www.lmc.org/media/document/1/csf_applicationform.doc*)

Read the current issue of the Cities Bulletin (*Link to: <http://www.lmc.org/page/1/cities-bulletin-newsletter.jsp>*)

Your LMC Resource

Contact Rachel Walker

Manager, Policy Analysis

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rwalker@lmc.org (*Link to: <mailto:rwalker@lmc.org>*)



Coalition of Greater Minnesota Cities

CGMC in Brief

February 3, 2011

Contact: Tim Flaherty
651-225-8840

House, Senate adopt Phase 1 budget bill; GOP dissenters point to local objections

Last Thursday, the House adopted H.F. 130, a bill that cuts \$1 billion in state spending including approximately \$150 million in city aid, on a vote of 68 to 63. Four Republicans—Rep. King Banaian (R-St. Cloud), Rep. Deb Kiel (R-Crookston), Rep. John Kriesel (R-Cottage Grove) and Rep. Rich Murray (R-Albert Lea)—joined DFL members in opposing the bill. The Senate voted on the companion bill, S.F. 60, this afternoon and adopted the measure on a straight party line vote of 37 to 27 (three DFL members were not in attendance). The bill now goes to conference committee, after which it will go to a vote in both chambers. While Gov. Dayton has not publically said he will veto the bill, he has stated in the media that he does not approve what he considers the GOP's "piecemeal" style of budgeting.

A key factor in securing "no" votes from Rep. Murray and Rep. Kiel was the signed LGA resolutions from the cities of Albert Lea and Crookston and their local chambers of commerce. Both representatives noted in their floor speeches that they voted against H.F. 130 because they believed doing so best reflected the wishes of their constituents. If your city has not signed an LGA resolution yet, we strongly encourage you to bring it up for discussion at your next council meeting (a template is attached). Please also forward the attached business resolution to your local chamber. Just a month into the session, these resolutions have proven to be effective.

In addition to the cities noted in last week's CGMC in Brief, the cities of Worthington and Hutchinson have also completed LGA resolutions. CGMC thanks you for your support! Both the city and chamber resolutions will be used as support for our lobbying efforts, so **please urge your city council and local chamber to sign a resolution.** Completed resolutions can be forwarded to Erin Flaherty at enflaherty@flaherty-hood.com.

MN Chamber playing defense on LGA stance

On Sunday, the St. Paul Pioneer Press printed the attached column penned by Minnesota Chamber of Commerce President David Olson. This piece was adapted from a letter that Mr. Olson sent to local chambers of commerce, chastising them for passing resolutions in support of LGA and urging them to refrain from passing any further resolutions.

Clearly, the Minnesota Chamber is worried that their efforts to erode the LGA program are not being met with open arms in greater Minnesota. So far, six local chambers of commerce have passed resolutions in favor of maintaining the LGA program, and another sent its legislators a note of support for LGA. As last week's House budget bill debate showed, this support from local chambers matters. Legislators from both sides of the aisle—including two of



the rural Republicans who voted against the LGA cuts—referenced local chamber resolutions numerous times during the debate to argue that the program is important to the business community.

By way of further support, Richard Kehr, Executive Director of the Albert Lea-Freeborn County Chamber, authored the attached column in support of LGA. This piece has appeared in a number of papers in greater Minnesota. We are very grateful to Mr. Kehr for his steadfast support on this issue. The Albert Lea Tribune also sided with its local chamber and against the Minnesota Chamber in the attached sharply worded editorial.

As noted previously, we urge cities to continue working with local chambers to pass resolutions supporting LGA. Please contact Bradley Peterson at bmpeterson@flaherty-hood.com if you have further questions about our efforts to work with local chambers.

Legislative Action Day: Come prepared

Legislative Action Day is right around the corner! If you have not done so already, please be sure to register for this important event, which will be held February 9 in St. Paul. Registration materials are attached.

In preparation for meeting with your legislators, we are asking cities to draft a summary of the ways in which your city has accounted for lost LGA funding. This summary could include service cuts, city employee layoffs, property tax increases, fee increases, short-term borrowing and so on. The point of this summary is to illustrate to your legislators—many of whom are new this session—that repeated cuts to LGA have had a severe impact on the economic health and quality of life in your city. Attached is an excellent example prepared by the City of Mankato. CGMC will provide further messaging for these meetings during our membership meeting on Legislative Action Day.

CGMC priorities funded in governor's bonding proposal

On Monday, Gov. Dayton unveiled a \$531 million bonding proposal to improve public buildings and address flooding, roads, bridges and several other issues. Included in the governor's proposal is funding for three CGMC legislative priorities:

1. Greater Minnesota Business Development Public Infrastructure Grant: \$4 million

The BDPI grant, created in 2003, provides up to 50 percent of capital costs related to industrial park development and associated job creation in greater Minnesota. This funding is provided on a competitive basis through DEED.

2. Local Road Improvement Fund Grants: \$10 million

The Local Road Improvement Fund provides bonding dollars for paying the costs of constructing or reconstructing city streets, county highways or town roads.



3. Greater Minnesota Transit Assistance: \$2.5 million

This program funds capital transit projects in greater Minnesota. The funding allocated by the governor is designated for facilities in Rochester, St. Cloud and Mankato.

The governor invited the legislature to designate an additional \$500 million in bonding projects, at their discretion. There is no timetable for a bonding bill this session, although most Capitol observers speculate a bonding bill could likely be included as part of an overall budget agreement at the end of session.

Water quality standards and laboratory bills addressed in legislation

At the beginning of this legislative session, several GOP leaders asked CGMC to identify environmental mandates and other requirements that are causing unnecessary spending for greater Minnesota cities. CGMC provided a list of four areas that we believed deserve attention. (a copy was attached to the 12/16/2010 CGMC in Brief). A month into the legislative session, two of those areas have been included in proposed legislation.

Lake Pepin Phosphorus Standards: We have been watching this issue with concern since Wisconsin adopted nutrient standards governing phosphorus this fall, because it appears that their standards for Lake Pepin are much stricter than the proposed standards from Minnesota. Sen. John Pederson (R-St. Cloud) has introduced S.F. 161, which would direct the MPCA to work with Wisconsin and strive for adoption of a lower standard. Sen. Pederson also represents CGMC member city Waite Park.

Lab Accreditation Requirements: In 2009, the legislature adopted standards that require municipal and other laboratories to gain accreditation through NELAP. This requirement adds little value while driving up costs for municipal laboratories. Sen. Pederson has introduced S.F. 162, which would exempt municipal labs from these NELAP accreditation requirements.

In addition, Sen. Pederson has introduced S.F. 196, the Senate companion to H.F. 182 and proposed 2-year moratorium on water quality standards. CGMC environmental lobbyist Elizabeth Wefel will be meeting with Sen. Pederson shortly to discuss these bills. If you have any questions or comments regarding this environmental legislation, please contact Elizabeth at eawefel@flaherty-hood.com or 651-259-1924.

