

**Council Meeting**  
**Tuesday, June 1, 2010**  
**City Council Chambers**  
**6:00 p.m.**  
**AGENDA**



6:00 Budget Meeting

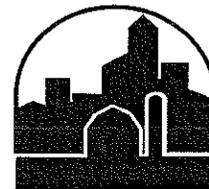
7:30 Regular Meeting

Call to Order  
Pledge of Allegiance

1. Approval of Minutes
  - Council Minutes – May 18, 2010
2. Consent Agenda
  - Minutes
    - Telecommunication Commission – May 25, 2010
3. Department Heads
4. License Applications
  - Windom Lions Club
    - Windom Community Center – July 3, 2010
    - Windom Community Center – July 17, 2010
    - Windom Community Center – July 24, 2010
5. Southwest Regional Development Commission – Jay Trusty
6. Donations
  - Windom Fire Dept – Hy-Vee
7. Regular Bills
8. Contractor Payment
  - Bituminous Paving – Seal Coat \$35,109.60
9. Unfinished Business
10. New Business
11. Council Concerns
12. Adjourn



# 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 *Sean*  
**DATE:** May 27, 2010  
**RE:** June 1<sup>st</sup> Budget Work Session – Prioritization and Sizing Planning

The good news a couple of weeks ago was that the Minnesota Legislature adjourned without another round of LGA cuts in 2010 (we already had been cut \$320,000 this year). However, there are two other imposing issues on the near-term horizon. First, if the State is in deficit at the end of its fiscal year on June 30, 2011 there could be another unallotment. Second, the anticipated State deficit for the next biennium (2012 – 2013) is estimated between \$5 – 8 Billion. Last, the Governor's race will impact LGA, but indications from the major candidates shows that LGA would be considered for further reductions.

As we move into planning for the upcoming 2011 City budget we can be assured that additional cuts or elimination of LGA is highly possible. To address these possibilities our meeting on June 1 is designed as a prioritization of services exercise. After the City Council has prioritized services it can discuss how each of them impacts the budget and scale the size of the services to meet Windom's revenue targets.

Attached is a ranking form with 21 City services or activities that are supported from LGA, property taxes and/or transfers from the enterprise funds. Two of the items are pre-ranked as they are required by our form of government.

Please rank the remaining services prior to the June 1 meeting. At the meeting I will input the data and formulate a summary of everyone's rankings. The City Council can then discuss the summary rankings and make adjustments.

After the final summary ranking is completed the discussion can focus on the costs of the services. All of the services can then be reviewed for sizing. For example, how many police officers or street department workers are necessary and/or can be funded within certain budget restraints. At this time, I am recommending that the City Council focus its discussions on a 2011 budget that is equal to the 2010 amount and a parallel budget that anticipates a \$550,000 reduction in LGA (50% cut in current LGA).

# City Council - June 1, 2010 Budget Work Session

NAME \_\_\_\_\_

1 Highest and 21 Lowest

<u>Department</u>	<u>Priority</u>
Airport	
Ambulance	
Arena	
Animal Control	
City Offices	
City Hall Building	
Community Center	
City Council	2
Economic Development Authority	
Elections	1
Emergency Management	
Fire	
Health\Sanitation	
Legal (general)	
Library	
Parks	
Planning and Zoning	
Police	
Pool	
Recreation	
Streets	

\* Legally required

<u>Department</u>	<u>2010 Budgeted Revenue</u>	<u>2010 Budgeted Expense</u>	<u>LGA, Transfer or Tax Support</u>
Airport	\$ 65,500	\$ 55,890	\$ -
Ambulance	\$ 339,000	\$ 282,593	\$ -
Arena	\$ 159,875	\$ 319,805	\$ (159,930)
Animal Control	\$ 300	\$ 3,900	\$ (3,600)
City Offices	\$ 12,500	\$ 135,640	\$ (123,140)
City Hall Building	\$ -	\$ 38,800	\$ (38,800)
Community Center	\$ 55,825	\$ 256,250	\$ (200,425)
City Council	\$ 22,000	\$ 79,950	\$ (57,950)
Economic Development Authority	\$ 104,450	\$ 224,350	\$ (119,900)
Elections	\$ -	\$ 6,840	\$ (6,840)
Emergency Management	\$ -	\$ 7,690	\$ (7,690)
Fire	\$ 49,000	\$ 114,600	\$ (65,600)
Health\Sanitation	\$ 23,544	\$ 25,500	\$ (1,956)
Legal (general)	\$ -	\$ 850	\$ (850)
Library	\$ 15,400	\$ 166,180	\$ (150,780)
Parks	\$ 16,000	\$ 181,320	\$ (165,320)
Planning and Zoning	\$ 33,000	\$ 134,345	\$ (101,345)
Police	\$ 23,400	\$ 830,000	\$ (806,600)
Pool	\$ 39,150	\$ 76,310	\$ (37,160)
Recreation	\$ 19,000	\$ 38,100	\$ (19,100)
Streets	\$ -	\$ 514,429	\$ (514,429)
<b>Budget Sub-total</b>			\$ (2,581,415)
<b>Other\Misc Income</b>			\$ 50,500
<b>Worker Comp Savings</b>			\$ 1,741
<b>Transfer from Enterprise</b>			\$ 245,000
<b>2010 Use of Reserves</b>			\$ 50,000
<b>Total</b>			\$ (2,234,174)
<b>2010 LGA (current)</b>			\$ 1,100,547
<b>2010 Property Tax Used</b>			\$ (1,133,627)

**Council Meeting**  
**Windom City Hall, Council Chamber**  
**May 18, 2010**  
**7:30 p.m.**

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

2. Roll Call: Mayor: Kirby Kruse

Council Members: Corey Maricle, Robert Messer, Bradley Powers and JoAnn Ray

Council Members Absent: Jean Fast

City Staff Present: Steve Nasby, City Administrator; Bruce Caldwell, Street Superintendent; Aaron Backman, EDA Executive Director; Windom Ambulance Squad; Gerri Burmeister, Hospital Administrator and Jeremy Rolfes, Telecom

Public Present: Dirk Abraham, Cheryl Hanson, Frank Dorpinghaus, Terry Utech and Al Peterson

3. Pledge of Allegiance

4. Approval of Minutes:

**Motion by Maricle second by Powers, to approve the City Council minutes from May 4, 2010 and May 10, 2010. Motion carried 4 – 0.**

5. Consent Agenda:

Kruse said that correspondence from the Good Samaritan Society and minutes were received from the following Boards\Commissions:

- Telecom Commission – April 29, 2010
- Tree Commission – May 5, 2010
- Street Committee – May 6, 2010
- Economic Development Authority – May 10, 2010
- Park & Recreation Commission – May 10, 2010
- Library Board – May 11, 2010
- Planning & Zoning Commission – May 11, 2010

Kruse said that correspondence had also been received from the Office of the Governor of Minnesota.

**Motion by Powers second by Ray, to approve the consent agenda. Motion passed 4–0.**

6. Emergency Medical Service – Proclamation:

Kruse asked Powers to read the EMS proclamation as he is a volunteer on the Windom Ambulance Service. Powers read the proclamation and thanked the Ambulance squad for their service to the community.

**Council member Powers introduced the Resolution No. 2010-14, entitled “CITY OF WINDOM – 2010 EMS WEEK PROCLAMATION” and moved its adoption. The resolution was seconded by Maricle and on roll call vote: Aye: Powers, Ray, Maricle and Messer. Nay: None. Absent: Fast. Resolution passed 4 – 0.**

Tim Hacker, Acting Ambulance Director, thanked the City Council for their recognition, local businesses for their support by allowing employees to serve on the ambulance squad. He also thanked his co-ambulance squad members on their service to the community. He said that in 2009 the Windom Ambulance traveled over 45,000 miles and made 538 runs with their squad of 17 members.

Ray witnessed their efforts first hand and thanked the Ambulance crew for their wonderful help and service.

7. Department Heads:

Bruce Caldwell, Street Superintendent, informed the public that the Street crew is doing patch work around town and that the seal-coaters will be here on Thursday starting our project. He reminded citizens not to park within the posted areas. Caldwell also noted that many ash trees have dropped their leaves recently and this has to do with last week’s frost and not the emerald ash bore so citizens should not rush to get these trees cut down.

Messer said that information on the radio from the Redwood Falls nursery indicated an insect or fungus may be responsible for the leaf drop.

Caldwell reminded citizens to keep their lawns mowed and that some violation letters have been sent out. Also, the city crews will not have the staffing to do some of the extras in mowing and weed control in the business district so Caldwell asked that businesses pay attention to their properties. Last, he encouraged everyone to help keep Windom beautiful.

8. Public Comment:

Cheryl Hanson, Windom Area Chamber of Commerce, updated the public and City Council on the planned Riverfest activities on June 11 – 13 and thanked the City Council and City staff for their support and assistance. She invited the public to participate and enjoy the local events and activities.

Frank Dorpinghaus noted that in the 1980's sodium fluoride was added to the nation's water supply and he found an old label for sodium fluoride. The label noted the health hazards of the chemical. In the air, jet aircraft leave exhaust contrails. In the 1990's these contrails changed to "chem." Trails as the jet exhaust now contained aluminum and barium which are contaminants. In food, the BT toxin is found in genetically engineered food and this toxin does not easily breakdown.

The point of this discussion is to highlight all of the toxins and chemicals in our everyday environment. For an example to illustrate this, rat poison contains .995% inert materials and only .005% poison so it does not take too much to do harm.

9. License Applications:

Kruse said there was an application for a Temporary Liquor License from the Lion's Club for an event at the Windom Community Center on June 5, 2010.

**Motion by Messer, seconded by Maricle, to approve the Temporary Liquor License for the Lion's Club at the Windom Community Center on June 5, 2010. Motion carried 4 – 0.**

Kruse noted the application for an Exempt Permit for a raffle sponsored by the Windom Area Chamber of Commerce for June 20, 2010.

**Motion by Ray, seconded by Powers, to approve the Exempt Permit for the Windom Area Chamber of Commerce sponsored raffle on June 20, 2010. Motion carried 4 – 0.**

Kruse said there were two applications for amplification permits from the Windom Area Chamber of Commerce and the Phat Pheasant Pub relating to Riverfest activities.

**Motion by Powers, seconded by Ray, to approve the amplification permit for the Windom Area Chamber of Commerce on June 12, 2010. Motion carried 4 – 0.**

**Motion by Powers, seconded by Maricle, to approve the amplification permit for the Phat Pheasant Pub on June 11 & 12, 2010. Motion carried 4 – 0.**

10. Call for a Public Hearing – Proposed Revisions to Business Subsidy Policy and Criteria:

Aaron Backman, EDA Executive Director, said that he is requesting that a public hearing be set to discuss proposed changes to the Business Subsidy policy. Windom's current policy needs to be updated to reflect changes made in state law.

**Council member Maricle introduced the Resolution No. 2010-15, entitled "RESOLUTION CALLING FOR A PUBLIC HEARING ON THE PROPOSED REVISIONS TO THE CITY'S BUSINESS SUBSIDY POLICY AND CRITERIA" and moved its adoption. The resolution was seconded by Ray and on roll call vote:**

**Aye: Ray, Maricle, Messer and Powers. Nay: None. Absent: Fast. Resolution passed 4 – 0.**

11. Call for a Public Hearing – Proposed Adoption of a Tax Abatement Program for New Vision Coop:

Backman said that the EDA has been working with New Vision Coop on an expansion project. The project will consist of three phases and the possibility of utilizing tax abatement to assist Phase I and II is being considered by the EDA and the County. Prior to any agreement a public hearing needs to be conducted. This resolution is to set a public hearing for June 15.

**Council member Ray introduced the Resolution No. 2010-16, entitled “RESOLUTION CALLING FOR A PUBLIC HEARING ON THE ESTABLISHMENT OF A TAX ABATEMENT PROGRAM AND THE AWARDED OF A BUSINESS SUBSIDY” and moved its adoption. The resolution was seconded by Maricle and on roll call vote: Aye: Maricle, Messer, Powers and Ray. Nay: None. Absent: Fast. Resolution passed 4 – 0.**

12. Donations:

**Council member Powers introduced the Resolution No. 2010-17, entitled “AUTHORIZATION TO ACCEPT A DONATION FROM THE FRIENDS OF THE WINDOM LIBRARY TO THE WINDOM LIBRARY” and moved its adoption. The resolution was seconded by Ray and on roll call vote: Aye: Messer, Powers, Ray and Maricle. Nay: None. Absent: Fast. Resolution passed 4 – 0.**

**Council member Maricle introduced the Resolution No. 2010-18, entitled “AUTHORIZATION TO ACCEPT A DONATION FROM THE ART GROUP TO THE WINDOM LIBRARY” and moved its adoption. The resolution was seconded by Ray and on roll call vote: Aye: Powers, Ray, Maricle and Messer. Nay: None. Absent: Fast. Resolution passed 4 – 0.**

13. Windom Area Hospital – Bond Maturity Call:

Gerri Burmeister, Hospital CEO, Al Peterson, Board Member and Terry Utech, Board Member introduced themselves. The Hospital is requesting City Council approval to pay off the balance of the current bond early. The first callable date is June 2010 and they will be paying off \$1,933,266.06 consisting of \$1,925,000 in principal and \$8,266.06 interest.

