

Council Meeting
Tuesday, March 2, 2010
City Council Chambers
7:30 p.m.



AGENDA

Call to Order
Pledge of Allegiance

1. Approval of Minutes
 - Council Minutes – February 16, 2010
2. Consent Agenda
 - Minutes
 - Utility Commission – February 17, 2010
 - Street Committee – February 18, 2010
3. License Application
 - Windom Area Hospital Foundation – Exempt Permit
 - Tara Christensen – Business Solicitation
 - Laker Grill – Authorization to Dispense Intoxicating Liquor
4. Department Heads
5. CMMPA Agency Agreement Amendment
6. 2010 Seal Coating/Crack Filling Project – Request for Quotes
7. MTV Contract Renewal
8. Second Reading Ordinance No 134, 2nd Series
9. Set Hearing for Proposed Street Vacation
10. Resolution of Support to Reject Governor Pawlenty's LGA Cuts
11. 2009 Annual Report
12. Board of Review – Scheduled for May 10, 2010 at 4:30 p.m.
13. Regular Bills
14. Unfinished Business
15. New Business
16. Council Concerns
17. Adjourn



**Council Meeting
Windom City Hall, Council Chamber
February 16, 2010
7:30 p.m.**

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

2. Roll Call: Mayor: Kirby Kruse

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

Council Members Absent: None

City Staff Present: Steve Nasby, City Administrator; Bruce Caldwell, Street Superintendent; Jeff Shirkey, Police Chief, Aaron Backman, EDA Executive Director; Dan Fossing, Fire Chief; Dan Ortman, 1st Assistant Fire Chief; Mark Marcy, 2nd Assistant Fire Chief; Roger Winker, 3rd Assistant Fire Chief and Terry Glidden, Telecom

Public Present: Nancy Wepplo

3. Pledge of Allegiance

4. Approval of Minutes:

Motion by Powers second by Ray, to approve the City Council minutes from February 2, 2010. Motion carried 5 – 0.

5. Consent Agenda:

Kruse said that minutes were received from the following Boards\Commissions:

Community Center Commission – February 1, 2010
Economic Development Authority – February 8, 2010
Park & Recreation Commission – February 8, 2010
Library Board – February 9, 2010
Telecommunications Commission – February 9, 2010

Motion by Messer second by Fast, to approve the consent agenda. Motion passed 5–0.

6. License Applications:

Renewal of Liquor License – Consumption and Display for the Windom Country Club.

Motion by Powers second by Ray, to approve the Consumption and Display liquor license for the Windom Country Club. Motion passed 5–0.

Renewal of Intoxicating Liquor License for the Windom Country Club.

Motion by Powers second by Maricle, to approve the renewal of a Intoxicating Liquor license for the Windom Country Club. Motion passed 5–0.

Authorization to Dispense Intoxicating Liquor by the Eagles Club for events at the Windom Community Center on March 6, 2010 and April 17, 2010.

Motion by Maricle second by Ray, to approve the liquor license for the Eagles Club for events at the Windom Community Center on March 6, 2010 and April 17, 2010. Motion passed 5–0.

Renewal of Cigarette License – Windom Country Club

Motion by Ray second by Maricle, to approve the cigarette license for the Windom Country Club. Motion passed 5–0.

7. Department Heads:

Bruce Caldwell, Street Superintendent, updated the Council on the snow removal activities over the last couple of weeks and the break-downs with equipment. Caldwell said that he had spoken to the Airport Manager about the FAA requirements for snow removal. The windy conditions the last week have caused 3 – 5 foot drifts across the runway. As such, the airport will be closed a few days until the snow can be cleared to meet the FAA requirements. Caldwell noted that the snow removal budget for the airport has already been expended.

Caldwell requested that the public be aware of children playing in the snow banks along the streets. Some children have tunneled into the snow banks and this is hazardous as they could cave in, be filled with snow from a passing snow plow or get caught up in the snow blower. He urged parents to encourage their children to play within their yards and not be on the snow banks next to the streets.

The Street Committee would be meeting on Thursday, February 18 to discuss the 2010 seal coating program.

Kruse thanked Caldwell and the Street Department crew for their excellent job in keeping the streets clean and the snow removal operations running smoothly.

Messer asked if the FAA or MN DOT has been contacted about additional funding for the snow removal operations at the airport. Caldwell said that the annual maintenance payment is about \$15,000 and he did not think anyone had contacted FAA or MN DOT yet to see if additional funding was available.

8. Orderly Annexation – Good Samaritan Society:

Nasby said that the City Council had accepted the petition to annex 8.72 acres adjacent to the GSS Campus at a prior meeting and the annexation was presented to Great Bend Township in January. The township had approved the orderly annexation as requested by the Good Samaritan Society at their meeting on February 3, 2010. If approved by the City Council staff would submit the paperwork to the State of Minnesota.

Messer asked about the property taxes to the township. Nasby said there is a formula in the State regulations and the township had agreed to accept the payment of forgone property taxes and the Good Samaritan Society would be responsible for those costs.

Council member Messer introduced the Resolution No. 2010-04, entitled “RESOLUTION OF THE TOWN OF GREAT BEND AND THE CITY OF WINDOM DESIGNATING AN UNINCORPORATED AREA AS IN NEED OF ORDERLY ANNEXATION AND CONFERRING JURISDICTION OVER SAID AREA OF THE MINNESOTA OFFICE OF ADMINISTRATIVE HEARINGS\MUNICIPAL BOUNDARY ADJUSTMENTS AGENCY PURSUANT TO M.S. 414.0325” and moved its adoption. The resolution was seconded by Powers and on roll call vote: Aye: Messer, Powers, Ray, Fast and Maricle. Nay: None. Absent: None. Resolution passed 5– 0.

9. EDA 2009 Annual Report:

Aaron Backman, EDA Executive Director, presented the EDA Annual Report for 2009. He outlined the five goals and the actions taken to achieve them. A memorandum containing the report is included in the Council packet. Backman also reviewed the 2010 Annual Goals as established by the Windom Economic Development Authority.

Motion by Maricle, second by Powers, to approve the 2009 EDA Annual Report. Motion carried 5 – 0.

10. Southwest Minnesota Health Care Organization Mutual Aid Compact:

Nasby said that the Ambulance Department has requested the approval of this mutual aid compact that will include 16 counties in SW Minnesota. This mutual aid agreement is similar to other mutual aid agreements Windom has in place with Fire, Law Enforcement and Public Works. One of the main advantages of having this agreement is that if services are provided to a member community during a disaster there is a qualification and mechanism in place to seek reimbursement from FEMA. Nasby added that the City Attorney had reviewed the agreement and approved of the content.

Motion by Messer, second by Powers, to approve the Southwest Minnesota Health Care Organization Mutual Aid Compact. Motion carried 5 – 0.

11. Telecom – Non-Disclosure Agreement:

Nasby said that the Telecom Department is requesting the approval of a non-disclosure agreement with Adara. Adara will be providing proprietary information to Windomnet regarding the operation of the set-top boxes. The exchange of information between Windomnet and Adara may also include some customer information that must be kept private. The City Attorney has reviewed the agreement and approved the content.

Motion by Messer, second by Powers, to approve the non-disclosure agreement between the City of Windom and Adara. Motion carried 5 – 0.

12. Second Reading Ordinance No. 134, 2nd Series:

Bruce Caldwell, Street Superintendent and Jeff Shirkey, Police Chief reviewed the rationale and necessity for the ordinance. Shirkey said there had been some questions on the enforcement side of the ordinance related to the times for the odd\even parking in the non-business district areas. The solution to make the ordinance easier to understand and enforce is to make the odd\even parking prohibition apply only between the hours of 12 midnight to 12 noon. This way the prohibited parking hours are contained within a single calendar day, which would avoid confusion for the citizens and make it easier for people to park and go about their daily business. The additional language outlining the 12 midnight to 12 noon parking prohibition was included in the ordinance copy handed out at the meeting.

Nasby said that the City Charter does call for two full readings so if this change were adopted then it would have to go back to a first reading as the amendment is new language.

Motion by Powers, second by Ray to omit the First Reading of Ordinance 134, 2nd Series as previously approved. Motion carried 5 – 0.

Motion by Powers, second by Maricle, to adopt the First Reading of Ordinance 134, 2nd Series as amended. Motion carried 4 – 1 (Messer voting no).

13. Ratification of Fire Department Elections:

Kruse asked the members of the Fire Department to present this item. Dan Fossing, Fire Chief introduced himself, Dan Ortman, 1st Assistant Fire Chief; Mark Marcy, 2nd Assistant Fire Chief and Roger Winker, 3rd Assistant Fire Chief. Fossing noted that Marcy and Winker were newly elected assistant chiefs. Kruse noted a complete listing of the Chiefs and officers was included in the Council packets.

Motion by Maricle, second by Powers to ratify the Windom Fire Department Elections for 2010 as presented. Motion carried 5 – 0.

14. Spring Clean-up Dates and Vendor Quotes:

Nasby said that information was solicited from Hometown Sanitation and Waste Management for the Spring Clean-up. The timely information received from the companies was included in the Council packets along with a memorandum from staff and a spread sheet showing the cost of this program from 1997 to 2009.

Motion by Messer, second by Ray, to approve the quote from Hometown Sanitation for the 2010 Spring Clean-up. Motion carried 5 – 0.

15. Regular Bills:

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

16. Unfinished Business:

Kruse said that Supervisory pay was discussed at the last meeting and there had been some uncertainty on the intent or application of the Council's decision related to the allocation of annual step increases.

Messer said these annual steps have been an automatic part of the pay plan unless there is unsatisfactory performance. Powers agreed.

Fast said that due to budget issues may be this matter should be discussed further as the plan was adjusted by 1% so if steps are added the cost is higher.

Kruse clarified that the non-supervisory employees also got the 1% adjustment and the step increases if applicable.

Maricle asked if the City Council should be evaluating the Supervisory employees getting the steps.

Messer said the Personnel Committee did have a discussion on the supervisors and the pay. Also, Nasby is the one that would be doing the employee evaluations and reports to the Council.

Kruse said it is the Council's responsibility to evaluate the City Administrator. Powers said that his evaluation of the position is on an on-going basis according to how things are running and not necessarily just an annual evaluation.

Kruse said he is willing to coordinate a review with the City Council for the City Administrator, but the award of annual steps should be kept as is.

17. New Business:

Messer said that the Governor has proposed deep Local Government Aid (LGA) cuts.

18. Council Concerns:

Kruse said that the LGA cuts and proposed cuts for Windom total about \$750,000 from 2008 to 2011. In 2008 the City lost \$110,110, \$94,753 in 2009 and \$218,631 in 2010. The Governor is also proposing an additional \$243,582 LGA cut in 2010 to help balance the State's budget. In 2011 the proposed reduction is about another \$82,000.

The City has cut expenditures and scaled back on some services to save money. If cuts of this size are made by the State then services will need to be eliminated, property taxes will go up and there will be a loss of employees. Kruse encouraged citizens to contact our local legislators to let them know the disproportional cuts to LGA are not the way to balance the State budget.

19. Adjourn:

Kruse adjourned the meeting by unanimous consent

Meeting adjourned at 8:05 p.m.

Kirby Kruse, Mayor

Attest: _____
Steve Nasby, City Administrator

UTILITY COMMISSION MINUTES
City Hall, Council Chamber
February 17, 2010

Call Meeting to Order: The Utility Commission meeting was called to order at 10:00 a.m., on February 17, 2010 in the City Hall Council Chamber.

Members Present: Utility Commission Chairperson: Mike Schwalbach

Members Present: Chris Johnson and Keith Bloomgren

Members Absent:

City Council Liaison: Jean Fast

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

Others Present: Randy Dittman, Poet Bio-Refinery

APPROVE MINUTES

Motion by Johnson, seconded by Schwalbach, to approve the January 27, 2010 minutes as presented. Motion carried 3-0

WATER WASTEWATER ITEMS

Poet Bio-Refinery Water Contract Update – Olson said that the Utility Commission Packet contained a copy of the Memorandum of Understanding, and the items highlighted on that document that were changed in the memorandum from the previous meeting. Dittman concurred that this document was satisfactory to him and he would recommend the approval of the document to the management committee at Poet Bio-Refinery. Their next regularly scheduled meeting will be on March 2, 2010. Haugen said that once Poet has approved the memorandum, it will go before the City Council for approval.

Motion by Bloomgren, seconded by Johnson to recommend to the City Council the approval of the memorandum of understanding between Poet-Bio Refinery and the City of Windom Utilities for the Water Purchase Agreement, which changes the agreement for the term of the original contract which was February 18, 2017.

DNR Annual Water Use Report – Haugen informed the Utility Commission that in 2009 there were 280,064,132 gallons of water pumped and the worksheet in their packet outlined that, and the cost of the permit was \$2,128.55. Haugen also said that the water report for the Landfill site showed that no water was pumped so the minimum fee was \$140.00.

Country Pride Drains – Haugen inform the Utility Commission that Country Pride has the potential of dumping oils, fertilizer etc into the sanitary sewer system. Haugen said that Minnesota Department of Agriculture (MDA) said that they needed the approval in writing from the Wastewater Superintendent that the plant was built according to code, and that procedures are being followed. Haugen said that the above items had been taken care of, and that housekeeping procedures were put into place and that he would be in contact with MDA.

Schwalbach directed staff to follow up with Country Pride.

Storage Tank Release Investigation – Haugen said that the previous Towlerton Motors property was under investigation by Minnesota Pollution Control Agency (MPCA) for contaminations that occurred for a hydraulic leak and used oil storage facility. Haugen said that he had talked to MPCA and informed them that this area is in the City of Windom’s Well Head Protection area. MPCA informed Haugen that they had not taken samplings of the ground water in the area and that they would keep the City of Windom informed as to the progress and/or action taken as Lee Towlerton has one month to correspond with MPCA. Haugen indicated that this property is in foreclosure.

Schwalbach directed staff to follow up the MPCA and make sure that ground water samples are taken.

2010 Clean Water Fund Legacy – Haugen informed the Utility Commission that he had attended a 2010 Clean Water Fund Listening Session on February 16, 2010. Haugen said funds will be available for the following:

- 33% of the funding will be available to enhance wetlands, prairies, forests, and habitat for fish, game and wildlife.
- 33% will be for clean water fund
- 14.25% is for trails and parks
- 19.75% for arts and culture

Funds will be available from 2010-2011.

ELECTRIC ITEMS

Approval of the 4th Re-stated Agency Agreement – Grunig said the original document was adopted in January 1987 which started up Central Minnesota Municipal Power Agency (CMMPA), re-stated in Jan 1997, 2nd re-statement in August 2004, 3rd re-statement in May 2006. The document that they have before them is the 4th re-stated document. This agreement is the last of the three (3) agreements to get approved. This document defines the existing relationship between CMMPA and its member cities. The agreement also contains language that commits the City of Windom Utilities to a five (5) year notification to terminate the contract. The Windom City Attorney advises that 100% of the Member Cities should sign the agreement as this is the language in the original agreement. Grunig however pointed out on page 20, **Section 5 Amendments**, in the re-stated agreement the following: “Proposed amendments to this Agreement may be adopted only at a regular or a special meeting of the Directors the notice for which contains reference to a vote on amendment, which shall be given to each Director, and any such amendment shall become effective

only when (1) approved by a double majority of all the Directors authorized to vote as defined in Article X, Section 2, and (2) ratified by resolutions of a majority of the governing bodies of the Member Cities pursuant to Minnesota Statutes Section 453.53, Subd. 9, and (3) when a certified copy of such amendment is filed with the Secretary of the State.”