Host an LMC community conversation on city services

As a reminder, the League of Minnesota Cities is asking cities to apply to host a community conversation on city services. These conversations are part of the League's initiative to engage residents in a broad-based dialogue on the services Minnesotans expect to receive in their communities, how those services can best be delivered, and how those services should be paid for. The League has received several applications from metro area cities, but few from a greater Minnesota city. The application deadline has been extended to Feb. 25 to allow for more greater Minnesota cities to apply. To learn more and find application materials, click here: <http://bit.ly/hGz1ot>.



**Flaherty & Hood
adds legislative
associate for 2011
session**

Flaherty & Hood is pleased to inform our clients that the law firm has hired Jeff Mauk to serve as a legislative associate for the 2011 legislative session. In this role, Jeff will assist lobbyists in monitoring committee meetings, scheduling meetings with legislators and performing other administrative tasks. Jeff looks forward to meeting CGMC members during Legislative Action Day!

**Reminder: Greater
Minnesota Advocate**

As a reminder, CGMC launched a weekly newsletter to legislators this session about important policy issues from a rural perspective. To read the latest issue and back issues, click here: <http://bit.ly/icwNBP>.



Pioneer Press

David Olson: In tough times, no expense should be off limits, including LGA

By David C. Olson

Updated: 01/29/2011 03:58:44 PM CST

Minnesota businesses, families and all levels of government are facing tough times. Businesses have been forced to lay off employees, reduce health care and pension benefits, and implement a host of other cost-cutting measures to weather this economic storm. Everything is on the table in the private sector when companies are trying to survive.

It should be no different in the public sector. To their credit, many of our cities, counties and school districts are taking similar steps.

Gov. Mark Dayton and the Legislature are grappling with how to prioritize the \$32 billion in general fund resources that we know we have for the next biennium. It's difficult work, and everything needs to be on the table - including aid to local governments. The Coalition of Greater Minnesota Cities position of "no cuts are acceptable" and "protect the status quo" is, in our members' view, shortsighted at best.

The Minnesota Chamber of Commerce advocates a better approach that will at least foster a productive debate:

- The current system must be significantly reduced and restructured.
- We support a transition and innovation fund to incent communities to collaborate, Share services and seek greater efficiencies.
- We will go hand-in-hand to the Legislature with cities, counties and school districts to review, reduce and eliminate those mandates that drive up costs and hinder flexibility and efficiency.
- We are open to considering an alternative, accountable revenue source for local governments and protecting homeowners who have high tax burdens relative to their income.

It's little surprise that our efforts are being challenged. While we are busy trying to shape this debate, a few of our local chambers of commerce have signed the Coalition of Greater Minnesota Cities' resolution to keep everything status quo.

The Minnesota Chamber did not adopt our approach overnight. We conducted almost 30 policy sessions last November and December. Our budget proposal, including local government aid, was the focal point. We received good comments from several local chambers and modified our proposal accordingly. In addition, all draft policies were made available to local chambers for comment.

I have never in my 30-plus years in the Chamber profession witnessed resolutions proposed by city governments that were considered, and some even passed, by chamber boards in such a rapid and emotionally charged fashion. This is not the first time the Minnesota Chamber has sought support from local chambers on important business issues like workers' compensation and property tax reform. Typically, local chamber boards consult with their members and run the policies through their

government affairs committees. The boards have thoughtful, deliberate discussions about the appropriate role for their chambers. Sadly, some local chambers have abandoned this careful and member-driven process.

To date, six out of 130-plus local chambers have adopted resolutions drafted by the Coalition of Greater Minnesota Cities. From my perspective, there is no better way to seriously derail the business community's priorities - job creation, permitting reform, affordable energy, a strong workforce and no tax increases on their business. A divided business community always loses.

Adopting these resolutions sends a message to the Legislature that a status-quo approach to the current economic crisis is more important than getting Minnesota's economy back on track. It's unfortunate that some local chambers are supporting a broken system that the state cannot sustain.

We don't expect all local chambers to be lockstep with all our positions. But our message to them is straightforward when considering the resolution on local government aid. Check with the businesses that write the checks and fund their organizations - to make certain they really believe local governments should be held harmless when spending requests outstrip expected resources by \$6.2 billion. I guarantee you that businesses across the state - the members of these local chambers - have not been held harmless during this severe recession. Businesses have paid and will continue to pay a price.

Our request, in the spirit of the federation of chambers of commerce across Minnesota, is that local chambers pause, do their homework with their members, and consider the consequences of their actions. And please keep in mind, local government aid is just one slice of a very big issue - the overall state budget.

David C. Olson is president of the Minnesota Chamber of Commerce. This column was adapted from a letter he sent last week to local chambers of commerce.

Albert Lea Tribune

This time, legislators can cut elsewhere

Published 8:46am Thursday, February 3, 2011

[Email](#) [Print](#) [Comments](#)

Column: Randy Kehr, *Guest Column*

I hear the sounds of cutting coming from the State Capitol, and those are sounds that weigh heavy on owners of businesses located in Greater Minnesota.

I am the executive director of the Albert Lea-Freeborn County Chamber of Commerce, and I've heard those sounds — the cutting of funding for local government aid — all too often over the past eight years. Unfortunately, many legislators are of the opinion that those cuts will only affect city hall, ignoring the fact that they also put local businesses at risk.

Everyone who runs a business or lives in rural Minnesota understands that there will be discomfort as the governor and Legislature address our budget deficit.

However, for almost 40 years, the LGA program helped to level the playing field by keeping our property taxes and our city services on an even keel with those in areas with greater tax capacity. That was a policy decision that kept our entire state strong and economically healthy. The decision to drastically reduce or eliminate LGA also will be a policy decision, and as such, should be thoroughly examined in consultation with all the stakeholders before decisions are made. A policy that arbitrarily results in aid cuts will diminish our communities and accelerate the exodus of people and businesses from greater Minnesota. Everyone impacted by such a policy change should have a full understanding of those impacts before proceeding along this path.

Albert Lea is typical of many mid-sized rural cities and past cuts have already left it and other Greater Minnesota communities less competitive and less attractive to families and new businesses.

The LGA cuts proposed this year by the Legislature will add to that burden. If LGA is severely cut or eliminated, businesses in rural Minnesota could face paying up to double their current property taxes. In Albert Lea, taxes on an average-size business could potentially rise from approximately \$4,000 to more than \$8,000 a year. Similar tax hikes could hit businesses located all over Greater Minnesota while those in areas with a significantly higher tax base would remain untouched. That does not bode well for our rural economy or for the economy of the state as a whole.

Those who say that taxes won't rise, that cities will absorb the cuts are apparently unaware of the significant cuts that many cities in Greater Minnesota have already made in response to previous cuts and unallotments. Services have been cut, employees laid off or retired early and open

positions have not been filled. All of these actions have resulted in lower levels of service to the area's citizens.

Additionally, property taxes already have increased in most Greater Minnesota cities. Businesses can't thrive if infrastructure isn't maintained, police and fire services are cut back, library and city hall hours are reduced and parks and pools closed down. In many cases, those public services have already been cut to the quick. Any additional cutting will negatively impact our cities and undermine our businesses.