**Council member Powers introduced the Resolution No. 2010-19, entitled “RESOLUTION PROVIDING FOR THE REDEMPTION AND PAYMENT OF \$2,500,000 GROSS REVENUE HOSPITAL BONDS, SERIES 2003” and moved its adoption. The resolution was seconded by Maricle and on roll call vote: Aye: Ray, Maricle, Messer and Powers. Nay: None. Absent: Fast. Resolution passed 4 – 0.**

14. Telecom – Assignment of Interest:

Nasby said that the City (d.b.a. Windomnet) has a contract for goods and/or services with Onvoy and that the Zayo Group has purchased Onvoy. This assignment of interest is being requested to continue the contractual relationship. The assignment of interest agreement has been reviewed by the City Attorney and there were no legal issues if the City Council were to approve the assignment.

**Motion by Messer, seconded by Maricle, to approve the assignment of interest from Onvoy to Zayo Group. Motion carried 4 – 0.**

15. Personnel Committee Recommendations:

Kruse asked Messer, Personnel Committee Chair, to introduce the items for consideration. Messer said the recommendations included the following:

- Establishment of a wage scale for non-union, part-time employees;
- The re-hiring of a maintenance worker position within the Street Department;
- The re-hiring of a position in the Water Department per the recommendation of the Utility Commission; and
- Updates to the City's Personnel Policy as presented in the May 14, 2010 memorandum.

**Motion by Messer, seconded by Powers, to approve all of the recommendations of the Personnel Committee as presented. Motion carried 4 – 0.**

16. Regular Bills:

**Motion by Powers, seconded by Ray, to approve the regular bills. Motion carried 4–0.**

17. Unfinished Business:

None

18. New Business:

Kruse said he had several re-appointments to the Charter Commission. He is requesting the re-appointment of Alice Huebert, Joseph LaCanne and Chuck Severson.

**Motion by Messer, seconded by Maricle, to approve the re-appointments to the Charter Commission as presented. Motion carried 4 – 0.**

19. Council Concerns:

None

Preliminary

20. Adjourn:

**Kruse adjourned the meeting by unanimous consent**

Meeting adjourned at 8:00 p.m.

\_\_\_\_\_  
Kirby Kruse, Mayor

Attest: \_\_\_\_\_  
Steve Nasby, City Administrator

**Telecommunication Commission Minutes**  
**May 25<sup>th</sup> , 2010**

1. Call to Order:

Wendell Woodcock call the meeting to order.

2. Roll Call:

Commission Members Present: Wendell Woodcock, Robert Messer, Virgil Meier, Forrest Fosheim

Commission Members Absent: Corey Maricle

City Staff Present: Dan Olsen, Londa Fosheim, Steve Nasby

Public Present: None

3. Commissioner's concerns:

911 Plan filed

Quest bought out by Centurylink

Need to rewire (RF) headend. Need to get additional bandwidth. Phone side looking at capacity, need to look at how switch is being loaded. Will need to look at labor for support of these other towns. 3400 customers (high end) 2200 – 2300 customers (modeled)

Satellite is crashing, 10 to 12 days of interference possible. 30 Channels may have problems.

Working on Cisco to Adara cutover. ETI wants \$50,000 to cutover billing system. Looking at other avenues instead. Have till June 16<sup>th</sup> to figure out what we are going to do. Azare people are willing to help out if we need it.

HD is having some tiling issues yet. We have a help ticket into Cisco, haven't heard back from them yet.

RUS – Group was formed, group needs to find letter of credit. 2<sup>nd</sup> round should be coming out soon. 1<sup>st</sup> round hasn't received money yet.

4. Toll Meet Discussion:

Between us & a neighboring company. No Toll Fees more so translations. Primarily telephone right now. Every min we get Tariff fee approximately 1 and ¾ cents. Would be a savings of approximately \$1500 to \$2000 if we decide to go with it. Going to keep exploring it with the neighboring company. We already have the switch.

5. Channel Line up:

From the stimulus group, they are making channel line up lists. Questions that will need to be discussed and decided on. Do we want to switch our line up around or keep it the same? Do we want all the towns local channels on our line up too? How flexible to we want to be?

6. Adjourn:

Wendell adjourned the meeting, Virgil 2<sup>nd</sup>.

7. Next Meeting:

June 8<sup>th</sup> 11:30am Council Chambers

**UTILITY COMMISSION MINUTES**  
**City Hall, Council Chamber**  
**April 28, 2010**

**Call Meeting to Order:** The Utility Commission meeting was called to order at 10:00 a.m., on April 28, 2010 in the City Hall Council Chamber.

**Members Present:** Utility Commission Chairperson: Mike Schwalbach

Members Present: Chris Johnson, and Keith Bloomgren

Members Absent: None

City Council Liaison: Jean Fast

Steve Nasby, City Administrator; Brigitte Olson, Assistant City Administrator; Marv Grunig, Electric Utility Manager and Mike Haugen, Water/Wastewater Superintendent

Others Present: None

APPROVE MINUTES

**Motion by Johnson, seconded by Bloomgren, to approve the March 24, 2010 minutes with the following corrections: Page 2, first sentence change “chemicals” to “nutrients” and page 3, remove the sentence in the middle of the page that says “UPES provided the following information on the action to correct the problem.” Motion carried 3-0**

WATER WASTEWATER ITEMS

**Review Consumer Confidence Report** – Haugen reviewed the Consumer Confidence Report with the Utility Commission. Haugen said that drinking water was sampled for the period from January 1, 2009 to December 31, 2009, and that no contaminants were detected at levels that violate federal drinking water standards. The next sampling event for the City of Windom’s drinking water will be in 2012.

**Poet Bio-Refinery Water Contract Update** – Haugen said that the revised water contract was approved by the City Council. Nasby reported that the check for debt retirement in the amount of \$484,000.00 has been received by the City of Windom to fulfill the terms of the contract to reduce the debt for the filter plant. The check has been sent to the Minnesota Public Facility Authority to reduce the debt at a savings of interest to the City of Windom in the amount of \$92,000. Nasby also said that a check for \$57,385.78 has been received to pay for the water minimums for 2009 according to the revised contract.

**Red Rock Rural Water** - Haugen and Nasby said that they had a conversation with Dominic Jones, Manager for Red Rock Rural Water Systems, regarding the possibility of contracting for a 20 million gallon reserve for their water usage for each of the next two years. Nasby indicated that at the present time a signed contract could not be located between Red Rock Rural Water and the City of Windom. Nasby added that the relationship between Red Rock and the City of Windom has been beneficial to both parties. Discussion for this will continue for the next several months.

**Water Rates** – Haugen asked the commission if they were interested in reviewing water rates. Schwalbach said that he was interested in reviewing the rates; however he thought that the cost of production should be reviewed according to other cities with comparable facilities to make sure that we are operating the plant efficiently.

#### OTHER WATER/WASTEWATER ITEMS

- **Towlerton Motors Property** – Haugen said that he hasn't heard anything more from Minnesota Pollution Control Agency regarding the contamination at the Towlerton Motors Property, but said that he would keep the Utility Commission informed.
- **City Monitoring Wells** – Haugen said that all of the City of Windom monitoring wells were tested at the landfill site, as the static levels were high enough this year.
- **Haul Biosolids** – Haugen said that biosolids were hauled to the rental property that Scott Veenker farms, the property is owned by the City of Windom's EDA.

**Water/Wastewater Personnel** – Haugen said that Lee Peterson has provided the City of Windom with a retirement date, which is May 31, 2010. Haugen went on to say that there may be another retirement in the near future in that department.

Schwalbach was concerned if the City of Windom did not replace the retiring employee we would lose some longevity in the future given the years of service of the present employees, which he feels is invaluable. Fast said that she felt strongly about nepotism within City of Windom employees. After lengthy discussion the following motion was made.

**Motion by Bloomgren, seconded by Johnson to recommend to the Personnel Committee that the foreman position for the Water Department be posted internally, as soon as possible for the mandatory five (5) days posting. If there are no internal applications then the department should advertise for that position. If the position is filled internally then the position of water operator should be advertised as soon as possible. Motion carried 3-0.**

#### ELECTRIC ITEMS

**Minimum Demand Meter Charges** – Grunig said that in 2005 the rate structure for demand metering was changed to eliminate the charge of 50% minimum for the eleven month high



- It requires that in Certificate of Need (CON) proceedings for a new energy facility, the MPUC would be required to evaluate whether energy efficiencies exceed the state CIP goals
- It requires that in CON proceedings for a new energy facility, the MPUC would be required to evaluate whether renewable resources would be preferred over a new fossil fuel facility regardless of whether the utility has already met or exceeded the RES.
- Each utility must show it is in compliance with the RES and CIP goals, and whether exceeding each utility's CIP goals or RES mandated would be a better approach.

It was determined by Representative Kalin that there were too many problems with this bill and should be re-written. There was another hearing scheduled for April 20, 2010, and the same results were determined.

MMUA will be working on behalf of municipal utilities to encourage energy efficiencies, reduce use of fossil fuels, to develop renewable energy resource and reduce emissions of greenhouse gasses.

#### OTHER ELECTRICAL ITEMS

Grunig reviewed the upcoming and or completed projects by his department:

- Replace old and failed underground service on River Road from 15<sup>th</sup> Avenue to 18<sup>th</sup> Avenue.
- New electric service to the Happy Chef Restaurant
- New electric service to Elite Mechanical, owned by Travis Hodkin
- New service to Dick's Welding which includes a new warehouse and possible storage buildings
- New electric service to New Vision Elevator
- Re-energizing the former Tri-State Petroleum Station
- Compressed Air audit done at Toro Manufacturing

**Bucket Truck** - Grunig said that he is receiving bids for the bucket truck, and indicated that he has a trade in price on this truck. Grunig also said that the new bucket truck is scheduled for delivery the first week in May, 2010.

#### REGULAR BILLS

None

#### OLD BUSINESS

None

#### NEW BUSINESS

The next regularly schedule meeting will be for May 26, 2010 at 10:00 in the City Hall Council Chambers.

By general consensus the meeting was adjourned at 11:50 p.m.

\_\_\_\_\_  
Mike Schwalbach, Commission Chairperson

Attest: \_\_\_\_\_  
Steve Nasby, City Administrator



Minnesota Department of Public Safety  
**ALCOHOL AND GAMBLING ENFORCEMENT DIVISION**  
 444 Cedar Street Suite 222, St. Paul MN 55101-5133  
 (651) 201-7507 Fax (651) 297-5259 TTY (651) 282-6555  
 WWW.DPS.STATE.MN.US



Taid  
 5/27/10  
 # 7855:  
 Clk 207  
 25.00

APPLICATION AND PERMIT  
 FOR A 1 TO 4 DAY TEMPORARY ON-SALE LIQUOR LICENSE

TYPE OR PRINT INFORMATION

NAME OF ORGANIZATION <i>WINDOM LIONS CLUB</i>		DATE ORGANIZED <i>4-14-71</i>	TAX EXEMPT NUMBER <i>E41-6175799</i>	
STREET ADDRESS <i>PO BOX 72</i>		CITY <i>WINDOM</i>	STATE <i>MIN</i>	ZIP CODE <i>56101</i>
NAME OF PERSON MAKING APPLICATION <i>DAVE BROCKMAN</i>		BUSINESS PHONE <i>(507) 831-0336</i>	HOME PHONE <i>(507) 831-5435</i>	
DATES LIQUOR WILL BE SOLD <i>7-3-2010</i>		TYPE OF ORGANIZATION <input checked="" type="checkbox"/> CLUB <input type="checkbox"/> CHARITABLE <input type="checkbox"/> RELIGIOUS <input type="checkbox"/> OTHER NONPROFIT		
ORGANIZATION OFFICER'S NAME <i>DAVE CARROLL - PRES</i>		ADDRESS <i>46380 405th St WINDOM, MN 56101</i>		
ORGANIZATION OFFICER'S NAME <i>STEVE NASSBY - SEC</i>		ADDRESS <i>707 16th St WINDOM, MN 56101</i>		
ORGANIZATION OFFICER'S NAME <i>DAVE BROCKMAN - TREAS</i>		ADDRESS <i>837 DES MOINES DR. WINDOM, MN 56101</i>		

Location license will be used. If an outdoor area, describe

*WINDOM COMMUNITY CENTER*

Will the applicant contract for intoxicating liquor service? If so, give the name and address of the liquor licensee providing the service.

*No*

Will the applicant carry liquor liability insurance? If so, please provide the carrier's name and amount of coverage.

