

**City Council Meeting
Tuesday, February 3, 2009
City Council Chambers
7:30 p.m.
AGENDA**



Call to Order
Pledge of Allegiance

1. Approval of Minutes
 - Council Minutes – January 20, 2009
2. Consent Agenda
 - Receipt of Board & Commission Minutes
 - Utility Commission – January 16, 2009
 - Park & Recreation Commission – January 26, 2009
 - Community Center Commission – January 26, 2009
 - EDA Commission – January 26, 2009
3. Department Heads
4. Resolution of Appreciation – Mike Pankonin
5. License Application
 - Renewal of Consumption & Display Permit – Windom Community Center
6. Spring Clean-up Dates (April 25 & May 2)
7. 2nd Reading of Ordinance No. 131, 2nd Series Establishing Fees for Annual Citywide Cleanup Services
8. Resolution Setting Fee for Annual Citywide Cleanup Services
9. 2nd Reading of Ordinance No. 132, 2nd Series – Leaf Burning
10. Resolution Amending Fire Service District Coverage Fee
11. Regular Bills
12. Unfinished Business
 - Board and Commission Appointments
13. New Business
 - Budget Work Session – February 17, 2009 - 6:00 p.m.
14. Council Concerns
15. Adjourn



**Council Meeting
Windom City Hall, Council Chamber
January 20, 2009
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: Jean Fast, Corey Maricle, Robert Messer,
Bradley Powers and JoAnn Ray

Council Members Absent: None

City Staff Present: Steve Nasby, City Administrator; Bruce
Caldwell, Street Superintendent; Mike Haugen,
Water\Wastewater Superintendent; Mark
Stevens & Dan Ortmann, Fire Department and
Jeremy Rolfes, Telecom

Public Present: Mark Marcy and Richard & Janice Oltmans

3. Pledge of Allegiance

4. Approval of Minutes:

Motion by Fast, second by Ray, to approve the January 6, 2009 minutes. Motion carried 5 – 0.

5. Consent Agenda:

Kruse said the Consent agenda contained the minutes from the following Boards and/or Commissions:

- Economic Development Authority – January 12, 2009
- Planning Commission – January 13, 2009
- Library Board – January 13, 2009
- Street Committee – January 16, 2009

Correspondence from Julia and Thomas Bonneville regarding property assessment.
Reply from Cottonwood County Assessor included.

Motion by Powers, second by Maricle, to approve the Consent Agenda. Motion carried 5 – 0.

6. Department Heads:

None

7. License Applications:

Kruse stated that an application for a temporary liquor license had been received from the Windom Lion's Club for an event on February 9, 2009.

Motion by Messer, seconded by Ray, to approve a temporary liquor license for the Windom Lion's Club for an event on February 9, 2009. Motion carried 5 – 0.

Kruse stated that an application for a lawful gambling exempt permit had been received from the Des Moines River Chapter of Ducks Unlimited.

Motion by Ray, seconded by Powers, to approve a lawful gambling exempt permit for the Des Moines River Chapter of Ducks Unlimited. Motion carried 5 – 0.

8. Cottonwood County – County-wide Communications Grant:

Mark Marcy, Cottonwood County Emergency Management Director, discussed the emergency and public works communications system and the upcoming requirements for a narrow band system by 2013. Marcy said there are grant funds available for the purchase of new equipment from the Federal government that is a 95\5 formula, meaning the applicants (cities and Cottonwood County) would need to match 5% of the grant request. Marcy said that a preliminary estimate of the cost to Windom to be in compliance with the 2013 standards is about \$351,000. If the grant funds were fully received then the match amount to Windom would only be about \$18,000. Marcy said that the grant funds are available through the Fire Department and Windom's Fire Department could be the applicant and would then also be the fiscal agent to administer the grant funds.

Kruse asked about the date for compliance. Marcy said January 1, 2013.

Fast asked about the status of the current City communications equipment and if it met the 2013 standards. Marcy said a few of the new Fire Department radios are adaptable, but the majority of the City's radios would not be able to meet the standards.

Messer asked Marcy what action was needed by the Council. Marcy said that there would need to be a joint powers agreement and approval for the City to be the fiscal agent.

Powers asked what the odds were of getting grant funding. Marcy said the grant is out there and that funds were received by Yellow Medicine County and Kandiyohi County.

9. 2009 Street Project – Plans and Specifications:

Dennis Johnson & Craig Mueller, Wenck Associates and Bruce Caldwell, Street Department introduced themselves. Johnson provided an overview of the project that included work on 4th Avenue, 3rd Avenue, Langley Street and Pflughaupt Road. The majority of the project is a reconstruction of the street and utilities and a replacement of the 4th Avenue Bridge at Perkin's Creek.

Messer said he did not see the cross-sections of the streets in the plans. Johnson said they were part of the presentation this evening and were reviewed in the Street Committee.

Messer asked about the specifications for concrete versus bituminous and if these materials were adjusted for equal strength. Johnson said that they were comparable, but not on Pflughaupt Road as it is designed only as a residential street. So, concrete would have a disadvantage on this comparison.

Fast asked about the thickness of the paving and the differences in design capacity. Johnson said the streets here are designed as 10-ton roads which is a higher standard than a residential street. This entire project, except Pflughaupt Road, is designed as a 10-ton road. Fast asked about the difference in price if it were bid to the lower standard and if there would be a lower cost to the property owners on assessments. Johnson replied that the streets were designed to handle the anticipated traffic and that there is no difference to property owners as they are only charged the costs for a residential street with the City paying the difference for the 10-ton road. The minimum concrete thickness is six inches.

Messer noted that the specifications on the cross-sections should show concrete and bituminous with equal strengths. Johnson said that they used the same specifications that have been used in the past. Messer requested that the specifications be changed to make the two materials equal in strength and durability.

Powers asked if eight inches of concrete would be a 10-ton road. Johnson said that was correct.

Messer said the comparisons are not equal between the materials. Johnson said that this is the same design that had been done on the other projects and there may be more base material on this one due to the amount of salvage material that will be available.

Kruse asked Johnson to confirm that the specifications were the same as the prior projects. Johnson said that is correct and they are trying to have equal comparables.

Council member Powers introduced the Resolution No. 2009-04, entitled “RESOLUTION APPROVING PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENT FOR BIDS FOR THE 2009-2010 STREET IMPROVEMENT PROJECT and moved its adoption. The resolution was seconded by Maricle and on roll call vote: Aye: Fast, Maricle, Powers and Ray. Nay: Messer. Absent: None. Resolution passed 4 – 1.

Messer said he would vote against the resolution as the specifications need to be reviewed for the numbers and quantities.

Fast said that the Council previously discussed and agreed to proceed to bidding on the project.

Powers said that he is reserving his final approval until the bid numbers are received.

Messer said that the economy has changed since the last Council discussion so that is another factor in his decision.

Kruse noted that the Council still has a choice on a final decision after the bids are received.

10. 1st Reading of Ordinance No. 131 2nd Series Establishing Fees for Annual City-wide Clean-up Services:

Nasby said that during the 2009 budget discussions the Council had sought to off-set the cost of the clean-up with a small fee on residential properties. This ordinance enacts this program and the Council would be setting the fee by resolution at the next meeting.

Fast asked if anyone had received any input from the public on this issue. Ray said that the public has generally been okay with paying for a specific service.

Motion by Fast, seconded by Ray, to approve the 1st Reading of Ordinance No. 131 2nd Series Establishing Fees for Annual City-wide Clean-up Services. Motion carried 5 – 0.

11. 1st Reading of Ordinance No. 132 2nd Series – Leaf Burning:

Nasby said that this ordinance is based on a model from the Minnesota League of Cities and it updates the City’s regulations so it meets the current DNR requirements.

Motion by Maricle, seconded by Powers, to approve the 1st Reading of Ordinance No. 132 2nd Series – Leaf Burning. Motion carried 5 – 0.

Messer asked about burning larger piles of brush or other allowed items. Kruse said that this ordinance is specifically for leave burning and other activities would need to be researched as to compliance with State laws.

12. Regular Bills:

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

13. Unfinished Business:

None.

14. Council Concerns:

Maricle said that the Annual Fire Department raffle for a Harley Davidson motorcycle is underway. Only 550 tickets are sold and he encouraged anyone wishing to purchase a ticket to get in touch with a firefighter.

Ray asked that snowmobiles stay off lawns.

15. Adjourn:

Motion by Messer, seconded by Powers, to adjourn the meeting.

Meeting adjourned at 8:34 p.m.

Kirby Kruse, Mayor

Attest: _____
Steve Nasby, City Administrator

UTILITY COMMISSION MINUTES
City Hall, Council Chamber
January 16, 2009

Call Meeting to Order: The Utility Commission meeting was called to order at 10:00 a.m., on January 16, 2009 in the City Hall Council Chamber.

Members Present: Utility Commission Chairperson Pro Tem: Keith Bloomgren

Members Present: Chris Johnson

Member Absent: Mike Schwalbach

City Council Liaison: Jean Fast, Absent

City Staff Present: Steve Nasby, City Administrator; Brigitte Olson, Assistant City Administrator; Marv Grunig, Electric Utility Manager and Mike Haugen, Water/Wastewater Superintendent; Bruce Caldwell, Street Superintendent

Others Present: Craig Mueller & Vince VanderTop, Wenck & Associates

APPROVAL OF MINUTES:

Motion by Johnson, seconded by Bloomgren, to approve the December 17, 2008 minutes as presented. Motion carried 2-0.

ELECTRIC ITEMS:

Small Cities Development Program (SCDP) – Grunig reviewed the Small Cities Development Program with the Utility Commission, and included in the Utility Commission Packet a copy of the letter that was attached with the SCDP Grant Application. Grunig indicated that by the Windom Utilities participation in the SCDP in 2009, it would serve two purposes. They are listed below:

- The City of Windom is required by the 2007 Legislative energy conservation mandate to spend 0.1% of the 2007 Utility's residential GOR on low income households.
- The 2009 Electric Utility's Conservation Improvement Program (CIP) could likely be met by issuing a check to a Low Income Program provider, if these dollars are spent in Windom and if an expenditure/verification report would be issued to the Utility to be included in the Minnesota CIP filing requirements.

Grunig said that Windom Utility's contribution to the SCDP would be \$1,644.00, and a could be issued to Western Community Action.

Motion by Johnson, seconded by Bloomgren, and carried to direct Grunig to participate in the Small Cities Development Program in the amount of \$1,644.00. Motion carried 2-0.

4TH AVENUE PLAN AND SPECIFICATION REVIEW:

Craig Mueller and Vince VanderTop from Wenck & Associates reviewed the plans and specifications with the Utility Commission. Mueller said that the Sykora Addition project will be completely separate in the 4th Avenue Plans and Specifications. Mueller said the bid opening would be February 20, 2009 at 2:00 p.m. The decision and awarding of the contracts will be on March 3, 2009 at the City Council Meeting at 7:30 p.m.

Nasby was concerned about giving contractors adequate time to complete the bids. Mueller and VanderTop said that if they get feed back from contractors indicating that this is too short a time frame to complete the bids an addenda would be added for an extension to February 24, 2009.

Several items that were discussed by the engineers were the relocating of the fire hydrant on 4th Avenue, by the Seydel property to the west because of the width of the new road. Also relocating the fire hydrant that is presently located on the Toro property on 3rd Avenue will be moved to the opposite side of the road. The manhole on Langley Street will be moved to 3rd Avenue, and the North 3rd Avenue sewer line will be abandoned. Mueller said that storm sewers will be located every 400' or less on intakes.

Haugen said that the water main on 4th Avenue will "T" off and go to Langley Street and 3rd Avenue and the entire line will be replaced by a new six (6) inch service line. There are presently three (3) homes on 3rd Avenue that share a water line that is serviced by the 16th Street watermain. These properties will have separate service lines. Haugen said that the service line to the Beyers property on the corner of 4th Avenue will have their service line relocated from 17th Street to 4th Avenue at a cost to the City of Windom Utilities. Haugen said that water line typically freezes, and is then thawed out at the Utilities expense, and that the frozen line is typically in the street.

Discussion was also held about water service to Holt's storage and Lyman Holmes shop on 4th Avenue. It was decided that Holt's Storage and Lyman Holmes shop property have water stubbed into the curb.

Motion by Johnson, seconded by Bloomgren, and carried to recommend to the City Council that the plans and specifications be approved. Motion carried 2-0.

ELECTRIC ITEMS CONTINUED:

Big Stone – Grunig presented the Press Release to the Utility Commission on the Big Stone II transmission lines, and noted that the PUC approved the transmission "certificate of need" application 5-0 on January 15, 2009. This approval was granted by Minnesota Public Utilities Commission (MPUC) based on fourteen (14) conditions that apply to Otter Tail Power Company, which is the only Utility that they have jurisdiction over. The decision to build the plant will depend on new construction cost estimates and financing costs that are impacted by the applied conditions of the MPUC.

OLD BUSINESS:

None

NEW BUISNESS:

Olson directed the Utility Commission to a Utility bill in the packet to Smith Appliance Service. This invoice is shared equally by Steve Beyer's owner of Country Bumpkin, and Smith Appliance Service. On December 31, 2008 we received payment for their utilities in the amount of \$109.41, which was Country Bumpkin's portion. However the check was past due and made out incorrectly to MN Energy. Leesa Arndt in the office placed a call to Mr. Beyers telling him that he needed to stop by the office to pick up his check to Mn Energy and replace it with one to the City of Windom. When he did this he said that he would not pay the penalty on the bill because it was not his fault. Olson asked Beyers who incorrectly wrote the check out to Mn Energy, and he said he did. However is still disputing paying the penalty and wanted to have this issue brought up at the next Utility Commission meeting.

By general consensus it was determined by the commission that the bill was paid late and in fairness to all of our customers we need to treat Mr. Beyers the same, therefore the penalty will remain on the bill.

Johnson updated the Utility Commission on the progress of the Personnel Committee in resolving the union contract between IBEW Union and the City of Windom employees. Johnson said that it appears the union employees and the City of Windom will be going into mediation. Johnson also said that the union felt the study had faulty data and was not a reputable company.

By motion the meeting was adjourned at 11:30 p.m.