Under the policy of old, the LGA program was seen as an investment, and it was an investment that paid off. We had a robust economy, not just in part of the state, but in the entire state, with outcomes that were positive for businesses and cities everywhere. This is not the time to abandon a policy that values strong rural cities and helps rural businesses survive despite today's tough economy. It is time to stand up for a strong, united state of Minnesota and say no to further cuts to the LGA program.

Randy Kehr is the executive director of the Albert Lea-Freeborn County Chamber of Commerce.

Albert Lea Tribune

Editorial: Who does Olson really represent?

Published 8:54am Wednesday, February 2, 2011

[Email](#) [Print](#) [Comments](#)

The Minnesota Chamber of Commerce is out of touch with Greater Minnesota.

David Olson, the executive director of the business lobbying organization, told the Albert Lea Tribune that local business people surely would be in favor of cuts he advocates for local government aid, despite the fact that the Albert Lea-Freeborn County Chamber of Commerce opposes LGA cuts. Olson equated keeping LGA to higher taxes.

He is wrong. Cuts to LGA surely will result in more property-tax increases.

Olson perhaps didn't realize he was speaking to readers in a city that wants to keep its fire department staffed, not switch to a volunteer-based one. To keep it staffed full-time, the city must either rely on local government aid — which local business leaders generally see as a fair return of the sales taxes they already send up to St. Paul — or increase property taxes.

Albert Lea business leaders know the lesson of the Farmland Foods fire of 2001. People at the plant waited too long to call the fire department and tried to put the fire out themselves. The end result was the loss of 500 jobs.

This newspaper has printed story after story of fires breaking out at places such as Hanson Tire, Streater, Alamco and Innovance. Time and time again managers and employees were quick to call the fire department, and the fires were extinguished swiftly and safely — thanks to a ready-to-go, staffed fire department.

Jobs saved.

If the Minnesota Chamber had its way, LGA would be cut and no property taxes would be raised, leaving city officials in Greater Minnesota with little choice but to reduce services, including fire departments statewide.

Such moves are not good for business. Minnesota cannot cut its way to prosperity. If that were the case, Mississippi's economy would lead the nation.

LGA is a target that seems easy when sitting in St. Paul. It's just passing the state budget woes off to outstate cities, schools and counties. We urge lawmakers to look at state government and state programs, such as the state-funded metro transit budget, and seek bipartisan compromises in solving the \$6.2 billion budget crisis once the governor offers his budget in mid-February.

Decades ago, the Minnesota Chamber of Commerce had a collaborative role in making Minnesota a better place to live and do business. Now, its role seems to be as a stubborn opponent of anything that crosses its desk. Where is the vision for a better tomorrow? The Minnesota Chamber's official stance on LGA is to reform it, but that's after a tour of Greater Minnesota showed business leaders opposed eliminating it outright and favored reforming it. Yet, Olson continues to lobby at the Capitol for LGA's elimination. Why? It sure makes it pretty clear he isn't representing all of Minnesota. He is representing the Twin Cities.

In Albert Lea, people don't hate government, yet they are fiscally conservative. The private and public sectors have a long history of collaboration. Just look at the success of our city government and Greater Jobs Inc., going all the way back to the 1940s. Whether it is responding to tornado damage or building a shelter at a park, people in the Albert Lea area are good at partnerships. Fairness, soundness and pragmatic sensibility always seem to be the goals — traits perhaps lost on the ever-bickering metro and state leaders.

These are all reasons why our Albert Lea-Freeborn County Chamber of Commerce opposes cuts to LGA. It was a unanimous decision, made by the local chamber members — local business men and women.

Olson touted how many miles he put on his car in the past year when shaping the Minnesota Chamber's legislative policies. Here in Greater Minnesota, putting miles on our cars is just part of everyday life. We know that miles on a car do not make a person a good listener.

We urge other chambers of commerce to break with the Minnesota Chamber on LGA, too.

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Mankato Budget/Service Reductions

Mankato has decreased its General Fund spending to 2006 levels, a reduction of approximately 15% over a three year period. The total of \$20,500,000 dollars for the General Fund has remained at the 2006 level for the past two years.

Workforce city-wide has been reduced by over 10% (approximately 25 positions). Reduction has occurred with a combination of retirements, position elimination, and mandatory furloughs. In 2011, the City implemented a six or seven day furlough/layoff for all City employees.

Service reductions include:

- Reduction of library funding reduced evening and Saturday service at City/County Library.
- Reduction of pool hours at municipal swimming pool.
- Elimination of three of nineteen full-time firefighter positions (City has a full-time/volunteer department), resulting in elimination of 800 routine medical call responses.
- Elimination of two of the three police school resource officers, resulting in one police school resource officer covering two high schools.
- Elimination of three public works snow plow operators, resulting in reduction of snow plow routes from 23 to 21, as well as slower response/service during snow emergencies.
- Elimination of public works positions also resulted in a 20% reduction in street maintenance and seal coating.
- Elimination of two park workers, resulting in a 15% reduction in mowing of parks and open spaces.
- Elimination of parks workers also resulted in a reduction of boulevard tree trimming/maintenance by 20%.
- Reduction in landscape maintenance by full-time/seasonal staff - maintenance was taken over by community volunteers.
- A 50% reduction, or \$30,000 dollars, of annual support to social service agencies including the Open Door Health Clinic for under and uninsured, and other non-profits servicing low income senior citizens.
- Elimination of two patrol officer positions, and one community service officer position, resulting in online reporting for non-emergency calls, and non-response to minor incidents including vandalism, etc.
- Closing of one neighborhood fire station.

2011 CGMC Legislative Action Day Agenda

Wednesday, February 9, 2011

Tentative as of 1/20/2011



10:30 a.m. Board of Directors Meeting • Flaherty & Hood, P.A.

11:00 a.m. Full Membership Meeting • Flaherty & Hood, P.A.

- Welcome and Introductions
CGMC President Nancy Carroll, Mayor of Park Rapids
- CGMC Membership Update
Tim Flaherty
- Lobbying Strategy and Message for Legislators
 - Local Government Aid
 - Other issues

12:00 p.m. Lunch • Flaherty & Hood, P.A.

Viewing of the State of the State address

1:00 p.m. Lobby at Capitol Complex • Capitol/State Office Building

CGMC members are responsible for scheduling appointments with legislators.

3:30 p.m. Legislative Leadership Panel • Flaherty & Hood, P.A.

- Senate Majority Leader Amy Koch, R-Buffalo (invited)
- Senate Minority Leader Tom Bakk, DFL-Cook (confirmed)
- Speaker of the House Kurt Zellers, R-Maple Grove (invited)
- House Minority Leader Paul Thissen, DFL-Minneapolis (invited)

5:30 p.m. Legislative Reception • Mancini's

6:30 p.m. Dinner • Mancini's

Opening remarks given by CGMC President Nancy Carroll

Parking:

Please note that due to a change in policy with our office building, we are asking you to park in the marked visitor spots located at the far end of the lot behind our building. You will need to place a visitor parking pass on your dashboard as well. Paid parking is also available across Park Street from our building in the Bethesda Hospital ramp. We apologize for this inconvenience.