*HENORICKSON AGENCY, EDEN PRAIRIE MN 1M/2M*

**APPROVAL**

**APPLICATION MUST BE APPROVED BY CITY OR COUNTY BEFORE SUBMITTING TO ALCOHOL & GAMBLING ENFORCEMENT**

CITY/COUNTY \_\_\_\_\_

DATE APPROVED \_\_\_\_\_

CITY FEE AMOUNT \_\_\_\_\_

LICENSE DATES \_\_\_\_\_

DATE FEE PAID \_\_\_\_\_

SIGNATURE CITY CLERK OR COUNTY OFFICIAL \_\_\_\_\_

APPROVED DIRECTOR ALCOHOL AND GAMBLING ENFORCEMENT \_\_\_\_\_

NOTE: Submit this form to the city or county 30 days prior to event. Forward application signed by city and/or county to the address above. If the application is approved the Alcohol and Gambling Enforcement Division will return this application to be used as the License for the event



Minnesota Department of Public Safety  
**ALCOHOL AND GAMBLING ENFORCEMENT DIVISION**  
 444 Cedar Street Suite 133, St. Paul, MN 55101-5133  
 (651) 201-7507 Fax (651) 297-5259 TTY (651) 282-6555  
 WWW.DPS.STATE.MN.US



Form 512.7116  
 #78555  
 CK2076  
 25-00

**APPLICATION AND PERMIT  
 FOR A 1 TO 4 DAY TEMPORARY ON-SALE LIQUOR LICENSE**

TYPE OR PRINT INFORMATION

NAME OF ORGANIZATION <i>WINDOM LIONS CLUB</i>		DATE ORGANIZED <i>4-14-71</i>	TAX EXEMPT NUMBER <i>E41-6175799</i>	
STREET ADDRESS <i>PO BOX 72</i>		CITY <i>WINDOM</i>	STATE <i>MINN</i>	ZIP CODE <i>56101</i>
NAME OF PERSON MAKING APPLICATION <i>DAVE BROUDMAN</i>		BUSINESS PHONE <i>(507) 831-0336</i>	HOME PHONE <i>(507) 831-5435</i>	
DATES LIQUOR WILL BE SOLD <i>7-17-2010</i>		TYPE OF ORGANIZATION <input checked="" type="checkbox"/> CLUB <input type="checkbox"/> CHARITABLE <input type="checkbox"/> RELIGIOUS <input type="checkbox"/> OTHER NONPROFIT		
ORGANIZATION OFFICER'S NAME <i>DAVE CARROLL - PRES</i>		ADDRESS <i>46380 405th St Windom, MN 56101</i>		
ORGANIZATION OFFICER'S NAME <i>STEVE HASBY - SEC</i>		ADDRESS <i>707 16th St Windom, MN 56101</i>		
ORGANIZATION OFFICER'S NAME <i>DAVE BROUDMAN - TREAS.</i>		ADDRESS <i>837 DES MOINES DR Windom, MN 56101</i>		
Location license will be used. If an outdoor area, describe  <i>WINDOM COMMUNITY CENTER</i>				
Will the applicant contract for intoxicating liquor service? If so, give the name and address of the liquor licensee providing the service.  <i>No</i>				
Will the applicant carry liquor liability insurance? If so, please provide the carrier's name and amount of coverage. <i>Meridian Agency, Egan, MN 1m/2m</i>				
<b>APPROVAL</b>				
<b>APPLICATION MUST BE APPROVED BY CITY OR COUNTY BEFORE SUBMITTING TO ALCOHOL &amp; GAMBLING ENFORCEMENT</b>				
CITY/COUNTY _____		DATE APPROVED _____		
CITY FEE AMOUNT _____		LICENSE DATES _____		
DATE FEE PAID _____		_____		
SIGNATURE CITY CLERK OR COUNTY OFFICIAL _____		APPROVED DIRECTOR ALCOHOL AND GAMBLING ENFORCEMENT _____		

NOTE: Submit this form to the city or county 30 days prior to event. Forward application signed by city and/or county to the address above. If the application is approved the Alcohol and Gambling Enforcement Division will return this application to be used as the License for the event

#78555

CK 2076

25.00



Minnesota Department of Public Safety  
**ALCOHOL AND GAMBLING ENFORCEMENT DIVISION**  
 444 Cedar Street Suite 133, St. Paul MN 55101-5133  
 (651) 201-7507 Fax (651) 297-5259 TTY (651) 282-6555  
 WWW.DPS.STATE.MN.US



**APPLICATION AND PERMIT**  
**FOR A 1 TO 4 DAY TEMPORARY ON-SALE LIQUOR LICENSE**

TYPE OR PRINT INFORMATION

NAME OF ORGANIZATION <b>WINDOOM LIONS CLUB</b>		DATE ORGANIZED <b>4-14-71</b>	TAX EXEMPT NUMBER <b>E41-6175799</b>	
STREET ADDRESS <b>PO BOX 72</b>		CITY <b>WINDOOM</b>	STATE <b>MINN</b>	ZIP CODE <b>56101</b>
NAME OF PERSON MAKING APPLICATION <b>DAVE BROCKMAN</b>		BUSINESS PHONE <b>(507) 831-0336</b>	HOME PHONE <b>(507) 831-5435</b>	
DATES LIQUOR WILL BE SOLD <b>7-24-10</b>		TYPE OF ORGANIZATION <input checked="" type="checkbox"/> CLUB <input type="checkbox"/> CHARITABLE <input type="checkbox"/> RELIGIOUS <input type="checkbox"/> OTHER NONPROFIT		
ORGANIZATION OFFICER'S NAME <b>DAVE CARROLL - PRES</b>		ADDRESS <b>46380 405th St Windoom, MN 56101</b>		
ORGANIZATION OFFICER'S NAME <b>STEVE NASSBY - SEC.</b>		ADDRESS <b>707 16th St Windoom, MN 56101</b>		
ORGANIZATION OFFICER'S NAME <b>DAVE BROCKMAN - TREAS</b>		ADDRESS <b>837 Des Moines Dr Windoom, MN 56101</b>		
Location license will be used. If an outdoor area, describe				
<b>WINDOOM COMMUNITY CENTER</b>				
Will the applicant contract for intoxicating liquor service? If so, give the name and address of the liquor licensee providing the service.				
<b>No</b>				
Will the applicant carry liquor liability insurance? If so, please provide the carrier's name and amount of coverage.				
<b>HEWDRICUSON AGENCY, EMIN PRARIE MN 1M/2M</b>				
<b>APPROVAL</b>				
<b>APPLICATION MUST BE APPROVED BY CITY OR COUNTY BEFORE SUBMITTING TO ALCOHOL &amp; GAMBLING ENFORCEMENT</b>				
CITY/COUNTY _____		DATE APPROVED _____		
CITY FEE AMOUNT _____		LICENSE DATES _____		
DATE FEE PAID _____				
SIGNATURE CITY CLERK OR COUNTY OFFICIAL _____		APPROVED DIRECTOR ALCOHOL AND GAMBLING ENFORCEMENT _____		

NOTE: Submit this form to the city or county 30 days prior to event. Forward application signed by city and/or county to the address above. If the application is approved the Alcohol and Gambling Enforcement Division will return this application to be used as the License for the event

**RESOLUTION #2010-**

**INTRODUCED:**

**SECONDED:**

**VOTED:**     **Aye:**  
              **Nay:**  
              **Absent:**

**AUTHORIZATION TO ACCEPT A DONATION FROM  
HY-VEE FOOD STORE FOR THE  
WINDOM FIRE DEPARTMENT**

---

**WHEREAS,** Minnesota State Statute §465.03 requires that any city accepting a grant or gift of real or personal property shall accept such by resolution of the governing body expressing the terms prescribed by the donor; and

**WHEREAS,** in May, 2010, the City of Windom received a donation from Hy-Vee Food Store in the amount of \$500.00 for the Windom Fire Department; and

**WHEREAS,** the donation requires that the funds be used towards the Windom Fire Hall Fund for the expansion of the current Windom Fire Hall structure.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF WINDOM, MINNESOTA,** that the City Council accepts the donation in the amount of \$500.00 offered by Hy-Vee Food Store for use by the Windom Fire Department upon the terms set forth herein.

Adopted by the Council this 1<sup>st</sup> day of June, 2010.

\_\_\_\_\_  
Kirby G. Kruse, Mayor

Attest: \_\_\_\_\_  
Steven Nasby, City Administrator

CITY OF WINDOM  
 FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
MAYOR & COUNCIL	CONVENT. & VISTOR BU	LODGING TAX	961.40
	Total for Department 101		961.40*
CITY HALL	COTTONWOOD COUNTY SO	RECYCLING PICK UP	12.00
CITY HALL	MN ENERGY RESOURCES	HEATING	153.39
	Total for Department 115		165.39*
FIRE DEPARTMENT	QUEST	TELEPHONE	58.86
FIRE DEPARTMENT	PAMIDA	SUPPLIES	89.77
FIRE DEPARTMENT	CARQUEST AUTO PARTS	MAINTENANCE	11.75
	Total for Department 125		160.38*
STREET	QUEST	TELEPHONE	58.86
STREET	CARQUEST AUTO PARTS	MAINTENANCE	14.30
	Total for Department 140		73.16*
HEALTH & SANITATION	NEAL GRUNEWALD	COMPOST SITE MANAGER	160.00
	Total for Department 145		160.00*
RECREATION	MN RECREATION & PARK DUES		45.00
RECREATION	CARQUEST AUTO PARTS	MAINTENANCE	17.68
	Total for Department 150		62.68*
GENERAL	I.C.U.	REFUND - NON-USE OF ISLA	80.00
	Total for Department 201		80.00*
	Total for Fund 01		1,663.01*
LIBRARY	GE MONEY BANK/AMAZON	SUBSCRIPTION	87.38
LIBRARY	COTTONWOOD COUNTY SO	RECYCLING PICK UP	30.00
LIBRARY	MN CITY/COUNTY MANAG	REGISTRATION	97.54
LIBRARY	MN ENERGY RESOURCES	HEATING	38.43
LIBRARY	MN MOMENTS	SUBSCRIPTION	22.00
	Total for Department 171		275.35*
	Total for Fund 03		275.35*
POOL	MN RECREATION & PARK DUES		45.00
	Total for Department 175		45.00*
	Total for Fund 12		45.00*
AMBULANCE	BLUE CROSS/BLUE SHIE	REFUND	1,872.75
AMBULANCE	CITIZEN PUBLISHING C	ADVERTISING	130.50
AMBULANCE	QUEST	TELEPHONE	58.87
AMBULANCE	KIM POWERS	EXPENSE	22.39
	Total for Department 176		2,084.51*
	Total for Fund 13		2,084.51*
MULTI-PURPOSE BUILDI	MN ENERGY RESOURCES	HEATING	310.50

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
		Total for Department 177	310.50*
		Total for Fund 14	310.50*
LIQUOR	COCA-COLA BOTTLING C	MERCHANDISE	315.20
LIQUOR	BANK MIDWEST	NSF CHECK	69.00
		Total for Department 180	384.20*
		Total for Fund 60	384.20*
WATER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	131.25
WATER	MIDWEST DATA, INC	SPECIAL SERVICES	326.64
WATER	MIDWEST DATA, INC	UTILITY BILL - SERVICES	804.77
WATER	QUEST	TELEPHONE	58.87
WATER	MN ENERGY RESOURCES	HEATING	370.44
		Total for Department 181	1,691.97*
		Total for Fund 61	1,691.97*
		SECR REV FUND/CITY O REFUND - UTILITY PREPAYM	500.00
	BRYAN PERREAULT	REFUND - STATEMENT CREDI	.11
	BRYAN PERREAULT	REFUND-UTILITY PREPAYMEN	125.00
	GEORGE ROBINSON	REFUND-UTILITY PREPAYMEN	125.00
	KIM SHEFTE	REFUND - UTILITY PREPAYM	125.00
		Total for Department	875.11*
ELECTRIC	CENTRAL MINNESOTA MU	POWER COST	199,294.71
ELECTRIC	WDR - DEPUTY REGISTR	LICENSE TABS	4,104.70
ELECTRIC	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	131.25
ELECTRIC	MIDWEST DATA, INC	UTILITY BILL - SERVICES	1,659.86
ELECTRIC	Verizon Wireless	TELEPHONE	26.52
ELECTRIC	QUEST	TELEPHONE	55.41
ELECTRIC	MN ENERGY RESOURCES	HEATING	18.17
ELECTRIC	CARQUEST AUTO PARTS	MAINTENANCE	88.54
ELECTRIC	BANK MIDWEST	NSF CHECK	108.28
ELECTRIC	BRYAN PERREAULT	REFUND - STATEMENT CREDI	1.65
		Total for Department 182	205,489.09*
		Total for Fund 62	206,364.20*
SEWER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	131.25
SEWER	MIDWEST DATA, INC	UTILITY BILL - SERVICES	804.77
SEWER	QUEST	TELEPHONE	192.21
SEWER	MN ENERGY RESOURCES	HEATING	36.17
SEWER	CARQUEST AUTO PARTS	MAINTENANCE	6.40
		Total for Department 183	1,170.80*
		Total for Fund 63	1,170.80*
ARENA	Verizon Wireless	TELEPHONE	81.78