Schwalbach was concerned with the cost associated with signing this document if 100% of the Member Cities do not sign the document, this would reflect into higher costs to those who do sign the document.

Johnson said that he thought agreement of this contract would not change the relationship between the City of Windom and CMMPA.

After lengthy discussion the following action was taken.

Utility Commissioner Johnson introduced the Resolution No. 2010-01, entitled “RESOLUTION AMENDING CENTRAL MINNESOTA MUNICIPAL POWER AGENCY (CMMPA) AGENCY AGREEMENT KNOWN AS THE FOURTH RESTATE AGENCY AGREEMENT” and moved its adoption. The resolution was seconded by Bloomgren, and on roll call vote: Aye: Bloomgren, Schwalbach and Johnson. Nay: None. Resolution passed 3-0.

Power Purchase Recommendation – Grunig said that one of the largest Renewable Energy provider has approached CMMPA to sell Renewable Energy (RE), wind energy, to CMMPA at a fixed cost for fifteen (15) years. This company has recently built a wind farm in North Dakota with a name plate capacity of 150 MW. CMMPA is recommending that its members that do not have their 25% Renewable Energy Service (RES) requirements met should proceed with this purchase through CMMPA. Grunig also said that at the present time Windom Utilities does not need the power and recommends that the Utility sell its RE back to the market. Grunig also said that a motion to allow CMMPA to move forward in this endeavor does not obligate the City of Windom Utilities.

Motion by Johnson, seconded by Bloomgren to give approval of the Power Purchase Project, and to allow CMMPA to look into its development. However does not obligate the City of Windom Utilities in any way. Motion carried 3-0.

International Transmission Company (ITC) Transmission Cost – Grunig reviewed the Year and History for Electric Purchasing and Sales Data with the Utility Commission. Grunig also said that transmission costs will increase 66% in 2010.

2010 Conservation Improvement Program – Grunig reviewed both the City of Windom Appliance Rebate Program, and the State of Minnesota’s “Trade-in & Save” program. Below is listed the City of Windom’s rebate program for 2010.

Clothes Washers	\$50.00
Dehumidified	\$10.00
Dishwasher	\$25.00
Room Air Conditioner	\$15.00
LED Holiday Lights	

(min. 50 lights per strand) \$ 3.50

Additional incentives are offered when you turn in your old in-efficient refrigerator, freezer and/or room air conditioner.

Refrigerator	\$35.00
Freezer	\$35.00
Room Air Conditioner	\$25.00

Grunig said that the State of Minnesota's program goes from March 1, 2010 to March 31, 2010.

Other Electric Items – Grunig said that the Electric Superintendent from Mt Lake has passed away and that the City of Mt Lake is looking for assistance from the City of Windom in case of emergency. Grunig said he didn't think this would be a problem.

REGULAR BILLS

Motion by Bloomgren, seconded by Johnson to approve payment of the Wenck bill in the amount of \$986.73. Motion carried 3-0.

OLD BUISINESS

The next meeting is scheduled for March 17, 2010 at 10:00. Schwalbach said that he would miss that meeting.

NEW BUISINES

None

On motion the meeting was adjourned at 12:15 p.m.

Mike Schwalbach, Chairperson

Attest: _____
Brigitte Olson, Assistant City Administrator

**STREET DEPARTMENT COMMITTEE
MINUTES FEBRUARY 18, 2010**

Call to Order: The meeting was called to order at 4:10 P.M. at City Hall

Members Attending: Committee Member: Brad Powers, JoAnn Ray

City Staff Present: Street Superintendent Bruce Caldwell, City Administrator Steve Nasby & Wenck representative Craig Mueller

Public: None

1. 2010 Seal Coat Project Discussion

- a. Muller & Caldwell updated the committee on what streets should be sealed this year and also discussed options for oils. Mueller gave some estimated prices for materials and he also stated that some of the seal coat companies don't bid our project because they do not want to use the MC-800 or RC oils, they only want to work with emulsion CRS-2P which is a water base. Regardless Mueller said we should still get several companies interested in giving us quotes for the project. The committee stated that they would be interested in trying some emulsion on a test block that would be adjacent to an area that we would apply the MC-800 or RC oils to get a good comparison using the same amount of traffic conditions. It was also discussed that due to the estimates provided by Mueller for the 2010 project we only need to get quotes from the contractors which would be based on the amount of materials needed for the streets to be done. We would also have the option to add or delete 10% of the project at the time when the quotes are reviewed depending on the quotes. In 2010 there wouldn't be any crack filling for the street department.

The following are the preliminary streets to be seal coated this summer.

Public Parking Lot just west of Bank of the West

8th Street from 4th ave-5th ave

5th Avenue from 8th Street-10th Street

8th Avenue from River Road to Arena

7th Avenue from 11th Street to Winfair School

Service Road by Lampert's and Sunbowl

Des. Moines Drive (All)

Highland Road from 6th Street to ½ block west of Fairview Avenue.

It was also discussed the option to seal coat the Park Department walking trails and parking lot by Kastle Kingdom and Skate Park. Caldwell stated that we should crack seal the areas first then we would have a better idea what funds would be remaining. If there wouldn't be significant money left following the crack sealing the seal coat then the park areas would be sealed in 2011.

b. 4th avenue & Langley Road Right-of-Way

Caldwell, Nasby and Mueller said City Attorney Dan McDonald has all the information and he has provided the City with the legal description necessary to move forward with the Langley Street vacation.

- c. Winter Snow Removal Discussion; Caldwell handed out the cost spread sheets showing the hours and expenses for snow removal this season at the Airport, Hospital, Arena & Community Center. The committee also talked about our procedure for moving snow at the two cemeteries in town. Following the discussion they unanimously agreed to continue with the service as in the past. The 1994-2010 Annual Winter Expense Report for the Department from was handed out for review.

So far this season the totals are around \$49,000 and Caldwell estimates that by the end of the winter we could be around \$57,000. These numbers include winter salt/sand, fuel, snow hire and overtime.

This would be the most expensive year to date for snow maintenance. Last season the total was \$45,297.32. When the winter is over the final report will be given to the complete council for review.

- d. Mechanic/Maintenance Staff Person Update, Caldwell handed out the monthly totals which states the percentage of hours worked on mechanical and non mechanical items. Beginning on 12/9/09 to 2/18/10 58% of that staff person's time is spent on mechanical repairs.
- e. Personnel Items Possible Retirement of Staff Worker was discussed. The committee stated that if anyone retires or quits that position would need to be advertized to all the city employees then a recommendation would be made to the personnel board from the street committee. Caldwell said if any of his staff leaves he must have them replaced and not loose anymore staff otherwise services will be dramatically reduced.
- f. Meeting adjourned at 4:58 P.M.



Windom Area
Hospital
Foundation

February 17, 2010

Steve Nasby
City of Windom
PO Box 38
Windom, MN 56101

Dear Mr. Nasby and City Council Members:

As a city-owned hospital, Windom Area Hospital has provided quality health care services to our community for over thirty years. As you've likely seen in the news, costs of providing state-of-the-art equipment and training for our staff have skyrocketed in recent years. To counteract the detrimental effect these rising costs could have on our local facility, we established the Windom Area Hospital Foundation in 2000 to provide charitable support for the medical and educational programs of Windom Area Hospital, apart from normal operating expenses.

Currently, the Foundation is raising funds for bilirubin lights and related equipment for the treatment of jaundice in newborns. To assist with the purchase of this equipment, the Foundation Board would like to hold a "grocery" raffle. Preliminary plans would involve selling 450 raffle tickets at \$20 each. We would offer a total of 30 prizes. Each prize amount would be redeemable in an equivalent value of groceries from Sunshine Foods in Windom. We will offer two \$500 prizes, eight \$250 prizes, and 20 \$100 prizes. We would like to hold the drawing during our Hospital Week Chamber Coffee, on Friday, May 14th.

In order to obtain our exempt gambling permit, the state requires that we receive permission to conduct the raffle from our city. I am writing to respectfully request that the next Windom City Council agenda include consideration of granting the Windom Area Hospital Foundation permission to pursue a gambling license. We appreciate your assistance in helping to strengthen healthcare in our community!

Sincerely,

Katie Slette

Katie Slette, PHR
Director of Marketing and Human Resources

Minnesota Lawful Gambling
LG220 Application for Exempt Permit

An exempt permit may be issued to a nonprofit organization that:
 - conducts lawful gambling on five or fewer days, and
 - awards less than \$50,000 in prizes during a calendar year.

Application fee	
If application postmarked or received:	
less than 30 days before the event	more than 30 days before the event
\$100	\$50

ORGANIZATION INFORMATION

Check # _____ \$ _____

Organization name <u>Windom Area Hospital Foundation</u>	Previous gambling permit number <u>X-35546-09-001</u>			
Type of nonprofit organization. Check one. <input type="checkbox"/> Fraternal <input type="checkbox"/> Religious <input type="checkbox"/> Veterans <input checked="" type="checkbox"/> Other nonprofit organization				
Mailing address <u>2150 Hospital Drive, PO Box 339, Windom,</u>	City <u>MN</u>	State <u>56101</u>	Zip Code <u>Cottonwood</u>	County
Name of chief executive officer (CEO) <u>Gerri Burmeister</u>	Daytime phone number <u>507-831-2400</u>	Email address <u>burmeisg@sanfordhealth.org</u>		

Attach a copy of ONE of the following for proof of nonprofit status. Check one.

Do not attach a sales tax exempt status or federal ID employer numbers as they are not proof of nonprofit status.

Nonprofit Articles of Incorporation OR a current Certificate of Good Standing.
 Don't have a copy? This certificate must be obtained each year from:
 Secretary of State, Business Services Div., 180 State Office Building, St. Paul, MN 55155 Phone: 651-296-2803

IRS income tax exemption [501(c)] letter in your organization's name.
 Don't have a copy? To obtain a copy of your federal income tax exempt letter, have an organization officer contact the IRS at 877-829-5500.

IRS - Affiliate of national, statewide, or international parent nonprofit organization (charter)
 If your organization falls under a parent organization, attach copies of both of the following:
 a. IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling, and
 b. the charter or letter from your parent organization recognizing your organization as a subordinate.

IRS - proof previously submitted to Gambling Control Board
 If you previously submitted proof of nonprofit status from the IRS, no attachment is required.

GAMBLING PREMISES INFORMATION

Name of premises where gambling activity will be conducted (for raffles, list the site where the drawing will take place)
Windom Area Hospital

Address (do not use PO box) <u>2150 Hospital Drive</u>	City <u>Windom, MN</u>	Zip Code <u>56101</u>	County <u>Cottonwood</u>
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Date(s) of activity (for raffles, indicate the date of the drawing)
5/14/10

Check the box or boxes that indicate the type of gambling activity your organization will conduct:
 Bingo* Raffles Paddlewheels* Pull-Tabs* Tipboards*

* **Gambling equipment** for pull-tabs, bingo paper, tipboards, and paddlewheels must be obtained from a distributor licensed by the Gambling Control Board. EXCEPTION: Bingo hard cards and bingo number selection devices may be borrowed from another organization authorized to conduct bingo.

Also complete
 Page 2 of this form.

Print Form

Reset Form

To find a licensed distributor, go to www.gcb.state.mn.us and click on List of Licensed Distributors, or call 651-639-4076.

LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT

If the gambling premises is within city limits, a city official must check the action that the city is taking on this application and sign the application.

- The application is acknowledged with no waiting period.
- The application is acknowledged with a 30 day waiting period, and allows the Board to issue a permit after 30 days (60 days for a 1st class city).
- The application is denied.

Print city name _____
 On behalf of the city, I acknowledge this application.

Signature of city official receiving application

Title _____ Date ____/____/____

If the gambling premises is located in a township, a county official must check the action that the county is taking on this application and sign the application.

A township official is not required to sign the application.

- The application is acknowledged with no waiting period.
- The application is acknowledged with a 30 day waiting period, and allows the Board to issue a permit after 30 days.
- The application is denied.

Print county name _____
 On behalf of the county, I acknowledge this application.
 Signature of county official receiving application

Title _____ Date ____/____/____

(Optional) TOWNSHIP: On behalf of the township, I acknowledge that the organization is applying for exempted gambling activity within township limits. [A township has no statutory authority to approve or deny an application [Minnesota Statute 349.166]]

Print township name _____

Signature of township official acknowledging application

Title _____ Date ____/____/____

CHIEF EXECUTIVE OFFICER'S SIGNATURE

The information provided in this application is complete and accurate to the best of my knowledge. I acknowledge that the financial report will be completed and returned to the Board within 30 days of the date of our gambling activity.

Chief executive officer's signature _____ Date _____

Complete a separate application for each gambling activity:

- one day of gambling activity,
- two or more consecutive days of gambling activity,
- each day a raffle drawing is held

Send application with:

- a copy of your proof of nonprofit status, and
 - application fee for each event.
- Make check payable to "State of Minnesota."

To: Gambling Control Board
 1711 West County Road B, Suite 300 South
 Roseville, MN 55113

Financial report and recordkeeping required

A financial report form and instructions will be sent with your permit, or use the online fill-in form available at www.gcb.state.mn.us. Within 30 days of the activity date, complete and return the financial report form to the Gambling Control Board.

Questions?

Call the Licensing Section of the Gambling Control Board at 651-639-4076.

Print Form

Reset Form

This form will be made available in alternative format (i.e. large print, Braille) upon request.
Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information requested; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If you supply the information requested,

the Board will be able to process your organization's application. Your organization's name and address will be public information when received by the Board. All other information provided will be private data until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data are available to: Board members, Board staff whose work requires access to the

information; Minnesota's Department of Public Safety; Attorney General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this Notice was given; and anyone with your written consent.

CITY OF WINDOM
APPLICATION FOR BUSINESS SOLICITATION
Re: City Code, Chapter 6-Sec. 6.40

Solicitor's Name: Christensen Tara Lynn
Last First Middle

Date of Birth: 09-18-86

Driver's License Number: Q887144983823 State of Issue: MN

Address: (Street, City, State, Zip) 1755 17th St
Windom, MN 56101

Name of Business or Organization: Edward Jones

Address of Business or Organization: 246 9th St.
Windom, MN Phone # (507) 831-2027

Purpose of SOLICITATION: Introduce myself + my business.

If door to door solicitation indicate area to be solicited: Residential District
 Commercial District

If Transient merchant - state location from which merchandise will be sold _____

If Telephone solicitation - state location from which calls will be made _____

Initial Investigation Fee - \$20.00
Annual License Fee - \$40.00

2-17-10
Date

Tara Christensen
Applicant's Signature

I have on Feb 22, 192010 collected from applicant \$ 60.00 as prescribed in Section 6.40 of the City Code.