Flaherty & Hood, P.A.

525 Park St.
Suite 470
St. Paul, MN 55103

Mancini's

531 W. 7th St.
St. Paul, MN 55102

Holiday Inn RiverCentre (near Xcel Energy Center)

175 W. 7th St.
St. Paul
651-225-1515
Single/Double: \$112 + tax
Triple: \$122 + tax
Quad: \$132 + tax
Block held until 1/28

Best Western Kelly Inn (near Capitol)

161 St. Anthony Ave.
St. Paul
651-227-8711
All rooms: \$94 + tax
Block held until 1/25

2011 CGMC Legislative Action Day Registration

Wednesday, February 9, 2011
Tentative as of 1/20/2011



- 10:30 a.m.** **Board of Directors Meeting** • Flaherty & Hood, P.A.
- 11:00 a.m.** **Full Membership Meeting** • Flaherty & Hood, P.A.
- 12:00 p.m.** **Lunch** • Flaherty & Hood, P.A.
- 1:00 p.m.** **Lobby at Capitol Complex** • Capitol/State Office Building
CGMC members are responsible for scheduling appts. with legislators.
- 3:30 p.m.** **Legislative Leadership Panel** • Flaherty & Hood, P.A.
 - Senate Majority Leader Amy Koch, R-Buffalo (invited)
 - Senate Minority Leader Tom Bakke, DFL-Cook (confirmed)
 - Speaker of the House Kurt Zellers, R-Maple Grove (invited)
 - House Minority Leader Paul Thissen, DFL-Minneapolis (invited)
- 5:30 p.m.** **Legislative Reception** • Mancini's
- 6:30 p.m.** **Dinner** • Mancini's

Flaherty & Hood, P.A.

525 Park St.
Suite 470
St. Paul, MN 55103

Mancini's

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Best Western Kelly Inn (near Capitol)

161 St. Anthony Ave.
St. Paul
651-227-8711
All rooms: \$94 + tax
Block held until 1/25

Registration per Person: \$65

- Bill me
- Payment enclosed
- I'll pay at the meeting

Please make checks payable to CGMC.

Please include \$24 for each additional guest dinner.

Return completed form by February 2 to:

Colleen Millard
cmillard@flaherty-hood.com
Phone: 651-259-1914
Fax: 651-225-9088
525 Park St., Suite 470
St. Paul, MN 55103

REGISTRATION *(Make extra copies as needed)*

City _____

Name/Title _____

Please check the events you will attend:

- 10:30 a.m. Board of Directors Meeting
- 11:00 a.m. Full Membership Meeting
- 12:00 p.m. Lunch
- 3:30 p.m. Legislative Leadership Panel
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Name/Title _____

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- 6:30 p.m. Dinner at Mancini's



Minnesota Energy Resources
(a subsidiary of Integrys Energy Group, Inc.)
2665 145th Street West
Box 455
Rosemount, MN 55068-0455

January 31, 2011

To: All Municipalities, Counties, and Local Governing Authorities within the
Minnesota Energy Resources Corporation Minnesota Service Area

Dear Sir and Madam:

Pursuant to Commission procedure, attached is a copy of the "Notice and Order For Hearing" in Minnesota Public Utilities Commission Case No. G007,011/GR-10-977.

Please contact me at 920-433-2926 with any questions.

Sincerely yours,

A handwritten signature in black ink that reads "Seth DeMerritt". The signature is written in a cursive, slightly slanted style.

Seth DeMerritt
Rate Case Consultant

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

David C. Boyd
J. Dennis O'Brien
Thomas Pugh
Phyllis A. Reha
Betsy Wergin

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of the Application of Minnesota
Energy Resources Corporation for Authority to
Increase Rates for Natural Gas Service in
Minnesota

ISSUE DATE: January 28, 2011

DOCKET NO. G-007,011/GR-10-977

NOTICE AND ORDER FOR HEARING

PROCEDURAL HISTORY

On November 30, 2010, Minnesota Energy Resources Corporation (MERC or the Company), on behalf of its two operating divisions, MERC-PNG and MERC-NMU, filed a general rate case seeking an annual rate increase of \$13,718,788 or approximately 5.89 percent for MERC-PNG and \$1,446,517 or approximately 2.42 percent for MERC-NMU, for a total increase of \$15,165,309 or approximately 5.18 percent.¹ On the same date, the Company also filed a petition to establish a new base cost of gas, to be implemented at the same time as the new interim rates.

The Office of Energy Security of the Minnesota Department of Commerce (OES) filed comments recommending that the Commission refer this matter to the Office of Administrative Hearings for contested case proceedings.

On January 11, 2011, the filing came before the Commission.

On today's date the Commission issued two other orders in this case, one finding the rate case filing to be substantially complete and suspending the proposed rates and one setting an interim rate schedule for use during the suspension period.

FINDINGS AND CONCLUSIONS

I. Jurisdiction and Referral for Contested Case Proceedings

The Commission has jurisdiction over proposed rate changes under Minn. Stat. § 216B.16. If the Commission is unable to resolve all significant issues regarding the reasonableness of the

¹ The proposed increases for the two operating divisions reflect MERC's request for rate area consolidation. If rate consolidation is not granted, MERC has requested an increase of \$11,783,427 or approximately 5.07 for MERC-PNG, and \$3,381,881 or approximately 5.60 percent for MERC-NMU.

proposed rates on the basis of the filing itself, the Commission is to refer the matter to the Office of Administrative Hearings for contested case proceedings. Minn. Stat. 216B.16, subd. 2.

The Commission finds that it cannot satisfactorily resolve all questions regarding the reasonableness of the proposed rates on the basis of the Company's filing. The Commission will therefore refer the matter to the Office of Administrative Hearings for contested case proceedings.

II. Issues to be Addressed

Parties shall specifically and thoroughly address the following issues in the course of the contested case proceedings ordered herein:

- (1) Is the test year revenue increase sought by the Company reasonable or will it result in unreasonable and excessive earnings by the Company?
- (2) Is the rate design proposed by the Company reasonable?
- (3) Are the Company's proposed capital structure, cost of capital, and return on equity reasonable?
- (4) Is the Company's proposed revenue decoupling mechanism reasonable?
- (5) Is the Company's proposal to consolidate non-gas, margin rates reasonable?
- (6) Is the Company's proposal to consolidate gas cost recovery rates reasonable?
- (7) Is the Company's proposed uncollectable expense tracking mechanism reasonable?
- (8) Over the last five years, what is the percentage increase of employee wages and benefits?
- (9) Under Minn. Stat. § 216B.16, subd. 17(c), how should the salary data of MERC's sixth through tenth highest paid officers be treated?

The parties may also raise and address other issues relevant to the Company's proposed rate increase.

III. Procedural Outline

A. Administrative Law Judge

The Administrative Law Judge assigned to this case is Manuel J. Cervantes. His address and telephone number are as follows: Office of Administrative Hearings, 600 North Robert Street, St. Paul, Minnesota 55101 and (651) 361-7945. His mailing address is P.O. Box 64620, St. Paul, Minnesota 55164-0620.