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
ARENA	MN RECREATION & PARK DUES		45.00
	Total for Department 184		126.78*
	Total for Fund 64		126.78*
ECONOMIC DEVELOPMENT	Verizon Wireless	TELEPHONE	21.49
ECONOMIC DEVELOPMENT	MN ENERGY RESOURCES	HEATING	19.42
	Total for Department 187		40.91*
	Total for Fund 67		40.91*
RIVERBLUFF ESTATES	BRADY POWERS	MOWING	220.00
RIVERBLUFF ESTATES	CARQUEST AUTO PARTS	MAINTENANCE	29.71
	Total for Department 166		249.71*
	Total for Fund 68		249.71*
	EAGLE AG	REFUND-STATEMENT CREDIT	2.43
	BRYAN PERREAULT	REFUND - STATEMENT CREDI	.40
	GEORGE ROBINSON	REFUND - STATEMENT CREDI	4.98
	STRONGHOLD COUNSELIN	REFUND-STATEMENT CREDIT	.16
	Total for Department		7.97*
TELECOMMUNICATIONS	DLT SOLUTIONS INC	SERVICE	280.80
TELECOMMUNICATIONS	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	393.75
TELECOMMUNICATIONS	MIDWEST DATA, INC	UTILITY BILL - SERVICES	1,760.43
TELECOMMUNICATIONS	RPD TV	SUBSCRIBERS	196.66
TELECOMMUNICATIONS	JEREMY ROLFES	SERVICE INTERNET	50.94
TELECOMMUNICATIONS	SECR REV FUND/CITY O	POSTAGE	9.50
TELECOMMUNICATIONS	EAGLE AG	REFUND-STATEMENT CREDIT	75.83
TELECOMMUNICATIONS	BRYAN PERREAULT	REFUND - STATEMENT CREDI	5.96
TELECOMMUNICATIONS	GEORGE ROBINSON	REFUND - STATEMENT CREDI	112.96
TELECOMMUNICATIONS	STRONGHOLD COUNSELIN	REFUND-STATEMENT CREDIT	2.36
TELECOMMUNICATIONS	TENNIE THOMPSON	REFUND - STATEMENT CREDI	2.66
	Total for Department 199		2,891.85*
	Total for Fund 69		2,899.82*
	AFLAC	INSURANCE	397.84
	LAW ENFORCMENT LABOR UNION DUES		252.00
	LOCAL UNION #949	UNION DUES	1,558.56
	MN BENEFIT ASSOCIATI	INSURANCE	114.18
	Total for Department		2,322.58*
	Total for Fund 70		2,322.58*
	Grand Total		219,629.34*

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
MAYOR & COUNCIL	COMMUNITY CENTER	RENT	300.00
		Total for Department 101	300.00*
P & Z / BUILDING OFF	JIM KARTES	EXPENSE	8.00
		Total for Department 106	8.00*
LEGAL	MCDONALD & SCHRAMMEL	LEGAL SUPPLIES	17.50
		Total for Department 110	17.50*
CITY HALL	J & G THE BOILER GUY	MOWING	37.50
		Total for Department 115	37.50*
POLICE	KENT F. KELLY	EXPENSE	146.05
POLICE	FLEET SERVICES DIVIS	LEASE CAR	2,482.80
POLICE	UNICEL	TELEPHONE	183.61
		Total for Department 120	2,812.46*
STREET	AMOCO OIL COMPANY	GAS	559.55
STREET	AMOCO OIL COMPANY	VOLUME DISCOUNT	-6.56
STREET	NAPA AUTO PARTS	MAINTENANCE	51.58
		Total for Department 140	604.57*
PARKS	NAPA AUTO PARTS	MAINTENANCE	2.75
		Total for Department 165	2.75*
GENERAL	EAGLE APPLIANCE RECY	APPLIANCE PICK UP FEE	1,835.00
GENERAL	NANCY BALACH	REFUND - SPRING CLEAN UP	10.00
GENERAL	DOROTHY FUNDAHN	REFUND-SPRING CLEAN UP T	45.00
GENERAL	ALTON GOHMAN	REFUND - SPRING CLEAN UP	10.00
GENERAL	DON HOPPE	REFUND- SPRING CLEAN UP	10.00
GENERAL	MARY ANN LETOURNEAU	REFUND-SPRING CLEAN UP T	10.00
GENERAL	DOROTHY VOLLAN	REFUND-SPRING CLEAN UP T	10.00
GENERAL	VICKY ZIMMER	REFUND-SPRING CLEAN UP T	10.00
		Total for Department 201	1,940.00*
		Total for Fund 01	5,722.78*
AIRPORT	MN DEPT OF ADMINISTR	TELEPHONE	45.68
		Total for Department 174	45.68*
		Total for Fund 11	45.68*
LIQUOR	BEVERAGE WHOLESALERS	MERCHANDISE	3,998.75
LIQUOR	HAGEN DISTRIBUTING	MERCHANDISE	4,232.05
LIQUOR	A H HERMEL CANDY & T	MERCHANDISE	419.24
LIQUOR	MN DEPT OF AGRICULTU	LICENSE	77.00
LIQUOR	MN ENERGY RESOURCES	HEATING	66.49
LIQUOR	QUALITY WINE SPIRITS	MERCHANDISE	3,678.43
LIQUOR	BANK MIDWEST	NSF CHECK	57.60
		Total for Department 180	12,529.56*

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
Total for Fund 60			12,529.56*
WATER	AMUNDSON DIG	MAINTENANCE	422.50
WATER	DATA-PAC MAILING SYS	MAIL METER RENTAL	52.25
WATER	MICHEAL HAUGEN	EXPENSE	12.83
WATER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	150.00
WATER	MN DEPT OF HEALTH	REGISTRATION	60.00
WATER	NAPA AUTO PARTS	MAINTENANCE	8.41
Total for Department 181			705.99*
Total for Fund 61			705.99*
	ODDSON UNDERGROUND	SERVICE	26,578.50
Total for Department			26,578.50*
ELECTRIC	AMOCO OIL COMPANY	GAS	374.37
ELECTRIC	DATA-PAC MAILING SYS	MAIL METER RENTAL	52.25
ELECTRIC	MARV GRUNIG	EXPENSE	442.20
ELECTRIC	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	150.00
ELECTRIC	NAPA AUTO PARTS	MAINTENANCE	103.23
ELECTRIC	PLASTIC TECHNIQUES,	MAINTENANCE	154.42
ELECTRIC	BANK MIDWEST	NSF CHECK	63.16
Total for Department 182			1,339.63*
Total for Fund 62			27,918.13*
SEWER	AMOCO OIL COMPANY	GAS	205.80
SEWER	DATA-PAC MAILING SYS	MAIL METER RENTAL	52.25
SEWER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	150.00
SEWER	NAPA AUTO PARTS	MAINTENANCE	505.29
Total for Department 183			913.34*
Total for Fund 63			913.34*
ARENA	AMOCO OIL COMPANY	GAS	44.12
ARENA	AL BALOUN	EXPENSE-MERCHANDISE	93.00
ARENA	MN ENERGY RESOURCES	HEATING	118.71
Total for Department 184			255.83*
Total for Fund 64			255.83*
	ELECTRIC FUND	LOAN PAYMENT TO ELEC SPE	680.81
	BANK MIDWEST	LOAN PAYMENT	1,209.99
Total for Department			1,890.80*
ECONOMIC DEVELOPMENT	ELECTRIC FUND	LOAN PAYMENT TO ELEC SPE	268.68
ECONOMIC DEVELOPMENT	BANK MIDWEST	LOAN PAYMENT	2,790.01
ECONOMIC DEVELOPMENT	CAPITAL LIEN RECORDS	ABSTRACT 25.688.0290	400.00
ECONOMIC DEVELOPMENT	CAPITAL LIEN RECORDS	ABSTRACT 25.688.0310	400.00
Total for Department 187			3,858.69*

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
Total for Fund 67			5,749.49*
RIVERBLUFF ESTATES	COTTONWOOD CO TREASU	DEED TAX	33.00
RIVERBLUFF ESTATES	MCDONALD & SCHRAMEL	LEGAL FEES/WARRANTY DEED	260.00
RIVERBLUFF ESTATES	NAPA AUTO PARTS	MAINTENANCE	29.70
Total for Department 166			322.70*
Total for Fund 68			322.70*
TELECOMMUNICATIONS	CITY OF WINDOM	USAC PAYMENT TO WINDOM S	1,553.19
TELECOMMUNICATIONS	DATA-PAC MAILING SYS	MAIL METER RENTAL	156.75
TELECOMMUNICATIONS	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	450.00
TELECOMMUNICATIONS	QUEST	TELEPHONE	98.77
TELECOMMUNICATIONS	MN ENERGY RESOURCES	HEATING	18.00
TELECOMMUNICATIONS	BANK MIDWEST	NSF CHECK	74.12
Total for Department 199			2,350.83*
Total for Fund 69			2,350.83*
JOHNSON COUNTY COURT PAYROL DEDUCTION CDDMO13			1,202.00
Total for Department			1,202.00*
Total for Fund 70			1,202.00*
Grand Total			57,716.33*

USDA-FmHA  
Form FmHA 1924-18

**PARTIAL PAYMENT ESTIMATE**

CONTRACT NO. 045-17  
PARTIAL PAYMENT ESTIMATE FINAL

PAGE 1 OF 2

OWNER: CITY OF WINDOM  
2010 SEAL COAT

CONTRACTOR:  
BITUMINOUS PAVING  
ORTONVILLE, MN 56278

PERIOD OF ESTIMATE  
FROM TO  
5/21/2010 5/21/2010

**CONTRACT CHANGE ORDER SUMMARY**

**ESTIMATE**

NO.	FmHA Approval Date	Amount			
		Additions	Deductions		
1				1. Original Contract.....	\$39,425.00
2				2. Change Orders.....	\$0.00
3				3. Revised Contract (1+2).....	\$39,425.00
4				4. Work Completed*.....	\$35,109.60
5				5. Stored Materials*.....	
6				6. Subtotal (4+5).....	\$35,109.60
7				7. Retainage*.....	\$0.00
8				8. Previous Payments.....	\$0.00
9				9. Amount Due (6-7-8).....	\$35,109.60
10					
TOTALS		\$0.00	\$0.00		
NET CHANGE		\$0.00			

\* Detailed breakdown attachment

**CONTRACT TIME**

Original (days)		Starting Date	21-May-10
Revised		Projected Completion	21-May-10
Remaining		On Schedule <input type="checkbox"/> Yes <input type="checkbox"/> No	

**CONTRACTOR'S CERTIFICATION:**

The undersigned Contractor certifies that to the best of their knowledge, information and belief the work covered by this payment estimate has been completed in accordance with the contract documents, that all amounts have been paid by the contractor for work which previous payment estimates was issued and payments received from the owner, and that current payment shown herein is now due.

BITUMINOUS PAVING  
ORTONVILLE, MN

By: Brendley [Signature]  
Date: 5-25-2010

**ARCHITECT OR ENGINEER'S CERTIFICATION:**

The undersigned certifies that the work has been carefully inspected and to the best of their knowledge and belief, the quantities shown in this estimate are correct and the work has been performed in accordance with the contract documents.

Architect or Engineer: WENCK ASSOCIATES

By: Lesly Mueller [Signature]  
Date: 5/25/10

**APPROVED BY OWNER**

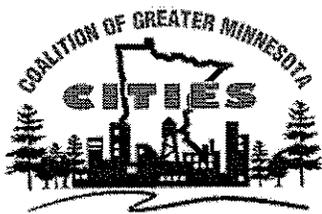
Owner: CITY OF WINDOM  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

**ACCEPTED BY FmHA:**

The review and acceptance of this estimate by FmHA does not attest to the correctness of the quantities shown or that the work has been performed in accordance with the contract documents.  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

2010 SEAL COAT WINDOW, MINNESOTA 56101		CONTRACT		THIS PERIOD		TOTAL TO DATE	
ITEM	APPROX. QUANTITY	UNIT	COST	AMOUNT	QUANTITY	AMOUNT	AMOUNT
BITUMINOUS MATERIAL	6500	GAL	\$ 3.85	\$ 25,025.00	6000	\$ 23,100.00	\$ 23,100.00
RED ROCK	300	TON	\$ 48.00	\$ 14,400.00	205.2	\$ 9,849.60	\$ 9,849.60
CRS2P	0	GAL	\$ 3.60	-	600	\$ 2,160.00	\$ 2,160.00
TOTAL				\$ 39,425.00		\$ 35,109.60	\$ 35,109.60

PAY REQUEST FINAL



Coalition of Greater Minnesota Cities  
**CGMC in Brief**

May 27, 2010

Contact: Tim Flaherty  
651-225-8840

**State auditor releases annual report on local government lobbying expenditures**

On Wednesday, State Auditor Rebecca Otto released the annual report on local government lobbying. This report examines local government lobbying expenditures for 2009 made by cities, counties, school districts, various associations, and other units of local government. The report attempts to include costs related to in-house staff, contract lobbying, and dues to local government associations that lobby. Overall, the report showed a 3.9% increase in lobbying spending by local governments.