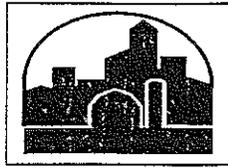
[Signature]
City Clerk

Referred to the Police Chief on 2-23-2010.
Recommendation: Approved Disapproved _____ If disapproved, give reason: _____

02-23-2010
Date

Jeffrey A. Skubey
Police Chief

Approved by the City Council on _____, 19____



City of Windom
Windom, Minnesota

Application

For Authorization to Dispense Intoxicating Liquor

To the Windom City Council :

The undersigned hereby applies for authorization to dispense intoxicating liquor on City owned property during a City sponsored event in the City of Windom in accordance with the information given below, City of Windom Code Chapter 5 and Minnesota Statute 340A.404:

Location of Event Community Center

Date of Event April 10

Hours 5:00-11:30

Type of Event Du Banquet

Lakequill
Name of Individual/Organization

Diane Podette
Licensee Officers Signature

999 2nd Ave
Street Address

Mountain Lake MN
City State

507-427-2450
Telephone Number

Application Approved Disapproved
this _____ day of _____, 20_____

City Administrator

License Fee - None \$0.00	
<input type="checkbox"/>	Copy of On-sale license attached
<input type="checkbox"/>	Proof of insurance attached
<input type="checkbox"/>	City named as additional insured
<input type="checkbox"/>	Licensee has signed the Hold Harmless Agreement

Hold Harmless and Indemnification Agreement

IN CONSIDERATION OF authorization by the Windom City Council to dispense intoxicating liquor on City-owned property or during a City sponsored event, the undersigned licensee hereby agrees to hold harmless the City of Windom, its employees and its agents, from any and all claims for any damages whatsoever arising out of the licensee providing intoxicating liquor under said authorization on the 10th day of April, 2010. Further, the undersigned licensee agrees to indemnify the City of Windom for any such claims for damages whatsoever arising out of licensee's dispensing of said intoxicating liquor, including the reimbursement of the City of Windom's costs and disbursements, including reasonable attorneys' fees in defending any such action for claims and damages.

Diane Podette
Licensee Officers Signature

2-23-10
Date

MEMORANDUM FROM:

Marv Grunig
Windom Electric Utility Department

To: Windom City Council
Steve Nasby, City Administrator

RE: Forth Restated Agency Agreement,
“Execution Copy”

Council,

The Central Minnesota Municipal Power Agency (CMMPA), their Board of Directors, RW Beck, Nixon Peabody, Public Financial Management, all Member Cities of CMMPA, Dan McDonald, Steve Nasby and myself have all been working over the past many months to update the CMMPA Agency Agreement to better clarify and define the relationship that exists between the Member Cities and the Agency.

The execution copy of the document is contained in your City Council packet for consideration and approval at your March 2nd council meeting. As you are aware, much has changed over the past years as the purchase and delivery of electric energy has become more and more complex.

The Forth Restated Agency Agreement is the third and final Agreement to be ratified by Member Commissions and Councils. Previous action adopted the Market Participant Agreement and the Additional Services Agreement. A great deal of benefit comes to both the Agency and the Membership with the completion of this update process where expectations and requirements are farther spelled out.

I will be at the City Council meeting to give a brief overview and answer questions in regards to this Agreement.

Respectfully,
Marv Grunig
Electric Utility Mgr.
(507) 831-6151

RESOLUTION #2010-

INTRODUCED:

SECONDED:

VOTED: Aye:
 Nay:
 Absent:

RESOLUTION AMENDING CENTRAL MINNESOTA MUNICIPAL POWER AGENCY (CMMPA) AGENCY AGREEMENT

BE IT RESOLVED by the City Council of the City of Windom, Minnesota (hereinafter referred to as "City") as follows:

Section 1: It is hereby determined that it is in the best interest of the City to enter into the Amendment of the Agency Agreement entitled the "Fourth Restated Agency Agreement" with the Central Minnesota Municipal Power Agency (hereinafter the "Agency") and authorize the City's continued participation in the Agency.

Section 2: The City hereby approves the amendment of the Agency Agreement in the form of the Fourth Restated Agency Agreement.

Section 3: The Resolution of the Windom Utility Commission approving the amendment of the Agency Agreement as set out in the Fourth Restated Agency Agreement is hereby approved and the City shall continue its membership in the Agency. The Mayor is hereby authorized and directed to execute the Fourth Restated Agency Agreement on behalf of the City, the same to be exclusively evidenced by such execution and the City Administrator is hereby authorized and directed to affix thereon the seal of the City and to attest thereto.

Adopted this 1st day of March, 2010.

Kirby G. Kruse, Mayor

Attest: _____
Steve Nasby, City Administrator

CERTIFICATE

I, _____, the City Administrator of the City of _____, do hereby certify that attached hereto is a true and correct copy of a supplemental resolution (other than the exhibits thereto) duly adopted by the City Council at a meeting duly held on the _____ day of _____, 2010, notice of such meeting having been given in accordance with law and at which meeting a quorum was present and acting throughout.

I also do hereby certify that such supplemental resolution has not been amended in any way from the date of such adoption to the date hereof.

IN WITNESS WHEREOF I have hereunto set my hand this _____ day of _____, 2010.

CITY OF _____

City Administrator

**FOURTH RESTATED
AGENCY AGREEMENT**

**Central Minnesota Municipal Power Agency
Fourth Restated Agency Agreement
January 13, 2010**

**Originally Adopted
July 1, 1987**

**Restated as of January 15, 1997
Second Restatement as of August 11, 2004
Third Restatement as of May 24, 2006**

AGENCY AGREEMENT

This Fourth Restated Agency Agreement hereinafter the "Agreement", dated this 13th day of January, 2010, among the Member Cities listed on Attachment 1, each of which is presently a city organized and existing under the laws of the State of Minnesota, but which may, in the future, include cities organized and existing under the laws of other states, hereinafter referred to collectively as the ("Cities").

WITNESSETH

WHEREAS, Minnesota Statutes, Sections 453.51 through 453.62 (hereinafter referred to as the "Act"), permits any two or more cities which are organized and existing under the laws of Minnesota or a city charter adopted pursuant thereto, or the laws of the state in which they are located or a city charter adopted pursuant thereto, and which are authorized by such laws or charter to engage in the local distribution and sale of electric energy, to establish and create a municipal power agency; and

WHEREAS, each of the Cities is authorized either by the laws of the State of Minnesota, the laws of the state in which it is located or by its city charter adopted pursuant thereto, to engage in the local distribution and sale of electric energy and desires to exercise the powers enumerated in the Act through the formation of a municipal power agency; and

WHEREAS, the governing bodies of each of the Cities duly authorized and approved the organization and formation of the Central Minnesota Municipal Power Agency, hereinafter the "Agency."

NOW THEREFORE, the Cities do hereby covenant and agree, in consideration of the foregoing and in consideration of the covenants and agreements contained herein, as follows:

Article I.

Creation and Purpose

Section 1. Basic Purpose. A municipal power agency has been created and incorporated as a municipal corporation and a political subdivision of the State of Minnesota under the provisions of the Act, to exercise part of the sovereign powers of said State, and in furtherance thereof to exercise all of the powers granted to a municipal power agency by the Act, including but not limited to: resource planning, participation resource projects, appropriate legal and administrative actions, development and implementation of programs, portfolio management, generation and transmission ownership, conservation (including but not limited to energy conservation programs and demand side management), satisfaction of renewable energy obligations, carbon management and other activities as directed by the member Cities, hereinafter the "Members".

Section 2. Project-Focused Agency. The Agency, among other activities, develops, implements, owns, coordinates, procures and manages individual generation and transmission projects, capacity and energy supply portfolios, transmission, demand-side management programs, energy conservation and renewable projects and programs on behalf of the Members that enable economies of scale and other benefits for the Members as a whole. Based on their individual needs, the Agency allows individual Members to select or reject participation in individual generation and transmission projects, capacity and energy supply portfolios, demand-side management or energy conservation projects and programs, whether developed by the Agency or others. No Member may be compelled by the Agency to participate in a project or program or to enter into an agreement requiring the issuance of the Member's own bonds or Agency bonds to support the Member's own participation in a project or program in which the Member does not elect to participate. Agency bonding and financing shall be approved as provided in Article X.

Section 3. Obligations of the Members. In addition to the obligations of the Agency to act on behalf of and perform duties assigned by the Members, the Members acknowledge that the Agency will from time to time be assigned obligations by Federal law or regulation, State statute, rule or regulation, or other requirements that represent obligations that the Agency must fulfill on behalf of the Members. Such obligations may include but are not limited to maintaining minimum generation capacity reserves and achieving energy conservation or renewable energy goals. The obligations may also include other actions as may be necessary to comply with Federal, State or other regulations on permits for construction or operation of facilities the Agency develops or manages on behalf of the Members.

The Members shall act in good-faith to assist the Agency in fulfillment of its obligations and activities, compliance with federal law and regulation, State Statutes, rules and requirements, and also for the betterment of the Members as a whole.

Article II.
Name

The name of this municipal power agency, created by the original Agency Agreement dated July 1, 1987, is the Central Minnesota Municipal Power Agency.

Article III.
Members

Section 1. Members. The current Members are listed on Attachment 1. Membership may be modified from time-to-time pursuant to this Agreement. New Members may be added and current Members may withdraw as provided herein. Each of the Members represents and warrants to all of the other Members and to the Agency that it is a city duly organized and existing under the laws of the State of Minnesota, under a city charter duly adopted pursuant to the Constitution and laws of the State of Minnesota or is a city duly organized and existing under the corresponding and applicable laws of another state or a city charter adopted pursuant thereto; that it is authorized by such laws or charter to engage in and is now engaged in the local distribution and sale of electric energy; that the resolutions of its governing bodies¹ required by the Act have been duly and validly adopted and have not been amended or repealed.

A Member is an entity that fulfills all of the qualifications of membership including but not limited to the qualifications recited in Exhibit 1 attached hereto and incorporated herein by reference. After May 1, 2009, all new candidates for membership must be approved for Membership by the Board of Directors, hereinafter the "Board", as provided in Article X. The Board may, from time to time, modify or amend these qualifications as authorized by Article X.

For purposes of MN Stat. 453.53, Subdivision 1(b)(3), the Cities which approved the original Agency Agreement dated July 1, 1987 and were the initial Members of the Agency are set forth in the original Agency Agreement that is on file and of record with the Minnesota Secretary of State

Section 2. Services to Non-Members. The Agency may from time-to-time provide on a fee basis, individual and separate services, to other entities which do not fulfill the qualifications for membership as defined in Section 1. Such entities are not Members and, although they may be represented on committees overseeing individual projects or programs in which they participate, as provided in Article VII, Section 3, they are not entitled to representation on the Board nor to the exercise of other rights that inure to Members.

1. In the State of Minnesota the governing bodies are municipal utility commissions and city councils.

The Board will establish appropriate pricing levels for Agency services provided to non-members, including additional margins or charges that may apply to the pricing for such services. Notwithstanding the Board's authority to establish such pricing, only Members shall be entitled to pricing of Agency services that represents cost-based, pro rata shares of actual Agency costs incurred to deliver services.

The Board may, from time-to-time and at its option, designate certain non-Members who do not fulfill the requirements of Section 1 above as Associate Members of the Agency. An Associate Member is defined as an entity that (a) receives and pays for services from the Agency, (b) is interested in tracking ongoing industry developments through association with the Agency, (c) does not fulfill the minimum requirements of a Member defined in Section 1, and (d) is designated by the Board as an Associate Member. The designation "Associate Member" does not qualify an entity for membership, confer eligibility for representation on the Board nor entitle it to Member pricing.

Article IV.

Representatives, Selection and Term

The names and addresses of the persons currently appointed by the Members' governing bodies to act as their Representatives and exercise their powers as Members, are set forth on Attachment 1. Attachment 1 shall be restated from time to time as required to accurately recite the Members and their Representatives.

Each Member and each city which may subsequently become a Member of the Agency shall have one Representative. Each Member's governing bodies shall appoint a person to serve as its Representative and a person to serve as an alternate in the absence of the Representative. Each Representative shall serve as the Representative of the Member until another Representative is appointed by resolutions of the governing bodies of the Member or until removed pursuant to Article IX, Section 6. Each Representative shall be entitled to one vote on behalf of the Member which he or she represents. The governing bodies of each Member shall promptly advise the Agency in writing whenever there is a change in the identity of its Representative or its alternate.

The Representatives of all the Members so designated shall together constitute the Board and each such Representative shall be a Director. The term "Representative" is synonymous with the term "Director." They are used interchangeably in this Agreement. The Representative of each city which becomes a Member after the date of this Fourth Restatement of the Agency Agreement shall automatically and without further action become a Director.

The Board may at its option, consistent with the Bylaws, create, by standing resolution, an Executive Committee of the Board ("Executive Committee"), consisting of the elected officers, other members of the Board, and employees. This Executive Committee may be

charged with the day-to-day operations of the Agency subject to the approved annual budget effective at the time.

Article V.

Registered Office

The address of the registered office of the Agency is 459 South Grove Street, Blue Earth, Minnesota 56013. The location of the registered office may be changed by the Board upon the filing of a certificate of change of location with the Secretary of State of Minnesota, as provided in Minnesota Statutes, Section 453.53 Subd 5.

Article VI.

Obligations of the Members

Section 1. **Members Not Liable.** Neither the Cities which are Members of the Agency, nor their Representatives, nor the Directors, shall be personally liable for any of the obligations of the Agency, except as otherwise provided for herein or as Members may commit themselves by contract or agreement.

Section 2. **Member Contracts or Agreements.** Members of the Agency shall be liable for their full share of all obligations set forth in any and all contracts or agreements entered into by the Member.

Section 3. **Member Liabilities.** Members of the Agency shall be liable for payment of the following obligations, and such additional obligations as may be properly imposed by the Board under the authority of this Agreement:

- (a) The Member's fully-allocated share of the current year budget costs and assessments adopted pursuant to Article XI.
- (b) A withdrawing Member's allocated share of future year budgets as may be adopted by the Board, until the expiration of the Notice Period as provided in Article XIII. In the event that a Member provides the Agency with their Notice of Intent to withdraw from agency membership under Article XIII, it will continue to be obligated to pay not less than its allocated share of Agency budget costs as set out in Article XI, Section 1 and Exhibit 1, until the expiration of the Notice Period.
- (c) A Member shall be responsible for its allocated share of all costs or liabilities incurred by the Agency during the entire time it is a Member of the Agency and those incurred subsequent to the Member's withdrawal from the Agency resulting from decisions made by the Board while it was a Member of the Agency. Such

costs and liabilities may include but are not limited to the Member's allocated share of:

- Compensatory or punitive damages from any civil tort liability, contract liability or criminal liability;
- Fines or penalties resulting from non-compliance with regulatory requirements;
- Financial losses, penalties or damages resulting from energy and capacity purchases or sales; and
- Liabilities arising out of Agency projects in which the Member contractually committed itself to participate, whether or not the project is completed;

Notwithstanding the provisions of Section 3(c), a Member's share of such costs and liabilities arising from Agency activities, other than obligations the Member has entered into through other contracts or agreements, shall not exceed its share of Imputed Equity as defined in Article XVII and as limited by the liquidation value of Agency non-project assets.

Further, a Member's share of all costs and liabilities arising from Agency activities shall be payable as an operating expense solely from the revenues of its electric or other utility system, integrated for financial purposes.

A Member's withdrawal from the Agency shall not relieve the Member from any contractual obligations it has entered into with the Agency through other contracts or agreements, or from its allocated share of obligations the Agency has assumed or otherwise incurred on behalf of the Member; either for that Member individually or collectively with other Members.

Article VII.