Mike Schwalbach, Chairperson

Attest: _____
Steve Nasby, City Administrator

**PARK AND RECREATION COMMISSION MEETING
MINUTES JANUARY 26, 2009**

1. Call to Order: The meeting was called to order by Terry Fredin at 5:15 p.m. at City Hall.
2. Roll Call:

Commission Present:	Angie Blanshan, Steph Schwalbach & Jeff LaCanne, Kay Clark & Sherri Zimmerman
Commission Absent:	Brenda Muller
City Staff Present:	Recreation Director Al Baloun & Park Director Bruce Caldwell
Council Liaisons:	JoAnn Ray & Corey Maricle
Public:	Mike Pigman
3. Approve Agenda
Motion by Blanshan, seconded by LaCanne
Motion Carried 5-0
4. Approve Minutes, December 8, 2008
Motion by Schwalbach, seconded by Blanshan
Motion Carried 5-0
5. Outdoor Skating Rink Witt Park Request Mike Pigman
The commission discussed Mr. Pigman's request to flood the outdoor skating rink at Witt Park in 2010. Mr. Pigman stated that he has volunteers that would help take care of all the expense and maintenance if the commission would permit them to do so. The majority of the discussion was who is liable for any injuries and who would carry the insurance for this rink? Mr. Pigman said he has talked to City Administrator Nasby about the concept and also the insurance issue, but nothing has been reached as of yet. The commission asked Mr. Pigman to do more research on the insurance question. Also they told Mr. Pigman that that he should talk to other cities and organizations that maintain outdoor ice rinks to see how they manage theirs. He was asked to report back no later than late summer or early fall with his findings.
6. Relay for Life Rally 2009 Request; they requested the usage of Tegel's Park during the afternoon and evening of July 24th through 9:00 a.m. on the 25th
Motion by Blanshan to approve the usage of Tegel's Park for the Relay for Life Rally with the same usage rates as 2008 on said dates, Seconded by LaCanne
Motion Carried 5-0
7. Election of Officers
 - a. Chair- Terry Fredin
 - b. Vice-Chair Kay Clark
 - c. Secretary Angie Blanshan

8. Appointment of Sub-Committees:

- a. Ice Hockey- Kay Clark
- b. Racquetball/Wallyball- Sherri Zimmerman
- c. Archery-OPEN
- d. High School- Steph Schwalbach
- e. Summer Programs- Kay Clark
- f. Fall Programs- Jeff LaCanne
- g. Swim Lessons/Swimming Pool- Angie Blanshan
- h. Horse Shows- Kay Clark
- i. Building and Grounds- Terry Fredin & Jeff LaCanne
- j. Figure Skating- Angie Blanshan

**Motion to Approve 2009 Appointments: Clark, seconded by Zimmerman
Motion Carried 5-0**

9. 2009 Budget Reduction Update Discussion

Bruce Caldwell Park Superintendent;

- a. Reduction or elimination of seasonal part time help for 2009
- b. Reduction of field maintenance at the WRA for school practices
- c. Reduction of mowing in less used parks,
The following could be mowed every other week in the drier months of the summer.
Mayflower Park 2 ½ acres, Cottonwood Lake Park “Tegel’s” 20 acres, Maple Park 1 acre, Horkey Park 1 acre, Jen’s Park 3 acres, Loman Park 5 acres, Schmaltz Park 2 acres
- d. Eliminate some lighting in parks after certain hours & several could be off completely during winter months.
- e. Reduction of irrigation at the WPA ball fields

10. Recreation Director’s Report- Al Baloun

a. Rates for Pool & Budget Reduction Update

The commission discussed the rates for the pool. They asked Baloun to present more information at the next meeting on the actual costs for Swim lesson instruction at the pool. Baloun stated that the city will be changing the pool manager’s position to a seasonal city position rather than a contractual outside source position which should be a savings. Baloun is looking at reducing amount of overtime and pool hours for the 2009 season. Due to the high costs for heating the pool, he said the opening of the pool will be around the second week of June and closing in mid August should reduce operational costs. In 2008 when the pool opened much earlier in the spring the heating costs ran over budget due to cold air temperatures. Baloun also stated that the pool cover was taken out of the budget for 2009.

After much discussion on rates for swimming lessons the commission agreed to the following motion.

Motion by Schwalbach seconded by Clark to raise swimming lessons from \$25.00 to \$28.00 for the 2009 season.

Motion Carried 4-1. LaCanne voted no.

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Continued page 3 Park & Recreation Commission Minutes January 26, 2009

Clark stated that the arena staff shouldn't be taking down the outdoor riding rink gates for the winter. They are designed to last several years in the outdoors. Staff time could be spent working on arena items rather than teardown of the outdoor riding area. There is no safety issue by leaving them in year around.

Note; Kay Clark had to leave at this point of the meeting due to prior commitment.

b. Summer Programming

The members stated that they didn't want to raise any fees for youth recreation activities. They did say they would consider increasing the adult recreation fees for sand volleyball. During the discussion it was stated that the team fees for the adult softball and sand volleyball leagues should be the same, currently they are not. If you look at the actual fees for each adult league team participant for the sand volleyball league, the rate is much less than the individual youth programs therefore the following motion was made.

Motion by Blanshan seconded by Zimmerman to raise the adult sand volleyball league rates from \$100 a team to \$150.00 per team which would be the same as the adult softball league rates.

Motion Carried 4-0

c. Arena

Baloun stated that due to the possibility of scheduling issues during the upcoming boy's and girl's high school hockey tournaments, the Figure Skating Association may have to change their schedule accordingly. This has happened in the past years and the arena staff was able to work out scheduling them. Baloun will be contacting them accordingly.

Baloun also stated that the doors to the hallway by the racquetball courts will be locked during hockey games due a safety issue with kids running around in the courts and the stairway and disturbing court users activities.

11. Open Mike: None

12. Change of Meeting Time for future meetings. The commission meetings will be held at 5:15 P.M. the second Monday of every month from this point forward.

13. Meeting Adjourned at 7:01 P.M.

No Meeting in February

Next Park & Recreation Meeting March 9, 2009 5:15 p.m. Council Chambers

Community Center Commission Minutes
Monday January 26, 2009

1. Call to Order: The meeting was called to order by President Wayne Maras at 6:45 p.m.

2. Roll Call:

President:	Wayne Maras
CC Director:	Brad Bussa
Commission Members:	Dick Jeffrey
	Connie Knorr-Absent
	Kelly Woizeschke
	Hilary Mathis
Commission Liaisons:	Corey Maricle-Absent
	Bruce Caldwell-Absent
	Jo Ann Ray-Absent
EDA Director:	Aaron Backman – absent
Public:	None

3. Swearing in of new members and election of new officers:

Wayne Maras, Dick Jeffrey, and Hilary Mathis were sworn in to the Commission.

Motion by Kelly Woizeschke, seconded by Dick Jeffery to nominate Wayne Maras as President. Motion carried 4-0

Motion by Dick Jeffrey, seconded by Hilary Mathis to nominate Kelly Woizeschke as Vice-President. Motion carried 4-0

Motion by Kelly Woizeschke, seconded by Dick Jeffrey to table Secretary nomination until next meeting. Motion carried 4-0

President – Wayne Maras
Vice-President – Kelly Woizeschke
Secretary – will appoint at next month meeting

4. Approval of Minutes:

Motion by Kelly Woizeschke, seconded by Dick Jeffrey to approve the November 8, 2008 Community Center Commission Minutes. Motion carried 4-0

5. Additions to the agenda:

Kelly Woizeschke asked about recent Bridal Fair. WCC Director reported that crowd was down, possibly due to inclement weather, and the Stag was thinking about not holding another one until 2011. Kelly Woizeschke suggested to WCC Director to talk with Stan Wendland on doing Bridal Fair in conjunction with the Stag Clothier so not to miss a year.

6. Correspondence:

Rental Surveys were reviewed and all received positive remarks

7. President's Report:

Appointment of sub-committees.

Rates & Events: Connie Knorr & Hilary Mathis

Liquor & Catering: Kelly Woizeschke & Hilary Mathis

Policies: Dick Jeffrey & Connie Knorr

Seniors and Special Interest Groups: Dick Jeffrey & Kelly Woizeschke

8. Director's Report:

- a. WCC Director reported WCC held 177 events in 2008 using 34 weekends
- b. WCC Director reported WCC has 85 events already booked for 2009. It was reported that with LGA Budget problems, cuts could be possibly something one will have to look into.
- c. WCC Director reported that we are seeing an increase in large group meetings asking about renting all the rooms at WCC for breakout sessions. Will look into this further on how to accommodate them.
- d. WCC Director asked Commission to think about setting some goals and Commission said now was a good time to start, 1st with looking into going in with the Stag on the Bridal Fair, and 2nd to pursue the Christmas Party idea maybe with a mail out seeking interest and input.

9. Resource Management:

Schedule of Events: Bookings still coming in strong

Income & Expense: Report enclosed, no questions

10. Miscellaneous:

Nothing to report.

11. Open Forum:

Pursue more advertising gimmicks

12. Next Meeting:

Monday February 23, 2009 @ 5:30 pm

Sub Committee: 5:00 pm – Seniors & Special Interest Groups – Dick and Kelly.

Adjourn:

Motion by K. Woizeschke, seconded by D. Jeffrey, to adjourn the meeting at 7:35 pm. Motion carried 4-0.

Wayne Maras, WCC President

Connie Knorr, WCC Secretary

Attest: _____
Brad Bussa, WCC Director

ECONOMIC DEVELOPMENT AUTHORITY OF WINDOM
SPECIAL MEETING – WORK SESSION
MINUTES
JANUARY 26, 2009

Call to Order: The meeting was called to order by President Slette at 12:07 p.m.

Roll Call & Guest Introductions:

EDAWN Commissioners: Trevor Slette, Juhl Erickson, Nestor Palm, Corey Maricle, and Bob Messer.

Also Present: EDA Staff – Aaron Backman, Executive Director, and Mary Hensen, Adm. Asst.

Purpose of Special Meeting: Work session to discuss the EDA's long-range goals/plans. The following six areas were considered:

- 1) Business Development Strategy (e.g. business retention & expansion, diversification of the local economy, small business development, cluster development)
- 2) Infrastructure for Innovation Strategy (e.g. green or wind business park, tech-based development strategy, telecommunication infrastructure)
- 3) Community Development Strategy (e.g. highway development, downtown development, Brownfield redevelopment)
- 4) Labor Force Development Strategy (e.g. customized training, WECC, apprenticeship programs, partnerships with businesses)
- 5) Marketing & Outreach Strategy (e.g. external marketing program, chamber of commerce, community partnerships)
- 6) Quality of Life Strategy (e.g. housing, health care, environment, arts, culture, etc.)

EDA Staff will provide a summary of the ideas presented for review at a subsequent EDA Meeting.

Adjourn: By consensus, the work session was adjourned at 1:20 p.m.

Nestor Palm, Secretary

Attest: _____
Aaron Backman, Executive Director

RESOLUTION #2009-

INTRODUCED:

SECONDED:

VOTED: Aye:

Nay:

Absent:

**A RESOLUTION EXPRESSING SINCERE APPRECIATION TO
MIKE PANKONIN FOR THIRTY-FIVE 1/2 YEARS OF FAITHFUL
SERVICE TO THE CITY OF WINDOM**

WHEREAS, the City of Windom wishes to express grateful recognition to Mike Pankonin for over 35 years of outstanding public service faithfully rendered to the City of Windom from October 17, 1973, through January 30, 2009; and

WHEREAS, the City also wishes to express recognition of his splendid abilities, knowledge, his time, unselfish efforts and pride in his work; and

WHEREAS, Mike Pankonin has rendered faithful and efficient service to this community as a city mechanic.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF WINDOM, MINNESOTA, AS FOLLOWS:

1. That this City Council, on behalf of its members, the City officials, the employees of the City of Windom, and the citizens of this community extends to Mike Pankonin its humble expressions of esteem for serving the City well, and its best wishes for good health, success and prosperity.
2. That a copy of this resolution be spread on the official minutes of the City Council of the City of Windom and a copy presented to Mike Pankonin.

Adopted this 3rd day of February 2009.

Kirby G. Kruse, Mayor

Attest: _____
Steve Nasby, City Administrator



Minnesota Department of Public Safety
ALCOHOL & GAMBLING ENFORCEMENT DIVISION
 444 Cedar St., Suite 133, St. Paul, MN 55101-5133
 (651) 201-7512 TTY (651) 282-6555
 www.dps.state.mn.us/alcgamb/alcgamb.html



RENEWAL OF CONSUMPTION & DISPLAY PERMIT

Permit Fee \$250 (Renewal Date: April 1)

MAKE CHECKS PAYABLE TO: ALCOHOL & GAMBLING ENFORCEMENT DIVISION

2855	PUBLIC
City of Windom Windom Community Center 1750 Cottonwood Lake Dr Windom, MN 56101	

**IF NAME AND ADDRESS
 SHOWN ARE NOT CORRECT,
 MAKE CHANGES BELOW**

Worker's Comp Ins. Co. LMTCT Policy No. LLC 1829 Policy Period 1/1/09-1/1/10

City/County where permit Approved: City of Windom

Permit Name: City of Windom

Trade Name: Windom Community Center

Location address: 1750 Cottonwood Lake Dr

City, State, ZIP Code: Windom, MN 56101

Business Phone: 507-831-6149

By signing this renewal application, applicant certifies that there has been no change in ownership, corporate officers, bylaws, membership, partners, home addresses, or telephone numbers. If changes have occurred during the past 12 months, please give details on the back of this renewal, then sign below.

Applicant's signature on this renewal confirms the following: Failure to report any of the following will result in fines.

1. Applicant confirms that it has never had a liquor license rejected by any city/township/county in the state of Minnesota. If ever rejected, please give details on the back of this renewal, then sign below.
2. Applicant confirms that for the past five year it has not had a liquor license revoked for any liquor law violation (state or local). If a revocation has occurred, please give details on the back of this renewal, then sign below.
3. Applicant confirms that during the past five years it or its employees have not been cited for any civil or criminal liquor law violations. If violations have occurred, please give details on the back of this renewal, then sign below.
4. Applicant confirms that Workers Compensation insurance is in effect for the full license period.
5. Applicant confirms, no club on-sale intoxicating liquor license is held
6. Applicant confirms business premises are separate from any other business establishment.

Applicants Signature *Bradley S. Bassa* Date 1/30/09
 (Signature certifies all above information to be correct and permit has been approved by city/county.)

City Clerk/County Auditor _____ Date _____
 (Signature certifies that a consumption and display permit has been approved by the city/county as stated above.)

Amount Received _____

ORDINANCE NO. 131, 2ND SERIES

AN ORDINANCE ESTABLISHING FEES FOR ANNUAL CITYWIDE CLEANUP SERVICES

THE CITY COUNCIL OF THE CITY OF WINDOM, MINNESOTA, DOES ORDAIN:

SECTION ONE: PURPOSES AND INTENT

This ordinance is adopted for the purpose of authorizing the City of Windom to charge residential customers a monthly fee to offset the expenses that the City incurs when conducting the annual Citywide Cleanup service.

SECTION TWO: DEFINITIONS

- (A) "Citywide Cleanup" the annual citywide pickup of unwanted household goods, furniture, mattresses or other items too bulky to be placed in normal trash receptacles. Items that are not included in the cleanup are hazardous waste, appliances, electronics, lead acid batteries, used oil, florescent tubes, liquid waste, auto bodies, tires, paints, concrete, leaves, tree branches, grass clippings or dirt.
- (B) "Residential" means any single or multi-family dwelling located in the City of Windom.
- (C) "Citywide Cleanup monthly charge" means the monthly charge imposed by the City Council for every residential property receiving utility (water, electric or sewer) service from the City of Windom.

SECTION THREE: PARTIES AFFECTED

Owners of residential property within the City who receive utility service (water, electric or sewer) from the City of Windom.

SECTION FOUR: RATES

Owners of residential property within the City who receive utility service (water, electric or sewer) from the City of Windom will be billed at such a rate as approved from time to time by the City Council.

SECTION FIVE: BILLING AND COLLECTION

The citywide cleanup monthly charge will be included on the monthly utility billings. If the Citywide Cleanup service monthly charge remains unpaid for 30 days after the notice of delinquency is sent, the City Council may also, on or before October 15 of each year, certify the unpaid service charge to the Cottonwood County for collection with property taxes. The county auditor is responsible for remitting to the City all charges collected on behalf of the City. The City must give the property owner notice of its intent to certify the unpaid service charge by September 15.