B. Hearing Procedure

- *Controlling Statutes and Rules*

Hearings in this matter will be conducted in accordance with the Administrative Procedure Act, Minn. Stat. §§ 14.57-14.62; the rules of the Office of Administrative Hearings, Minn. Rules, parts 1400.5100 to 1400.8400; and, to the extent that they are not superseded by those rules, the Commission's Rules of Practice and Procedure, Minn. Rules, parts 7829.0100 to 7829.3200.

Copies of these rules and statutes may be purchased from the Print Communications Division of the Department of Administration, 660 Olive Street, St. Paul, Minnesota 55155; (651) 297-3000. These rules and statutes also appear on the State of Minnesota's website at www.revisor.leg.state.mn.us.

The Office of Administrative Hearings conducts contested case proceedings in accordance with the Minnesota Rules of Professional Conduct and the Professionalism Aspirations adopted by the Minnesota State Bar Association.

- *Right to Counsel and to Present Evidence*

In these proceedings, parties may be represented by counsel, may appear on their own behalf, or may be represented by another person of their choice, unless otherwise prohibited as the unauthorized practice of law. They have the right to present evidence, conduct cross-examination, and make written and oral argument. Under Minn. Rules, part 1400.7000, they may obtain subpoenas to compel the attendance of witnesses and the production of documents.

Parties should bring to the hearing all documents, records, and witnesses necessary to support their positions.

- *Discovery and Informal Disposition*

Any questions regarding discovery under Minn. Rules, parts 1400.6700 to 1400.6800 or informal disposition under Minn. Rules, part 1400.5900 should be directed to Janet Gonzalez, Energy Unit Manager, Minnesota Public Utilities Commission, 121 7th Place East, Suite 350, St. Paul, Minnesota 55101-2147, (651) 201-2243; or Anna Jenks, Assistant Attorney General, 1100 NCL Tower, 445 Minnesota Street, St. Paul, Minnesota 55101, (651) 757-1262.

- *Protecting Not-Public Data*

State agencies are required by law to keep some data not public. Parties must advise the Administrative Law Judge if not-public data is offered into the record. They should take note that any not-public data admitted into evidence may become public unless a party objects and requests relief under Minn. Stat. § 14.60, subd. 2.

- *Accommodations for Disabilities; Interpreter Services*

At the request of any individual, this agency will make accommodations to ensure that the hearing in this case is accessible. The agency will appoint a qualified interpreter if necessary. Persons must promptly notify the Administrative Law Judge if an interpreter is needed.

• *Scheduling Issues*

The times, dates, and places of public and evidentiary hearings in this matter will be set by order of the Administrative Law Judge after consultation with the Commission and intervening parties.

• *Notice of Appearance*

Any party intending to appear at the hearing must file a notice of appearance (Attachment A) with the Administrative Law Judge within 20 days of the date of this Notice and Order for Hearing.

• *Sanctions for Non-compliance*

Failure to appear at a prehearing conference, a settlement conference, or the hearing, or failure to comply with any order of the Administrative Law Judge, may result in facts or issues being resolved against the party who fails to appear or comply.

C. Parties and Intervention

The current parties to this case are the Company, the Office of Energy Security of the Minnesota Department of Commerce, and the Residential and Small Business Utilities Division of the Office of the Attorney General. Other persons wishing to become formal parties shall promptly file petitions to intervene with the Administrative Law Judge. They shall serve copies of such petitions on all current parties and on the Commission. Minn. Rules, part 1400.6200.

D. Prehearing Conference

A prehearing conference will be held on Monday, February 14, 2011 at 9:30 a.m. in the Small Hearing Room at the Public Utilities Commission, 121 Seventh Place East, Suite 350, St. Paul, Minnesota 55101-2147.

Persons participating in the prehearing conference should be prepared to discuss time frames, scheduling, discovery procedures, and similar issues. Potential parties are invited to attend the pre-hearing conference and to file their petitions to intervene as soon as possible.

E. Time Constraints

The Commission is required to act on substantially complete rate case filings within ten months, although this ten-month period can be extended under narrowly defined circumstances.² If the Commission finds that it has insufficient time due to the need to make final determinations in pending rate cases, the statute authorizes the Commission to extend the suspension period up to 90 additional calendar days.³

Due to the Commission's need to make final decisions in other pending rate cases, including those filed by Northern States Power Company d/b/a Xcel Energy, Otter Tail Power Company, and Interstate Power and Light Company, the Commission finds that it has insufficient time to meet the

² Minn. Stat. § 216B.16, subd. 1; Minn. Stat. § 216B.16, subd. 1a and 2.

³ Minn. Stat. § 216B.16, subd. 2 (a) and (f).

ten-month deadline and will therefore extend the suspension period by the full 90 days allowed under the statute.⁴ The Commission will extend the suspension period until December 29, 2011, to ensure adequate evidentiary development and informed decision-making.

The Commission asks the Office of Administrative Hearings to conduct contested case proceedings in light of these time constraints and requests that the Administrative Law Judge submit his final report by October 10, 2011, to permit adequate consideration of the case by the Commission.

IV. Application of Ethics in Government Act

The lobbying provisions of the Ethics in Government Act, Minn. Stat. §§ 10A.01 et seq., apply to general rate cases. Persons appearing in this proceeding may be subject to registration, reporting, and other requirements set forth in that Act. All persons appearing in this case are urged to refer to the Act and to contact the Campaign Finance and Public Disclosure Board, telephone number (651) 296-5148, with any questions.

V. Ex Parte Communications

Restrictions on ex parte communications with Commissioners and reporting requirements regarding such communications with Commission staff apply to this proceeding from the date of this Order. Those restrictions and reporting requirements are set forth at Minn. Rules, parts 7845.7300-7845.7400, which all parties are urged to consult.

VI. Notices Required; Delegation of Authority

Finally, the rate case statute and the Commission's rules require comprehensive notice of proposed general rate increases. Those notices are required in the ordering paragraphs below, and to promote administrative efficiency, the Commission will delegate to the Executive Secretary the authority to approve customer notices and bill inserts for the duration of this proceeding.

ORDER

1. The Commission hereby refers this case to the Office of Administrative Hearings for contested case proceedings, as set forth above.
2. The Company shall promptly mail copies of this Order to all municipalities, counties, and local governing authorities (including townships) within its Minnesota service area.
3. Public hearings shall be held in this case at locations within the service area of the Company; those locations shall be set by the Administrative Law Judge after consultation with the parties and Commission staff.
4. The Company shall give the following notices of the evidentiary and public hearings:

⁴ See Docket Nos. E-002/GR-10-971; E-017/GR-10-239; and E-001/GR-10-276.