Powers

Section 1. General Powers of the Agency. Unless restricted by this Agreement, by the Bylaws, by resolution adopted by a majority of the Directors or by contract or agreement, the Agency may exercise any and all of the powers, rights and privileges granted to municipal power agencies under the Act. However, the Agency shall be subject to the following restrictions:

- (a) It shall only engage in activities which are permitted by the Act or authorized or required by other enabling legislation or regulatory promulgations;

(b) Its income shall not inure to the benefit of any private person or corporation, and

(c) If the Agency is dissolved, all of its remaining non-project assets, after payment of all obligations and indebtedness, shall be distributed to the Members. Disposition of project assets shall be governed by project contracts and agreements.

Section 2. Specific Powers of the Agency. Included among the powers which the Agency may exercise are the following:

(a) The Agency may act as owner and as a planning, coordinating, procuring, managing and negotiating agency for its Members and create individual generation and transmission projects, capacity and energy supply portfolios, transmission, demand-side management, conservation and renewable projects and programs;

(b) The Agency may act as portfolio manager for its Members, including but not limited to planning, development, procurement, management, scheduling and retirement for each and every members' supply, demand-side management, energy conservation and renewable resource portfolios;

(c) The Agency may enter into one or more services contracts with Members, non-members, other agencies or vendors that outsource the day-to-day operations of portions of its activities performed on behalf of the Members;

(d) The Agency may coordinate the design, procurement, installation, operation and retirement of Members' generating plants and transmission. Members may make available to the Agency generating capacity or blocks of capacity and energy for exchange, purchase or sale on a wholesale basis to other Members or to non-members in order to obtain the most efficient and effective use of such facilities for the benefit of all Members. Similarly, Members may make available to the Agency renewable energy credits, carbon credits or other supply-related attributes for exchange, purchase or sale on a wholesale basis to other Members or non-members in order to obtain the most efficient and effective use of such attributes for the benefit of all Members;

(e) The Agency may enter into power sale and transmission agreements with one or more of its Members and with non-members, pursuant to which the Agency agrees to sell and deliver energy or to provide transmission service or associated rights which is available to it, and pursuant to which the Member and the non-member shall take and pay for or shall pay for electric energy or transmission services or associated rights, even if not available to, delivered to or taken by the Member or non-member. Members and non-members shall agree to make all payments required pursuant to such agreements regardless of whether energy or

transmission service or associated rights is being provided to the Member or non-member. Payments by a Member and by non-members under such power sale and transmission agreements will be sufficient, when combined with other Agency revenues, to meet monthly power costs, including the amounts required to pay debt service on any revenue bonds issued, amounts necessary to establish and maintain reasonable reserves, and amounts required to be deposited into any fund or account established by the resolution to issue bonds. Each Member and non-member shall agree to maintain and collect electric service rates or charges sufficient to enable it to make its required payments to the Agency under any such power sale or transmission agreement. Such payments shall be made as an operating expense of the member's electric or other utility system, integrated for financial purposes, solely from the revenues thereof;

(f) The Agency may create, coordinate or develop the design, procurement, marketing, operation and retirement of members' demand-side management, energy conservation or renewable energy programs. Members may make available to the Agency demand-side management or energy conservation impacts for exchange, purchase or sale on a wholesale basis to other Members or non-members in order to obtain the most efficient and effective use of such impacts for the benefit of all Members; and

(g) The Agency may develop, own, procure, provide, administer, coordinate, operate, maintain and retire power supply, transmission, demand-side management, renewable energy or energy conservation programs or projects on behalf of one or more Members or non-members which choose to participate and may issue bonds in sufficient amount to fund the required investment. The Board shall formally create, authorize and declare the formation of any and all such projects or programs. The Board may establish by standing order the process by which such projects or programs shall be managed. Any Member choosing to participate shall agree through separate action of its own governing bodies, as may be required in their community, to charge rates sufficient to produce revenues necessary for retirement of its pro-rata share including step up, if any, of bonds over and above Agency operating cost requirements, and sufficient to generate revenues adequate to cover its share of the project or program. The Agency's portion of any project or program shall be owned by the Agency on behalf of the participating Members and non-members, hereinafter the "Participants."

Section 3. Project and Program Committees. If there is any project or program in which less than all Members participate, the Board, after consultation with the Participants:

- (a) May administer the Agency's participation in the project or program, or
- (b) May appoint a committee to administer the Agency's participation in the project or program. If appointed, the committee shall include at least one representative of each Participant. The committee's actions shall be of no effect until ratified by the

Board or by the Executive Committee if so delegated by the Board. The committee shall elect a chairman who shall serve as the liaison between the project or program committee and Agency staff. The chairman shall also serve as guardian of the project or program schedule. If the project or program includes non-members, they shall be allowed one representative each on the project or program committee.

Section 4. Scope of Powers. The listing of these powers in this Article VII is not intended in any way to limit the nature or the scope of the powers granted to the Agency by the Act.

Article VIII

Additional Members

Any city organized and existing under the laws of the State of Minnesota or a city charter adopted pursuant thereto, or the laws of the state in which it is located or a city charter adopted pursuant thereto, and authorized by or pursuant to such laws or charter to engage in the local distribution and sale of electric energy, may become a party to this Agreement and a Member under the following conditions:

(a) The city shall file with the Board certified copies of the resolutions of its governing bodies, whereby the city (1) agrees to the provisions of this Agency Agreement and the Bylaws, (2) requests to become a Member, and (3) appoints an initial Representative.

(b) No such city shall become a Member until: (1) its admission is approved at a regular meeting or a special meeting of the Board, the notice for which contains a reference to a vote on admission, by the affirmative vote of the Board in accordance with Article X, (2) it deposits with the Board or agrees to deposit with the Board an amount equal to a pro rata share of the annual assessment for the year in which the new member is admitted as determined by the Board, and (3) it deposits with the Board or agrees to deposit with the Board an amount necessary to establish its required share of Imputed Equity (working capital) in the Agency as determined by the Board.

(c) The Board shall by resolution determine whether admission is approved by the required majority of the Directors and, if it so determines, shall file certified copies of its resolution and the new Member's governing body resolutions with the Secretary of State and shall file such documents as are required by the state of a Member from another state.

(d) Upon such filing, the city shall become a Member for all purposes of the Act, this Agreement and the Bylaws, and shall have the same rights, duties and obligations hereunder as the Cities constituting the then-current Members.

Article IX

Board of Directors

Section 1. Powers Vested in the Board. The powers of the Agency shall be exercised by the Board in which shall be vested all of the powers conferred on the Agency by the Act and this Agreement. The powers of the Board shall include but shall not be limited to the following:

- (a) Issuance of bonds, notes or other indicia of indebtedness of the Agency which specifically requires an affirmative vote of the Board as defined in Article X;
- (b) Approval by the Agency of any contract payable primarily from assessments;
- (c) Approval by the Agency of any power supply subscription contract, but only if accompanied by supplemental agreements with each participant for their respective shares of the contract subscription;
- (d) Adoption and amendment of the annual budget, if such budget requires the assessment of expenses to Members as provided in Article XI;
- (e) Admission of a new Member as provided in Article VIII or expulsion of a Member as provided in Article XIV;
- (f) Adoption or amendment of the Bylaws as provided in Article XVI;
- (g) Modification or amendment of Exhibit #1; and
- (h) Dissolution of the Agency.

Section 2. Risk Management Policy. The Board shall establish, amend and revise from time to time, an enterprise risk management policy, and said policy shall be observed in all affected transactions. The Board shall, annually or more frequently, review the enterprise risk management policy. The Board, as a risk management tool, shall reasonably insure all insurable activities.

Section 3. Board Makeup. The Representatives of the Cities (Members) shall be the directors and constitute the Board. Any Director whose term has expired but who has not been replaced shall continue as a Director until so replaced.

Section 4. Term of Directors. If the term of a Representative acting as a Director should expire or should such Representative resign or become incapable of acting for any

reason, the successor to such Representative, appointed by the Member in accordance with Article IV, shall assume the vacancy on the Board.

Section 5. Board Officers. The Board shall elect annually, from its number a President, a Vice-President, a Secretary and a Treasurer. Any such officer may be removed by the Board as such officer with or without cause.

Section 6. Removal of Directors. Directors may be removed for cause at the annual meeting of the Board or at a special meeting of the Board, the notice for which contains a reference to a vote on removal, by the affirmative vote of two-thirds of all of the Directors. Any vacancy created thereby will be filled for the unexpired term by the alternate Representative or a new Representative appointed by the Member.

Section 7. Board Meetings. Meetings of the Board shall be held in accordance with the provisions of the Bylaws, the Act and other applicable State laws.

Article X

Matters Requiring Specific Board Approval

Section 1. Specific Approval by Board. Action on any of the following matters shall only be undertaken by the Agency pursuant to a resolution adopted by the Board:

- (a) Amendment of this Agency Agreement pursuant to Article XVIII, Section 5 and Minnesota Statutes Section 453.53, Subd. 9;
- (b) Termination of this Agreement and dissolution of the Agency pursuant to Article XV;
- (c) Amendment of the minimum qualifications for membership as provided on Exhibit 1;
- (d) Approval of the addition of a new Member who fulfills the requirements of Exhibit 1;
- (e) Expulsion of a Member as provided in Article XIV;
- (f) Election, removal and compensation of officers as provided in Article IX;
- (g) Approval of cost allocation principles to be used in development of annual budgets and assessments as provided in Article XI, Section 4; and
- (h) Approval of Agency financing in any amount and incurrence of any financial obligation or contract exceeding twelve (12) months in length.

Section 2. Approvals – Double Majority. Each of the matters set forth in Section 1 above shall require the approval of a double majority of the full membership of the Board, defined as both a majority of the total Megawatts of retail load of all of the Members and a majority of all of the Directors, with the exception that financing approved under Section 1(h) for projects or programs will be authorized pursuant to the terms of the applicable agreement or contract between the Agency and the Participants.

Unless otherwise provided for in this Agreement or the Bylaws, all other matters may be undertaken when authorized by a majority vote of the Board present at a meeting where a quorum is present or by a unanimous action in writing.

Majorities may be determined from those Directors present at a meeting or participating by telephone or electronic means.

Section 3. The Board shall take any and all action which may be required under any contract or agreement to which the Agency is bound, including any bond resolution, trust indenture or similar financing agreement; but nothing contained in this Article shall be construed to mean that any Member, Director or Representative is individually liable for any of the obligations of the Agency beyond the amounts for which the Member has contractually obligated itself in other agreements and the Member's Imputed Equity in the Agency, as limited by the liquidation value of Agency non project assets.

Section 4. Unless otherwise restricted herein, the Board may, by standing resolution, delegate certain operating responsibilities and authority, not exceeding the limitations in the current year budget, to an Executive Committee consisting of the elected officers, other members of the Board and agency employees.

Article XI

Annual Budget and Assessments

Section 1. The Board shall prepare an annual budget for each fiscal year. The budget shall include estimated expenditures for the fiscal year less anticipated revenue to be derived from the Agency's services, properties, operations and contracts during each fiscal year not otherwise appropriated to payment or retirement of Agency debt. The estimated expenditures shall include the expenses to be incurred in the operation and administration of the Agency, including the salaries of employees and the payment of compensation for architectural, engineering, legal, fiscal and similar services which include:

- (a) any amounts payable by the Agency or any of its Members under any contract or agreement for the generation, transmission, distribution, purchase, sale or other disposition of energy;

- (b) the operation and maintenance costs relating to any real or personal property owned or leased by the Agency or in which it may have an interest for the generation, transmission, distribution, purchase, sale or other disposition of energy;
- (c) any other costs, expenses or debts of the Agency incurred for projects or programs which are to be paid from anticipated revenue received from assessments of Members participating in the project or program, whether or not so paid; and
- (d) any revenues or credits received and any expenditures by the Agency which are made on behalf of less than all the Members of the Agency or pursuant to an agreement or contract by the Agency with less than all of the Members of the Agency, which expenditures shall be assessed or otherwise recovered pursuant to Agency contracts or agreements with the Members which will benefit from such expenditures;

Section 2. The annual budget shall not include the principal of, redemption premium or interest on bonds or notes of the Agency, which are provided for in other Agency agreements or contracts, including the project agreements or contracts under which the bonds or notes are issued. The Agency shall separately state annual budgets for all projects, which shall include all elements of the projects, including but not limited to all income, costs, expenses and debt service.

Section 3. The annual budget may, but need not, include any and all moneys to be derived by the Agency from any source which is in excess of that required to pay those items set forth in clauses (a) through (d) of Section 1 of this Article.

Section 4. The Board shall establish, consistent with any applicable project agreements or contracts, a set of cost allocation principles to be used in development of the annual budget, including but not limited to allocation of costs into fixed and variable categories, allocation of costs to individual projects and programs and other considerations as may be determined by the Board. Based on these established principles, the Board shall propose an annual budget together with a proposed schedule of assessments, rates, charges, adders and payment dates at the annual meeting or at a meeting the notice for which contains reference to a vote on the annual budget. Upon approval of the annual budget, the net amount of estimated expenditures in excess of the estimated revenues shall be assessed against the Members.

Section 5. Upon the approval of the annual budget by the Board, the amount assessed against each Member shall become an obligation of the Member, enforceable, except as otherwise provided in this Agency Agreement, as a contract right of the Agency. Such assessments shall be paid in accordance with the schedule prepared by the Board and submitted to the Directors for their approval with the annual budget.

Section 6. Any amendment to the annual budget shall be proposed by the Board and approved in the same manner as the adoption of the annual budget.

Section 7. No person or Member shall have any right or cause of action against any Member not promptly paying any part or all of its assessment, but such right or cause of action shall be vested solely in and may be exercised only by the Agency, which may enforce the same as a contract right against the non-paying Member. Before exercising any such right, the Agency shall serve notice of such non-payment upon the Representative of the non-paying Member, which notice shall state the amount of the unpaid assessment and demand payment therefor. If such Member has not paid the deficiency in full within thirty days from the date such notice was served, the Agency may take any enforcement action deemed appropriate by the Board.

Section 8. Any Member which fails to pay its assessments when due, and any Member which breaches any contract or agreement with the Agency, may be expelled from membership in the Agency as provided in Article XIV. Such expelled Member shall continue to be liable: (i) as provided in Article VI for a period of five (5) years from the date of its expulsion, (ii) for its unpaid assessments and for (iii) all obligations under its contracts or agreements with the Agency.

Article XII.

Accounts and Reports

Section 1. General. There shall be strict accountability for all budgets, project or program budgets, funds and reporting of all receipts and disbursements of the Agency, including all programs and projects. The Agency shall establish and maintain such funds and accounts in accord with good accounting practices, Federal Energy Regulatory Commission (FERC) requirements and in accord with any provision of any resolution, indenture or other instrument of the Agency securing its bonds, notes or other indicia of indebtedness, except insofar as such powers, duties and responsibilities are assigned to a trustee appointed pursuant to such resolution, indenture or other instrument. The books and records of the Agency shall be open to inspection at all reasonable times to each Member and its representatives. Any Member may request an independent audit of the books and records of the Agency at the Member's own expense.

The Treasurer shall cause, within 120 days after the close of each fiscal year, an annual independent audit of the accounts and records of the Agency to be made by a certified public accountant or public accountant, all in accordance with law.

All the books, records, accounts and files referred to in this Article XII shall be open to the inspection of holders of bonds or notes of the Agency, or any trustee or other representative thereof, to the extent and in the manner provided in the resolution, indenture or other instrument providing for the issuance of such bonds or notes.

Section 2. Separation of Accounts—projects and programs. The Agency shall establish and maintain a system of accounts for all projects and programs that will ensure no cross-subsidization of costs, risks, or benefits between the various projects and programs and the general accounts of the Agency.