SECTION SIX: APPLICATION OF COLLECTIONS TO BUDGET

All collected Citywide Cleanup service charges will be City funds and used to offset the expenses of the City in providing annual Citywide Cleanup services.

SECTION SEVEN: EFFECTIVE DATE

This ordinance shall be published in the Cottonwood County Citizen and shall be effective immediately upon publication.

Passed by the City Council of the City of Windom, Minnesota, this 3rd day of February, 2009.

Kirby Kruse, Mayor

ATTEST:

Steve Nasby, City Administrator

1st Reading: January 20, 2009

2nd Reading: February 3, 2009

Adoption: February 3, 2009

Published: February 11, 2009

RESOLUTION #2009-

INTRODUCED:

SECONDED:

VOTED: Aye:

Nay:

Absent:

CITY OF WINDOM

**RESOLUTION ESTABLISHING
RATES, CHARGES AND FEES FOR
ANNUAL CITYWIDE CLEANUP SERVICES**

WHEREAS, the City Council has the authority to establish rates and fees for municipal services, admissions and rentals; and

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

WHEREAS, the Windom City Council has adopted Ordinance No. 131, 2nd Series, "An Ordinance Establishing Fees for Annual Citywide Cleanup Services"; and

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

NOW, THEREFORE, BE IT RESOLVED by the City Council of Windom, Minnesota, that a monthly fee is established as follows:

Monthly Citywide Cleanup Fee

\$1.00 per month for all residential properties receiving utility services for water, electric or sewer from the City of Windom.

Adopted this 3rd day of February, 2009.

Kirby G. Kruse, Mayor

ATTEST:

Steven Nasby, City Administrator

ORDINANCE NO. 132, 2ND SERIES

AN ORDINANCE AUTHORIZING AND REGULATING THE OPEN BURNING OF LEAVES WITHIN THE CITY OF WINDOM, MINNESOTA

THE CITY COUNCIL OF THE CITY OF WINDOM, MINNESOTA, DOES ORDAIN:

Section 1. BURNING PERMITTED.

Pursuant to the provisions of *Minnesota Statutes* Section 116.082, the open burning of dried leaves between September 15th and December 1st is hereby allowed in the City of Windom, Minnesota, subject to the limits and conditions specified in this ordinance.

Section 2. LIMITS AND CONDITIONS.

The burning of leaves will only be permitted under the following limits and conditions:

- (A) The open burning of leaves will only be permitted between September 15th and December 1st.
- (B) The Police Department must be notified by the property owner prior to each burning.
- (C) Burning shall be limited only to the areas of the City zoned residential.
- (D) A fire shall not be less than five (5) feet from any property line and not less than 25 feet from any building, lumber pile, wood yard, haystack, or other comparable hazard.
- (E) A responsible person shall be in constant attendance until the fire is completely extinguished.
- (F) Burning will only be allowed during daylight hours.
- (G) The burning of leaves is prohibited on City streets, alleys, sidewalks, boulevards, or any public parking areas.
- (H) No burning shall take place during an air pollution alert, high fire danger alert, warning or other emergency declared by this city, the Minnesota Pollution Control Agency (MPCA), or the Minnesota Department of Natural Resources (DNR).
- (I) The Fire Chief, or other local fire authority designee, will have the authority to discontinue a burn when:
 - (1) A fire hazard exists or develops during the course of the burn.
 - (2) Any of the conditions of the permit are violated during the course of the burn.
 - (3) It is determined that the smoke emissions are offensive to occupants of the surrounding property.

Section 3. PERMITS.

(A) Upon determination that all necessary precautions have been taken to protect life and property, the Fire Chief, City Clerk, or other authorized agent may issue a leaf-burning permit.

(B) The cost of obtaining a permit to burn dried leaves shall be at such rate as approved from time to time by the City Council. The fee will be paid by the applicant upon receipt of permit.

(C) Beginning on the date of issuance, the permit shall be valid until December 1st of the year it was issued.

Section 4. COPY TO STATE AGENCIES.

A copy of this Section, or any amendment thereof, shall be submitted to the MPCA and the DNR.

Section 5. PENALTY.

Any person violating the provisions of this ordinance shall be guilty of a misdemeanor.

Section 6. APPLICATION.

The provisions of this ordinance shall only apply to the burning of leaves. It is unlawful for any person to burn any materials prohibited under the City of Windom ordinances or state statute.

Section 7. SEVERABILITY.

If any provision of this ordinance is found to be invalid for any reason by a court of competent jurisdiction, the validity of the remaining provisions shall not be affected.

Section 8. EFFECTIVE DATE.

This ordinance becomes effective on the date of its publication, or upon the publication of a summary of the ordinance as provided by *Minnesota Statutes* Section 412.191, Subdivision 4, as it may be amended from time to time which meets the requirements of *Minnesota Statutes* Section 331A.01, Subdivision 10, as it may be amended from time to time.

Passed by the City Council of the City of Windom, Minnesota, this 3rd day of February, 2009.

Kirby Kruse, Mayor

ATTEST:

Steve Nasby, City Administrator

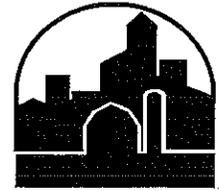
1st Reading: January 20, 2009

2nd Reading: February 3, 2009

Adoption: February 3, 2009

Published: February 11, 2009

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 & Fire Chief
DATE: January 30, 2009
RE: 2009 Fire District Service Fees

On January 26th and 28th the Windom Fire Department met with township and municipal officials representing the Windom Fire District. The meetings were held to provide information regarding the activities of the Fire Department, Annual Report and to discuss contracts and service charges.

The consensus of all of the parties was to begin re-writing the Fire Service contracts to be based on a model agreement developed by the Minnesota Association of Townships and League of Minnesota Cities. This model takes into consideration three factors (population, property valuation and incidence of fire calls) and uses a formula based on costs to equally proportion the expenses of Fire Department operations.

The current agreements being used date from 1998, so new fire service contracts are needed. Due to the timing of township meetings and their annual budgeting process the all of the parties agreed to phase in the new contracts and fees over the next two years so the 2009 fee includes 50% of the increase to the townships, Bingham Lake and Wilder.

Below is a listing of the townships and municipalities, outside of the Windom city limits, served by the Windom Fire District along with the fee structures for 2008 and 2009.

		<u>New Model</u>	<u>2008</u>	<u>Cost</u>	<u>2009 Fire Bill</u>
		<u>Contract Estimate</u>	<u>Contract Cost</u>	<u>Difference</u>	
Cottonwood	Amo Township	\$171.71	\$150.00	\$21.71	\$160.86
Cottonwood	Bingham Lake City	\$1,497.43	\$1,000.00	\$497.43	\$1,248.72
Cottonwood	Carson Township	\$3,669.11	\$2,700.00	\$969.11	\$3,184.56
Cottonwood	Dale Township	\$4,234.59	\$3,675.00	\$559.59	\$3,954.80
Cottonwood	Great Bend Township	\$5,658.89	\$4,800.00	\$858.89	\$5,229.45
Cottonwood	Lakeside Township	\$5,120.46	\$3,712.50	\$1,407.96	\$4,416.48
Cottonwood	Springfield Township	\$3,063.17	\$2,700.00	\$363.17	\$2,881.59
Jackson	Belmont Township	\$370.74	\$300.00	\$70.74	\$335.37
Jackson	Christiana Township	\$7,477.51	\$5,100.00	\$2,377.51	\$6,288.76
Jackson	Delafield Township	\$6,708.97	\$5,325.00	\$1,383.97	\$6,016.99
Jackson	Kimball Township	\$592.81	\$450.00	\$142.81	\$521.41
Jackson	Wilder City	\$592.28	\$350.00	\$242.28	\$471.14

RESOLUTION #2009-

INTRODUCED:

SECONDED:

VOTED: Aye:

Nay:

Absent:

CITY OF WINDOM

**RESOLUTION AMENDING
RATES, CHARGES AND FEES FOR
THE WINDOM FIRE DEPARTMENT SERVICE DISTRICT COVERAGE FEE**

WHEREAS, the City Council has the authority to establish rates and fees for municipal services, admissions and rentals; and

WHEREAS, the City Council periodically establishes rates and fees; and

WHEREAS, the City Administrator and Windom Fire Chief recommend to the Windom City Council changes in the calculation and annual fee amounts charged to cities and townships within the Windom Fire Department Service District; and

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

NOW, THEREFORE, BE IT RESOLVED by the City Council of Windom, Minnesota, that the calculation and fees for fire service be amended as follows:

1. Annual fee will be calculated using population, property valuation and incidence of fire calls.
2. The new fee structure will be phased in over two years with 50% of the increased charges billed in 2009.

Adopted this 3rd day of February, 2009.

Kirby G. Kruse, Mayor

ATTEST:

Steven Nasby, City Administrator

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
ELECTIONS	CMRS - TMS	POSTAGE	23.94
		Total for Department 102	23.94*
CITY OFFICE	CMRS - TMS	POSTAGE	1,078.69
CITY OFFICE	STEVE NASBY	EXPENSE	167.75
CITY OFFICE	WINDOM QUICK PRINT	SUPPLIES	567.59
		Total for Department 103	1,814.03*
P & Z / BUILDING OFF	CMRS - TMS	POSTAGE	9.32
P & Z / BUILDING OFF	MIDWEST WIRELESS	TELEPHONE	21.36
		Total for Department 106	30.68*
CITY HALL	MN ENERGY RESOURCES	HEATING	2,467.92
		Total for Department 115	2,467.92*
POLICE	WINDOM AUTO VALU	MAINTENANCE	4.49
POLICE	TODD HYATT	EXPENSE	66.08
POLICE	LANGUAGE LINE SERVIC	SERVICE	18.93
POLICE	UNICEL	TELEPHONE	286.31
		Total for Department 120	375.81*
FIRE DEPARTMENT	CMRS - TMS	POSTAGE	57.81
FIRE DEPARTMENT	WINDOM AUTO VALU	MAINTENANCE	46.25
FIRE DEPARTMENT	MN STATE FIRE DEPT A	DUES	216.00
FIRE DEPARTMENT	QUEST	TELEPHONE	58.66
FIRE DEPARTMENT	SW REGIONAL FIRE DEP	DUES	50.00
FIRE DEPARTMENT	CARQUEST AUTO PARTS	MAINTENANCE	64.11
		Total for Department 125	492.83*
STREET	CMRS - TMS	POSTAGE	6.72
STREET	CRYSTEEL TRUCK EQUIP	MAINTENANCE	175.99
STREET	WINDOM AUTO VALU	MAINTENANCE	35.74
STREET	JERRY'S REPAIR	MAINTENANCE	19.64
STREET	MIDWEST WIRELESS	TELEPHONE	95.61
STREET	QUEST	TELEPHONE	58.66
STREET	MN ENERGY RESOURCES	HEATING	2,674.33
STREET	CARQUEST AUTO PARTS	MAINTENANCE	149.33
		Total for Department 140	3,216.02*
PARKS	CMRS - TMS	POSTAGE	4.63
PARKS	MN DEPT OF EMPLOY & UNEMPLOYMENT		796.00
		Total for Department 165	800.63*
		Total for Fund 01	9,221.86*
LIBRARY	GE MONEY BANK/AMAZON	SUBSCRIPTION	9.94
LIBRARY	DAN'S OFFICE SUPPLY	SUPPLIES	2.00
LIBRARY	J & K WINDOWS	CLEANING	15.00
LIBRARY	MN ENERGY RESOURCES	HEATING	1,659.41
LIBRARY	POLITICS IN MINNESOT	SUBSCRIPTION	58.85
		Total for Department 171	1,745.20*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
		Total for Fund 03	1,745.20*
AIRPORT	CMRS - TMS	POSTAGE	27.47
		Total for Department 174	27.47*
		Total for Fund 11	27.47*
POOL	CMRS - TMS	POSTAGE	.42
		Total for Department 175	.42*
		Total for Fund 12	.42*
AMBULANCE	CMRS - TMS	POSTAGE	58.38
AMBULANCE	MIDWEST WIRELESS	TELEPHONE	92.32
AMBULANCE	QUEST	TELEPHONE	58.66
		Total for Department 176	209.36*
		Total for Fund 13	209.36*
MULTI-PURPOSE BUILDI	CMRS - TMS	POSTAGE	34.60
MULTI-PURPOSE BUILDI	MIDWEST WIRELESS	TELEPHONE	13.65
MULTI-PURPOSE BUILDI	MN ENERGY RESOURCES	HEATING	3,857.49
		Total for Department 177	3,905.74*
		Total for Fund 14	3,905.74*
LIQUOR	BEVERAGE WHOLESALERS	MERCHANDISE	3,594.50
LIQUOR	CMRS - TMS	POSTAGE	7.57
LIQUOR	GRIGGS COOPER	MERCHANDISE	2,774.51
LIQUOR	HAGEN DISTRIBUTING	MERCHANDISE	3,617.80
LIQUOR	JOHNSON BROS.	MERCHANDISE	415.00
LIQUOR	QUALITY WINE SPIRITS	MERCHANDISE	5,191.73
		Total for Department 180	15,601.11*
		Total for Fund 60	15,601.11*
WATER	CMRS - TMS	POSTAGE	208.15
WATER	H P SUDS	BILLING CONTRACT SERVICE	144.28
WATER	MIDWEST WIRELESS	TELEPHONE	50.38
WATER	QUEST	TELEPHONE	58.66
WATER	MN ENERGY RESOURCES	HEATING	1,173.97
		Total for Department 181	1,635.44*
		Total for Fund 61	1,635.44*
	GERTRUDE & LEONARD G	REFUND-UTILITY PREPAYMEN	125.00
		Total for Department	125.00*
ELECTRIC	CENTRAL MINNESOTA MU	CAPX2020 ASSESSMENT-FINA	8,580.00
ELECTRIC	CMRS - TMS	POSTAGE	244.20