- A. Individual written notice to each customer, which may be in the form of a bill insert, and shall be served at least ten days before the first day of hearings.
 - B. Written notice to the governing bodies of all municipalities, counties, and local governing bodies in the area affected and to all parties in the Company's last two rate cases. These notices shall be mailed at least ten days before the first day of hearings.
 - C. Display advertisements in legal newspapers of affected counties and other newspapers of general circulation within the Company's Minnesota service area. These advertisements shall appear at least ten days before the first day of hearings. They shall include the heading **RATE INCREASE NOTICE**, which heading shall appear in bold face type no smaller than 30 points.
5. The Company shall submit proposed notices for Commission approval prior to publication or service.
 6. The Commission delegates to the Executive Secretary the authority to approve customer notices and bill inserts for the duration of this proceeding.
 7. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION



Burl W. Haar
Executive Secretary



This document can be made available in alternative formats (i.e., large print or audio tape) by calling 651.201.2202 (voice). Persons with hearing or speech disabilities may call us through Minnesota Relay at 1.800.627.3529 or by dialing 711.

BEFORE THE MINNESOTA OFFICE OF ADMINISTRATIVE HEARINGS

600 North Robert Street

St. Paul, Minnesota 55101

FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION

121 Seventh Place East Suite 350

St. Paul, Minnesota 55101-2147

In the Matter of an Application by Minnesota
Energy Resources Corporation for Authority to
Increase Rates for Natural Gas Service in
Minnesota

MPUC Docket No. G-007,011/GR-10-977

OAH Docket No.

NOTICE OF APPEARANCE

Name, Address, Mailing Address, and Telephone Number of Administrative Law Judge:
Manuel J. Cervantes, Office of Administrative Hearings, 600 North Robert Street,
St. Paul, Minnesota 55101; Mailing Address: P.O. Box 64620, St. Paul, Minnesota 55164-0620;
Telephone Number: (651) 361-7945.

TO THE ADMINISTRATIVE LAW JUDGE:

You are advised that the party named below will appear at the above hearing.

NAME OF PARTY:

ADDRESS:

TELEPHONE NUMBER AND E-MAIL ADDRESS:

PARTY'S ATTORNEY OR OTHER REPRESENTATIVE:

OFFICE ADDRESS:

TELEPHONE NUMBER AND E-MAIL ADDRESS:

SIGNATURE OF PARTY OR ATTORNEY: _____

DATE: : _____



Minnesota Energy Resources
(a subsidiary of Integrys Energy Group, Inc.)
2665 145th Street West
Box 455
Rosemount, MN 55068-0455

January 31, 2011

To: All Municipalities, Counties, and Local Governing Authorities within the
Minnesota Energy Resources Corporation Minnesota Service Area

Dear Sir and Madam:

Enclosed are notices of Minnesota Energy Resource Corporations request for
increase in natural gas rates in Minnesota Public Utilities Commission Case No.
G007,011/GR-10-977.

Please contact me at 920-433-2926 with any questions.

Sincerely yours,

A handwritten signature in black ink that reads "Seth DeMerritt". The signature is written in a cursive, slightly slanted style.

Seth DeMerritt
Rate Case Consultant



Minnesota Energy Resources
 (a subsidiary of Integrys Energy Group, Inc.)
 2665 145th Street West
 Box 455
 Rosemount, MN 55068-0455

Notice to Counties and Municipalities, under Minnesota Stat. § 216B.16, Subd. 1

Re: Minnesota Energy Resource Corporation Request for Increase in Natural Gas Rates

On November 30, 2010, Minnesota Energy Resources Corporation-PNG (“MERC-PNG” or the “Company”) filed with the Minnesota Public Utilities Commission (the “Commission”) an application for a general increase in rates for natural gas services provided to customers in the State of Minnesota, pursuant to Minn. Stat. § 216B.16. MERC has also requested consolidation of the MERC-PNG and MERC-NMU rate areas. If rate area consolidation and MERC’s proposed rate design is approved, MERC-PNG customers would experience a \$13,718,788, or 5.89% rate increase. If rate area consolidation is not approved, MERC requests a rate increase of \$11,783,401 or 5.07% for MERC-PNG.

In accordance with Minn. Stat. § 216B.16, subd. 2, the Commission has suspended proposed final rates to allow the Commission time to evaluate the application. In accordance with Minn. Stat. § 216B.16, subd. 3, the Commission has authorized an interim revenue deficiency of \$5,716,422, or approximately 2.46% to be effective February 1, 2011. During this interim period, MERC-PNG gas customers’ bills will be approximately 2.46% higher, and the rates will remain in effect until a final rate level is determined.

The chart below shows the effect of the interim and proposed rate change on monthly bills for customers with average gas usage in MERC-PNG’s Northern Natural Gas Company service area. The interim monthly bill amount includes a 9.42% interim rate increase on distribution margins. Distribution margins include the customer charge, the distribution charge, and if applicable, the demand charge. This calculation will not necessarily result in an interim monthly bill that is uniformly 2.46% higher than present bills because the cost of gas is not included in the calculation of the interim rate increase.

PROPOSED CHANGE IN AVERAGE MONTHLY BILLS

Customer Class	MERC-PNG Northern Natural Gas Company Service Area			
	Average Monthly Usage (Therms)	Present Monthly Bill*	Interim Monthly Bill	Proposed Monthly Bill
General Service - Residential Sales	75	\$76	\$78	\$82
General Service - Small Commercial & Industrial Sales	80	\$83	\$85	\$90
General Service - Large Commercial & Industrial Sales	669	\$614	\$625	\$643
Small Volume Interruptible and Joint Sales	3,282	\$2,327	\$2,371	\$2,369

Large Volume Interruptible and Joint Sales	9,947	\$6,267	\$6,312	\$6,248
Transportation	200,252	\$3,478	\$3,750	\$3,671

**The present rate levels identified in this application represent the rates authorized in Docket No. G007,011/GR-08-835.*

The Commission will determine the amount of increase in rates it will allow on or before December 29, 2011, and final rates reflecting that determination will be implemented thereafter. If the final rate level is less than the interim rate level, the amount collected during the interim period attributable to that difference will be refunded to customers with interest.

The proposed rate schedules and a comparison of present and proposed rates may be examined by the public during normal business hours at the Minnesota Department of Commerce, 85 7th Place East, Suite 500, St. Paul, Telephone: 651-296-9314. Citizens with hearing or speech disabilities may call through Minnesota Relay at 800-627-3529 or 7-1-1.

The proposed rate schedules and a comparison of present and proposed rates may also be reviewed at the following MERC-PNG offices located at:

301 2nd Street NW
Bemidji, MN 56601

910 Cloquet Avenue
Cloquet, MN 55720

304 North Park Street
Fairmont, MN 56031

3460 Technology Drive NW
Rochester, MN 55901

2665 145th Street West
Rosemount, MN 55068

You may also examine our current and proposed rate schedules and our request for new rates by visiting our website at www.minnesotaenergyresources.com.

Or you may visit the Commission's website at <https://www.edockets.state.mn.us/EFiling/search.jsp>. (On the Commission's website, please select 10 in the year field, enter 977 in the number field, click on Search, and the list of documents will appear on the next page.)

The Minnesota Department of Commerce - Office of Energy Security is conducting an investigation of MERC's books and records.

An Administrative Law Judge will schedule public hearings. Customers will be notified when the hearings are scheduled. Public notice of hearing dates and locations will be published in local newspapers in MERC-PNG's service area.