Article XIII.

Withdrawal of Members

Section 1. Any Member may withdraw from the Agency upon the following conditions:

(a) The Member or its Representative shall have filed with the Board of Directors and the Secretary of State or equivalent office for the state in which it is located, certified copies of the resolutions of its governing bodies expressing its intent to withdraw;

(b) Such notice expressing the Member's intent to withdraw from the Agency is provided, in writing, to the Agency not less than five (5) years prior to the effective date of withdrawal, hereinafter, the "Notice Period". Such notice is not effective notice of intent to withdraw from any other agreements or contracts with the Agency. The withdrawing Member must comply with the withdrawal provisions of any other contracts or agreements, if withdrawal is allowed;

However, Section 1(b) notwithstanding, if a Member sells its electric utility system, then in that event the Member may withdraw upon making a lump sum payment to the Agency in an amount that is five (5) times (x) its then annual membership dues and upon delivering an agreement in writing that such withdrawal does not affect its obligations under Articles VI and XIII (other than the five (5) years of notice requirement) nor its need to comply with the withdrawal provisions of any other contracts or agreements, if withdrawal is allowed;

(c) If the Agency, prior to the withdrawal date (which must be not less than five (5) years after the giving of notice of intent to withdraw except as otherwise provided in Section 1(b)) set forth in the withdrawing Member's notice, shall have incurred any obligation payable from assessments in accordance with Article XI which obligation matures upon or after the effective date of such withdrawal, the withdrawing Member shall have paid, or made arrangements satisfactory to the Board to pay, to the Agency, its pro rata portion of such obligation, determined in accordance with Article XI; and

(d) The withdrawing Member fulfills its obligations and liabilities set forth in Article VI; and

(e) If any obligations of the Agency shall be outstanding at the time, such withdrawal will not reduce the number of Members remaining in the Agency to less than three.

Upon the expiration of the Notice Period and upon compliance with the above provisions but subject to the provisions of Section 2 of this Article XIII, the withdrawing City shall no longer be considered a Member of the Agency for any reason or purpose under this Agreement or the Bylaws. The withdrawal of a Member from the Agency shall not affect any obligations under any contract or agreement between the withdrawing Member and the Agency and shall not affect its ongoing obligations set forth in Section 2. Until the expiration of the Notice Period, the withdrawing Member shall continue to have a full voting Representative and Director on the Board, except for a withdrawal upon the sale of a Member's electric utility system under Section 1(b).

Section 2. Member Responsibilities following Withdrawal. If the Agency incurs any additional obligations after the withdrawal date resulting from decisions made by the Board when the withdrawing City was a Member including the Notice Period, then the Agency may assign the withdrawing member an allocated share of such obligations and the withdrawing Member shall be obligated to pay the Agency its share of such obligations as if the Withdrawing Member was still an active Member under this Agreement, as enumerated in Article VI herein.

Section 3. Imputed Equity of Withdrawing Members. A withdrawing Member shall be eligible for distribution of its Imputed Equity in the Agency only under the following conditions:

- (a) The Board declares an equity distribution to all Members that has not been previously paid to the withdrawing Member; and
- (b) The withdrawing Member has fulfilled all of the requirements of Sections 1 and 2 of this Article.

To the extent the withdrawing Member has not fulfilled any and all current or pending obligations or liabilities to the Agency at the time of withdrawal, any equity distributions that would otherwise be payable to the withdrawing Member shall be first set off against any such unfulfilled obligations or liabilities before any remaining equity will be distributed to the withdrawing Member.

Article XIV.

Expulsion of Members

Any Member which has defaulted under a contract or agreement with the Agency or failed to pay its assessments or other obligations or perform its responsibilities in accordance with Article XI hereof may be expelled from the Agency at a regular meeting or a special meeting of the Directors, the notice for which contains reference to a vote on expulsion, by the affirmative vote of a double majority of the Directors (including the Director from the defaulting Member) as defined in Article X, Section 2. The expulsion of a Member from the Agency shall not affect any obligations under any contract or agreement between the expelled Member and the Agency specifically including but not limited to this Agreement or any project or program agreement. However, an Expelled Member shall no longer be represented or have a Director on the Board.

Article XV.

Dissolution

The Agency may be dissolved and this Agreement may be terminated by a vote of the Board pursuant to Article X at a regular meeting or a special meeting, the notice for which contains a reference to a vote on dissolution, but not until after all debts of the Agency have been paid, and only upon the approval of two-thirds of all of the Members as evidenced by resolutions of their governing bodies filed with the Agency. Thereafter, the Board shall liquidate the business of the Agency as expeditiously as possible, distribute the net proceeds to the members in the ratio that the Imputed Equity of each of them bears to the sum of the total Imputed Equity of all of them, and file notice of dissolution, together with the Members' governing body resolutions, with the Secretary of State. However, the disposition of project assets shall be governed by project contracts and agreements.

Article XVI.

Bylaws

The Board shall adopt Bylaws for the conduct of the affairs of the Agency, which Bylaws shall state the powers and duties of the President, Vice President, Secretary and Treasurer. The Bylaws may establish the office of Executive Director and such other offices as are deemed necessary for the conduct of Agency activities. The Board may, by resolution, establish the compensation of such offices.

With the exception of approval of Agency financing for projects or programs (which shall be accomplished pursuant to Article X, Section 2), project or program committees may, at their option, establish voting procedures for their management of the project or program based on one member/one vote, based on pro rata shares of participation in the project or program or other methods the committees deem appropriate.

Article XVII.

Imputed Equity

The net assets of the Agency, exclusive of project or program assets, shall be the property of the Members. Members will accumulate Imputed Equity, exclusive of project or program assets, in the Agency through calculations based on their original contributions upon joining the Agency, if any, adjusted for their pro rata share of the annual changes in net assets of the Agency during their term of membership, appropriately adjusted for transactions or distributions the Board may declare from time-to-time that affect total net assets of the Agency.

Agency Imputed Equity does not include the equity of Utilities Plus, if any, unless formally transferred by Utilities Plus to the Agency as authorized in the Utilities Plus Joint Powers Agreement dated October 1, 1997, or its successor agreements.

Subject to the provisions of any contract or agreement, to the contrary, by which the Agency is bound, Members may receive distributions from the excess revenues of the Agency in the manner prescribed by the Board.

Imputed Equity distributions to Members shall not be made unless the Board, in its sole discretion, declares equity available for distribution. Normally such a declaration will not occur except upon termination of the Agency including the winding up and liquidation of its assets and operations.

Article XVIII.

Other Provisions

Section 1. Meetings. Meetings of the Representatives and of the Board shall be held at the registered office of the Agency, electronically, by telephone or at other places authorized by the Bylaws, upon the call of the Board for the purposes of adopting or revising Bylaws, electing officers, adopting or amending a budget, and transacting any of the business that may come before the meetings. The Bylaws or revisions to Bylaws shall be proposed by the Board and shall become effective when approved by a resolution adopted by the affirmative vote of a double majority of the Directors as defined in Article X, Section 2. The Representatives shall hold an annual meeting at a time and place provided in the Bylaws or in a resolution adopted by the Representatives, at which any business may be transacted. Regular or Special meetings may be held upon such call, notice times and

notice times and places as authorized by the Bylaws or in a resolution adopted by the Directors.

Section 2. Quorum.

(a) A quorum for a meeting of the Representatives is a majority of the total number of Representatives.

(b) A quorum for a meeting of the Directors is a majority of the total number of Directors.

(c) Except where otherwise specifically stated in this Agreement or in the Bylaws, any action which requires the affirmative vote of a percentage of Representatives or Directors shall be construed to be that percentage of Representatives or Directors present and voting at a meeting at which a quorum is present, and not that percentage of all Representatives or Directors.

Section 3. Fiscal Year. Unless otherwise provided in the Bylaws or a resolution adopted by the Board, the fiscal year of the Agency shall commence January 1 and end December 31.

Section 4. Other Agreements. Nothing contained in this Agreement or in the Bylaws shall be construed to prohibit any Member from executing one or more other agency agreements with other cities for the purpose of forming other municipal power agencies under the Act or from otherwise exercising the powers of a municipal power agency as provided in Minnesota Statutes, Section 453.58. Nothing contained in this Agreement or in the Bylaws shall be construed to prohibit the Agency from joining or contracting with an organization or association composed of other municipal power agencies created pursuant to the Act.

Section 5. Amendments.

(a) Proposed amendments to this Agreement may be adopted only at a regular or a special meeting of the Directors the notice for which contains reference to a vote on amendment, which shall be given to each Director, and any such amendment shall become effective only when (1) approved by a double majority of all of the Directors authorized to vote as defined in Article X, Section 2, and (2) ratified by resolutions of a majority of the governing bodies of the Member Cities pursuant to Minnesota Statutes Section 453.53, Subd. 9, and (3) when a certified copy of such amendment is filed with the Secretary of State.

(b) The Bylaws may be amended only by the affirmative vote of a double majority of the Directors as defined in Article X, Section 2, present and voting at an annual meeting or at a special meeting the notice for which contains reference to a vote on amendment of the Bylaws.

IN WITNESS WHEREOF, the Cities have caused this Fourth Restated Agency Agreement to be executed and attested by duly authorized officers, have each caused to be attached hereto the certified resolution of its governing body (as such term is defined in the Act) and the certified resolution of its utility commission (or other body which is charged by law or its charter with the general control of the city's electrical distribution system), and have caused this Agreement to be filed with the Secretary of State of Minnesota requesting therefrom an Amended Certificate of Incorporation, all as of the day and year first above written above.

IN WITNESS WHEREOF, the City of _____ has executed this
Fourth Restated Agency Agreement this ____ day of _____, 2010

CITY OF _____, MINNESOTA

By _____
_____, Its Mayor

By _____
_____, Its City Administrator

_____ **UTILITIES COMMISSION**

By _____
_____, Its President

By _____
_____, Its Secretary

Attachment 1
Current Agency Members and Their Representatives
November 10, 2009

<u>Member</u>	<u>Representative</u>
City of Blue Earth:	Paul Leland
City of Delano:	Hal Becker
City of Fairfax:	Larry Linsmeier
City of Glencoe:	Collin Engebretson
City of Granite Falls:	Don Reznecheck
City of Janesville:	Clinton Rogers
City of Kasson:	Randy Lenth
City of Kenyon:	Chris Heineman
City of Mountain Lake:	Wendy Meyer
City of Sleepy Eye:	Bob Elston
City of Springfield:	Scott Johnson
City of Windom:	Marv Grunig

Exhibit 1
Definition of Agency Membership

Section 1. Minimum Requirements. The following characteristics in total and all together are defined as the minimum qualifications of a City for Membership in the Agency:

- (a) Term commitment. A commitment to Membership for a term of five years and subject to the withdrawal provisions of Article XIII;
- (b) Participation in Services. Participation in and support of the following Agency services as they may be defined by the Board of Directors:
 - i. Resource (capacity and energy supply, transmission, renewables and energy conservation) planning services;
 - ii. Capacity and energy scheduling services.

Participation in such services may require the Member to execute applicable contracts with the Agency.

(c) Payment Requirements. Assumption and payment of the City's fully-allocated share of the Agency operating budget including Agency overheads supporting the minimum required Member services provided by the Agency in accordance with subparagraph (b) above, plus assumption and payment of its fully-allocated share of the costs and obligations including Agency overheads of other agreements above and beyond the minimum membership qualifications in subparagraph (b) in which agreements or services the City has elected to participate.

(d) Contribution to Agency Equity. Assumption and payment of the City's fully-allocated share of Member equity in the Agency, as defined by the Board of Directors. Such equity shall include an equivalent share of the net assets and working capital of the Agency as defined in Article XVII, but does not include the City's equity in specific projects or programs in which the City is a participant.

The Agency Members listed on Attachment 1 complied with these membership qualifications as of the date of this Fourth Restatement of this Agency Agreement.

Section 2. Project Participation. A City's participation in an Agency-sponsored resource or transmission project with one or more Agency Members does not by itself make the City an Agency Member. A City that is not a member of the Agency may participate in an Agency-sponsored project if such participation is approved by the Board of Directors.

Section 3. Associate Members. A City that is an Associate Member of the Agency shall not have representation on the Board of Directors nor a right to participate in votes by the Board of Directors.

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SECTION 00005

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CITY OF WINDOM

2010 Sealcoat Improvements

Class of Work: Street Improvements

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B City Map

END OF SECTION

SECTION 00020

ADVERTISEMENT FOR BIDS

CITY OF WINDOM
2010 Sealcoat Improvements
Class of Work: Street Improvements

NOTICE TO CONTRACTORS

Sealed Bid Proposals for work indicated above will be received at the City of Windom Offices, 444 9th Street, Windom, Minnesota 56101 until 2:00 PM, March 18, 2010 after which time such bids will be publicly opened and read aloud at the City Hall Office. The decision for Award of Contract will be made by the City Council during a regular meeting on or before April 6, 2010 at 7:30 PM.

The work, in accordance with drawings and technical specifications prepared by Wenck Associates, Inc., 440 10th Street, P.O. Box 453, Windom, Minnesota 56101, consists of all labor, materials, tools, permits, bonds, machinery, equipment, and services necessary for approximately 7,200 gallons of sealcoat bituminous material and 315 tons of sealcoat aggregate.

Schedule is to begin work after May 31, 2010, with no work allowed June 7-13, 2010. Substantial completion is on or by August 31, 2010.

Each bid proposal shall be accompanied by a "Bid Security" in the form of a certified check made payable to "CITY OF WINDOM" (OWNER) in the amount not less than five percent (5%) of the total bid, or a surety bond in the same amount, running to the OWNER, with the surety company thereon duly authorized to do business in the State of Minnesota, such Bid Security to be a guarantee that the bidder will not, without the consent of the OWNER, withdraw his bid for a period of ninety (90) days after the opening of bids, and, if awarded a contract, will enter into a contract with CITY OF WINDOM; and the amount of the certified check will be retained or the bond enforced by the OWNER in case the bidder fails to do so. All bid securities except those of the three lowest bidders will be returned within fifteen days after the opening of bids.

Bid Proposals shall be submitted on forms furnished for that purpose. Bids shall be submitted in sealed envelopes with the following clearly inscribed on the outside: "Bids for City of Windom Street Improvements." No bidder shall withdraw his bid, without the consent of the OWNER, for a period of ninety (90) days after the date for the opening thereof. The OWNER, however, reserves the right to reject any or all bids and to waive any minor irregularities, informalities or discrepancies. A work history detailing qualifications and past experience must be provided upon request.

Plans and specifications are on file for inspection at the City of Windom, City Hall Office; and the office of Wenck Associates, Inc., 440 10th Steet, P.O. Box 453, Windom, Minnesota, 56101.

Bidders desiring drawings and specifications for personal use may secure a complete set from:

Wenck Associates, Inc.
440 10th Street
P.O. Box 453
Windom, Minnesota 56101

Telephone: (507) 831-2703
Facsimile: (507) 831-5271

Non-refundable deposits in the form of a check shall be made payable to:
"Wenck Associates, Inc." The deposit shall be in the amount of **\$15.00** per set of contract
documents.

END OF SECTION

SCHEDULE OF PRICES

BIDDER agrees to perform all of the work described in the
CONTRACT DOCUMENTS for the following unit prices or lump sums:

NOTE: BIDS shall include sales tax and all applicable taxes and fees.

BIDDER must fill in unit prices in numerals, make extension
for each item and total.