As in past years, CGMC spent the greatest amount on lobbying compared to other local government associations. Our lobbying costs however, declined from 2008 compared with 2009.

It is possible that you may be contacted by local media to comment on the report. Here are a couple of points to keep in mind as you respond.

- State government makes countless decisions that impact how your city delivers services to residents. Associations such as CGMC help give context for lawmakers as they make those decisions.
- Aggressive lobbying and media advocacy helped prevent deeper cuts to cities this year—such as those the governor had proposed—and are therefore keeping property taxes lower and preventing even more significant cuts in local services.
- Unlike city officials in the metro area, it is not as easy for greater Minnesota city officials to visit the Capitol on a regular basis. Being part of an organization that speaks on behalf of greater Minnesota is the most efficient way to ensure that our community's voice is being heard at the Capitol.

If you have any questions regarding the report or receive an inquiry from the press, please contact Tim Flaherty at [tpflaherty@flaherty-hood.com](mailto:tpflaherty@flaherty-hood.com).

**CGMC barnstorms southern MN media**

CGMC lobbyist Tim Flaherty, senior policy analyst Steve Peterson, and senior media advisor Glen Fladeboe are touring southern Minnesota media outlets this week speaking with newspaper editors, reporters, and the public about the importance of local government aid, how it relates to the state budget, and the types of questions community leaders should be asking the gubernatorial candidates as they tour the state. Cities on the tour include Winona, Rochester, Albert Lea, New Ulm, Worthington, and Mankato. A



similar tour is planned for northern Minnesota in the coming weeks. These visits will help position LGA as important issue during the 2010 election cycle and as the legislature wrestles with the budget in 2011.

### **DEED “Road Show” tour dates announced**

On Tuesday, DEED announced the summer schedule for its annual “Road Show” tour across the state. DEED’s tour, led by agency commissioner Dan McElroy and other agency staff, will visit 11 cities across the state, starting June 22 in Rochester. This year’s theme is “New Tools for New Times.”

These tour dates offer local elected officials and others an opportunity to learn more about the agency’s economic development tools, including the recently passed Angel tax credit, Research and Development tax credit, local energy improvement programs, and others. DEED will also give an overview of the 2010 legislative session as it pertains to economic development and job growth.

DEED’s road show is an excellent opportunity to interact with top DEED staff about your specific economic development needs and plans. Click [here](#) to learn more about the DEED tour, or to register for a meeting near you.

### **RSVP for CGMC’s annual breakfast at League conference in St. Cloud**

Join your fellow city officials and CGMC staff at the annual CGMC breakfast at the League of Minnesota Cities conference in St. Cloud for a brief recap of the 2010 legislative session and a preview of the summer conference in Winona. This will be a great opportunity to hear about the challenges that will be facing cities in 2011 and to begin discussing ways to address them. The meeting will be held Friday, June 25 at 7:00 a.m. in the Wilson Suite of the St. Cloud Civic Center; breakfast will be served. CGMC members are encouraged to invite non-members who might be interested in learning more about the CGMC.

Please RSVP for the CGMC breakfast with Colleen Millard at [cfmillard@flaherty-hood.com](mailto:cfmillard@flaherty-hood.com).





# Coalition of Greater Minnesota Cities CGMC in Brief

May 20, 2010

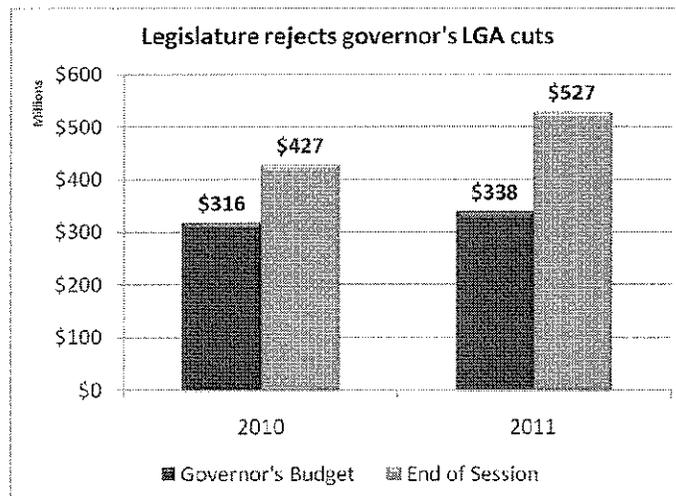
Contact: Tim Flaherty  
651-225-8840

## Budget deal protects LGA, sets stage for next session

As we informed members on Monday, the legislature and governor came to a budget agreement that protects LGA from further cuts in 2010 (see a full summary of budget deal here: <http://bit.ly/bllX9d>). In large part, lawmakers were able to avoid additional cuts to LGA because their budgeting viewpoints were so diametrically opposed. The DFL preferred increasing taxes to cover the costs of programs, while Republicans favored spending cuts. In the end, neither side “won” the argument, and \$2.3 billion of the \$2.97 billion budget gap was bridged with payment shifts to K-12 education and various tax areas. These payment shifts will exacerbate next biennium’s deficit, which is projected to be between \$5 and \$8 billion.

So where do cities stand? In CGMC’s view, cities survived the session quite well considering the circumstances. With the state facing a \$1.2 billion shortfall that ballooned to nearly \$3 billion after the State Supreme Court ruled against the governor’s unallotments, cities received a permanent cut of only \$52.5 million, while the governor proposed cutting cities by \$125 million. The legislature also ratified the governor’s 2010 unallotment, which was enacted at the end of the 2009 session, but this cut is not permanent and the LGA program’s base funding level for 2011 is in large part preserved (see graph below). As such, the next governor and legislature will greatly determine the fate of LGA, so it is important to stay politically engaged in this issue throughout the summer.

CGMC’s success in protecting LGA is a testament to our members’ involvement. In the week leading up to the final budget deal, members participated in a widely-attended press conference in St. Paul to oppose the governor’s supplemental budget plan, and also contacted legislators and the Speaker—at the urging of a CGMC action alert—to oppose any further cuts to city aid programs this session. By being vocal throughout the session and particularly at the end, members were able to play a large part in protecting LGA.



## **CGMC transit bill signed into law**

CGMC-crafted legislation bringing better oversight and transparency to greater Minnesota transit operations was signed into law by Governor Pawlenty on May 15 (Ch. 351). The legislation was drafted in response to action MnDOT had taken last summer to transfer money from greater Minnesota transit to the Met Council for rail without legislative approval. The legislation prevents similar activities going forward.

The legislation also requires MnDOT to develop a greater Minnesota transit investment plan to identify the operating and capital costs necessary to meet 100% of greater Minnesota transit and projected bus service hours, and moves the department toward meeting those costs and goals. Under prior statutes, MnDOT was only required to present 80% of total needs for greater Minnesota transit when discussing funding levels with the legislature. The Metropolitan Council, in contrast, presents 100% of their needs. The result is that legislators were not receiving an accurate picture of transit needs in greater Minnesota. Because of this new law, the legislature will now have a clear picture of the funding needs for greater Minnesota transit when state budgets are set.

## **Greater MN transit takes more cuts**

Included in the legislature's final budget-balancing deal is an additional \$1.459 million cut from MnDOT's greater Minnesota transit account. This is in addition to a \$1.685 million cut to greater Minnesota transit enacted earlier in the session for the FY2010-2011 biennium.

In contrast, Metropolitan Area Transit experienced a \$12.9 million cut to the general fund appropriation earlier this session and an additional \$10.175 million cut in the final budget-balancing bill. Of the total amount cut for the Metro Area, \$15.55 million is a one-time cut and the remainder is a reduction in the base level of funding.

## **Additional funding for roads, interchanges clears legislature**

In the final hours of the 2010 session, legislators passed and sent to the governor a bill appropriating an additional \$100 million in bond proceeds from the trunk highway fund for state road construction and interchanges. The \$100 million account would provide \$30 million for state road construction projects for highways, including purchasing of rights-of-way. The remaining \$70 million would pay for the construction of interchanges involving a trunk highway "where the interchange will promote economic development, increase employment, relieve growing traffic congestion, and promote traffic safety." Of this interchange amount, 50% is designated for greater Minnesota and the remaining 50% is for the metro. This appropriation, if enacted, would supplement the nearly \$60 million in trunk highway bonds approved for interchanges since 2008. The bill, H.F. 2801 (Obermueller, DFL-Eagan), now awaits signature or veto by the governor.

## **CGMC Board approves participation in Citizen Jury on annexation and land use**

At the May 6<sup>th</sup> Board meeting, the CGMC Board gave the go-ahead for staff to begin participating in a Citizen Jury on annexation and land use issues. The Citizen Jury process was developed by the Jefferson Center for New Democratic Processes ([www.jefferson-center.org](http://www.jefferson-center.org)). The Citizen Jury process takes an issue and works with stakeholders to develop a question to be answered and then presents that question along with expert various perspectives to a jury of carefully chosen citizens over several days. After testimony and receiving in-depth



information, the Citizen Jury drafts a report with their recommendations for how policy makers should move forward on the issue.

The CGMC Board has authorized staff to work with the League of Minnesota Cities, the Minnesota Association of Townships, and the staff from the Jefferson Center at least through the development of a jury question or charge. If you have any further questions, please contact Bradley Peterson at [bmpeterson@flaherty-hood.com](mailto:bmpeterson@flaherty-hood.com).

**Annual CGMC  
breakfast at League  
conference set for  
June 25 in St. Cloud**

Join your fellow city officials and CGMC staff at the annual CGMC breakfast at the League of Minnesota Cities conference in St. Cloud for a brief recap of the 2010 legislative session and a preview of the summer conference in Winona. This will be a great opportunity to hear about the challenges that will be facing cities in 2011 and to begin discussing ways to address them. The meeting will be held Thursday, June 25 at 7:00 a.m. in the Wilson Suite of the St. Cloud Civic Center; breakfast will be served. CGMC members are encouraged to invite non-members who might be interested in learning more about the CGMC. Stay tuned for more details.

**DNR, Citizens  
League to hold  
meetings on parks  
and trails**

The Minnesota Department of Natural Resources (DNR) is partnering with the Citizens League to organize 16 regional meetings around the state for May and June. At these meetings, citizens, civic leaders, and interested organizations will be invited to participate in a discussion about the future of Minnesota's parks and trails and how they will be funded. The locations and schedules for the regional meetings can be found at <http://patl.intergov.mn.gov/public-meetings/>. These meetings will be a great opportunity to offer your vision for Minnesota's parks and trails, and you are encouraged to share this information with citizens, organizations, and others who might be interested.





## State of the Cities 2010 Key Findings

### Cities across the state are facing increasingly challenging financial circumstances.

- More than four out of five Minnesota cities (79 percent) reported being less able to meet their financial needs in 2009 than in 2008. In 2006, cities were roughly split between those better able to meet needs and those less able. Since then, the share of cities optimistic about their fiscal condition has steadily declined.
- Roughly 80 percent of cities predict that their fiscal situation will worsen in 2010.
- Among those cities that experienced reductions to LGA and/or MVHC reimbursement in 2008 and 2009 only about 10 percent were positive about their financial situation in 2009. Similarly, roughly 10 percent of them are optimistic about being able to meet their financial needs in 2010.

### The context in which current state aid cuts occur is much more challenging than it was in 2003.

- Sixty-one percent of cities experienced shortfalls in state revenues. This is down from 82 percent in 2003, but the overall city fiscal environment has grown more difficult. This is evidenced by a marked increase in the incidence of other revenue shortfalls. The shares of cities reporting shortfalls in property tax and fee revenues are much larger.
- More than 60 percent of cities across Minnesota reported that property tax revenues fell short of budgeted amounts for 2009. That is more than double the share of cities with property tax shortfalls in 2003. Frequent reductions to MVHC reimbursements and effects of the economic recession on property owners contribute to this trend.
- Reports of fee revenue shortfalls grew from 17 percent in 2003 to 57 percent in 2009. Home and business owners are finding it much more difficult to pay their utility and other charges. Seventy percent of cities experienced an increase in unpaid utility bills in 2009. City residents dealing with unemployment or other financial struggles are less likely to pursue optional fee-based activities, like using municipal pools or ice rinks.

### Cities used a wide range of budget-balancing actions in 2009, including workforce cuts.

- The most common strategies fell into three categories: revenue increases (fees and taxes), spending cuts (operating, growth of spending, public safety, and infrastructure spending) and relying on reserves. Seventy percent of cities enacted revenue increases, 46 percent made spending cuts, and 44 percent used their reserves.
- In many cities, employee-related costs make up the largest portion of the budget. In 2009, two-thirds of cities cut or kept wages flat. A quarter of cities made reductions to the size of the workforce.
- The average number of strategies used per city was three. More than a third of cities indicated that they implemented four to seven different budget-balancing actions.

### Cities see challenges continuing for several years.

- The majority of cities expect to recover from the economic recession in two to five years. Four percent don't believe they will ever recover. There is greater variability in expected recovery times among Greater Minnesota cities and small cities.