Persons who wish to formally intervene or testify in this case should contact the Administrative Law Judge, Minnesota Office of Administrative Hearings, P.O. Box 64620, St. Paul, MN 55101, Telephone: (651) 361-7900.

January 31, 2011



Minnesota Energy Resources
 (a subsidiary of Integrys Energy Group, Inc.)
 2665 145th Street West
 Box 455
 Rosemount, MN 55068-0455

Notice to Counties and Municipalities, under Minnesota Stat. § 216B.16, Subd. 1

Re: Minnesota Energy Resource Corporation Request for Increase in Natural Gas Rates

On November 30, 2010, Minnesota Energy Resources Corporation-PNG (“MERC-PNG” or the “Company”) filed with the Minnesota Public Utilities Commission (the “Commission”) an application for a general increase in rates for natural gas services provided to customers in the State of Minnesota, pursuant to Minn. Stat. § 216B.16. MERC has also requested consolidation of the MERC-PNG and MERC-NMU rate areas. If rate area consolidation and MERC’s proposed rate design is approved, MERC-PNG customers would experience a \$13,718,788, or 5.89% rate increase. If rate area consolidation is not approved, MERC requests a rate increase of \$11,783,401 or 5.07% for MERC-PNG.

In accordance with Minn. Stat. § 216B.16, subd. 2, the Commission has suspended proposed final rates to allow the Commission time to evaluate the application. In accordance with Minn. Stat. § 216B.16, subd. 3, the Commission has authorized an interim revenue deficiency of \$5,716,422, or approximately 2.46% to be effective February 1, 2011. During this interim period, MERC-PNG gas customers’ bills will be approximately 2.46% higher, and the rates will remain in effect until a final rate level is determined.

The chart below shows the effect of the interim and proposed rate change on monthly bills for customers with average gas usage in MERC-PNG’s Viking Gas Company service area. The interim monthly bill amount includes a 9.42% interim rate increase on distribution margins. Distribution margins include the customer charge, the distribution charge, and if applicable, the demand charge. This calculation will not necessarily result in an interim monthly bill that is uniformly 2.46% higher than present bills because the cost of gas is not included in the calculation of the interim rate increase.

PROPOSED CHANGE IN AVERAGE MONTHLY BILLS

Customer Class	MERC-PNG Viking Gas Transmission Company Service Area			
	Average Monthly Usage (Therms)	Present Monthly Bill*	Interim Monthly Bill	Proposed Monthly Bill
General Service - Residential Sales	65	\$62	\$63	\$66
General Service - Small Commercial & Industrial Sales	67	\$66	\$68	\$72
General Service - Large Commercial & Industrial Sales	499	\$419	\$427	\$439
Small Volume Interruptible and Joint Sales	3,020	\$2,105	\$2,146	\$2,104
Large Volume Interruptible and Joint Sales	93,218	\$54,343	\$54,643	\$54,442
Transportation	11,808	\$1,082	\$1,184	\$1,111

**The present rate levels identified in this application represent the rates authorized in Docket No. G007,011/GR-08-835.*

The Commission will determine the amount of increase in rates it will allow on or before December 29, 2011, and final rates reflecting that determination will be implemented thereafter. If the final rate level is less than the interim rate level, the amount collected during the interim period attributable to that difference will be refunded to customers with interest.

The proposed rate schedules and a comparison of present and proposed rates may be examined by the public during normal business hours at the Minnesota Department of Commerce, 85 7th Place East, Suite 500, St. Paul, Telephone: 651-296-9314. Citizens with hearing or speech disabilities may call through Minnesota Relay at 800-627-3529 or 7-1-1.

The proposed rate schedules and a comparison of present and proposed rates may also be reviewed at the following MERC-PNG offices located at:

301 2nd Street NW
Bemidji, MN 56601

910 Cloquet Avenue
Cloquet, MN 55720

304 North Park Street
Fairmont, MN 56031

3460 Technology Drive NW
Rochester, MN 55901

2665 145th Street West
Rosemount, MN 55068

You may also examine our current and proposed rate schedules and our request for new rates by visiting our website at www.minnesotaenergyresources.com.

Or you may visit the Commission's website at <https://www.edockets.state.mn.us/EFiling/search.jsp>. (On the Commission's website, please select 10 in the year field, enter 977 in the number field, click on Search, and the list of documents will appear on the next page.)

The Minnesota Department of Commerce - Office of Energy Security is conducting an investigation of MERC's books and records.

An Administrative Law Judge will schedule public hearings. Customers will be notified when the hearings are scheduled. Public notice of hearing dates and locations will be published in local newspapers in MERC-PNG's service area.

Persons who wish to formally intervene or testify in this case should contact the Administrative Law Judge, Minnesota Office of Administrative Hearings, P.O. Box 64620, St. Paul, MN 55101, Telephone: (651) 361-7900.

January 31, 2011



Minnesota Energy Resources
 (a subsidiary of Integrys Energy Group, Inc.)
 2665 145th Street West
 Box 455
 Rosemount, MN 55068-0455

Notice to Counties and Municipalities, under Minnesota Stat. § 216B.16, Subd. 1

Re: Minnesota Energy Resource Corporation Request for Increase in Natural Gas Rates

On November 30, 2010, Minnesota Energy Resources Corporation-PNG (“MERC-PNG” or the “Company”) filed with the Minnesota Public Utilities Commission (the “Commission”) an application for a general increase in rates for natural gas services provided to customers in the State of Minnesota, pursuant to Minn. Stat. § 216B.16. MERC has also requested consolidation of the MERC-PNG and MERC-NMU rate areas. If rate area consolidation and MERC’s proposed rate design is approved, MERC-PNG customers would experience a \$13,718,788, or 5.89% rate increase. If rate area consolidation is not approved, MERC requests a rate increase of \$11,783,401 or 5.07% for MERC-PNG.

In accordance with Minn. Stat. § 216B.16, subd. 2, the Commission has suspended proposed final rates to allow the Commission time to evaluate the application. In accordance with Minn. Stat. § 216B.16, subd. 3, the Commission has authorized an interim revenue deficiency of \$5,716,422, or approximately 2.46% to be effective February 1, 2011. During this interim period, MERC-PNG gas customers’ bills will be approximately 2.46% higher, and the rates will remain in effect until a final rate level is determined.

The chart below shows the effect of the interim and proposed rate change on monthly bills for customers with average gas usage in MERC-PNG’s Great Lakes Gas Company service area. The interim monthly bill amount includes a 9.42% interim rate increase on distribution margins. Distribution margins include the customer charge, the distribution charge, and if applicable, the demand charge. This calculation will not necessarily result in an interim monthly bill that is uniformly 2.46% higher than present bills because the cost of gas is not included in the calculation of the interim rate increase.