<u>ITEM NO.</u>	<u>ITEM</u>	<u>UNIT</u>	<u>UNIT PRICE</u>	<u>ESTIMATED QUANTITY</u>	<u>AMOUNT</u>
<u>BASE BID I – RED ROCK – WINDOM:</u>					
2356.505	Bituminous material for seal coat RC-800 or MC-800	GAL.	\$ _____	7,200	\$ _____
2356.507	Seal coat aggregate "red rock"	TON	\$ _____	315	\$ _____
				TOTAL:	\$ _____

ALTERNATE BASE BID II – RED ROCK – CRS-2P ON 8TH STREET

2356.505	Bituminous material for seal coat RC-800 or MC-800	GAL.	\$ _____	6,850	\$ _____
2356.505	Bituminous material for seal coat CRS-2P	GAL.	\$ _____	350	\$ _____
2356.507	Seal coat aggregate "red rock"	TON	\$ _____	315	\$ _____
				TOTAL:	\$ _____

**City of Windom
2010 Sealcoat Improvements
Table of Streets**

2010 Seal Coat Parking Lots	From	To	Length	Width	Area, S.F.	Area S.Y.
Center Stop Lot	North		193	44	8,492	944
Streets						
8th street	4th ave	west side Historical B	139	48	6,672	741
8th street	west side Historical B	5th ave	163	32	5,216	580
5th ave	8th street	10th street	900	32	28,800	3,200
8th ave	11th Street	Arena	1080	32	34,560	3,840
7th ave	River Road	Schoo/fairgrounds	1080	32	34,560	3,840
Service Road Lamper	hwy 60	Bowling Alley	1300	30	39,000	4,333
Des. Moines Drive	1/2 block west of Fairview	Winnie	452	32	14,464	1,607
Des. Moine Drive	6th street	1/2 block w Fairview	1533	24	36,792	4,088
Highland Road	Des. Moine Drive	1/2 block w Fairview	1543	24	37,032	4,115
				Total	245,588	27,288

MEMO

TO: City Council Members

From: Dan Olsen *DO*

Date: February 19, 2010

Subj: MTV Networks Contract

I apologize for not being able to attend the council meeting. I will be in attendance of the MTA meetings in the Twin Cities.

At this time the National Cable Television Cooperative has negotiated a contract for the MTV network Suite of services. The suite of services include the following channels,

MTV, MTV2, MTV Jams, MTV Hits, MTV Tr3s, VH!, VH1 Classic, VH1 Soul MtvU, CMT, Cmt Pure Country, Nickelodean, Nick Jr, Nicktoons Network, TeenNick, Nick2 TV Land, Spike TV, Logo and Palladia

The basics of the contract are that we continue to carry what we have now, with Rate increases of **eight percent** for programming fees. The new contract also provides for Carriage of HD signals at no additional cost under certain circumstances.

Due to timing of this contract I was not able to bring the contract in front of the Telecommunications commission. I did conduct a poll of commission members and those who responded agreed that we should opt in to the contract and continue carriage.

My recommendation is that the Council agree to opt into the National Cable Television Cooperative contract with MTV networks allowing continued carriage of the above networks.

RESOLUTION #2010-

INTRODUCED:

SECONDED:

VOTED: AYE:

NAY:

ABSENT:

RESOLUTION CALLING FOR A PUBLIC HEARING ON A PROPOSED VACATION OF A PORTION OF LANGLEY STREET

WHEREAS, the City of Windom, pursuant to Minnesota Statute §412.851, desires to consider the vacation of a portion of Langley Street between 16th Street and 17th Street legally described as:

All that part of Langley Street located in Lot 7, County Auditor's Subdivision No. 4 in the City of Windom, Cottonwood County, Minnesota, which lies south of the south right-of-way line of 17th Street extrapolated east, and which lies west of a line running parallel with, and 35 feet east of the west line of Lot 7, County Auditor's Subdivision No. 4 in the City of Windom.

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

1. A public hearing will be held during the regularly-scheduled City Council meeting on Tuesday, April 6, 2010. The Council meeting will begin at approximately 7:30 p.m. with the public hearing to be held at approximately 7:35 p.m. in the Council Chambers located at 444 9th Street. The purpose of the public hearing is to consider the proposed vacation of a portion of Langley Street.
2. City Staff is authorized and directed to cause notice of the hearing to be published, posted and mailed as required by law.

Adopted this 2nd day of March, 2010.

Kirby G. Kruse, Mayor

Attest: _____
Steve Nasby, City Administrator

ORDINANCE NO. 134, 2ND SERIES

**AN ORDINANCE OF THE CITY OF WINDOM, MINNESOTA
AMENDING CITY CODE CHAPTER 9,
ENTITLED "PARKING REGULATIONS"**

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

SECTION 9.30 EMERGENCY IS HEREBY AMENDED TO READ:

Section 9.30 Snow Emergency.

Subd. 1. Definitions.

A. **Snow Emergency** – for purposes of this Section, the term “**snow emergency**” means a condition created on City streets because of the presence of snow, freezing rain, sleet, ice or snow drifts thereon, or other natural phenomenon which create or are likely to create hazardous road conditions or impede or likely to impede the free movement of fire, health, police, emergency or other vehicular traffic when the same have been duly declared by the **Mayor, City Administrator** or Chief of Police.

B. **Snow Emergency Routes** – **The City Council may from time to time designate by resolution certain snow emergency routes upon which no parking shall be permitted during a snow emergency as set forth elsewhere herein. Upon designation of snow emergency routes by the Council, a public notice shall be published in the official newspaper identifying such routes. Such notice shall be posted in City Hall, 444 9th Street, Windom, Minnesota.**

C. **Street** – **includes all streets, avenues, alleys or other public ways in the City of Windom.**

D. **Vehicle** – **includes all motor vehicles, trailers of all kinds, and contrivances of any kind being moved on wheels.**

E. **Business District** – **The streets in the business district of the City of Windom, as used in this section, are hereby defined as follows:**

- 10th Street from 5th Avenue east to 1st Avenue;
- 9th Street from 5th Avenue east to 1st Avenue;
- 4th Avenue from 8th Street north to 11th Street;
- 3rd Avenue from 8th Street north to 11th Street

Subd. 2. Rules and Regulations.

Rules and regulations relating to snow removal shall be in accordance with the uniform policy promulgated by the City. Such regulations shall be posted in the office of the City Administrator, and further notice may otherwise be given as the Council may direct.

Subd. 3. Unlawful Acts.

- A. During a **snow** emergency, it is unlawful to park or leave standing any vehicle upon a snow emergency route designated and duly sign-posted as such.
- B. During a **snow** emergency, it is unlawful to park or leave standing any vehicle upon a street on which parking has been restricted by the declaration of a **snow** emergency.

Subd. 4 Parking Vehicles to Facilitate Snow Removal

- A. Other than parking in business district, in the event that a “snow emergency” has been issued, the parking of vehicles on the streets in the City on odd-numbered dates shall be allowed only on sides of the streets which have buildings or tax parcels with addresses ending in an odd number and on those dates parking shall be prohibited on the sides of the streets which have buildings or tax parcels with addresses ending in an even number. During the same time period, the parking of vehicles on the streets in the City on even-numbered dates shall be allowed only on the sides of the streets which have buildings or tax parcels with addresses ending in an even number and on those dates parking shall be prohibited on the sides of the streets which have buildings or tax parcels ending in an odd number.**

The above prohibitions apply only between the hours of 12:01 a.m. to 11:59 a.m.

- B. Parking in Business District During Snow Removal Period – On streets in the business district, as herein defined, no person shall park any vehicle during a snow emergency, as herein defined, on the side of the streets where signs have been posted by authorized City agents under authority from the City Council designating “No Parking During Snow Emergency” by reason of snow removal operations, which no parking rule shall begin at 2:00 a.m., as herein provided, and shall terminate on that part of the street after 6:00 a.m.**
- C. This section shall not apply if City signs direct that parking should occur in a different way on any street.**

- D. No vehicle shall be parked upon any street, alley, publicly-owned parking facility or right-of-way outside of the designated parking lanes so as to block the removal of snow from any such street, alley, publicly-owned parking facility or right-of-way.**
- E. Violation of this section shall be a petty misdemeanor and shall be grounds for any police officer to remove the vehicle as authorized by Section 9.23.**

EFFECTIVE DATE OF ORDINANCE. This ordinance becomes effective from and after its passage and publication.

Adopted by the City Council of the City of Windom, Minnesota, this 16th day of February, 2010.

Kirby Kruse, Mayor

ATTEST:

Steve Nasby, City Administrator

1st Reading: February 16, 2010
2nd Reading: March 2, 2010
Adoption: March 2, 2010
Published: March 9, 2010

NOTICE OF MEETING OF BOARD OF REVIEW

TO THE CLERK OF THE CITY OF **WINDOM**

COTTONWOOD COUNTY:

NOTICE IS HEREBY GIVEN, THAT THE 10TH DAY OF MAY AT 4:30 TO 5:00 O'CLOCK PM HAS BEEN FIXED AS THE DATE FOR THE MEETING OF THE BOARD OF REVIEW IN YOUR TOWNSHIP OR CITY FOR SAID YEAR. THIS MEETING SHOULD BE HELD IN YOUR OFFICE AS PROVIDED BY LAW.

PURSUANT TO THE PROVISIONS OF MINNESOTA STATUTES SECTION 274.03, YOU ARE REQUIRED TO GIVE NOTICE OF SAID MEETING BY PUBLICATION AND POSTING, NOT LATER THAN TEN DAYS PRIOR TO THE DATE OF SAID MEETING.

GIVEN UNDER MY HAND THIS 12TH DAY OF FEBRUARY, 2010



COUNTY ASSESSOR

COTTONWOOD COUNTY, MINNESOTA

February 12, 2010

TO: Township Boards, City Councils, and Local Assessors
SUBJECT: 2010 Local Boards of Appeal and Equalization

Below is the schedule of the dates and times for the 2010 Local Boards of Appeal and Equalization Meetings. If the date assigned to your board of equalization will not work for your district, please let me know immediately and we can reschedule it. Please make sure your board members are aware of the district's meeting date and are able to attend.

You will need to post three (3) notices of the meeting in three conspicuous locations at least ten (10) days prior to the scheduled meeting date (enclosed). Each notice should contain the meeting date, time, and location. Please make note of the date that you post these notices for the Board of Equalization record.

As in the past, my office will be taking care of the newspaper advertising for all of the districts. If you have any questions, contact my office.

Gale Bondhus
Cottonwood County Assessor

Cottonwood County 2010 Local Boards of Appeal and Equalization

Day	Date	Township/City	Time	Location/Assessor
Thursday	April 15, 2010	Amboy Township	9:00-9:30 a.m.	Amboy Town Hall
Friday	April 16, 2010	Amo Township	1:00-1:30 p.m.	Storden Community Center
Thursday	April 22, 2010	Ann Township	1:00-1:30 p.m.	Ann Town Hall
Wednesday	April 21, 2010	Carson Township	9:00-9:30 a.m.	JoAnn Nickel Home
Tuesday	April 20, 2010	Dale Township	6:30-7:00 p.m.	Gail Maras Home
Thursday	April 15, 2010	Delton Township	5:00-5:30 p.m.	Delton Town Hall
Thursday	April 15, 2010	Germantown Township	3:00-3:30 p.m.	Sanborn ADM Elevator
Friday	April 23, 2010	Great Bend Township	1:00-1:30 p.m.	Cottonwood County LEC
Friday	April 16, 2010	Highwater Township	11:00-11:30 a.m.	Storden Community Center
Wednesday	April 21, 2010	Lakeside Township	3:00-3:30 p.m.	Lakeside Town Hall
Wednesday	April 21, 2010	Midway Township	11:00-11:30 a.m.	Mountain Lake Fire Department
Wednesday	April 21, 2010	Mountain Lake Township	1:00-1:30 p.m.	Mountain Lake Town Hall
Thursday	April 22, 2010	Rosehill Township	5:00-5:30 p.m.	Rosehill Town Hall
Thursday	April 15, 2010	Selma Township	11:00-11:30 a.m.	Selma Town Hall
Friday	April 23, 2010	Southbrook Township	9:00-9:30 a.m.	John Tibodeau Home
Thursday	April 22, 2010	Springfield Township	9:00-9:30 a.m.	Springfield Town Hall
Friday	April 16, 2010	Storden Township	3:00-3:30 p.m.	Storden Community Center
Friday	April 16, 2010	Westbrook Township	5:00-5:30 p.m.	Westbrook Town Hall
Monday	April 12, 2010	Bingham Lake City	6:30-7:00 p.m.	Bingham Lake City Hall
Monday	April 19, 2010	Comfrey	7:00-7:30 p.m.	Comfrey City Hall
Wednesday	May 5, 2010	Jeffers	5:00-5:30 p.m.	Jeffers City Hall
Wednesday	May 12, 2010	Mountain Lake City	5:30-6:00 p.m.	Mountain Lake City Hall
Tuesday	May 4, 2010	Storden City	5:00-5:30 p.m.	Storden Community Center
Monday	May 3, 2010	Westbrook City	5:30-6:00 p.m.	Westbrook City Hall
Monday	May 10, 2010	Windom	4:30-5:00 p.m.	Windom City Hall
Wednesday	June 16, 2010	County Equalization	6:00 p.m.	Cottonwood County Courthouse Commissioners Room