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
ELECTRIC	MARV GRUNIG	EXPENSE	167.20
ELECTRIC	H P SUDS	BILLING CONTRACT SERVICE	144.27
ELECTRIC	QUEST	TELEPHONE	55.21
ELECTRIC	MN ENERGY RESOURCES	HEATING	1,227.34
ELECTRIC	SCHWAAB, INC	SUPPLIES	25.55
ELECTRIC	CARQUEST AUTO PARTS	MAINTENANCE	90.96
	Total for Department 182		10,534.73*
	Total for Fund 62		10,659.73*
SEWER	CMRS - TMS	POSTAGE	245.50
SEWER	H P SUDS	BILLING CONTRACT SERVICE	144.27
SEWER	MIDWEST WIRELESS	TELEPHONE	50.38
SEWER	QUEST	TELEPHONE	55.21
SEWER	MN ENERGY RESOURCES	HEATING	2,184.71
SEWER	RON'S ELECTRIC	MAINTENANCE	42.00
SEWER	CARQUEST AUTO PARTS	MAINTENANCE	26.39
	Total for Department 183		2,748.46*
	Total for Fund 63		2,748.46*
ARENA	CMRS - TMS	POSTAGE	42.20
ARENA	MIDWEST WIRELESS	TELEPHONE	82.09
ARENA	MN ENERGY RESOURCES	HEATING	2,962.08
ARENA	CARQUEST AUTO PARTS	MAINTENANCE	61.95
	Total for Department 184		3,148.32*
	Total for Fund 64		3,148.32*
ECONOMIC DEVELOPMENT	CMRS - TMS	POSTAGE	53.60
ECONOMIC DEVELOPMENT	MIDWEST WIRELESS	TELEPHONE	46.73
ECONOMIC DEVELOPMENT	MN ENERGY RESOURCES	HEATING	126.62
ECONOMIC DEVELOPMENT	SO. CENTRAL ELECTRIC	POWER COST	41.80
	Total for Department 187		268.75*
	Total for Fund 67		268.75*
TELECOMMUNICATIONS	B B C AMERICA	SUBSCRIBER	6.50
TELECOMMUNICATIONS	BIG TEN NETWORK	SUBSCRIBER	1,587.49
TELECOMMUNICATIONS	BLUEHIGHWAYS	SUBSCRIBER	23.52
TELECOMMUNICATIONS	CMRS - TMS	POSTAGE	88.80
TELECOMMUNICATIONS	DISCOVERY DIGITAL NE	SUBSCRIBER	57.27
TELECOMMUNICATIONS	FOX SPORTS	SUBSCRIBER	4,800.12
TELECOMMUNICATIONS	H P SUDS	BILLING CONTRACT SERVICE	432.81
TELECOMMUNICATIONS	NATIONAL CABLE TV CO	SUBSCRIBER	21,180.91
TELECOMMUNICATIONS	MN ENERGY RESOURCES	HEATING	374.56
TELECOMMUNICATIONS	RFD TV	SUBSCRIBER	198.90
TELECOMMUNICATIONS	TOWER DISTRIBUTION C	SUBSCRIBER	217.77
TELECOMMUNICATIONS	WINDOM QUICK PRINT	CONNECTION	1,957.21
	Total for Department 199		30,925.86*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount

		Total for Fund 69	30,925.86*
	AFLAC	INSURANCE	340.62
	MN BENEFIT ASSOCIATI	INSURANCE	114.18
		Total for Department	454.80*
		Total for Fund 70	454.80*
		Grand Total	80,552.52*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
MAYOR & COUNCIL	COALITION OF GREATER REGISTRATION		60.00
	Total for Department 101		60.00*
CITY OFFICE	COALITION OF GREATER REGISTRATION		60.00
CITY OFFICE	MANKATO MOBIL RADIO	MAINTENANCE CONTRACT	5.78
CITY OFFICE	SELECTACCOUNT	ADM FEE	84.18
	Total for Department 103		149.96*
P & Z / BUILDING OFF	MANKATO MOBIL RADIO	MAINTENANCE CONTRACT	5.78
	Total for Department 106		5.78*
POLICE	WDR - DEPUTY REGISTR	LICENSE	105.25
POLICE	MANKATO MOBIL RADIO	MAINTENANCE CONTRACT	22.50
	Total for Department 120		127.75*
FIRE DEPARTMENT	MANKATO MOBIL RADIO	MAINTENANCE CONTRACT	5.78
FIRE DEPARTMENT	METRO FIRE	TURN OUT GEAR-REMAINDER	40.00
	Total for Department 125		45.78*
EMERGENCY MANAGEMENT	MANKATO MOBIL RADIO	MAINTENANCE CONTRACT	200.00
	Total for Department 130		200.00*
STREET	AMOCO OIL COMPANY	GAS	1,039.27
STREET	AMOCO OIL COMPANY	VOLUME DISCOUNT	-5.27
STREET	MANKATO MOBIL RADIO	MAINTENANCE CONTRACT	5.78
	Total for Department 140		1,039.78*
	Total for Fund 01		1,629.05*
AMBULANCE	BUCKWHEAT JOHNSON	EXPENSE	9.82
AMBULANCE	MANKATO MOBIL RADIO	MAINTENANCE CONTRACT	5.78
AMBULANCE	JOLYNN NERHUS	EXPENSE	23.00
AMBULANCE	KIM POWERS	EXPENSE	13.09
	Total for Department 176		51.69*
	Total for Fund 13		51.69*
LIQUOR	BEVERAGE WHOLESALERS	MERCHANDISE	4,034.60
LIQUOR	HAGEN DISTRIBUTING	MERCHANDISE	3,163.75
LIQUOR	A H HERMEL CANDY & T	MERCHANDISE	686.28
LIQUOR	HOLINKA DISTR. CO.	MERCHANDISE	68.50
LIQUOR	MN ENERGY RESOURCES	HEATING	25.95
	Total for Department 180		7,979.08*
	Total for Fund 60		7,979.08*
WATER	DNR - DIVISION OF WA	PERMIT FEE	3,079.65
WATER	H P SUDS	BILLING CONTRACT SERVICE	144.37
WATER	MANKATO MOBIL RADIO	MAINTENANCE CONTRACT	5.78
WATER	TOOLS PLUS IND	MAINTENANCE	149.56
	Total for Department 181		3,379.36*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
Total for Fund 61			3,379.36*
	MARY LOU GALBRAITH	REFUND - STATEMENT CREDI	1.26
Total for Department			1.26*
ELECTRIC	AMOCO OIL COMPANY	GAS	333.52
ELECTRIC	CENTRAL MINNESOTA MU	MMTG TRANSMISSION	14,700.00
ELECTRIC	MARV GRUNIG	EXPENSE	77.00
ELECTRIC	H P SUDS	BILLING CONTRACT SERVICE	144.40
ELECTRIC	MANKATO MOBIL RADIO	MAINTENANCE CONTRACT	5.78
ELECTRIC	MIDWEST WIRELESS	TELEPHONE	88.83
ELECTRIC	HSBC BUSINESS SOLUTI	SUPPLIES	104.02
ELECTRIC	MN ENERGY RESOURCES	HEATING	760.51
ELECTRIC	MARY LOU GALBRAITH	REFUND-STATEMENT CREDIT	19.52
Total for Department 182			16,233.58*
Total for Fund 62			16,234.84*
SEWER	AMOCO OIL COMPANY	GAS	176.76
SEWER	H P SUDS	BILLING CONTRACT SERVICE	144.37
SEWER	MANKATO MOBIL RADIO	MAINTENANCE CONTRACT	5.77
SEWER	TOOLS PLUS IND	MAINTENANCE	149.56
Total for Department 183			476.46*
Total for Fund 63			476.46*
ARENA	AMOCO OIL COMPANY	GAS	29.95
ARENA	MANKATO MOBIL RADIO	MAINTENANCE CONTRACT	5.77
Total for Department 184			35.72*
Total for Fund 64			35.72*
	ELECTRIC FUND	LOAN PAYABLE FROM EDA SP	312.50
Total for Department			312.50*
ECONOMIC DEVELOPMENT	ELECTRIC FUND	LOAN PAYABLE FROM EDA SP	636.99
ECONOMIC DEVELOPMENT	LAMAR COMPANIES	SIGN	350.00
ECONOMIC DEVELOPMENT	WORTHINGTON DAILY GL	SUBSCRIPTION	160.75
Total for Department 187			1,147.74*
Total for Fund 67			1,460.24*
TELECOMMUNICATIONS	AT & T	USAGE CHARGES	110.00
TELECOMMUNICATIONS	H P SUDS	BILLING CONTRACT SERVICE	433.11
TELECOMMUNICATIONS	QUEST	TELEPHONE	97.93
TELECOMMUNICATIONS	QWEST COMMUNICATIONS	LEXIS BILLING SERVICE	71.27
TELECOMMUNICATIONS	CARQUEST AUTO PARTS	MAINTENANCE	53.19
TELECOMMUNICATIONS	HCI - HEBBERT CONSULT	REGISTRATION	175.00
Total for Department 199			940.50*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
		Total for Fund 69	940.50*
	JOHNSON COUNTY COURT	PAYROLL DEDUCTION CDDMO1	1,202.00
		Total for Department	1,202.00*
		Total for Fund 70	1,202.00*
		Grand Total	33,388.94*

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: Mayor Kruse
DATE: January 29, 2009
RE: **2009 Budget – Discussion on Additional Revisions**

As you know, Local Government Aid (LGA) for 2009 as proposed by the Governor is to be reduced by \$77.8 million. In 2010 the cut to the LGA fund is \$168 million. For Windom these reductions translate into cuts of \$144,462 in 2009 and \$301,363 in 2010.

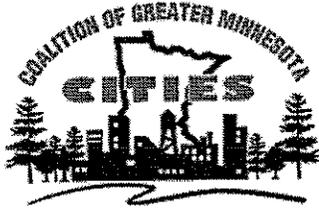
Our work on the 2009 City budget included cuts and delayed capital purchases amounting to about \$200,000. To address the additional reductions in 2009 LGA we need to be looking at another \$54,000 of budget cuts. The larger issue is how to handle the additional \$159,901 LGA cut in 2010.

I would like to set a budget workshop for February 17th prior to the City Council meeting to discuss these issues. The budget meeting would start at 6:00 p.m. and end around 7:00 p.m. Dinner will be provided.

If you would like specific information please let Steve or Brigitte know.

Thank you.

A handwritten signature in black ink, appearing to read 'M. Kruse', is written over the 'Thank you.' text.



Coalition of Greater Minnesota Cities

CGMC in Brief

January 29, 2009

Contact: Tim Flaherty
651- 225-8840

Governor's budget proposal takes 23% swipe at LGA over next two years

On Tuesday, Governor Pawlenty presented his budget proposal, which aims to close the state's \$4.8 billion budget gap. The governor's plan includes no tax increases, and relies on steep cuts, shifts, and use of one-time funds to make ends meet.

Among the proposed cuts, LGA would take a 15% hit in 2009 and a 31% hit in 2010, or 23% over the next two years. Although LGA makes up only 2.8% of the state's general fund expenditures, the cuts to LGA would comprise 9.8% of the total cuts proposed by the governor.

Details of the governor's proposed cuts to LGA are provided below:

- 2009 LGA Cut = \$77,800,000, or 15% of the program's total funds for the year
- 2010 LGA Cut = \$168,000,000, or 31% of the program's total funds for the year
- Cut in both years is made as a reduction in levy plus aid (5.1% in 2009 and 10.5% in 2010).
- If a city has an insufficient amount of LGA to make the reduction, the difference is subtracted from the city's market value credit payment.
- To determine the loss of LGA to your city, please see the attached run from the Department of Revenue. This run is also available in the "News" section of the CGMC website www.greatermncities.org.
- No change in levy limits is proposed, which means in 2010 you can levy back the amount of aid your city lost in 2008 (from the unallotment) and the aid lost in 2010, but not the aid lost in 2009.

For many cities, the aftermath of these cuts would be crippling—large service reductions, cuts to public employees, and potential tax increases in 2010 and beyond. It is more important now than ever that you form a citizens task force to engage the public in discussing service reductions that may result from LGA cuts. Gaining the public's support is critical in demonstrating to your legislators and media that the governor's proposal is the wrong policy. See the attached document regarding steps to establishing a citizens task force.

CGMC media campaign hugely successful out of the gates

Following the governor's budget proposal, CGMC was quick to spread our message that LGA cuts will devastate the economic health of greater Minnesota. A joint press conference held by CGMC and the City of St. Paul received extremely positive press coverage throughout the state. In fact, our

(Continued on page 2)



strong response to the governor's budget proposal out-shined coverage of the legislative leadership's response on several nightly news broadcasts! Attached is a sampling of the television, print, and online media coverage our press conference received. The Fox 9 story is a must-see!

The receptiveness to our message is proof that strong opposition to the governor's proposed LGA cuts is a message the public needs to hear. If your city has not already contacted local media about the governor's proposed LGA cuts, be sure to do so as soon as possible.

Next step: Contact legislators

In addition to the media, contacting your legislators, the legislative leadership, and the Senate and House tax chairs is imperative. Contact information for the leadership and tax chairs is provided below.

The governor's proposal is only the first step in the budgeting process. Legislators need to hear how cuts in LGA will affect the economic health of your community.

Senate Majority Leader Larry Pogemiller (DFL-Minneapolis)
651.296.7809
sen.larry.pogemiller@senate.mn

Senate Minority Leader David Senjem (R-Rochester)
651.296.3903
sen.david.senjem@senate.mn

Speaker of the House Margaret Anderson Kelliher (DFL-Minneapolis)
651-296-0171
rep.margaret.kelliher@house.mn

House Minority Leader Marty Seifert (R-Marshall)
651-296-5374
rep.marty.seifert@house.mn

Senate Tax Committee Chair Tom Bakk (DFL-Cook)
651.296.8881
sen.tom.bakk@senate.mn

House Tax Committee Chair Ann Lenczewski (DFL-Bloomington)
651-296-4218
rep.ann.lenczewski@house.mn

Economic stimulus package: Too soon to tell...

A component of the governor's 2009-2010 budget recommendations counts on a boost from a federal economic stimulus plan, passed by the U.S. House on Wednesday. The House economic stimulus bill (H.R. 1) would provide approximately \$4.5 billion to the state of Minnesota, including \$1.1 billion in state fiscal-stabilization block grants for education and government services and \$478 million for highway and bridge construction. The stabilization grants—along with Medicaid funding—likely will have the largest impact to the state's budget, while the vast majority of the stimulus money is intended to supplement state funding, not supplant it. With the legislation now on to the Senate, it is still too soon to tell what final impact this legislation will have on the state's \$4.8 billion budget deficit.