## State Budget Treading Water

**The final bill of 2010 balanced the current budget, but the state still faces a nearly \$6 billion deficit for 2012-2013.**

*(Published May 26, 2010)*

Gov. Pawlenty on May 21 signed into law the special session budget compromise that will address the immediate state budget deficit and the uncertainty created by the May 5 Minnesota Supreme Court decision in the challenge to the governor's use of unallotment.

The new law, **Chapter 1** ([Link to: https://www.revisor.mn.gov/laws/?](https://www.revisor.mn.gov/laws/?year=2010&type=1&keyword_type=all&keyword=2010+Special+Session&doctype=Chapter&id=1)

[year=2010&type=1&keyword\\_type=all&keyword=2010+Special+Session&doctype=Chapter&id=1](https://www.revisor.mn.gov/laws/?year=2010&type=1&keyword_type=all&keyword=2010+Special+Session&doctype=Chapter&id=1)) of the first 2010 special session, is a nearly 250-page bill that will result in net savings to the state budget of \$2.972 billion for the 2010-2011 biennium. Much of the bill contains the unallotments originally imposed by the governor at the end of the 2009 session, thereby ratifying them. Ratification by the Legislature prevents further legal actions in response to the governor's use of unallotment last year.

For cities, Special Session Chapter 1 ratifies the governor's 2009 and 2010 local government aid (LGA) and market value homestead credit (MVHC) unallotments, but does not further reduce state aids to cities or go beyond the cuts in the supplemental budget bill passed earlier in the session.

Unfortunately, the vast majority of the savings in the bill were due to two accounting maneuvers—a shift in school aid payments and in the early recognition of the property tax receipts of school districts. Combined, these two accounting shifts—which total \$1.961 billion—comprise 66 percent of the 2010-2011 budget solution. The heavy reliance on these accounting shifts will present a major problem for the 2011 Legislature and the new governor next year when they must enact a 2012-2103 biennial budget.

Based on the provisions in Special Session Chapter 1 and other budget bills enacted during the 2010 session, the state now faces a \$5.766 billion deficit for the upcoming 2012-2013 biennium. That projection has hardly changed from the official February state budget forecast where the deficit was originally projected to be \$5.789 billion. This slight \$22.9 million reduction in the deficit is remarkable in light of the fact that the first supplemental budget bill, Chapter 215, which the governor signed into law on April 1, permanently reduced city, county, and township aid and credit payments by \$105 million per year or \$210 million for the fiscal year (FY) 2012-2013 biennium, which includes city aid and credit payments in calendar years 2011 and 2012.

The table below attempts to recap the confusing actions of the 2010 Legislature and the impact on the 2010-2011 as well as the 2012-2013 biennial state budgets. Keep in mind that the February forecast was prepared prior to the Supreme Court decision calling into question the validity of the governor's unallotments. That decision increased the 2010-2011 deficit by \$2.43 billion, but actually reduced the FY 2012-2013 deficit by \$1.2 billion due to the fact that the governor's school aid payment deferral under the unallotments was assumed to not occur. The budget bill signed last week by the governor in fact extended the school aid payment deferral, which under the bill is scheduled to be repaid in FY 2012.

**Actions to Balance the State Budget** (in millions)

	<b>FY 2010-2011</b>	<b>FY 2012-2013</b>
February forecasted deficit	-\$934	-\$5,789
2010 regular session reductions in the deficit (Chapter 200 and 215)	-\$458	-\$239 (includes \$210 million in city, county, and township cuts)
Deficit change due to unallotment uncertainty	+\$2,430	-\$1,228
Remaining budget deficit prior to final special session budget bill	-\$2,966	-\$4,322
Net budget savings (loss) in special session budget bill (\$5 Chapter 1)	+\$2,972	-\$1,444
Post-session budget balance	+\$6	-\$5,766

The projected \$5.8 billion deficit assumes that the state repays school districts roughly \$1.4 billion in delayed school aid payments, but does not include any assumption for inflationary impacts on state expenditures. Accounting for inflation grows the deficit by \$1.181 billion. Even if the 2011 Legislature decides to extend the school aid payment deferral, the FY 2012-2013 deficit would still be in excess of \$4.4 billion.

Although the special session budget bill balanced the state's 2010-2011 budget without additional 2010 cuts to cities, the state will not end the current biennium until June 30, 2011. The state will update the budget forecast in late November and if the forecast shows another short-term deficit for the remainder of the current biennium, it is possible that cities and counties could see an additional unallotment this December.

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

## Your LMC Resource

### Contact Gary Carlson

IGR Director

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

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

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## League Seeks City Officials to Serve on Redesign Government Councils

**This is an opportunity to be involved in a redesign effort with a focus on local and state government service delivery.**

*(Published May 26, 2010)*

The 2010 Legislature passed several redesign-type measures with the focus on local and state government service delivery. While not all have been signed into law yet, each has a quick turnaround in terms of when appointments must be made.

Elected and appointed officials are eligible to serve on the following committees:

- **Collaborative Governance Council** (2010 Chapter 319, SF 2511)—Rep. Marsha Swails, (DFL-Woodbury) / Sen. Ann Rest (DFL-New Hope). The purpose of this committee is to develop recommendations to increase collaboration in government. The nine-member group, chaired by the state auditor, plans to meet quarterly, likely in St. Paul, and expires on June 15, 2015. Members do not receive compensation or expenses paid.
- **Commission on Service Innovation** (2010 Chapter 392, article 2)—Sen. Terri Bonoff (DFL-Minnetonka). The purpose of this commission is to establish a strategic plan to reengineer the delivery of state and local government services, including the realignment of service delivery by region and proximity, the use of new technologies, shared facilities, and centralized information technologies. The 19-member group, first convened by the state's chief information officer, will raise private money. It expires on June 30, 2012.
- **Council on Local Results and Innovation** (2010 Chapter 389, HF 3729, article 2)—Rep. Paul Marquart (DFL-Dilworth). The purpose of this 11-member council is to develop standard performance measures for cities and counties aimed at measuring efficiency and effectiveness in providing services. Members will serve staggered four-year terms, with the state auditor convening the first meeting. It expires on Jan. 1, 2020.

The League, along with the Association of Minnesota Counties and the Minnesota School Boards Association, wants to ensure that the work of these three state groups is consistent with our own efforts around innovation and redesign. Therefore, representatives will be asked to also attend regular coordinating meetings with one another and with staff of the three associations.

To express interest in serving on one of these committees, contact Brian Strub, LMC Member Outreach Manager, at (651) 281-1256 or [bstrub@lmc.org](mailto:bstrub@lmc.org) (*Link to: <mailto:bstrub@lmc.org>*), by noon on **June 4**.

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



## 2011 Levy Limits: Frequently Asked Questions

**Levy limits for cities with populations over 2,500 are in place for one more year.**

*(Published May 26, 2010)*

Under current law, levy limits for cities with populations over 2,500 are in place for one more year. Levies payable in 2011 are affected for those cities. The 2010 Legislature made a few changes to the levy limit law, largely to clarify issues that had caused confusion in the past.

The League's document "How to Estimate Your Levy Limit" has been updated and includes information on special levies.

**View How to Estimate Your Levy Limits (pdf)** (*Link to: [http://www.lmc.org/media/document/1/2011\\_levylimitspdf.pdf](http://www.lmc.org/media/document/1/2011_levylimitspdf.pdf)*)

There are two pieces of information required for the levy limit calculation that are not yet finalized—the change in the implicit price deflator, or IPD (inflation measure), and certified 2011 local government aid (LGA) amounts.

The following are answers to frequently asked questions about levy limits:

Q: Was there discussion during the 2010 legislative session of extending the levy limits?

A: No. Under current law, levy limits expire after payable 2011.

Q: What changes to the levy limit laws were passed during the 2010 session?

A: There were three areas of change:

- The Legislature enacted a new minimum (0 percent) for the inflationary measure used in calculating levy limits. Prior to the 2010 session, the law stated that the allowable inflationary increase was equal to the lesser of 3.9 percent OR the change in the implicit price deflator (IPD). In the last couple of years, the change in the IPD has been extremely small and there was some concern that it might actually go negative. The 2010 Legislature set the minimum IPD for levy limits at 0 percent.
- The Legislature also clarified that if a city issued emergency debt certificates to cover revenue reductions from LGA or market value homestead credit (MVHC) reimbursement cuts, it must use a debt special levy to pay them off and not the special levies for aid or credit losses.
- Finally, the Legislature clarified that cities will be able to use a special levy for 2011 to recoup the 2011 MVHC reimbursement losses. There is not a special levy for 2011 LGA decreases because there is already an offset in the levy limit calculation for cities that see a decrease from 2010 to 2011 in their certified LGA. The Legislature reduced the appropriation for 2011 LGA so the certified aid amounts for many cities will be lower than the certified 2010 amounts.

Q: What is the allowable inflationary increase for levies payable in 2011?

A: The Department of Revenue (DOR) will certify levy limits by Sept. 1, 2010, and will use the most recent data on the IPD available at that time. Right now, based on data updated in late April, the IPD change is at 1.68 percent. That will likely change with updates to the data in May and June.

Q: Will cities be able to recoup reductions to LGA and MVHC reimbursement made through the now ratified unallotments? What about reductions made as part of the supplemental budget passed in April?

A: Cities have authority for special levies to recover losses to 2010 LGA, 2010 MVHC reimbursement, and 2011 MVHC reimbursement. That includes cuts made by Gov. Pawlenty in his unallotment plan, which were later ratified by the 2010 Legislature, and the cuts made by the Legislature in its supplemental budget passed in April.

Q: How does the reduction to the 2011 appropriation for LGA affect levy limits?

A: Certified aid amounts are used in calculating levy limits. For the 2011 levy limits, there is an offset with the 2011 certified aid amount. If a city's certified aid decreases for 2011, it receives additional levy authority. Similarly, if a city's certified aid is set to increase for 2011, its levy authority is reduced. Because LGA for 2011 is reduced via an appropriation decrease and not through cuts after certification, there is no special levy for aid decreases for taxes payable in 2011.

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## Your LMC Resource

### Contact Gary Carlson

IGR Director

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

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

### Contact Rachel Walker

Manager, Policy Analysis

(651) 281-1236 or (800) 925-1122

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

### Contact Lena Gould

Policy Analyst

(651) 281-1245 or (800) 925-1122

**[lgould@lmc.org](mailto:lgould@lmc.org)** (*Link to: <mailto:lgould@lmc.org>*)



## **Pension Sustainability Law Challenged**

**Two retirees are challenging the retiree annual inflation adjustment reduction contained in the law.**

*(Published May 26, 2010)*

On May 17—only two days after Gov. Pawlenty signed the 2010 omnibus pension bill—a lawsuit was filed challenging part of the legislation.

Two Public Employees Retirement Association (PERA) retirees are challenging the retiree annual inflation adjustment reduction contained in this year's omnibus pension bill. Although the plaintiffs are PERA retirees, they are seeking to certify the matter as a class action, on behalf of all current retirees, against PERA, the Minnesota State Retirement System (MSRS), and the Teachers Retirement Association (TRA).

The new 2010 omnibus pension act includes a reduction in the annual pension benefit adjustment to General Plan retirees to one percent from the current 2.5 percent while the annual retiree adjustment in the Police and Fire plan is reduced from 2.5 percent to 1 percent for two years and then is adjusted according to the consumer price index, with a limit of no more than 1.5 percent per year.

The plaintiffs, Howard Swanson and Lambert Niesen, are seeking a permanent injunction barring implementation of the 2009 and 2010 omnibus pension bills, arguing that the 2009 and 2010 legislation violates the contract clause of the Minnesota Constitution and the contract clause, takings clause, and substantive due process protections of the United States Constitution. They are also seeking monetary damages and attorney fees.

The 2010 omnibus pension bill includes a host of plan reforms and employer and employee contribution increases designed to stabilize PERA, MSRS, and TRA. The plans were battered by the severe downturn in the markets and without the stability modifications, the plans are projected to see a continued erosion of asset value. **(Read related article.** *(Link to: <http://www.lmc.org/page/1/pensionfundingbills.jsp>)* )

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### **Your LMC Resource**

#### **Contact Gary Carlson**

IGR Director

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

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



## Tax Omnibus Bill Awaits Governor's Approval

**Conference committee features local option sales tax discussion, and role of local economic development projects in creating jobs.**

*(Published May 19, 2010)*

The tax omnibus bill conference committee on **HF 3729** *(Link to:*

[https://www.revisor.mn.gov/revisor/pages/search\\_status/status\\_detail.php?b=House&f=HF3729&ssn=0&y=2009](https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF3729&ssn=0&y=2009)) /**SF 3327** *(Link to:*

[https://www.revisor.mn.gov/revisor/pages/search\\_status/status\\_detail.php?b=Senate&f=SF3327&ssn=0&y=0&ls=86](https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=Senate&f=SF3327&ssn=0&y=0&ls=86)) signed its **report** *(Link to:*

<https://www.revisor.mn.gov/bin/bldbill.php?bill=ccrhf3729.html&session=ls86>) around midnight on May 16, the beginning of the last day of the legislative session. The bill had been completed earlier on May 15, but was kept open for a few hours in the event the conference committee vehicle was needed for part of the final budget negotiations. Both the House and Senate adopted the conference committee report on May 16, creating

**Chapter 389** *(Link to: <https://www.revisor.mn.gov/laws/?id=389&doctype=Chapter&year=2010&type=0>)*. The governor is expected to sign this bill.