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
P & Z / BUILDING OFF	MIDWEST WIRELESS	TELEPHONE	11.85
	Total for Department 106		11.85*
CITY HALL	JAY KUEHL	SNOW REMOVAL	45.00
CITY HALL	MN ENERGY RESOURCES	HEATING	1,281.35
	Total for Department 115		1,326.35*
POLICE	FBET SERVICES DIVIS	LEASE CAR	2,565.56
POLICE	UNICEL	TELEPHONE	270.27
	Total for Department 120		2,835.83*
STREET	MIDWEST WIRELESS	TELEPHONE	139.03
STREET	MN ENERGY RESOURCES	HEATING	1,902.87
STREET	RUNNING'S SUPPLY	MAINTENANCE	141.66
	Total for Department 140		2,183.56*
	Total for Fund 01		6,357.59*
LIBRARY	GE MONEY BANK/AMAZON	SUBSCRIPTION	14.19
LIBRARY	JAY KUEHL	SNOW REMOVAL	45.00
LIBRARY	MN ENERGY RESOURCES	HEATING	1,038.57
LIBRARY	PAPER CRAFTS	SUBSCRIPTION	19.00
	Total for Department 171		1,116.76*
	Total for Fund 03		1,116.76*
AMBULANCE	MIDWEST WIRELESS	TELEPHONE	89.79
AMBULANCE	RUNNING'S SUPPLY	MAINTENANCE	21.36
	Total for Department 176		111.15*
	Total for Fund 13		111.15*
MULTI-PURPOSE BUILDI	MIDWEST WIRELESS	TELEPHONE	12.86
	Total for Department 177		12.86*
	Total for Fund 14		12.86*
LIQUOR	BEVERAGE WHOLESALERS	MERCHANDISE	3,451.77
LIQUOR	COLLINS BROTHERS, IN	MERCHANDISE	528.42
LIQUOR	EXTREME BEVERAGE, LL	MERCHANDISE	67.00
LIQUOR	WIRTZ BEVERAGE MN WI	MERCHANDISE	2,262.72
LIQUOR	HAGEN DISTRIBUTING	MERCHANDISE	2,435.85
LIQUOR	JOHNSON BROS.	MERCHANDISE	3,424.40
LIQUOR	PEPSIAMERICAS	MERCHANDISE	147.00
LIQUOR	PHILLIPS WINE & SPIR	MERCHANDISE	1,797.99
LIQUOR	QUALITY WINE SPIRITS	MERCHANDISE	5,146.37
LIQUOR	RUNNING'S SUPPLY	MAINTENANCE	20.92
	Total for Department 180		19,282.44*
	Total for Fund 60		19,282.44*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
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WATER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	151.09
WATER	MIDWEST DATA, INC	SPECIAL SERVICES	17.42
WATER	MIDWEST DATA, INC	UTILITY BILL SERVICES	930.84
WATER	RUNNING'S SUPPLY	MAINTENANCE	45.98
WATER	DANIEL RIORDAN	STMT CREDIT - WATER/SEWE	6.25
	Total for Department 181		1,151.58*
	Total for Fund 61		1,151.58*
	JANET & EDWARD KADUC	REFUND-UTILITY PREPAYMEN	125.00
	DANIEL RIORDAN	REFUND - UTILITY PREFAYM	125.00
	DANIEL RIORDAN	STMT CREDIT-ELECTRIC	1.22
	Total for Department		251.22*
ELECTRIC	CENTRAL MINNESOTA MU	CIP SERVICES ASSESSMENT	8,340.00
ELECTRIC	CENTRAL MINNESOTA MU	POWER COST	260,392.33
ELECTRIC	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	151.09
ELECTRIC	MIDWEST DATA, INC	SPECIAL SERVICES	42.41
ELECTRIC	MIDWEST DATA, INC	UTILITY BILL SERVICES	1,919.76
ELECTRIC	RUNNING'S SUPPLY	MAINTENANCE	30.13
ELECTRIC	RUNNING'S SUPPLY	SHIPPING	10.82
ELECTRIC	DEPARTMENT OF ENERGY	POWER COST	93,291.63
ELECTRIC	BANK MIDWEST	NSF CHECK	541.04
ELECTRIC	DANIEL RIORDAN	STMT CREDIT-ELECTRIC	17.88
	Total for Department 182		364,737.09*
	Total for Fund 62		364,988.31*
SEWER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	151.11
SEWER	MIDWEST DATA, INC	SPECIAL SERVICES	17.42
SEWER	MIDWEST DATA, INC	UTILITY BILL SERVICES	930.84
SEWER	MN ENERGY RESOURCES	HEATING	1,369.16
SEWER	RUNNING'S SUPPLY	MAINTENANCE	22.39
SEWER	DANIEL RIORDAN	STMT CREDIT - WATER/SEWE	11.37
	Total for Department 183		2,502.29*
	Total for Fund 63		2,502.29*
ARENA	MIDWEST WIRELESS	TELEPHONE	78.71
	Total for Department 184		78.71*
	Total for Fund 64		78.71*
ECONOMIC DEVELOPMENT	AARON BACKMAN	EXPENSE	152.50
ECONOMIC DEVELOPMENT	MIDWEST WIRELESS	TELEPHONE	11.85
	Total for Department 187		164.35*
	Total for Fund 67		164.35*
	LEVI BROITZMAN	REFUND- TELECOM	.19

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
	DANIEL RIORDAN	STMT CREDIT - TELECOM	.43
	Total for Department		.62*
TELECOMMUNICATIONS	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	453.27
TELECOMMUNICATIONS	MIDWEST DATA, INC	SPECIAL SERVICES	77.25
TELECOMMUNICATIONS	MIDWEST DATA, INC	UTILITY BILL SERVICES	2,020.74
TELECOMMUNICATIONS	MN ENERGY RESOURCES	HEATING	288.12
TELECOMMUNICATIONS	RFD TV	SUBSCRIBER	197.43
TELECOMMUNICATIONS	LEVI BROITZMAN	REFUND- TELECOM	2.78
TELECOMMUNICATIONS	DANIEL RIORDAN	STMT CREDIT - TELECOM	10.39
	Total for Department 199		3,049.98*
	Total for Fund 69		3,050.60*
	Grand Total		398,816.64*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
CITY OFFICE	STEVE NASBY	EXPENSE	152.00
CITY OFFICE	SELECTACCOUNT	ADM FEE	168.36
	Total for Department 103		320.36*
CITY HALL	JAY KUEHL	SNOW REMOVAL	15.00
	Total for Department 115		15.00*
POLICE	JEFFREY SHIRKEY	EXPENSE	8.31
	Total for Department 120		8.31*
FIRE DEPARTMENT	MN STATE FIRE CHEF A MEMBERSHIP DUES		185.00
	Total for Department 125		185.00*
STREET	PETERSON SMITH GRAVE HAUL SNOW		977.50
	Total for Department 140		977.50*
	Total for Fund 01		1,506.17*
LIBRARY	JAY KUEHL	SNOW REMOVAL	15.00
LIBRARY	WORTHINGTON DAILY GL SUBSCRIPTION		157.75
	Total for Department 171		172.75*
	Total for Fund 03		172.75*
AIRPORT	MN DEPT OF ADMINISTR TELEPHONE		136.36
	Total for Department 174		136.36*
	Total for Fund 11		136.36*
AMBULANCE	LONDA FOSHEIM	EXPENSE	22.36
AMBULANCE	TIM HACKER	EXPENSE	50.67
AMBULANCE	BUCKWHEAT JOHNSON	EXPENSE	12.72
AMBULANCE	ALLAN REMPEL	EXPENSE	28.12
	Total for Department 176		113.87*
	Total for Fund 13		113.87*
MULTI-PURPOSE BUILDI	MN ENERGY RESOURCES	HEATING	1,674.71
	Total for Department 177		1,674.71*
	Total for Fund 14		1,674.71*
	MN DEPT OF EMPLOY & E LOAN REPAYMENT SPAP-99-\$		3,061.46
	Total for Department		3,061.46*
FM REVOLVING LOAN FU	MN DEPT OF EMPLOY & E LOAN REPAYMENT SPAP-99-\$		103.52
	Total for Department 172		103.52*
	Total for Fund 15		3,164.98*
SCDP	SW MN HOUSING PARTNE	GRANT DRAW #3	3,805.00

CITY OF WINDOM
 FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount

		Total for Department 163	3,805.00*
		Total for Fund 17	3,805.00*
LIQUOR	BEVERAGE WHOLESALERS	MERCHANDISE	1,863.10
LIQUOR	COCA-COLA BOTTLING C	MERCHANDISE	311.55
LIQUOR	WIRTZ BEVERAGE MN WI	MERCHANDISE	3,289.55
LIQUOR	HAGEN DISTRIBUTING	MERCHANDISE	3,910.65
LIQUOR	JOHNSON BROS.	MERCHANDISE	2,849.40
LIQUOR	PHILLIPS WINE & SPIR	MERCHANDISE	1,609.18
		Total for Department 180	13,833.43*
		Total for Fund 60	13,833.43*
WATER	MICHEAL HAUGEN	EXPENSE	6.50
WATER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	151.09
WATER	MN ENERGY RESOURCES	HEATING	828.68
WATER	WENCK ASSOCIATES, IN	LANDFILL	986.73
		Total for Department 181	1,973.00*
		Total for Fund 61	1,973.00*
ELECTRIC	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	151.09
ELECTRIC	MIDWEST WIRELESS	TELEPHONE	87.03
ELECTRIC	MN ENERGY RESOURCES	HEATING	513.12
ELECTRIC	BANK MIDWEST	NSF CHECK	211.23
		Total for Department 182	962.47*
		Total for Fund 62	962.47*
SEWER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	151.11
SEWER	RANDY LYONS	REGISTRATION	40.00
SEWER	MN ENERGY RESOURCES	HEATING	96.53
		Total for Department 183	287.64*
		Total for Fund 63	287.64*
ARENA	MN ENERGY RESOURCES	HEATING	1,708.65
		Total for Department 184	1,708.65*
		Total for Fund 64	1,708.65*
	ELECTRIC FUND	LOAN PAYABLE FROM EDA SP	672.37
		Total for Department	672.37*
ECONOMIC DEVELOPMENT	ELECTRIC FUND	LOAN PAYABLE FROM EDA SP	277.12
		Total for Department 187	277.12*
		Total for Fund 67	949.49*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
TELECOMMUNICATIONS	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	453.27
TELECOMMUNICATIONS	BANK MIDWEST	NSF CHECK	47.05
		Total for Department 199	500.32*
		Total for Fund 69	500.32*
	AFLAC	INSURANCE	279.12
	JOHNSON COUNTY COURT	PAYROLL DEDUCTION CDDMO1	1,202.00
	LAW ENFORCMENT LABOR UNION	DUES	210.00
	LOCAL UNION #949	UNION DUES	1,560.50
	MN BENEFIT ASSOCIATI	INSURANCE	114.18
	MINNESOTA REVENUE	WAGE LEVY	1,068.00
		Total for Department	4,433.80*
		Total for Fund 70	4,433.80*
		Grand Total	35,222.64*

RESOLUTION #2010-

INTRODUCED:

SECONDED:

VOTED: AYE:

NAY:

ABSENT:

RESOLUTION REQUESTING THE LEGISLATURE REJECT THE GOVERNOR'S SUPPLEMENTAL BUDGET CUTS TO LOCAL GOVERNMENT AID (LGA) PAYMENT

WHEREAS, the December 2009 State Budget Forecast predicts a budget deficit of \$1.2 Billion for the current biennium; and

WHEREAS, Governor Pawlenty unallotted scheduled local government aid (LGA) payments in 2008, 2009 and 2010 to address state budget deficits; and

WHEREAS, these unallotments to the LGA program totaled \$201 Million; and

WHEREAS, LGA represents only 2.9% of the State is 2010-11 general fund budget, but has accounted for 16% of the governor's unallotments; and

WHEREAS, these programs are critical to restraining property taxes and providing for essential city services such as police, fire, snow plowing, libraries, parks, sewer and water infrastructure, and other services that make our community a vital and desirable place to live and work; and

WHEREAS, state aid to the City of Windom has been unallotted in the amounts of \$110,110 in 2008, and \$94,753 in 2009, and \$218,631 in 2010; and

WHEREAS, the 2010 LGA total appropriation will be reduced by over 40% from the certified amount under Governor Pawlenty's supplemental budget for 2010-2011; and

WHEREAS, the City of Windom's 2010 LGA would be reduced by an additional \$243,582 under Governor Pawlenty's supplemental budget for 2010-2011; and

NOW, BE IT THEREFORE RESOLVED THAT, the City Council of the City of Windom urges the Legislature to reject the governor's supplemental budget LGA cuts for 2010.

BE IT FURTHER RESOLVED THAT upon passage, this resolution shall be forwarded to Governor Tim Pawlenty, Speaker Margaret Anderson Kelliher, House Minority Leader Kurt Zellers, Senate Majority Leader Larry Pogemiller, Senate Minority Leader David Senjem, and to the members of the State Legislature representing our city.

Adopted this 2nd day of March, 2010.

Kirby G. Kruse, Mayor

Attest: _____
Steve Nasby, City Administrator



House Tax Committee Chair Introduces Budget-Balancing Bill

Rep. Lenczewski's bill proposes additional cuts for cities.

(Published Feb 24, 2010)

On Feb. 22, House Taxes Chair **Ann Lenczewski** ([Link to: http://www.house.leg.state.mn.us/members/members.asp?id=10369](http://www.house.leg.state.mn.us/members/members.asp?id=10369)) (DFL-Bloomington) introduced **HF 3082** ([Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF3082&ssn=0&y=2009](https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF3082&ssn=0&y=2009)), a bill that would balance the state's \$1.2 billion budget deficit through significant appropriations reductions to schools, counties, and cities as well as cuts to many other areas of the state budget. According to Rep. Lenczewski, the bill is her attempt to balance the state's deep deficit and does not necessarily represent the House DFL caucus position. The bill currently has no co-authors and there is no companion bill in the Senate.

For cities, the bill calls for additional reductions to local government aid (LGA) and market value homestead credit (MVHC) payments for calendar year 2010 of an estimated \$115 million. In comparison, the governor's supplemental budget proposes additional reductions to city LGA and MVHC reimbursements by \$125 million in 2010. The cut to cities would be roughly 91 percent of the governor's proposed cut.

The reduction would be calculated at 7.4525 percent of each city's 2010 certified property tax levy plus LGA and taconite aid and would first be taken from each city's LGA and then to the extent necessary, from the city's MVHC. According to estimates prepared by the House of Representatives Research Department, the legislation would result in a 2010 reduction of \$108.7 million in LGA and a reduction of \$6.3 million in MVHC. This cut would be on top of the \$129 million in 2010 unallotment reductions already imposed on cities.

Overall Proposed Reductions for FY 2011/CY 2010 (In thousands):

- Cities: \$115,000
- Counties: \$70,000
- Schools: \$354,000
- Transportation: \$7,165
- Energy, Environment: \$13,575
- Economic Development: \$10,015
- Health and Human Services: \$369,505
- Public Safety: \$70,455
- Agriculture and Veterans Affairs: \$9,345
- Higher Education-U of M: \$36,000
- Higher Education-MNSCU: \$10,000

- Minnesota Senate: \$1,887
- Minnesota House: \$2,538
- Legislative Coordinating Commission: \$1,305
- Office of Governor: \$297
- State Auditor: \$778
- Attorney General: \$1,963
- Secretary of State: \$501
- Other State Agency Cuts: \$14,844

For the 2011 LGA distribution, the bill would permanently set the LGA appropriation at \$380.7 million and the reduced appropriation would be distributed via the formula with several modified caps and floors to accommodate the reduced appropriation. In comparison, the governor's supplemental budget would permanently reduce the 2011 LGA appropriation to \$337.6 million.

The savings to the state from MVHC would be realized through a modification to the MVHC formula. Under current law, the non-agricultural MVHC is equal to 0.4 percent of the value of a home up to a \$76,000 maximum. The credit is then reduced by an amount equal to 0.09 percent of the home's market value in excess of \$76,000. Under the bill, the credit would be equal to 0.35 percent of the value of a home up to a \$76,000 maximum with a credit reduction equal to 0.121 percent of the market value in excess of \$76,000.

The bill also appropriates \$6.7 million to the Minnesota Department of Revenue to fund new tax compliance measures that are estimated to bring in \$26.9 million for the biennium ending on June 30, 2011.

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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Governor Proposes Taking Funds from Dedicated Firefighter Training Account

The governor has identified the Fire Safety Account as a source of funds to help balance the state's ailing budget.

(Published Feb 24, 2010)

A portion of funds dedicated to firefighter training will be diverted to the state's general fund if Gov. Pawlenty has his way. The governor is proposing to divert \$6.9 million from the fund in 2010 and another \$3 million in 2011 to the state's general fund. The proposal would leave about \$1 million per year in the account.

The League recognizes this proposal as another potential loss of revenue for local units of government and will oppose this diversion of funds. Other opponents of using the Fire Safety Surcharge for budget balancing include: the Minnesota State Fire Chiefs Association, the Minnesota State Fire Department Association, the Minnesota Professional Fire Fighters, the Fire Marshals Association of Minnesota, the International Association of Arson Investigators (Minnesota Chapter), the Minnesota Area Relief Association Coalition, the National Fire Sprinkler Association (Minnesota Chapter), and the Insurance Federation of Minnesota.