Estimated 2009 and 2010 Cuts to LGA and MVHC according to the Governor's Budget Proposal

Includes corrected 2010 Cut Amounts

Created by: DOR Property Tax 1/28/09

Estimates based on Pay 2009 Levy + Aid Baseline

CITY NAME	LGA	LEVY	TACONITE	L-A	LGA CUT	MVHC CUT	LGA	MVHC	LGA CUT	MVHC CUT	LGA	MVHC
	CERTIFIED 2009 LGA	TNT Pay 2009 City Levy	Pay 2008 Taconite Aid	Preliminary Total 2009 Levy + Aid	2009 LGA Reduction	2009 MVHC Reduction	Est. DISTRIBUTED 2009 LGA	Est. DISTRIBUTED 2009 MVHC	2010 LGA Reduction	2010 MVHC Reduction	Est. DISTRIBUTED 2010 LGA	Est. DISTRIBUTED 2010 MVHC
TOTALS	526,148,487	1,774,973,644	9,812,801	2,310,934,932	77,761,160	21,859,840	448,387,327	52,858,917	157,888,024	24,969,006	368,260,483	49,749,751
WATKINS CITY OF	237,750	379,546	0	617,296	31,178	0	206,572	35,169	65,105	0	172,645	35,169
WATSON CITY OF	60,190	79,170	0	139,360	7,039	0	53,151	7,648	14,698	0	45,492	7,648
WALUBUN CITY OF	89,178	89,142	0	178,320	9,006	0	80,172	9,416	18,807	0	70,371	9,416
WAVERLY CITY OF	62,248	945,000	0	1,007,248	50,873	0	11,375	36,474	62,248	36,474	0	0
WAYZATA CITY OF	0	3,587,999	0	3,587,999	0	13,442	0	0	0	13,442	0	0
WELCOME CITY OF	215,334	431,683	0	646,997	32,578	0	182,656	39,433	68,237	0	147,097	39,433
WELLS CITY OF	952,605	598,068	0	1,550,673	78,320	0	874,285	101,583	163,546	0	789,059	101,583
WENDELL CITY OF	37,512	60,467	0	97,979	4,949	0	32,563	7,435	10,334	0	27,178	7,435
WEST CONCORD CITY OF	254,146	615,561	0	869,707	43,926	0	210,220	52,402	91,728	0	162,420	52,402
WEST ST PAUL CITY OF	1,523,142	8,948,848	0	10,471,990	528,909	0	994,233	416,079	1,104,454	0	418,688	416,079
WEST UNION CITY OF	5,801	5,750	0	11,551	583	0	5,218	1,223	1,218	0	4,593	1,223
WESTBROOK CITY OF	238,545	158,908	0	397,453	20,074	0	218,471	29,938	41,918	0	196,627	29,938
WESTPORT CITY OF	5,425	4,725	0	10,150	513	0	4,912	841	1,070	0	4,355	841
WHALAN CITY OF	9,111	21,412	0	30,523	1,542	0	7,569	3,123	3,219	0	5,892	3,123
WHEATON CITY OF	627,542	629,549	0	1,257,091	63,492	0	564,050	52,209	132,582	0	494,960	52,209
WHITE BEAR LAKE (JT) CITY OF	2,035,324	4,556,518	0	6,591,842	332,934	0	1,702,390	224,299	595,225	0	1,340,099	224,299
WILDER CITY OF	16,347	24,953	0	41,300	2,086	0	14,261	1,959	4,356	0	11,991	1,959
WILLERNIE CITY OF	80,048	174,408	0	254,454	12,852	0	67,194	12,064	25,837	0	53,209	12,064
WILLIAMS CITY OF	40,713	59,600	0	100,313	5,067	0	35,646	4,937	10,580	0	30,133	4,937
WILLMAR CITY OF	4,595,086	3,525,325	0	8,121,411	410,188	0	4,185,898	299,676	856,545	0	3,739,541	299,676
WILLOW RIVER CITY OF	49,265	85,000	0	134,265	6,781	0	42,485	7,942	14,161	0	35,105	7,942
WILMONT CITY OF	87,734	88,829	0	176,563	8,918	0	78,816	10,849	18,622	0	69,112	10,849
WILTON CITY OF	6,820	8,500	0	15,320	774	0	6,046	1,361	1,616	0	5,204	1,361
WINDOM CITY OF	1,334,068	1,526,175	0	2,860,243	144,462	0	1,189,606	173,371	301,663	0	1,032,405	173,371
WINGER CITY OF	35,830	54,652	0	90,482	4,570	0	31,260	3,553	9,543	0	26,287	3,553
WINNEBAGO CITY OF	578,934	436,235	0	1,015,169	51,273	0	527,661	55,733	107,067	0	471,867	55,733
WINONA CITY OF	10,160,338	5,972,530	0	16,132,868	814,823	0	9,345,515	513,408	1,701,492	0	8,458,846	513,408
WINSTED CITY OF	662,853	1,082,143	0	1,744,996	88,135	0	574,718	68,019	184,040	0	478,813	68,019
WINTHROP CITY OF	457,079	579,757	0	1,036,836	52,368	0	404,711	58,681	109,352	0	347,727	58,681
WINTON CITY OF	27,197	48,000	0	75,197	3,798	0	23,399	6,748	7,931	0	19,266	6,748
WOLF LAKE CITY OF	7,626	12,500	0	20,126	1,017	0	6,809	2,029	2,123	0	5,503	2,029
WOLVERTON CITY OF	25,270	33,300	0	58,570	2,958	0	22,312	4,196	6,177	0	19,093	4,196
WOOD LAKE CITY OF	108,616	107,700	0	216,316	10,925	0	97,691	14,176	22,814	0	85,802	14,176
WOODBURY CITY OF	0	27,121,971	0	27,121,971	0	679,744	0	0	0	679,744	0	0
WOODLAND CITY OF	3,168	288,799	0	291,967	3,168	303	0	0	3,168	303	0	0
WOODSTOCK CITY OF	32,426	26,400	0	58,826	2,971	0	29,455	3,717	6,204	0	26,222	3,717
WORTHINGTON CITY OF	3,145,279	2,596,510	0	5,741,789	290,001	0	2,855,278	248,135	605,572	0	2,539,707	248,135
WRENSHALL CITY OF	48,797	105,243	0	154,040	7,780	0	41,017	8,771	16,246	0	32,551	8,771
WRIGHT CITY OF	8,498	22,080	0	30,578	1,544	0	6,954	2,715	3,225	0	5,273	2,715
WYKOFF CITY OF	119,329	144,023	0	263,352	13,301	0	106,026	20,981	27,775	0	91,554	20,981
WYOMING CITY OF	0	2,239,619	0	2,239,619	0	76,503	0	0	0	76,503	0	0
ZEMPLE CITY OF	862	12,000	0	12,862	650	0	212	1,362	862	495	0	867
ZIMMERMAN CITY OF	360,325	1,120,213	0	1,480,538	74,778	0	285,547	83,674	155,149	0	204,176	83,674
ZUMBRO FALLS CITY OF	36,059	42,291	0	78,350	3,957	0	32,102	5,722	8,263	0	27,796	5,722
ZUMBROTA CITY OF	557,309	1,248,727	0	1,806,036	91,218	0	466,091	87,841	190,478	0	366,831	87,841

Establish a Citizens Committee or Task Force to Evaluate Options for Cutting City Budgets

Goals:

- To inform city residents of the potential for loss in services and for property tax increases that will result from LGA cuts at various levels
- To bring together civic and business leaders and ordinary citizens to evaluate options for cuts so they can make recommendations to the city council
- To have media coverage so the public understands the importance of state legislative action and the impact it will have on their services and property taxes

Implementation Steps:

- Announce Committee Formation
 - Purpose (advisory committee to recommend budget/service cuts)
 - Dates of meetings
 - First week in February (after governor's budget is released on January 27th)
 - Second week in March (after March revenue forecast)
 - Mid-April
 - Make it clear that no cuts will be made until after legislature decides amount of cuts in May, and recommendations are advisory
- Invite civic and business leaders and others to participate in committee and appoint a chair
- First Meeting in February: City staff lay out options to reach various cut levels (e.g. 13% cut, 50% cut, 100% cut). They will have to calculate savings from closing the library, reducing police & fire, etc. and how many employees will have to be laid off
- Second Meeting in mid-March: Committee zeroes in on likely cut scenarios
- Third Meeting in mid-April: Committee makes recommendations

Television

Fox 9 News

http://www.myfoxtwincities.com/myfox/MyFox/pages/sidebar_video.jsp?contentId=8319398&version=1&locale=EN-US

Almanac: At the Capitol, TPT

http://www.tpt.org/aatc/videos/2009/01/28/almanac_at_the_capitol_january_28_2009/pawlentys_budget_proposal

WCCO TV

http://wcco.com/local/pawlentys_budget_spending.2.918973.html

KARE 11 NEWS

http://www.kare11.com/news/news_article.aspx?storyid=537879&catid=14

Winona (Eau Claire TV)

<http://www.wqow.com/Global/story.asp?S=9744071>

Print Media

Pioneer Press

- http://www.twincities.com/ci_11568313?IADID=Search-www.twincities.com-www.twincities.com
- http://www.twincities.com/ci_11568529

Star Tribune

- http://www.startribune.com/politics/state/38511679.html?elr=KArks8c7PaP3E77K_3c::D3aDhUec7PaP3E77K_0c::D3aDhUiD3aPc: Yyc:aULPQL7PQLanchO7DiU
- <http://www.startribune.com/politics/state/38477754.html?elr=KArksLckD8EQDUoaEyqyP4O:DW3ckUiD3aPc: Yyc:aUUsZ>

St. Cloud Times

<http://www.sctimes.com/article/20090128/NEWS01/101280008>

ECM Papers

http://hometownsource.com/index.php?id=7802&task=view&option=com_content

Bemidji Pioneer

http://www.bemidjipioneer.com/politics/index.cfm?page=article_bureau&id=49067&legislative_tag=1

Grand Forks Herald

http://www.grandforksherald.com/politics/index.cfm?page=article_bureau&id=49067&legislative_tag=1

Winona Daily News

<http://www.winonadailynews.com/news/00lead.txt>

Worthington Daily Globe

<http://www.dglobe.com/articles/index.cfm?id=18550§ion=Opinion>

Mitchell Daily Republic

<http://www.mitchellrepublic.com/ap/index.cfm?page=view&id=D95VOBL80>

Minnesota Independent

<http://minnesotaindependent.com/24570/minnesota-budget-cuts>

Grand Forks Herald

<http://www.grandforksherald.com/articles/index.cfm?id=103902§ion=News>

Fargo-Moorhead Inforum

<http://www.inforum.com/event/article/id/229275/>

Red Wing Republican Eagle

<http://www.republican-eagle.com/articles/?id=56278>

Duluth News Tribune

<http://www.duluthnewstribune.com/event/apArticle/id/D95VP2D02/>

Wadena Pioneer Journal

<http://www.wadenapj.com/articles/index.cfm?id=12767§ion=news>

Online Media

Minnpost.com

http://www.minnpost.com/stories/2009/01/27/6234/pie_charts_and_numbers_of_minnesota%E2%80%99s_proposed_budget_fix_don%E2%80%99t_tell_the_whole_story



Minnesota Department of Transportation

Transportation Building

395 John Ireland Boulevard
Saint Paul, Minnesota 55155-1899

January 16, 2009

Re: Minnesota Statewide Transportation Plan
District Open House Meeting

Dear Transportation Stakeholder:

You are cordially invited to attend a special open house meeting to review the Minnesota Department of Transportation's Draft Statewide Transportation Plan: Transforming Minnesota's Transportation System 2009-2028. This is an opportunity for interested citizens and transportation stakeholders to learn more about and comment on the Draft Statewide Transportation Plan as well as the Mn/DOT district's 20-year Highway Investment Plan.

The meeting will begin with a brief overview of both the planning process and the resulting draft statewide and district plans. Mn/DOT staff from both the district and Mn/DOT central office in St. Paul will be on hand throughout the meeting to talk with you about the plans, hear your comments and answer any questions that you might have. Information on both the Statewide Plan and the district Highway Investment Plans will be on display.

We have and will continue to work hard at involving you and gaining your input as we strive to deliver a long-range plan that meets your needs. Your attendance and participation is highly encouraged.

The schedule of open house meetings near you, along with directions for accessing and commenting on the draft plan, are included in the attached document.

Sincerely,

A handwritten signature in black ink that reads "Tom K. Sorel".

Tom Sorel
Mn/DOT Commissioner

**MINNESOTA STATEWIDE TRANSPORTATION POLICY PLAN
STAKEHOLDER OPEN HOUSE MEETING SCHEDULE**

Mn/DOT District 3	ST. CLOUD Mn/DOT District 3B Headquarters Building St. Cloud Conference Center Sinclair Lewis Room 3725 - 12 th St. N.	1 p.m. – 3:30 p.m. Monday, Feb. 2, 2009
Mn/DOT District 4	FERGUS FALLS West Central Initiative 1000 Western Ave.	9:30 a.m. – noon Thursday, Feb. 5, 2009
Mn/DOT District 8	WILLMAR Kandiyohi Health and Human Services 2200 - 23rd St. NE	9:30 a.m. – noon Friday, Feb. 6, 2009
Mn/DOT District 7	MANKATO Blue Earth County Library 100 East Main	9:30 a.m. – noon Wednesday, Feb. 11, 2009
Mn/DOT Metro	ST. PAUL Hiway Federal Credit Union 840 Westminster St.	1 p.m. – 3:30 p.m. Thursday, Feb. 12, 2009
Mn/DOT District 6	ROCHESTER Mn/DOT District Headquarters 2900 - 48 th Street NW	9 a.m. – 11:30 a.m. Friday, Feb. 13, 2009
Mn/DOT District 2	BEMIDJI Mn/DOT District Headquarters 1000 Western Ave.	10 a.m. – 12:30 p.m. Thursday, Feb. 19, 2009
Mn/DOT District 1	HERMANTOWN Hermantown Public Safety Building 5111 Maple Grove Road	10 a.m. – 12:30 p.m. Friday, Feb. 20, 2009

In addition to the upcoming open house meetings, there are several other opportunities to review and comment on the plan:

- Attend the Video Conference Public Hearing from **9 a.m. to noon** on **Thursday, March 26, 2009**, at 16 Mn/DOT Central Office, Metro and district locations statewide (see list of locations attached).

- Review and comment on the Statewide Transportation Plan online at <http://www.dot.state.mn.us/planning/stateplan/>.
- Submit comments by **4:30 p.m. Tuesday, March 31, 2009**, via e-mail at StatewidePlanUpdate@dot.state.mn.us, via fax at 651-366-3790, by leaving a recorded message at 651-366-3799 or in writing to:

Minnesota Department of Transportation
Office of Investment Management and Performance Measures
Mail Stop 440
395 John Ireland Blvd.
St. Paul, MN 55155

- Beginning **Jan. 29, 2009**, a paper copy of the plan will be available for review at the Mn/DOT Central Office in St. Paul, 395 John Ireland Blvd. or at district headquarters offices throughout the state.