Cities were a focus of the conference committee on May 14 as **Sen. Tom Bakk** *(Link to:*

[http://www.senate.leg.state.mn.us/members/member\\_bio.php?mem\\_id=1003&ls=](http://www.senate.leg.state.mn.us/members/member_bio.php?mem_id=1003&ls=)) (DFL-Cook) held the gavel and put the call out

for cities to come in and defend the various tax increment changes, economic development projects, and local option sales tax requests. Several city representatives attended the meeting to make their case, including those from Burnsville, Cloquet, Ely, Hutchinson, Marshall, Owatonna, Ramsey, and St. Charles. Additionally, the cities of Detroit Lakes, Rochester, and Wayzata all had projects in the bill that local legislators came and spoke about on their behalf.

The committee took up city provisions on and off throughout the day recessing several times for floor sessions, leadership budget meetings, and caucuses. There were so many cities on hand that Bakk tasked the LMC representatives with providing a line-up of cities for later testifying based on travel schedules and needs of the testifiers.

The issue at hand for many of these cities had to do with the controversial local option sales tax. House conferees were stronger in their resolve to not allow for many changes. In fact, their earlier omnibus property tax bill featured a two-year extension of the local option sales tax moratorium that is set to expire May 30, 2010. This was removed by the **House Taxes Committee** *(Link to:*

<http://www.house.leg.state.mn.us/comm/committee.asp?comm=86103>) against the wishes of both Taxes Committee Chair **Ann**

**Lenczewski** *(Link to: <http://www.house.leg.state.mn.us/members/members.asp?id=10369>)* (DFL-Bloomington) and House

Property Tax Chair **Paul Marquart** *(Link to: <http://www.house.leg.state.mn.us/members/members.asp?id=10401>)* (DFL-

Dilworth). The Senate had been much more open to the plight of these cities and their revenue diversification ideas. From the start of the conference committee meeting, Lenczewski referenced her amendment to allow any city to have a local option sales tax. While the idea was mentioned several times over the course of several committee meetings, she never formally offered her amendment—and the language was not shared with the public.

As Chapter 389 went to the governor, it contained changes to existing taxes for Proctor and Rochester, food and beverage taxes for Detroit Lakes, Marshall, and Giants Ridge recreation area (near Biwabik), and special lodging tax changes for Marshall, Rochester, and Giants Ridge. Interestingly, during discussions, Revenue Commissioner Ward Einess expressed the governor's need for a local referendum to approve the food and beverage taxes—even though this had never been required before and had not been part of either body's legislation. Chapter 389 will require local referendums for both Detroit Lakes and Marshall's food/beverage taxes, and for Giants Ridge—approval by both the city of Biwabik and the Iron Range Resources and Rehabilitation Board.

One side note of interest: **Sen. Julie Rosen** ([Link to: http://www.senate.leg.state.mn.us/members/member\\_bio.php?mem\\_id=1053&ls=](http://www.senate.leg.state.mn.us/members/member_bio.php?mem_id=1053&ls=)) (R-Fairmont) was officially appointed to the conference committee on May 15, replacing Minority Leader **Dave Senjem** ([Link to: http://www.senate.leg.state.mn.us/members/member\\_bio.php?mem\\_id=1058&ls=](http://www.senate.leg.state.mn.us/members/member_bio.php?mem_id=1058&ls=)) (R-Rochester). This prompted some Capitol-watchers outside of room 15 to speculate that a Vikings stadium amendment might be in the works as Rosen was the lead Republican author on the bill, Bakk was the chief author of the Vikings bill, and Rosen does not sit on the Taxes Committee. Senjem was actually busy with budget negotiations, so the re-appointment made sense.

League staff will be working in the days ahead on a detailed summary of this bill. In the meantime, for questions on the final language, or conference committee actions, please contact Jennifer O'Rourke or Gary Carlson (contact information at right).

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## Your LMC Resource

### Contact Jennifer O'Rourke

IGR Representative

(651) 281-1261 or (800) 925-1122

[jorourke@lmc.org](mailto:jorourke@lmc.org) ([Link to: mailto:jorourke@lmc.org](mailto:jorourke@lmc.org))

### Contact Gary Carlson

IGR Director

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

[gcarlson@lmc.org](mailto:gcarlson@lmc.org) ([Link to: mailto:gcarlson@lmc.org](mailto:gcarlson@lmc.org))



## Pension Bill Signed into Law

**The new law is an important step to pension stability.**

*(Published May 19, 2010)*

Shortly before midnight on May 15, Gov. Pawlenty signed the omnibus pension bill into law. The governor's approval came after he issued a threat to veto the bill unless he first received the legislation to fix the broader state budget problem.

The veto threat was announced on May 12 after the House and Senate overwhelmingly approved the omnibus pension conference committee report, **Chapter 359** ([Link to: https://www.revisor.mn.gov/laws/?id=359&doctype=Chapter&year=2010&type=0](https://www.revisor.mn.gov/laws/?id=359&doctype=Chapter&year=2010&type=0)) (SF 2918), and sent the bill to the governor. The Senate vote was 52-14 while the House vote was 116-16.

For cities, Chapter 359 includes the pension sustainability provisions for the Public Employees Retirement Association (PERA) General Plan and the PERA Police and Fire (P&F) Plan. The bill also contains financial corrections for the Teachers Retirement Association (TRA) and the Minnesota State Retirement System (MSRS).

### **PERA provisions**

The new law is aimed at ensuring long-term stability of the pension plans through a number of plan reforms and modifications that will impact employers, employees, and retirees. The new law includes a contribution increase for employees in the General Plan of 0.25 percent from the employer and 0.25 percent from the employee, effective on Jan. 1, 2011, and a reduction in the annual pension benefit adjustment to General Plan retirees to 1 percent from the current 2.5 percent.

For the PERA P&F Plan, the new law requires a contribution increase of 0.3 percent from the employer and 0.2 percent from the employee, effective on Jan. 1, 2011, while the annual pension benefit adjustment is limited to 1 percent for two years and then is adjusted according to the consumer price index, with a limit of no more than 1.5 percent per year.

Chapter 359 also increases the pension vesting requirement in the PERA General Plan from three years to five years while the vesting requirement in the P&F Plan increases from three years to 10 years in a phased-in schedule. Other changes in the PERA recommendations would decrease interest paid to certain employees who leave public service and either withdraw contributions or leave funds in the pension system.

### **Consolidation with MERF**

The new law also includes a set of changes to consolidate the administration of the Minneapolis Employees Retirement Fund (MERF) with the PERA General Plan. The administrative consolidation will not impact the funding of the PERA General Plan and the financial obligations of the MERF plan would be covered through increased contributions from Minneapolis, other employers with MERF participants, and the state. Chapter 359 includes an annual state contribution increase of \$13.75 million for fiscal year (FY) 2012 and FY 2013, which would increase to \$15 million beginning in FY 2014.

The state contribution to MERF would be fixed and any additional needed future contribution increase would be borne by the employers. The MERF system, which has been closed to new employees since July 1, 1978, actually includes employees of the city of Minneapolis, the Minneapolis School District, Hennepin County, the Metropolitan Council, the Metropolitan Airports Commission, and the Minnesota State Colleges and Universities system.

### **Lawsuit challenges provisions affecting retirees**

On Monday, a lawsuit was filed by two retirees challenging not only the retiree inflation adjustment reduction contained in Chapter 359, but also the 2009 omnibus pension bill, which modified the annual retiree adjustment. The plaintiffs are seeking a permanent injunction barring implementation of the 2009 and 2010 omnibus pension bills, arguing that the bills violate the contract clause of the Minnesota Constitution as well as the contract clause, takings clause, and substantive due process protections of the United States Constitution.

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

### **Your LMC Resource**

#### **Contact Gary Carlson**

IGR Director

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

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



## Ice Arena Air Quality Mandate Did Not Become Law

**The bill, which the League worked to moderate, was not taken up in the final days of the legislative session.**

*(Published May 19, 2010)*

A bill that, as introduced, would have mandated installation of an electronic air monitoring device in every indoor ice arena did not gain final approval by the Legislature. The bill was aimed at reducing the risk of carbon monoxide poisoning that the bill's proponents say may be caused by exposure to fumes generated by non-electric ice resurfacers and edgers. It had been amended in response to concerns raised by cities, school districts, and the Amateur Sports Commission.

Regardless of the outcome, the Minnesota Department of Health will continue its rulemaking process that is presently underway. It is expected to produce guidance and standards related to air quality management.

In the Senate, **SF 3175** ([Link to: https://www.revisor.mn.gov/revisor/pages/search\\_status/status\\_detail.php?](https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=Senate&f=SF3175&ssn=0&y=2010)

[b=Senate&f=SF3175&ssn=0&y=2010](https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=Senate&f=SF3175&ssn=0&y=2010)) (**Sen. Ellen Anderson** ([Link to: http://www.senate.leg.state.mn.us/members/member\\_bio.php?](http://www.senate.leg.state.mn.us/members/member_bio.php?mem_id=1001&ls=)

[mem\\_id=1001&ls=](http://www.senate.leg.state.mn.us/members/member_bio.php?mem_id=1001&ls=)), DFL-St. Paul) was stuck in the **Finance Committee** ([Link to:](#)

[http://www.senate.leg.state.mn.us/committees/committee\\_bio.php?cmte\\_id=1007&ls=86](http://www.senate.leg.state.mn.us/committees/committee_bio.php?cmte_id=1007&ls=86)). The bill had been heard and was laid over

because the Finance Committee did not have an updated fiscal note. In the House, **HF 3512** ([Link to:](#)

[https://www.revisor.mn.gov/revisor/pages/search\\_status/status\\_detail.php?b=House&f=HF3512&ssn=0&y=0&ls=86](https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF3512&ssn=0&y=0&ls=86)) (**Rep. Rick Hansen** ([Link](#)

[to: http://www.house.leg.state.mn.us/members/members.asp?id=12282](http://www.house.leg.state.mn.us/members/members.asp?id=12282)), DFL-South St. Paul) had reached the General Orders

list, but did not come up for final approval.

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

### Your LMC Resource

#### Contact Anne Finn

Assistant IGR Director

(651) 281-1263 or (800) 925-1122

[afinn@lmc.org](mailto:afinn@lmc.org) ([Link to: mailto:afinn@lmc.org](mailto:afinn@lmc.org))

**Main Identity**

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**From:** "Peterson, Lynn" <lpeterson@lmc.org>  
**To:** "General legislative" <legislative@listserv.lmc.org>  
**Sent:** Monday, May 17, 2010 11:55 AM  
**Subject:** [legislative] Budget Agreement: no additional cuts to cities

**Special Session needed to complete budget work*****No third round of cuts for cities***

This morning, the House and Senate reconvened a brief special session and approved HF 1, the omnibus budget balancing bill. The bill is now on its way to the governor for his expected approval. The special session adjourned *Sine Die* late this morning.

For cities, the bill includes no additional cuts in local government aid (LGA) and market value homestead credit (MVHC) distributions for 2010 or future years.

The bill does ratify the governor's 2009 and 2010 city LGA and MVHC unallotments at the identical levels originally announced by the governor in July, 2009. The ratification of the unallotments was necessary due to the May 5 Supreme Court ruling that called into question the validity of the governor's 2009 unallotment actions.

The only other major fiscal impact of the 2010 legislative session was the supplemental budget passed in March that included \$52.5 million in city cuts. Estimates of the ratified unallotment cuts and the cuts approved in March can be found on the League's website at:

[http://www.lmc.org/media/document/1/citycuts\\_ch215.pdf](http://www.lmc.org/media/document/1/citycuts_ch215.pdf)

We will provide more information on last night's budget agreement in this week's *Cities Bulletin*.

**Lynn Peterson | Intergovernmental Relations Assistant**

Tel: (651) 281-1254 | Fax: (651) 215-4115

[lpeterson@lmc.org](mailto:lpeterson@lmc.org) | [www.lmc.org](http://www.lmc.org)

League of Minnesota Cities

145 University Ave. West | St. Paul, MN 55103

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## Session ending agreement elusive

Earlier this week, the House and Senate sent Gov. Pawlenty two bills to address the remaining \$535 million state deficit and also address the budget uncertainty created by the Supreme Court decision on unallotment. Both of those bills, a second supplemental budget bill (HF 2037/Chapter 340) and a Health Care and Human Services bill (HF 2614/Chapter 360), were immediately vetoed, leaving the Legislature with a \$3 billion budget imbalance to address in the next three days.