PROPOSED CHANGE IN AVERAGE MONTHLY BILLS

MERC-PNG Great Lakes Gas Transmission Company Service Area				
Customer Class	Average Monthly Usage (Therms)	Present Monthly Bill*	Interim Monthly Bill	Proposed Monthly Bill
General Service - Residential Sales	70	\$63	\$65	\$70
General Service - Small Commercial & Industrial Sales	89	\$81	\$84	\$91
General Service - Large Commercial & Industrial Sales	614	\$494	\$504	\$536
Small Volume Interruptible and Joint Sales	3,155	\$2,230	\$2,277	\$2,251
Transportation	26,759	\$1,598	\$1,748	\$1,597

*The present rate levels identified in this application represent the rates authorized in Docket No. G007,011/GR-08-835.

The Commission will determine the amount of increase in rates it will allow on or before December 29, 2011, and final rates reflecting that determination will be implemented thereafter. If the final rate level is less than the interim rate level, the amount collected during the interim period attributable to that difference will be refunded to customers with interest.

The proposed rate schedules and a comparison of present and proposed rates may be examined by the public during normal business hours at the Minnesota Department of Commerce, 85 7th Place East, Suite 500, St. Paul, Telephone: 651-296- 9314. Citizens with hearing or speech disabilities may call through Minnesota Relay at 800-627-3529 or 7-1-1.

The proposed rate schedules and a comparison of present and proposed rates may also be reviewed at the following MERC-PNG offices located at:

301 2nd Street NW
Bemidji, MN 56601

910 Cloquet Avenue
Cloquet, MN 55720

304 North Park Street
Fairmont, MN 56031

3460 Technology Drive NW
Rochester, MN 55901

2665 145th Street West
Rosemount, MN 55068

You may also examine our current and proposed rate schedules and our request for new rates by visiting our website at www.minnesotaenergyresources.com.

Or you may visit the Commission's website at <https://www.edockets.state.mn.us/EFiling/search.jsp>. (On the Commission's website, please select 10 in the year field, enter 977 in the number field, click on Search, and the list of documents will appear on the next page.)

The Minnesota Department of Commerce - Office of Energy Security is conducting an investigation of MERC's books and records.

An Administrative Law Judge will schedule public hearings. Customers will be notified when the hearings are scheduled. Public notice of hearing dates and locations will be published in local newspapers in MERC-PNG's service area.

Persons who wish to formally intervene or testify in this case should contact the Administrative Law Judge, Minnesota Office of Administrative Hearings, P.O. Box 64620, St. Paul, MN 55101, Telephone: (651) 361-7900.

January 31, 2011



Minnesota Energy Resources
 (a subsidiary of Integrys Energy Group, Inc.)
 2665 145th Street West
 Box 455
 Rosemount, MN 55068-0455

Notice to Counties and Municipalities, under Minnesota Stat. § 216B.16, Subd. 1

Re: Minnesota Energy Resource Corporation Request for Increase in Natural Gas Rates

On November 30, 2010, Minnesota Energy Resources Corporation-NMU (“MERC-NMU” or the “Company”) filed with the Minnesota Public Utilities Commission (the “Commission”) an application for a general increase in rates for natural gas services provided to customers in the State of Minnesota, pursuant to Minn. Stat. § 216B.16. MERC has also requested consolidation of the MERC-PNG and MERC-NMU rate areas. If rate area consolidation and MERC’s proposed rate design is approved, MERC-NMU customers would experience a \$1,446,517, or 2.42% rate increase. If rate area consolidation is not approved, MERC requests a rate increase of \$3,381,870 or 5.60% for MERC-NMU.

In accordance with Minn. Stat. § 216B.16, subd. 2, the Commission has suspended proposed final rates to allow the Commission time to evaluate the application. In accordance with Minn. Stat. § 216B.16, subd. 3, the Commission has authorized an interim rate increase of \$1,896,914, or approximately 3.14% to be effective February 1, 2011. During this interim period, all MERC-NMU gas customers’ bills will be approximately 3.14% higher, and the rates will remain in effect until a final rate level is determined.

The chart below shows the effect of the interim and proposed rate change on monthly bills for customers with average gas usage in MERC-NMU’s service area. The interim monthly bill amount includes an 11.17% interim rate increase on distribution margins. Distribution margins include the customer charge, the distribution charge, and if applicable, the demand charge. This calculation will not necessarily result in an interim monthly bill that is uniformly 3.14% higher than present bills because the cost of gas is not included in the calculation of the interim rate increase.

PROPOSED CHANGE IN AVERAGE MONTHLY BILLS

Customer Class	MERC-NMU-NNG			
	Average Monthly Usage (Therms)	Present Monthly Bill*	Interim Monthly Bill	Proposed Monthly Bill
General Service - Residential Sales	72	\$74	\$76	\$79
General Service – Small Commercial & Industrial Sales	94	\$96	\$99	\$103
General Service – Large Commercial & Industrial Sales	478	\$447	\$459	\$465
Small Volume Interruptible and	5,867	\$3,933	\$4,005	\$4,185

Joint Sales

Large Volume Interruptible and Joint Sales	14,358	\$8,675	\$8,739	\$9,621
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Transportation	6,667	\$906	\$1,007	\$980
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**The present rate levels identified in this application represent the rates authorized in Docket No. G007,011/GR-08-835.*

The Commission will determine the amount of increase in rates it will allow on or before December 29, 2011, and final rates reflecting that determination will be implemented thereafter. If the final rate level is less than the interim rate level, the amount collected during the interim period attributable to that difference will be refunded to customers with interest.

The proposed rate schedules and a comparison of present and proposed rates may be examined by the public during normal business hours at the Minnesota Department of Commerce, 85 7th Place East, Suite 500, St. Paul, Telephone: 651-296- 9314. Citizens with hearing or speech disabilities may call through Minnesota Relay at 800-627-3529 or 7-1-1.

The proposed rate schedules and a comparison of present and proposed rates may also be reviewed the following MERC-NMU offices located at:

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Bemidji, MN 56601

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Cloquet, MN 55720

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Rosemount, MN 55068

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The chart below shows the effect of the interim and proposed rate change on monthly bills for customers with average gas usage in MERC-NMU’s service area. The interim monthly bill amount includes an 11.17% interim rate increase on distribution margins. Distribution margins include the customer charge, the distribution charge, and if applicable, the demand charge. This calculation will not necessarily result in an interim monthly bill that is uniformly 3.14% higher than present bills because the cost of gas is not included in the calculation of the interim rate increase.

PROPOSED CHANGE IN AVERAGE MONTHLY BILLS

Customer Class	MERC-NMU-Consolidated			
	Average Monthly Usage (Therms)	Present Monthly Bill*	Interim Monthly Bill	Proposed Monthly Bill
General Service - Residential Sales	66	\$68	\$70	\$67
General Service – Small Commercial & Industrial Sales	78	\$81	\$84	\$81
General Service – Large Commercial & Industrial Sales	501	\$467	\$480	\$441
Small Volume Interruptible and	5,250	\$3,528	\$3,593	\$3,596

Joint Sales

Large Volume Interruptible and Joint Sales	30,037	\$17,974	\$18,087	\$17,112
Transportation	144,988	\$2,803	\$3,116	\$3,178

**The present rate levels identified in this application represent the rates authorized in Docket No. G007,011/GR-08-835.*

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