**MINNESOTA STATEWIDE TRANSPORTATION POLICY PLAN
VIDEO CONFERENCE PUBLIC MEETING SCHEDULE**

Mn/DOT will hold a statewide video conference public meeting to solicit official comment on the Minnesota Statewide Transportation Policy Plan. The video conference will be held from **9 a.m. to noon on Thursday, March 26, 2009**. *An ASL interpreter will be available at this videoconference.* Access to the video conference will be provided at the following locations:

Mn/DOT Central Office	TRANSPORTATION BUILDING 395 John Ireland Blvd. St. Paul Phone: 651-296-3000	
Mn/DOT Metro	ROSEVILLE Waters Edge Building 1500 W. County Road B-2 Phone: 651-234-7500	
Mn/DOT District 1	DULUTH 1123 Mesaba Ave Phone: 218-725-2700	VIRGINIA 101 N. Hoover Rd. Phone: 218-742-1100
Mn/DOT District 2	BEMIDJI 3920 Hwy 2 W. Phone: 218-755-6500	CROOKSTON 1320 Sunflower St. Phone: 218-277-7950
Mn/DOT District 3	BAXTER 7694 Industrial Park Road Phone: 218-828-5700	ST. CLOUD 3725 - 12th St. N. Phone: 320-223-6500
Mn/DOT District 4	DETROIT LAKES 1000 Hwy 10 W. Phone: 218-846-3600	MORRIS 610 Hwy 9 S. Rural Route 3, Box 333 Phone: 320-208-7000
Mn/DOT District 6	ROCHESTER 2900 - 48 th St. NW Phone: 507-286-7500	OWATONNA 1010 - 21st Ave. NW Phone: 507-446-5500
Mn/DOT District 7	MANKATO 501 S. Victory Drive Phone: 507-304-6100	WINDOM 180 S. County Road 26 Phone: 507-831-8000
Mn/DOT District 8	WILLMAR 2505 Transportation Road Phone: 320-231-5195	MARSHALL 1800 E. College Drive Phone: 507-537-6146

The basics of Local Government Aid:

LGA promotes fair property taxation

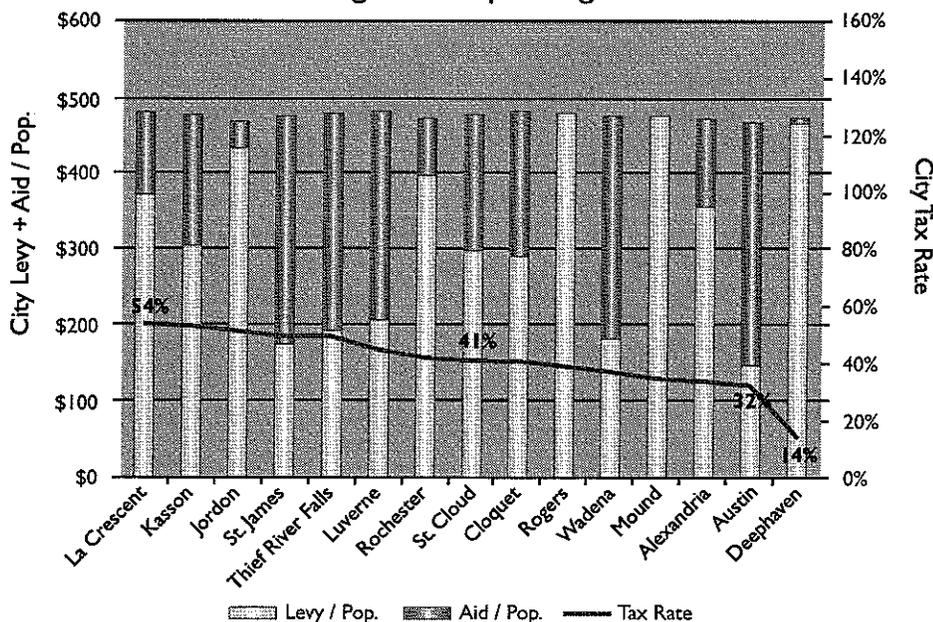
Local Government Aid (LGA) was established as a method of providing fairness in property taxation across the state. The underlying philosophy of the LGA program is that no matter what corner of the state we live in, no matter how poor a city's property tax base is, and no matter how high a city's need is, we all have the right to needed services.

Cities pay for services through a combination of property tax revenues and state LGA payments. LGA is distributed to cities based on a formula that identifies a city's need versus its effort, or ability to raise sufficient revenues. Some cities do not receive LGA because they have higher property wealth or lower need than other cities, and can raise enough revenues to cover the cost of services while maintaining a fair tax rate.

However, for the majority of the state, this is not the case. Most cities are unable to cover the costs of services through property tax revenues alone and require LGA to maintain a fair tax rate. For example, the cities in **Graph A** generate roughly the same amount of revenue per capita (\$467 – \$482), yet in order to maintain a fair tax rate, cities with lower property wealth require LGA. Despite offering the same level of services, tax rates among these cities vary from 14% to 54%. Without LGA, this disparity would skyrocket.

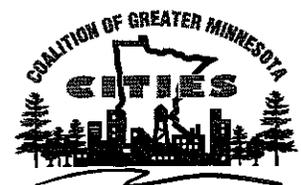
No matter what corner of the state we live in, no matter how poor a city's property tax base is, and no matter how high a city's need is, we all have the right to needed services.

Graph A: LGA reduces tax rate disparity among similar spending cities



Data Source:
MN Department of Revenue

Prepared by Flaherty & Hood, P.A. for the Coalition of Greater Minnesota Cities.



Consequences of cutting LGA

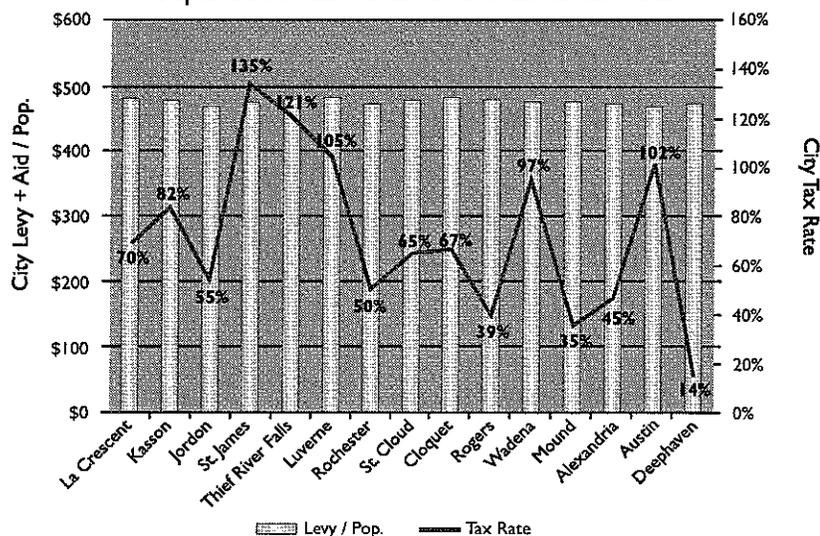
When LGA is cut, property taxes go up, services are reduced, or a combination of both occurs.

As **Graph B** shows, without LGA funding, cities would have to raise property tax rates dramatically in order to provide a consistent level of services. Furthermore, tax rates among cities would vary considerably—to a great enough extent that many residents and businesses would not be able to afford their current cities.

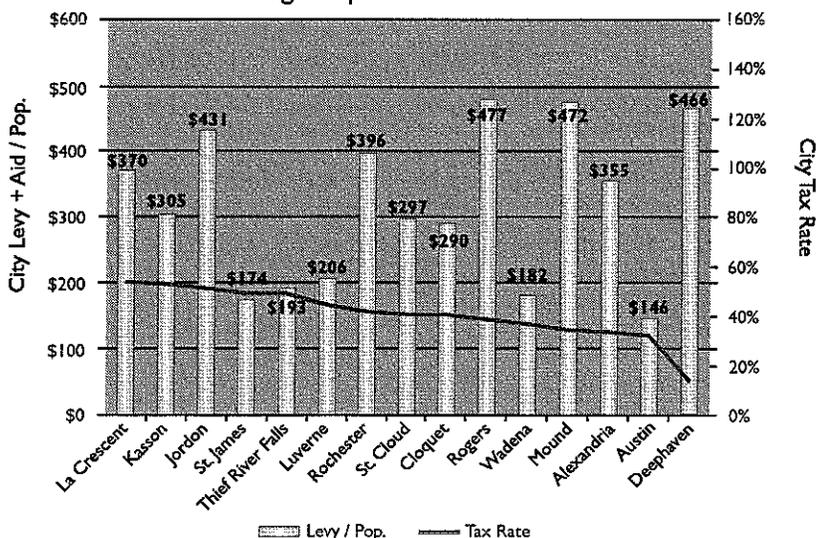
On the flip side, **Graph C** shows what would happen if LGA was eliminated and cities maintained their current tax rates. Unable to spend equal amounts on similar services, the level and quality of services would vary significantly across the state. Would Austin or St. James be able to afford libraries? Would St. Cloud's streets be as safe as Rogers' in the winter?

Without LGA, tax rates among cities would vary considerably—to a great enough extent that many residents and businesses would not be able to afford their current cities.

Graph B: Without LGA, cities would have huge disparities in tax rates for the same services



Graph C: Without LGA, cities would have huge disparities in services

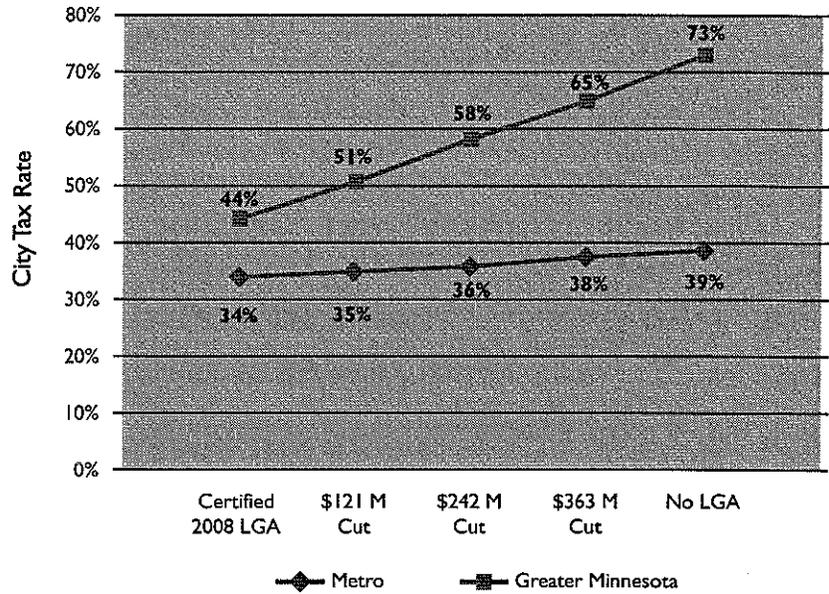


Data Source:
MN Department of Revenue.
Graph B assumes all lost aid is levied back.

Metro/Rural disparities

Without LGA, disparities between metro cities and rural cities are intensified, as shown in **Graph D**. Currently, rural property taxpayers pay an average 10% higher tax rate than metro property taxpayers. This disparity grows significantly when LGA is cut.

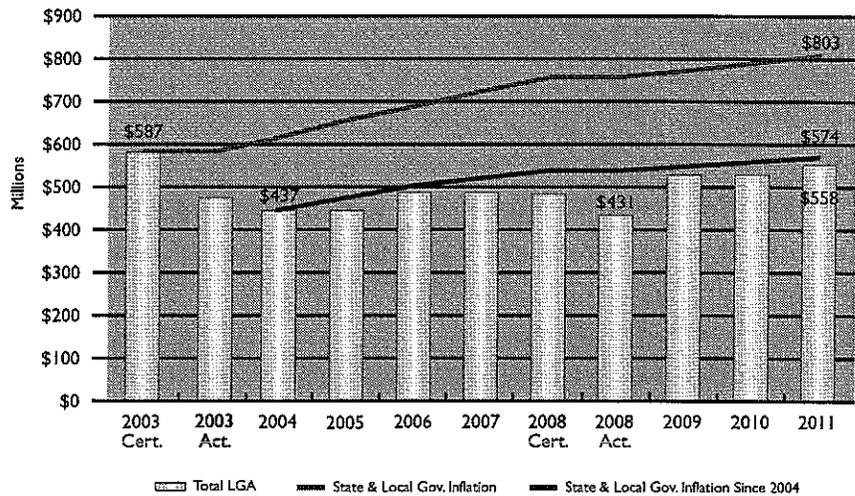
Graph D: Reducing LGA will grow the disparity between metro and greater Minnesota tax rates



Cities already lean from underfunded LGA program

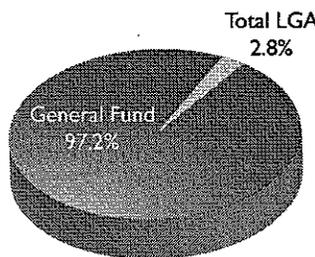
After Governor Pawlenty's unallotment actions, the LGA program received a total of \$431 million in 2008. As shown in **Graph E**, this amount is **even lower** than the actual paid amount in 2003, a year in which LGA experienced heavy cuts in light of a \$4.2 billion budget deficit.

Graph E: LGA is below 2003 pre- and post-cut levels



In total, the LGA program comprises only 2.8% of the state's general fund, as shown in **Graph F**. This percentage has steadily declined in recent years. In response to diminishing LGA funding, cities have cut their workforce (including public safety employees), reduced hours of operation for services such as libraries and parks, and postponed projects, among other actions.

Graph F: LGA comprises 2.8% of general fund



Year	LGA % of Gen. Fund
2002	4.4%
2003	3.3%
2004	3.2%
2005	3.0%
2006	3.1%
2007	3.0%
2008	2.8%

Data Source:
 Graphs D & E: MN Department of Revenue.
 Graph D assumes all lost aid is levied back.
 Graph F: MN Department of Finance.

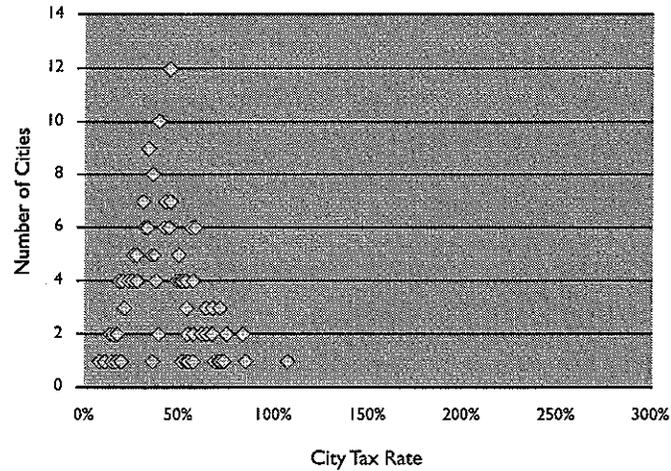
Cutting LGA is the least fair way to raise revenues

The governor and Legislature have indicated that prioritizing programs will be central to solving the state's budget deficit crisis. Fair property taxation must be a top priority for the state.

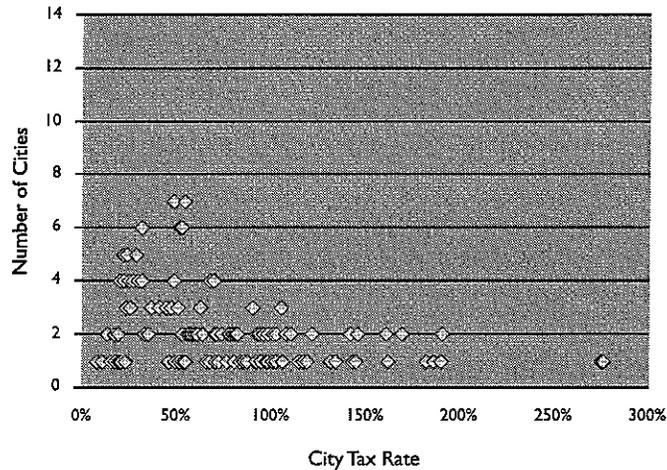
As **Graph G** shows, the LGA program succeeds in advancing fair taxation; without LGA, the spread between high wealth/low need cities and low wealth/high need cities becomes expansive, as depicted in **Graph H**. Does the state really want to promote such huge disparities in wealth and services?

Relying solely on property taxes to fund cities services will create stark inequalities across the state in both tax rates and services. The LGA program promotes fair taxation, which should always be a priority for the governor and Legislature.

Graph G: LGA enables property taxation fairness



Graph H: Without LGA, tax rate variation grows



Cities don't operate in a bubble. Just as Minnesotans have experienced rising food, heating, and fuel costs, the items cities purchase have increased too. However, while the average Minnesotan family can save money by eating out less, cities can't eliminate health care for their employees or stop their fleet of snow plows. The services cities provide are essential; they are not luxuries. Accordingly, cities need stable revenue sources in order to cover the increased costs of services.

Relying solely on property taxes to fund cities services will create stark inequalities across the state in both tax rates and services. The LGA program promotes fair taxation, which should always be a priority for the governor and Legislature.