Under the state Constitution, the Legislature must adjourn by May 17, but the Constitution also requires that bills cannot be passed on the day prescribed for adjournment. As a result, the Legislature has until midnight Sunday to resolve the budget deficit.

Budget negotiations have continued, despite the fact that the governor is in northern Minnesota for the Saturday state fishing opener. Last evening, the House and Senate Tax Chairs, Rep. Ann Lenczewski (DFL-Bloomington) and Sen. Tom Bakke (DFL-Cook), participated in a late evening conference call with other legislative leadership, administration staff and Governor Pawlenty to continue negotiations.

On Thursday, Governor Pawlenty indicated that he wants the final budget solution to include not only a ratification of the unallotment reductions contained in his \$2.7 billion session-ending actions last year, but he also wants the package to include a permanent extension of some of the cuts in order to repay the shift in school aid and credit payments. Under last year's \$2.7 billion package of cuts, the governor unallotted local government aid (LGA) and market value homestead credit (MVHC) payments to cities by \$192 million, but he also shifted (delayed) roughly \$1.8 billion in school payments into the

next biennium. However, these reductions were only enacted for the remainder of the 2010-2011 biennium, which ends on June 30, 2011.

The governor's new position would extend some or all of the unallotment reductions—possibly including the city cuts—into the 2012-2013 biennium and presumably use the budgetary savings from the permanent extension to “repay” the \$1.8 billion school shift. However, given the magnitude of the 2012-2013 projected \$5.8 billion deficit, it does not appear that the state would even be able to begin repaying school districts in the near future.

Of more immediate concern, the Legislature is wrestling with the current remaining \$535 million deficit for the balance of the 2010-2011 biennium. The vetoed Health Care and Human Services bill would have generated roughly \$114 million in immediate budget savings and the pending Congressional action on the \$408 million extension of federal funding for Medicaid would have addressed most of the balance of the problem. The governor and legislative leaders are negotiating a package to address that remaining budget shortfall and unfortunately, it is possible that city LGA and MVHC payments for 2010 could be cut for a third time.

The League and other city organizations are working with legislators to try to prevent a third round of 2010 city cuts. Please stay tuned this weekend.

*Questions? Contact Gary Carlson at 651-281-1255 or [gcarlson@lmc.org](mailto:gcarlson@lmc.org).*

## Pension bill veto?

On Wednesday, the House and Senate overwhelmingly approved the omnibus pension conference committee report (SF 2918/Chapter



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359) and sent the bill to the governor. The Senate vote was 52-14 while the House vote was 116-16.

Despite these strong, bipartisan votes, the governor's staff expressed concerns about the contents of the bill, including concerns about whether the bill contains sufficient pension reforms and whether the bill should be enacted prior to the passage of a legislative solution to the broader state budget deficit. Those concerns later translated into a threatened veto of the bill.

Despite receiving the bill from the Legislature on Wednesday evening, the governor has not yet vetoed it. It appears that the governor may be holding the bill until he secures an agreement on the broader state budget deficit. He has until Saturday to sign the bill, veto the bill or let it become law without his signature.

The conference committee report includes the pension sustainability provisions not only for the Public Employees Retirement Association (PERA) General Plan and the PERA Police and Fire Plan, but also for the Teachers Retirement Association (TRA) and the Minnesota State Retirement System (MSRS). The sustainability provisions for all three plans are based on recommendations from their respective Boards of Directors.

The conference committee report attempts to ensure stability of benefits for retirees, as well as active employees, through a series of shared sacrifices that will impact employers, employees and retirees. The PERA sustainability provisions include a contribution increase for employees in the General Plan of 0.25 percent from the employer and 0.25 percent from the employee effective on January 1, 2011 and a reduction in the annual pension benefit adjustment to General Plan retirees to one percent from the current 2.5 percent.

For the PERA Police and Fire plan, the conference committee report includes a contribution increase of 0.3 percent from the employer and 0.2 percent from the employee effective on January 1, 2011 while the annual pension benefit adjustment is limited to one percent for two years and then is adjusted according to the consumer price index, with a limit of no more than 1.5 percent per year.

The conference committee report also increases the pension vesting requirement in the PERA general plan to five years from three years while the vesting requirement in the police and fire plan would be increased to 10 years from three years in a phased-in schedule. Other changes in the PERA recommendations would decrease interest paid to certain employees who leave public service and either withdraw contributions or leave funds in the pension system.

The conference committee report includes a set of changes to consolidate the administration of the Minneapolis Employees Retirement Fund (MERF) with the PERA General Plan. The administrative consolidation will not impact the funding of the PERA General Plan and the financial obligations of the MERF plan would be covered largely through increased contributions from Minneapolis, other employers with MERF participants and the state. The report includes an annual state contribution increase of \$13.75 million for FY2012 and FY 2013, which would increase to \$15 million beginning in FY2014.

The state contribution to MERF would be fixed and any additional needed future contribution increase would be borne by the employers. The MERF system, which has been closed to new employees since July 1, 1978, actually includes employees of the city of Minneapolis, the Minneapolis School District, Hennepin County, the Metropolitan Council, the Metropolitan



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Airports Commission, and the Minnesota State Colleges and Universities system.

*Questions? Contact Gary Carlson at 651-281-1255 or [gcarlson@lmc.org](mailto:gcarlson@lmc.org).*

## Tax conference committee continues

As of Friday noon, the Tax Conference Committee on HF 3729/SF 3327 was gearing up to meet the rest of the day and likely into the night. The group started around 10 A.M. with a number of cities represented in the room by mayors and city staff. These cities have either local option sales tax provisions or local economic development needs in the bill and had been summoned earlier in the week, by Senate Tax Chair Thomas Bakke (DFL-Cook) to once again make their case. The conference panel began their work on Tuesday night and will likely go into tomorrow.

Expect to see a full write up on the conference committee actions in next week's Cities Bulletin.

*Questions? Contact Jennifer O'Rourke at 651-281-1261 or [jorourke@lmc.org](mailto:jorourke@lmc.org) or Gary Carlson at 651-281-1255 or [gcarlson@lmc.org](mailto:gcarlson@lmc.org).*

## Governor expected to sign DWI ignition interlock bill

The House and Senate this week resolved differences in the driving while intoxicated (DWI) ignition interlock legislation, Chapter 366 (Rep. Karla Bigham, DFL-Cottage Grove/Sen. Steve Murphy, DFL-Red Wing), and the measure is now awaiting final action by Gov. Pawlenty (R). The proposal is aimed at curbing impaired driving.

An ignition interlock device prevents a vehicle from starting until a sober driver breathes into an

attached breathalyzer. If the breathalyzer registers blood alcohol content above 0.02 percent, the vehicle will not turn on and the failure is reported. The device also requires random breath samples after the equipped vehicle begins moving.

As introduced, the bill would have imposed the interlock device requirement on first-time DWI offenders; however, as the bill moved through committees, it was significantly modified. The legislation approved by the conference committee will generally apply to repeat offenders. First-time offenders who register a blood alcohol content (BAC) more than twice the legal limit will be subject to the new law. The device will be required on every vehicle the offender operates, with the exception of employer-owned vehicles upon receipt of a waiver from the Dept. of Public Safety.

The initiative was identified early in session as a high priority for the DPS and Gov. Pawlenty. Although the bill is a scaled-back version of the governor's initial proposal, he is expected to sign the legislation into law.

*Questions? Contact Anne Finn at 651-281-1263 or [afinn@lmc.org](mailto:afinn@lmc.org).*

## Governor hasn't acted on omnibus transportation policy bill

The omnibus transportation policy bill, SF 2540 (Sen. Steve Murphy, DFL-Red Wing and Rep. Frank Hornstein, DFL-Minneapolis), reached the governor's desk on Wednesday, but he has not yet taken action on the measure.

Among the provisions in the package are a number of highway and bridge designations (i.e., renaming a highway or bridge), and Minnesota Department of Transportation (MnDOT) business practice requirements and safety measures. A



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League-initiated bill aimed at helping local units of government improve safety at railroad crossings is included in the package. The provision boosts the Minnesota Grade Rail Crossing Safety Account administered by MnDOT from \$600,000 to \$1 million. The funds are from traffic fine and forfeiture revenues collected by the State Patrol.

Also included is a "Complete Streets" provision the League was monitoring. It requires MnDOT to develop a Complete Streets policy in the agency's biennial budget submission. According to the language in the bill, Complete Streets is defined as follows:

"Complete Streets is the planning, scoping, design, implementation, operation, and maintenance of roads in order to reasonably address the safety and accessibility needs of users of all ages and abilities. Complete Streets considers the needs of motorists, pedestrians, transit users and vehicles, bicyclists, and commercial and emergency vehicles moving along and across roads, intersections, and crossings in a manner that is sensitive to the local context and recognizes that the needs vary in urban, suburban and rural settings." The Complete Streets provision makes it clear that local units of government are encouraged, but not required, to consider Complete Streets policies at the local level.

The governor has three days to act on legislation approved by the Legislature. He has not indicated if he intends to veto SF 2540.

*Questions? Contact Anne Finn at 651-281-1263 or [afinn@lmc.org](mailto:afinn@lmc.org).*

## **Metro groundwater monitoring and mapping**

Legislation to have the Department of Natural Resources (DNR) develop an automated and

integrated groundwater mapping and monitoring system in the 11-county metropolitan area has moved forward as part of an environmental funding package (Chapter 361), but without increasing water appropriation fees on permitted groundwater users, as was initially proposed.

A total of \$4 million from the clean water fund was appropriated in FY2011 and \$1 million more in FY2012 to establish a network of monitoring wells and to start to consolidate all of the various data collected and reported by both state and local sources. The information gathered should help cities understand the quantity and quality of water in the region, as well as the impacts that various water uses and water management techniques have on the level and recharge of aquifers.

A copy of the DNR report explaining the monitoring plan and its rationale can be found at the following site: [DNR report \(pdf\)](#)

Please watch LMC publications for future updates on environmental budget discussions.

*Questions? Contact Craig Johnson at 651-281-1259 or [cjohnson@lmc.org](mailto:cjohnson@lmc.org).*

## **Battle against partial easement discharge legislation continues**

An amendment has repeatedly been proposed that changes the statutes allowing land owners to petition to have easements on their property discharged if they are not used for the purpose stated at condemnation. Currently, the entire easement must be unused for the easement to be discharged. The proposed change would allow portions of easements to trigger the same possible discharge. The language can be viewed in SF 2602 (Sen. Gary Kubly, DFL-Granite Falls/Rep. Lyle Koenen, DFL-Clara City), a bill



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that was opposed by the League and that failed to meet policy deadlines in the legislature after concerns were raised by the League, and the House author withdrew the bill from its scheduled hearing. The same language, however, has been offered repeatedly as an amendment in the past week.

The League has worked closely with the Minnesota Inter-County Alliance, the Association of Minnesota Counties, the Department of Transportation, and the Department of Natural Resources to oppose this language from being adopted. Many thousands of portions of existing easements could theoretically face legal challenges under these new laws, which would be extremely costly to contest and even more costly to re-establish.

The amendment was first inserted into the omnibus transportation policy bill on the House floor, but was not adopted in the final conference committee report. It was next attempted for insertion into the omnibus state lands bill on the House floor, but was ruled to not be germane to the bill, which prevented the language from being voted into the bill. As of Friday afternoon, the language is now expected to be proposed for insertion into the conference committee report of the omnibus state lands bill even though it is in neither version of the bill currently. The League and others continue to oppose the change.

*Questions? Please contact Craig Johnson at 651-281-1259 or [cjohnson@lmc.org](mailto:cjohnson@lmc.org).*

## **Legislature agrees on changes to personnel data classification in state law**

At the close of the last week of the 2010 session, both the Minnesota House and State Senate agreed to the conference committee report on

SF 863 (Sen. Mary Olson, DFL-Bemidji) the omnibus data practices legislation first introduced during the 2009 legislative session. Chapter 365 has been sent to the governor for his signature. An almost unanimous vote in both bodies in support of the final report by the conferees is a strong indication that the governor is likely to sign the bill.

Of immediate interest to cities and other local units of government are changes to Minn. Stat. § 13.43, subd. 1, which is amended to define personnel data as government data on individuals maintained (rather than collected) because the individual is or was previously an employee or an applicant for employment (or who is a volunteer who performs services for or acts as an independent contractor with a government entity). Chapter 365 also modifies subd. 2 of the same section of the Minnesota Government Data Practices Act (MGDPA) to specify that such data also includes terms and conditions of the employment relationship as well as work-related continuing education.

With respect to final disposition of decisions regarding disciplinary action, changes made in Chapter 365 also provide that when arbitration occurs in compliance with a collective bargaining agreement final disposition takes place at either the conclusion of arbitration or if the employee fails to request arbitration within the time provided in the labor agreement. But the data related to disciplinary action is not classified as public data if the arbitrator sustains a grievance and reverses all matters related to any actions taken with regard to employee discipline.

*Questions? Contact Ann Higgins at 651-281-1257 or [ahiggins@lmc.org](mailto:ahiggins@lmc.org).*