Data Source: MN Department of Revenue. Graph H assumes all lost aid is levied back.

Comparison of 2008 City Tax Rates With and Without LGA

Assumes complete removal of LGA and total replacement of aid with levy

City	Current Tax Rate	No LGA Tax Rate	City	Current Tax Rate	No LGA Tax Rate
Albert Lea	43.2%	94.6%	Mankato	36.6%	59.3%
Alexandria	33.7%	44.8%	Marshall	51.7%	81.3%
Austin	32.0%	102.4%	Melrose	62.0%	99.6%
Babbitt	79.3%	126.6%	Moorhead	31.5%	71.8%
Bagley	90.6%	169.2%	Morris	50.4%	138.0%
Bemidji	35.8%	74.5%	Mountain Iron	55.3%	102.6%
Benson	47.5%	102.2%	New Ulm	59.2%	114.0%
Brainerd	44.6%	90.9%	North Mankato	44.5%	61.4%
Breckenridge	49.9%	147.2%	Olivia	74.4%	145.5%
Cannon Falls	64.5%	83.3%	Ortonville	67.3%	163.0%
Cloquet	40.3%	66.9%	Owatonna	44.1%	64.3%
Crookston	60.6%	182.6%	Park Rapids	45.8%	60.1%
Detroit Lakes	30.8%	41.8%	Perham	55.0%	84.9%
Dilworth	49.4%	79.6%	Plainview	56.5%	88.2%
Dodge Center	71.3%	123.3%	Princeton	63.5%	86.4%
East Grand Forks	53.9%	107.0%	Red Wing	54.7%	60.8%
Elbow Lake	153.2%	240.2%	Redwood Falls	78.2%	123.4%
Ely	75.5%	161.8%	Renville	133.6%	220.8%
Eveleth	86.8%	270.8%	Rochester	42.2%	50.3%
Faribault	33.3%	70.3%	Roseau	68.9%	113.7%
Fergus Falls	42.9%	87.3%	Rushford	69.2%	135.3%
Gilbert	116.5%	223.4%	St. Charles	34.5%	69.0%
Glencoe	58.0%	94.4%	St. James	49.5%	135.5%
Glenwood	59.8%	105.3%	St. Joseph	47.7%	69.5%
Goodview	45.0%	49.7%	St. Peter	43.7%	95.8%
Grand Marais	46.6%	58.2%	Sartell	31.5%	31.5%
Grand Rapids	68.7%	85.6%	Springfield	114.5%	257.1%
Granite Falls	72.5%	118.1%	Staples	57.9%	151.2%
Hawley	40.0%	87.3%	Thief River Falls	48.9%	121.4%
Hibbing	62.8%	170.5%	Tracy	137.4%	283.8%
Hinckley	28.1%	43.5%	Virginia	73.0%	188.2%
Hoyt Lakes	75.1%	95.5%	Wadena	37.4%	97.2%
Hutchinson	55.2%	76.7%	Waite Park	55.3%	56.6%
International Falls	64.9%	171.0%	Warren	74.9%	202.4%
Janesville	61.5%	127.1%	Warroad	81.0%	156.5%
Kenyon	56.3%	102.7%	Waseca	63.6%	112.5%
La Crescent	53.6%	69.5%	Willmar	28.1%	64.4%
Le Sueur	49.8%	83.3%	Windom	75.9%	145.8%
Litchfield	58.5%	105.6%	Winona	30.8%	84.0%
Luverne	44.7%	104.7%	Worthington	51.4%	113.1%

Source: MN Department of Revenue.

Calculations prepared by Flaherty Hood, P.A. for the Coalition of Greater Minnesota Cities, 1/9/2008.

City	Current Tax Rate	No LGA Tax Rate
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Other Regional Centers

Duluth	23.3%	73.3%
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Select Metro Cities

Andover	31.4%	31.4%
Anoka	37.0%	44.5%
Apple Valley	35.5%	35.5%
Blaine	29.1%	29.1%
Bloomington	32.0%	32.0%
Brooklyn Center	43.9%	49.1%
Brooklyn Park	37.7%	37.7%
Burnsville	35.0%	35.0%
Champlin	32.9%	32.9%
Chanhassen	23.7%	23.7%
Chaska	19.2%	19.4%
Columbia Heights	43.1%	52.4%
Coon Rapids	30.8%	31.6%
Cottage Grove	35.1%	35.1%
Crystal	35.4%	45.1%
Eagan	25.9%	25.9%
Eden Prairie	27.0%	27.0%
Edina	21.2%	21.2%
Falcon Heights	18.6%	26.0%
Forest Lake	29.4%	29.4%
Fridley	30.3%	33.1%
Golden Valley	43.0%	43.0%
Ham Lake	23.9%	23.9%
Hamburg	85.7%	102.2%
Hastings	49.5%	50.1%
Hopkins	45.4%	45.7%
Hugo	34.2%	34.2%
Inver Grove Heights	38.0%	38.0%
Lakeland	32.5%	37.3%
Lakeville	34.2%	34.2%
Lilydale	41.2%	41.7%
Lino Lakes	39.0%	39.0%
Little Canada	21.0%	23.3%
Maple Grove	29.3%	29.3%

City	Current Tax Rate	No LGA Tax Rate
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St. Cloud	40.8%	65.4%
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Maplewood	30.8%	30.8%
Mendota Heights	24.3%	24.3%
Minneapolis	56.3%	79.1%
Minnetonka	27.6%	27.6%
Minnetrissa	27.7%	27.7%
Mounds View	35.0%	36.4%
New Brighton	32.8%	32.8%
New Hope	41.9%	44.5%
Newport	47.2%	68.1%
North St. Paul	21.6%	40.8%
Oakdale	30.2%	30.2%
Plymouth	22.9%	22.9%
Prior Lake	28.1%	28.1%
Ramsey	39.5%	39.5%
Richfield	37.9%	45.1%
Robbinsdale	35.1%	45.8%
Rogers	38.7%	38.7%
Rosemount	42.4%	42.4%
Roseville	23.4%	23.4%
St. Anthony	6.4%	23.1%
St. Louis Park	34.8%	34.8%
St. Paul	30.4%	55.1%
St. Paul Park	32.7%	38.9%
Savage	48.4%	48.4%
Shakopee	31.9%	31.9%
Shoreview	23.5%	23.5%
South St. Paul	36.1%	49.3%
Spring Lake Park	47.4%	47.4%
Stillwater	48.1%	50.5%
Vadnais Heights	18.2%	18.2%
West St. Paul	43.7%	51.2%
White Bear Lake	16.5%	21.6%
Woodbury	28.2%	28.2%

Source: MN Department of Revenue.

Calculations prepared by Flaherty Hood, P.A. for the Coalition of Greater Minnesota Cities, 1/9/2008.



CITIES BULLETIN

ONLINE EDITION

MnDOT prepares for infrastructure stimulus

Issue 4

Published: January 28, 2009

By *Anne Finn*

At a House Transportation and Transit Policy and Oversight hearing this week, the Minnesota Department of Transportation (MnDOT) distributed a document detailing the department's efforts to plan for federal stimulus funds. The document refers to a federal economic stimulus plan that Congress is preparing for President Obama's signature as soon as mid-February (see related article, "Federal House committees approve economic recovery proposal").

The plan, which is in a very preliminary phase, is expected to contain as much as \$850 billion for public works projects. The infrastructure stimulus plan is in response to multiple challenges facing Minnesota and the nation, including an economic recession, foreign energy dependence, and crumbling infrastructure. The president wants to stimulate the economy and create jobs, while modernizing the country's infrastructure and making buildings more energy efficient.

MnDOT estimates that the package could provide "several hundred million dollars" to Minnesota. According to the document, approximately 30 percent of the funds are expected to be distributed to local units of government. MnDOT's State Aid Division will develop and manage the local program.

The department is working to identify state projects that could be eligible for stimulus funds. According to the document, MnDOT intends to select projects based on the following criteria:

- *Project readiness*: Project readiness will be assessed based on status of environmental review, percent of right of way purchased, etc.
- *Consistency with performance based plans*: MnDOT will give priority to projects advanced within the State Transportation Improvement Program or from the Long Range District Plans.
- *Statewide coverage*: MnDOT will work to ensure that the projects selected provide statewide coverage, job, and transportation impact.
- *Work type balance*: The department will select a variety of project types, such as concrete and bituminous or preservation and safety, to maximize the capacity of Minnesota's highway construction industry.
- *Project advancement*: Projects already funded in 2009 will not be eligible for stimulus funds. In addition, work must start on projects by the summer of 2009.

For more information, contact **Anne Finn**, LMC, at afinn@lmc.org or (651) 281-1263.

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First LGA and MVHC—are pension aids now on the chopping block?

At the Wednesday hearing of the House Property Tax and Local Sales Tax Division, the committee considered an overview of the \$3.4 billion in state aid and property tax relief programs contained in the state's budget. The discussion included a broad array of programs that provide funding directly to taxpayers including the circuit breaker, renters refund, political contribution refund and the targeting program but also included a review of programs that provide funding to local units of government, including local government aid (LGA), market value homestead credit (MVHC), utility transition aid and local pension aids.

The overview, provided by the House Research Department, indicated that the state budget appropriations for this broad category of state spending has remained nearly constant over the past 10 years, rising from \$3.3 billion for the 2000-01 biennium to an estimated \$3.4 billion for the upcoming 2010-11 biennium. As a percent of the state biennial budget, this category of spending has actually declined from 13 percent in the 2000-01 biennium to an estimated 9.4 percent for the upcoming 2010-11 biennium.

Despite the fact that property tax aids and credits as a broad class of state spending have hardly increased over the past 10 years, the governor and legislators appear to be poised to disproportionately slash funding in this area. In his state of the state address, Governor Pawlenty indicated that aids to cities and counties would be cut but he did not offer specific details. We currently have even fewer details on the direction of the House and Senate but at the Wednesday tax hearing, Rep. Ann Lenczewski ((DFL-Bloomington) focused her questioning on police and fire pension aids and how they might be reduced because "people kind of know that probably nothing is going to be left untouched."

Although LGA and MVHC were slashed in the 2003 budget balancing package, the final package of cuts did not include reductions to police aid, fire aid or the special PERA aid enacted in 1997 that offset a mandated employer contribution increase to cover a benefit improvement to employees. If these sources of revenue are indeed considered for budget-balancing cuts, cities would have more than \$200 million in additional programs exposed to budget cuts for the biennium—above the \$1.2 billion in LGA, MVHC reimbursement and utility transition aid appropriations that have been mentioned as potential targets.

Let your legislators know that property tax aids and credits are not the cause of the state's budget deficit and remind them that cities have already been hit with \$66 million in aid reductions this past December. We will report the details of the governor's budget proposal in next week's *Cities Bulletin* and *FridayFax*.

Questions? Contact Gary Carlson at gcarlson@lmc.org or 651.281.1255.

Will the federal stimulus package help solve the state deficit?

While legislators await next Tuesday's release of the governor's budget recommendations, the nearly \$5 billion deficit is dominating virtually every conversation in and around the Capitol. As the federal stimulus package evolves, questions have arisen about the potential impact on the state's budget.

At this point, we have sketchy details about the U.S. House of Representatives' plan but little other information about the President's proposal nor the Senate plan. We believe that a large share of the federal stimulus package will be directed at stimulating public infrastructure projects, including water, sewer, public buildings and road



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projects. To the degree that these projects generate new Minnesota jobs and taxable purchases, the state general fund will experience some positive revenue effects but these benefits would not likely be immediate. Otherwise, much of the benefit will be realized through reduced costs in the Highway User Tax Distribution Fund or in reduced state and local government debt service costs.

Other portions of the stimulus package may provide additional federal funds for programs such as Medicaid and, depending upon the structure of these allocations, they could temporarily free-up state general fund resources for other purposes. Other portions of the House plan are being called "Fiscal Stabilization Funds" which would purportedly be partially allocated for "public safety and other government services." Those funds could provide direct state and even local assistance.

It is important to note that the pessimistic December state budget forecast was based on the assumption that Congress would enact a \$200 billion stimulus package in early 2009—about one-quarter of the current size of the House proposal. This means that the \$4.8 billion deficit already assumed some level of federal stimulus. In short, the federal stimulus package is far from complete and the specific impact on the state's budget is yet unknown. But it appears unlikely that the package will be a pot-of-gold that will significantly reduce the state's massive 2010-2011 budget deficit.

Questions? Contact Gary Carlson at gcarlson@lmc.org or 651.281.1255.

Another reason to get rid of levy limits?

With the unanticipated unallotment of \$66 million in state aids and now the potential for massive additional cuts in aid and credit reimbursements for 2009 and 2010, the levy limits enacted just last year seem like an especially bad idea. To add insult to the aid cuts—the implicit price deflator for governments that is used to adjust the levy limits is plummeting. Early estimates suggest that the IPD will be around 2.2 percent for 2010 levy limits and 0.9 percent for 2011. These are, of course estimates but inflation had dropped with the economy and oil prices. The League will be working to repeal levy limits.

Questions? Contact Gary Carlson at gcarlson@lmc.org or at 651.281.1255.

Mn/DOT prepares for infrastructure stimulus

At a House Transportation and Transit Policy and Oversight Division hearing this week the Minnesota Department of Transportation (Mn/DOT) distributed a document detailing the department's efforts to plan for federal stimulus funds.

The document refers to a federal economic stimulus plan that Congress is preparing for President Barack Obama's signature. The plan, which is in a very preliminary phase, is expected to contain as much as \$850 billion for public works projects. The infrastructure stimulus plan is in response to multiple challenges facing Minnesota and the nation, including an economic recession, foreign energy dependence and crumbling infrastructure. The president wants to stimulate the economy and create jobs while



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modernizing the country's infrastructure and making buildings more energy efficient.

Mn/DOT estimates that the package could provide "several hundred million dollars" to Minnesota. According to the document, approximately 30 percent of the funds are expected to be distributed to local units of government. Mn/DOT's State Aid Division will develop and manage the local program.

The department is working to identify state projects that could be eligible for stimulus funds. According to the document, Mn/DOT intends to select projects based on the following criteria:

- Project readiness
- Consistency with performance based plans
- Statewide coverage
- Work type balance
- Project advancement

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

Housing improvement area legislation to be heard next week

Bills dealing with housing improvement areas were introduced already this session, and the Senate Tax committee will take up SF 8 (Latz, DFL-Saint Louis Park) on Thursday at 8:30 a.m. SF 8 and its companion, HF 204 (Winkler, DFL-Golden Valley) would make permanent the authority cities have had to establish housing improvement areas. The statute is currently set to sunset on June 30, 2009.

The League developed a position in support of this idea when the city of Little Canada brought it through the policy committee process last summer. Many cities have used the authority to use Housing Improvement Areas (HIAs) to

finance housing improvements for condo and townhome complexes under Minn. Stat. 428A.11 to 428.21. Also supporting the bill is the Minnesota Institute of Public Finance.

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

City, county election officials work on drafting election reform legislation

City election officials met this week and last to work with representatives of the Secretary of State's office and with organizations that advocate for voter rights and election protection oversight to develop numerous proposals aimed at making changes to current state election law. Those changes would address administrative and voter issues that arose in the 2008 election cycle. Proposals under discussion include:

- Changing existing absentee voting process to allow a period when voters may cast ballots in person prior to election day, as well as reforming voter requirements, and allowing for the acceptance and rejection of returned absentee ballots;
- Clarifying requirements for determining voter intent when recounting ballots;
- Eliminating a statewide recount if the difference between votes cast in a primary or general election for a federal or state constitutional office is less than 500 in an election where 2.5 million votes are cast and authorizing those candidates to file an election contest;
- Lowering the threshold for automatic recounts in federal, statewide and judicial elections from less than one-half to less than one-quarter of one percent of the total number of votes counted in a state primary and general election;



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- Upgrading the Statewide Voter Registration System to provide for easier on-going updates to voter addresses and status, and allow for online registration;
- Clarifying the authority for a voter to allow an individual with power of attorney to sign election-related documents on his or her behalf;
- Moving the state primary to the second Tuesday in August;
- Coordinating municipal boundary adjustment, annexing and municipal incorporation with changes to election precinct boundaries and election dates;
- Requiring the Secretary of State to provide precinct lists of eligible voters to act as election judges submitted by each major political party to cities by June 15 in years with elections for partisan political offices;
- Establishing state training requirements for challengers appointed by candidates and political parties; and
- Prohibiting voters from placing labels on optical scan ballots that are tabulated by either precinct or central count tabulators.

Sen. Ann Rest (DFL-New Hope), Chair of the Senate State & Local Government Operations & Oversight Committee, and Rep. Gene Pelowski ((DFL-Winona), Chair of the House State & Local Government Operations, Reform, Technology & Elections Committee, have taken an active interest in the development of these and other election reform proposals and anticipate holding hearings on a number of the bills when they are introduced in the next several weeks.

Questions? Contact Ann Higgins at ahiggins@lmc.org or 651.281.1257.

Maintenance of effort topic on the table

A bill to repeal a sweeping county "maintenance of effort" (MOE) exemption that was included at the last minutes of the 2008 tax conference committee moved out of committee this week, and is headed for floor action soon. The bills, HF 95 (Lenczewski, DFL-Bloomington) and SF 49 (Bakk, DFL-Cook) reflects the agreement reached by the governor and legislative leadership days after the 2008 session ended, when it became apparent that a late night amendment offered by county representatives to provide relief from a variety of human service and library MOE requirements would have unexpectedly cost the state as much as \$300 million.

This week's discussions have brought significant legislative attention to the issue of state mandates and several House and Senate committee chairs have promised to delve into the issue in the weeks ahead. Most legislators acknowledge these funding formulas are archaic, and haven't been reviewed for years. They also acknowledge that the mandate puts cities and counties in a tight situation this year particularly, with the state budget so dire and aid cuts likely on the horizon. Moving forward, the League will be part of these discussions on the library maintenance of effort, and will testify in the appropriate committees and ask for more flexibility and local control in the formula.

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



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New Minnesota Housing Finance Agency Commissioner gets nod from Senate committee

In his opening remarks to the Senate Health, Housing and Family Security Committee, Dan Bartholomay said that there has always been transparency and honesty in everything he's done and that would continue in his role as Commissioner of the Minnesota Finance Agency (MHFA). Bartholomay is Governor Pawlenty's choice to replace Tim Marx as Commissioner of MHFA.

Bartholomay joined MHFA in November after Marx resigned to become Executive Director of Common Ground, a New York City-based nonprofit housing and community development organization. Prior to joining MHFA, Bartholomay served as director of the Region and Communities program at the McKnight Foundation in Minneapolis. Bartholomay indicated that he would focus on affordable housing issues and on changing how people view affordable housing opportunities. He would like people to see affordable housing as an asset to their community rather than a liability.

During the hearing, members of the committee reminded Bartholomay that he did not just work for the governor but the people of Minnesota. He was asked to be honest about the needs of the agency, and if he had any concerns about the direction of the agency that he voice those concerns. The committee unanimously voted to forward Bartholomay's name to the full Senate for confirmation.

Questions? Contact Hue Nguyen at hnguyen@lmc.org or 651-281-1260.

Local government officials explore energy cost-savings ideas

With the likelihood of additional state budget cuts on the horizon, local government leaders and staff from around the state gathered in St. Cloud this week to share ideas for cutting energy expenses at the *Reducing Energy Costs in Local Government Conference*. This event, which was co-sponsored by the League of Minnesota Cities, drew over 350 attendees from cities, counties, schools, townships, state agencies and other energy resource organizations.

A panel of local government leaders, including Apple Valley Mayor and LMC President Mary Hamann-Roland, kicked-off the event with a discussion of how energy issues are impacting Minnesota local governments and what opportunities exist for cutting energy costs. City officials from Wells and Minnetonka also shared specific examples of local projects that have helped them cut their cities' energy bills. The afternoon program included multiple breakout sessions covering energy reduction strategies, tools, and resources.

Minnesota Public Radio (MPR) provided coverage of this joint event. Learn more at: http://minnesota.publicradio.org/display/web/2009/01/22/officials_administrators_gather_to_share_energy_ideas/?refid=0

For more information about the program, including the presentations delivered at this conference, visit: <http://www.nextstep.state.mn.us/energyconference.cfm>.

Questions? Contact Laura Harris, Training & Conferences Manager at lharris@lmc.org or 651. 281.1251.



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TIF pooling authority question for cities

The League and its economic development policy partners are looking at possible legislation to extend the current TIF pooling statutes to allow for other uses, specifically for market rate housing in a city in order to deal with the foreclosure issues, and for activities within a transit improvement area. Right now, there is current authority to pool an additional 10 percent from TIF districts within a city for affordable housing. We've been asked by legislators to find out the extent that the current law provision is used.

If your city has taken advantage of this affordable housing pooling option, we'd like to hear about it.

Questions? Contact Jennifer O'Rourke at jorourke@lmc.org or 651.281.1261 or Hue Nguyen at hnguyen@lmc.org or 651.281.1260.

Town hall meetings

Town hall meetings are a great chance to meet with your legislators and tell your city story, sometimes right inside city hall. Upcoming meetings in a city near you include:

January 24 in **Afton** (Afton Bean, 9 a.m.) with Sen. Katie Sieben and Rep. Denny McNamara

January 24 in **Brooklyn Center** (Brooklyn Center Community Center, Cohen Room, 10 a.m.) with Sen. Linda Scheid, Rep. Debra Hilstrom, Rep. Melissa Hortman, and Rep. Michael Nelson

January 24 in **Hastings** (City Hall, 101 4th Street, 11 a.m.) with Sen. Katie Sieben and Rep. Denny McNamara

January 26 in **St. Cloud** (Caribou Coffee on Division Street at Crossroads Center, 8 a.m.) with Rep. Steve Gottwalt

January 26 in **Hopkins** (The Depot Coffee House, 9451 Excelsior Blvd, 7 p.m.) with Sen. Ron Latz and Rep. Steve Simon

January 31 in **Rockville** (Granite Edge Café, downtown Rockville, 10 a.m.) with Rep. Steve Gottwalt

January 31 in **Eden Prairie** (City Council Chambers, 10 a.m.) with Sen. David Hann and Rep. Jennifer Loon

Check your local newspaper or radio station for additional dates. To receive e-mail notice of upcoming town hall meetings near you, subscribe online at

<http://www.house.leg.state.mn.us/maillist/maillinglist.asp> and
<http://www.senate.leg.state.mn.us/schedule/listserv.htm>

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To keep informed on news from the House of Representatives, subscribe to the nonpartisan Session Weekly newsmagazine at <http://www.house.leg.state.mn.us/hinfo/subscribe/sw.asp> or call (651) 296-2146 or (800) 657-3550.

Questions? Contact Brian Strub at hstrub@lmc.org or at 651.281.1256.



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Governor Pawlenty's 2009 State of State Address

With a state mandated local government wage freeze proposal in one hand, and the promise of state mandate relief in the other hand, Governor Tim Pawlenty's annual State of the State address on Thursday was a mixed bag for Minnesota cities at best.

 Pawlenty also said that it's no secret that state aids for cities and counties will have to be reduced to close the budget deficit.

In addressing cuts in local funding, the governor said the state should look at ways to reduce as many mandates as possible and allow local governments to opt out of some state mandates by a vote of their governing body.

Although the governor spoke nonspecifically about mandate relief, his address included several new mandates on local units of governments, including a wage freeze for any government entity that accepts state money, a requirement for Minnesota schools, cities, and counties to participate in a joint purchasing program, and a cap on tuition increases at Minnesota's state colleges and universities.

Speaker of the House Rep. Margaret Anderson Kelliher (DFL-Minneapolis) said that while she agreed that the state should look at mandate relief and was open to the idea of allowing local governments to opt out of certain mandates, the governor delivered "the mother of all mandates" when he recommended requiring local units of government to purchase commodities such as road salt, paper and IT services by going through the state. Senate Minority Leader David Senjem (R-Rochester) supported the governor's proposals and said that the state should look at streamlining efficiencies within counties and cities.

In his address, Governor Pawlenty urged legislators to set aside partisan differences and asked them not to raise taxes to solve the state's deficit.

Public safety was highlighted as a top priority by the governor, including maintaining funding and services for members of the military and veterans, as well as protecting state public safety programs. There was no mention, though, of local public safety programs in his speech.

Additionally, the governor proposed the creation of the Minnesota Jobs Recovery Act to address his job creation priority. This Act proposes to cut the state business tax rate from 9.8 percent to 4.8 percent over the next six years. Pawlenty also announced a \$50 million package of tax credits which he said would be aimed at Main Street. A Green JOBZ program, an idea announced a few months ago, was mentioned again Thursday. Partly modeled after the JOBZ program which gives tax breaks to businesses willing to locate to economically distressed parts of Greater Minnesota, the Green JOBZ program would be available statewide and take advantage of new opportunities in wind, solar, biomass and energy conservation.

The governor also discussed reforms to Minnesota's K-12 and higher education system, and indicated that he wants to protect K-12 funding. Pawlenty proposed holding school districts accountable and rewarding schools that are performing by increasing school district funding an additional two percent per student for students meeting standards or showing reasonable growth towards achievement. The governor called on the University of Minnesota and MnSCU to offer more online courses and require every student to take an online course by the time he or she graduates.

The governor's State of the State address received vastly different reaction from members of the DFL and GOP legislative leadership, an early indication that we could be in for a long, painful and partisan legislative session.

The governor is required to submit his proposal for the state's biennial budget to the Legislature by no later than January 27. The House and Senate have promised to hold hearings throughout the state to



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hear from constituents on the governor's budget proposal.

Questions? Contact Hue Nguyen at 651.281.1260 or hnguyen@lmc.org.

Nothing up with the state economic update

On Monday, Minnesota Management and Budget released its January update on state revenue collections for November and December of 2008. The report reflects a dramatic \$131 million softening in the state revenue collections, or more than a 4.5 percent reduction in collections relative to the already pessimistic December forecast estimates. It is important to note that the sales tax figures do not include collections for December sales, the largest portion of the holiday shopping season, which will be remitted by retailers in mid-January.

In mid-December, only days after the release of the December budget forecast, State Economist Tom Stinson testified before the Senate Tax Committee and the Legislative Coordinating Commission that the economic slump had rapidly worsened and that the February forecast could show an additional \$30 to \$70 million short-term deficit for the balance of the current biennium, which ends on June 30. Based on these new revenue collections, that December prediction by Stinson may prove to be optimistic.

The table that follows shows that the state's two largest single sources of tax revenue were off, including the individual income tax receipts that were \$39 million (3.3 percent) less than predicted in the December forecast. Minnesota's gross sales tax receipts were also below forecast, falling \$33 million (4.4 percent) below December's forecast.

Summary of Tax Receipts (November - December 2008)

		Variance	Percent
----- (\$ in millions) -----			
Income	\$- 39	-3.3%	
Sales Tax	- 33	-4.4%	
Corporate	- 57	-42.0%	
Motor Vehicle	- 1	-4.7%	
Other	- 2	-0.2%	
Total	\$-131	-4.5%	

The January economic update reports only the actual recent tax collections for the state and, as a result, does not serve as an official prediction of the status of the overall state budget. However, the reduced tax collections for November and December almost certainly will be reflected in the upcoming February budget forecast and will almost certainly reflect an additional short-term deficit for the balance of the current biennium which ends June 30.

The governor and the state Legislature will have to take quick action to address any additional short-term deficit, but for cities, there are few programs remaining that can be cut in the next five months. That said, the February forecast will almost certainly show an increase in the already massive \$4.8 billion long-term deficit—and that growing deficit will undoubtedly impact the distribution of city aids in 2009 and 2010 as the governor and legislators struggle to cope with the largest state deficit in history.

Questions? Contact Gary Carlson at 651.281.1255 or gcarlson@lmc.org.

Administrative fines hearing frames issue for legislators

On Thursday, the League was among a handful of organizations and state agencies that sent officials to provide testimony for the Minnesota House Public Safety Finance Division hearing on the issue of administrative fines for traffic enforcement. Legislation has not yet been



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introduced in this area, and the hearing was for informational purposes.

During testimony the League reiterated its position that although ambiguity exists in current Minnesota law, the Legislature should act now to give cities some limited authority to use administrative fines under some circumstances for low-level moving and equipment violations. Additionally, officials representing the Minnesota Chiefs of Police Association, State Department of Public Safety, and Minnesota County Attorneys Association all urged legislators to consider enacting clarifying legislation in the current session.

State Auditor Rebecca Otto and Solicitor General Al Gilbert (representing the Office of the Attorney General) both testified that clarification of this issue by the Legislature would be helpful.

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

The Minnesota Subprime Borrowers Relief Act of 2009

The Minnesota Subprime Borrowers Relief Act, a bill passed by the House and Senate last session but ultimately vetoed by the governor, is back this year. Similar to the 2008 version, HF 9 authored by Rep. Jim Davnie (DFL – Minneapolis) allows borrowers who obtained a subprime loan between 2001 and 2007 a one-year deferment on foreclosure proceedings if they have sought the assistance of a foreclosure counselor and continue to reside at the home.

Under this Act, borrowers would still be required to make monthly mortgage payments but the payments would be reduced to either the minimum of at least 65 percent of their current monthly payment or the original loan amount before it reset at a higher interest rate. If a borrower fails to make, or is late, on the new payment amount then the deferment is canceled and the lender can continue foreclosure

proceedings. The bill exempts state and federally chartered banks and credit unions.

The bill was introduced early last session and moved quickly through House and Senate committees but was slowed down when it was met with resistance from the Minnesota Bankers Association, Independent Community Bankers of Minnesota, and the Minnesota Chamber of Commerce. The 2008 version for this bill was vetoed by the governor, and it is unclear if the 2009 version will fare any better.

Questions? Contact Hue Nguyen at 651.281.1260 or hnguyen@lmc.org

OSA releases latest TIF report

On Thursday, the Office of State Auditor released its annual report on the use of tax increment financing (TIF) in the state. The report is legislatively mandated, and includes data received from 2,097 unaudited TIF reports for the year ending December 31, 2007. It also provides a summary of violations cited in the limited-scope audits conducted by the OSA in 2008. To review the report, go to http://www.osa.state.mn.us/reports/tif/2007/tiflegislative/tiflegislative_07_report.pdf. Staff will provide a more detailed summary in the next edition of the *LMC Cities Bulletin*.

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