Since 2007, under a statute signed into law by Gov. Pawlenty, homeowners and commercial property owners have paid a "fire safety surcharge" of 0.65 percent on insurance premiums. The surcharge, which is listed as a line item on policyholders' statements, is deposited into the Fire Safety Account. The account is used for firefighter training, state chemical and decontamination response teams, and the State Fire Marshall's office. The average homeowner pays \$5.20 into the fund annually.

Since its creation, the Fire Safety Account has provided \$2 million to partially reimburse over 400 fire departments for training expenses. According to a representative of the Minnesota State Fire Chiefs Association, the requests for reimbursement from the account total approximately \$5 million. Even though the account has the funds to accommodate all requests, the dollars have not been allocated because the Legislature and governor must first approve the expenditure. The \$3 million in requests that have not been reimbursed must then be borne by local property taxpayers.

Read the current issue of the Cities Bulletin (*Link to: <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 (*Link to: <mailto:afinn@lmc.org>*)



League Opens Budget Cuts Hotline

Tell the League what your city is doing to deal with cuts in state aid.

(Published Feb 24, 2010)

Cities across Minnesota are making bold, sometimes drastic, changes in the way they conduct city business. At the heart of this change is a new reality, one in which cities are adjusting to the diminishing state-local fiscal relationship.

The League has collected examples from across the state of cities being creative, holding the line on spending, and being both responsible and responsive to the new fiscal reality. To help collect and share more stories of challenges faced by Minnesota cities, the League has opened a Budget Cuts Hotline.

City officials are encouraged to call and leave a message on the League's Budget Cuts Hotline, detailing how recent unallotment actions and the further cuts proposed in the governor's supplemental budget will affect your city in terms of services to residents such as police and fire protection, street maintenance and repair, park, recreation, and senior programming, and their impacts across your community. Messages collected may be used to inform the public, media, and lawmakers about city fiscal conditions, and may be posted online.

To reach the Budget Cuts Hotline:

- Direct: (651) 215-4019
- Toll-free: (800) 925-1122, ext. 4019

E-mail option

Another option to share your city's experience in responding to the new state-local fiscal reality is to e-mail comments to Lena Gould, LMC policy analyst at lgould@lmc.org (*Link to: <mailto:lgould@lmc.org>*).

Share your story with others, too

Finally, city leaders are encouraged to share their city's actions, particularly during this period of continued projected state deficits, with your city's residents, area media, and legislators.

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

Your LMC Resource

Contact Lena Gould

Policy Analyst

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

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

Contact Brian Strub



Governor's Supplemental Budget Calls for Permanent Levy Limits

One notable change in the new proposal would be a restriction on the ability of cities to recover losses of state aid.

(Published Feb 17, 2010)

In addition to the deep cuts in city aid and credit programs, the governor's supplemental budget proposal includes a permanent extension of levy limits for cities over 2,500 in population and all counties. Cities under 2,500 in population would continue to be exempt from the levy limits.

Although the League has not yet seen a bill to reflect the intention of the governor, the proposal would apparently extend the current levy limit formula. Cities would continue to have adjustments to their levy limits for inflation up to 3.9 percent and for a portion of the household and tax base growth. Cities would generally also have access to all special levies in current law, such as debt service. These special levies are not covered by levy limits.

Cities could recover only half of state aid losses

One notable change would be a restriction on the ability of these cities to recover losses of state aid. Under the plan as described by administration staff, cities and counties would be able to recover only 50 percent of the loss of state aids and credits that have occurred under the 2010 unallotment, under the governor's supplemental cuts, and for any additional loss of certified 2011 local government aid. Under current law, cities can recover 100 percent of these losses.

Full details on how these levy limits will function or how individual cities would be impacted is not yet available. When the legislation is introduced, the League will fully analyze the proposal.

Reasons for heightened restrictions

Part of the reason for this more aggressive levy limit provision for losses of aid is the fact that several state programs interact with local property taxes. For example, the homeowner circuit breaker program provides a state-paid credit for qualifying homeowners whose property taxes exceed certain thresholds of income. As property taxes rise, the cost of this refund program also increases.

Similarly, due to the fact that property taxes can be deducted by homeowners and businesses when filing their income taxes, higher property taxes would increase the impact of the deduction and therefore reduce state revenues.

Under the governor's more aggressive levy limits, the homeowner's circuit breaker cost would still increase by nearly \$12 million while the income tax deduction for property taxes is estimated to reduce state revenues by an additional \$12.2 million.

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



Coalition of Greater Minnesota Cities
CGMC in Brief

February 25, 2010

Contact: Tim Flaherty
651-225-8840

**House tax chair
proposes full \$1.2
billion budget deficit
solution**

Rep. Ann Lenczewski (DFL-Bloomington), chair of the House Tax Committee, introduced a comprehensive bill Monday (H.F. 3082) that would completely solve the state's current \$1.2 billion budget deficit using only spending reductions. The bill cuts \$1.2 billion in spending compared to the governor's budget that cuts \$825 million and relies on one-time federal funds to balance the remainder of the budget.

All areas of spending would see a reduction under the tax committee chair's proposal, including K-12 education which would be cut by 5.7% (\$354 million). Tax aids and credits would see the largest percent reduction at 13.2% (\$200 million). Limited by federal restrictions higher education would see the smallest cut at 3.2% (\$46 million). All other areas of the budget would be cut by 7.6% (\$524 million) across the board.

The Lenczewski proposal would reduce aid and credits by \$50 million less than the governor's proposed budget. Local Government Aid, however, would only be cut \$9 million less under the bill. The bill would reduce county program aid cuts by \$38 million compared to the governor's proposed budget. Charts are attached that compare Rep. Lenczewski's bill to the governor's proposal.

To be clear, the Lenczewski budget solving bill is not a House Caucus position or the position of the House Tax Committee. Speaker Kelliher released the following statement regarding the bill: "The caucus has not taken a position on Rep. Lenczewski's HF 3082. In fact, the House Caucus has strongly supported local tax aids and credits as a way to keep property taxes down while still providing high quality local services."

**CGMC annexation
bills introduced;
Township bills
expected next week**

Three CGMC-sponsored bills were introduced at the legislature today. These bills propose needed changes to the current statutes on municipal boundary adjustment.

The first bill would prohibit new municipal incorporations for 5 years. This would mean that no township could become its own city. The legislation also directs the Department of Administration to study the fiscal and environmental impacts of new cities on the state and other units of local government.

The second bill would limit the amount of compensation a township could negotiate for during orderly annexation agreements (OAs). Currently, when negotiating OAs, a township will often demand additional payment on a per



acre basis, in addition to the property tax reimbursement they are otherwise entitled to. The legislation would limit the property tax reimbursement to no more than 8 years worth of property taxes and would prohibit any other extra per acre fees as a condition of the OA.

The third bill would define in law what it means when property is or is about to become “urban or suburban in character.” This is a finding used in contested case annexations and becomes the basis for an administrative law judge ordering or not ordering a particular annexation. The problem with the current statutes is that there are no clear guidelines for how to determine if something is or is about to become “urban or suburban in character.” Our legislation would define urban or suburban in character where residential densities are on average greater than one unit per two and half acres or where certain types of commercial, industrial, or governmental development is taking place.

Finally, we have it on good authority that the townships will be introducing at least two bills next week dealing with annexation issues. We will keep you apprised as events unfold. Check out the CGMC website for further updates.

CGMC supports pharmaceutical disposal bill

CGMC, through its Environment and Energy Committee, lent its support to a bill sponsored by Rep. Paul Gardner, H.F. 1217, which is working its way through committees in the House. This bill would place the burden of disposing excess pharmaceuticals on manufacturers and wholesalers. This shift is important because if drugs are not disposed of properly, they end up in municipal waste streams. A copy of the letter, signed by CGMC President Timothy Strand and Environment Committee Co-Chair Heidi Omerza, can be found at www.greatermncities.org/environment-energy.

Department of Health accepting applications for Drinking Water Revolving Fund

The Drinking Water Revolving Fund provides below market rate financing for public water system improvements. Funding priority is for projects that correct a public health hazard, bring or keep systems in compliance with drinking water standards, and for communities below the median household income. Typical projects are for wells, treatment plants, water towers, and distribution lines. Funding is not for economic expansion or fire protection. The Department is also asking the legislature to approve providing 25% principal forgiveness (grants) up to \$1 million for projects that additionally save water, energy, or are environmentally innovative. Funds will be distributed based on a priority list ranking, so not all projects will receive principal forgiveness.

To obtain a loan, you must be on the Project Priority List. Requests for placement on the list are due May 7, 2010. For PPL instructions, a general program overview, and to see an example of a simplified proposal go to: www.health.state.mn.us/water/dwrf/.



**CAP announces
grant-funded
summer internship
program**

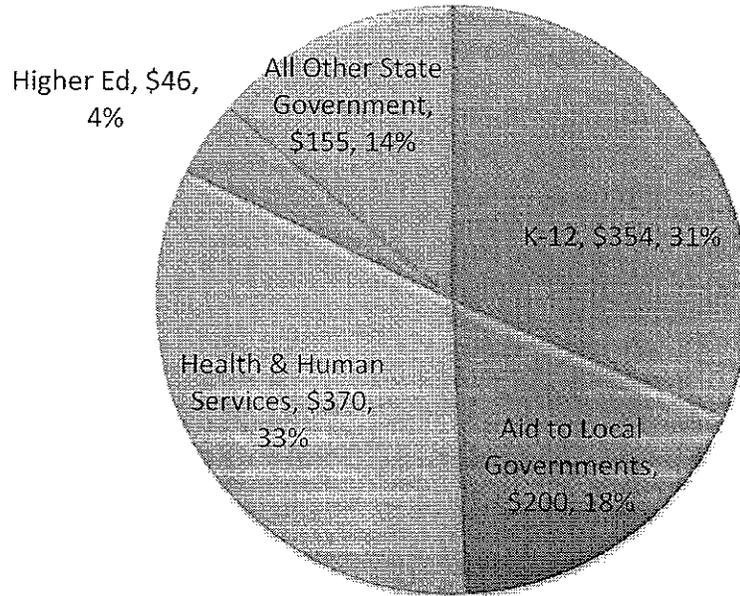
The Community Assistantship Program (CAP) has announced a summer 2010 grant program. The grant will allow rural communities to hire a student to work on a project defined by those communities. The deadline for project proposals is March 15, 2010. Approved projects will run from May 31, 2010 to August 29, 2010.

Winning communities will review job applications and select the student who best meets their needs. For details on the program and how to apply, visit: <http://www.cura.umn.edu/Programs/ApplicationProcess.php>. Eligible organizations include community groups, organizations, and local governments outside the seven county metro.



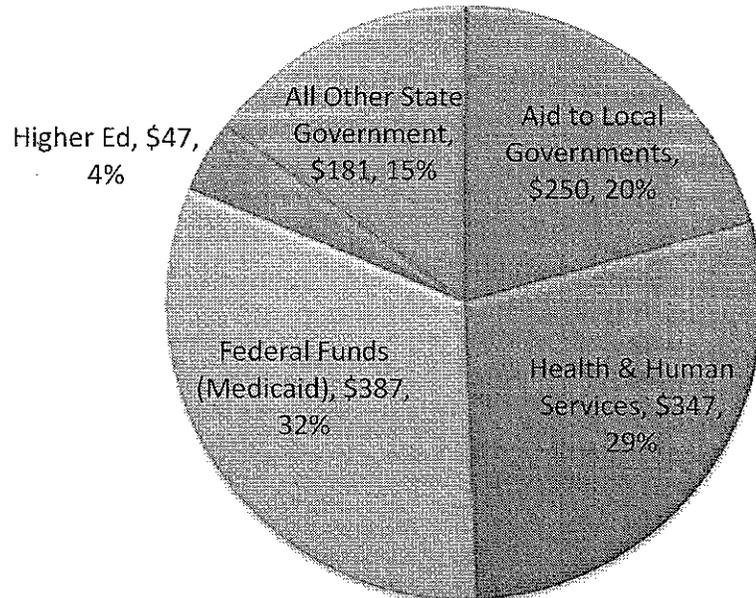
Rep. Lenczeski's Budget Bill

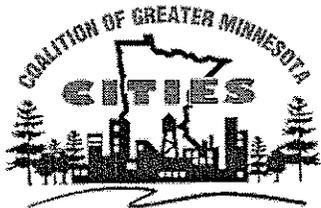
(In Millions)



Governor Pawlenty's Budget Proposal

(In Millions)





Coalition of Greater Minnesota Cities
CGMC in Brief

February 18, 2010

Contact: Tim Flaherty
651-225-8840

**Call-to-action:
Members asked to
lobby for CGMC
LGA bill**

Earlier this week, the governor announced his supplemental budget proposal, which cuts LGA in 2010 by another \$118 million on top of the \$102 million already unallotted for 2010. If these proposed cuts were passed in the legislature, the total LGA reduction for 2010 would be over 40%. Clearly, these cuts would have devastating effects if passed, especially because they would occur in the middle of the city budget year. Many cities would have to take desperate actions that may not be reversible in the near future considering the economic condition of the state. This should be deeply troubling to all city officials, residents, and the legislators who represent them at the Capitol.

To protect LGA from deep cuts and provide financial stability for cities, CGMC has created the **Minnesota Communities Stabilization Act**. This bill would limit the 2010 LGA cuts to the 2009 level and prevent further unallotment of the 2010 LGA payment, thereby keeping city budgets intact for the remainder of the budget year. To accomplish this savings, the bill raises \$60 million in new revenues through an expanded sales tax on non-essential personal care services—such as tattoos, body piercings, facials, and manicures—and on digital downloads such as iTunes and OnDemand movies (CDs and DVDs are taxed if purchased in a store). Please note that the expanded sales tax would **not** apply to haircuts. Attached is a handout and talking points on the bill. This is a moderate, common sense approach to generate new revenue for the state that will protect essential city services.

For the bill to gain steam, we need all CGMC cities to meet with their legislators—particularly their representatives—as soon as possible and ask them to do the following:

1. Reject the governor's supplemental budget cuts of LGA for 2010
2. Sign on to the Minnesota Communities Stabilization Act as a co-author (talking points and a handout on the bill are attached)

The CGMC Board of Directors also approved the attached **resolution for your city to pass in opposition of the governor's proposed cuts to LGA**. This resolution can be adapted with your city's LGA 2008-2010 unallotment information, which can be found in the attached spreadsheet.

Please make every effort to complete these tasks. We need to make a strong push now to protect LGA and set the tone for the rest of the session. If you have any questions, please contact Tim Flaherty at tpflaherty@flaherty-hood.com.



Legislative Action Day sheds light on challenging session

CGMC members from across the state gathered in St. Paul yesterday for a day of strategy development, lobbying, and socializing at our annual Legislative Action Day. CGMC staff would like to thank members who made the trip to the Twin Cities, and would like to provide a brief recap of events for those of you who were unable to attend.

The day began with a CGMC Board of Directors meeting, at which members approved a draft resolution for city councils to pass in opposition of the governor's proposed supplemental budget, which would cut LGA by \$118 million in 2010. A copy of this resolution and a spreadsheet of information you may need to complete it are both attached.

Following the Board meeting, Tim Flaherty provided an update on our lobbying efforts to the full membership. For the time being, our LGA strategy will revolve around gaining support for the Minnesota Communities Stabilization Act, which is described in further detail on page 1. Senior Policy Analyst Steve Peterson also provided information on the governor's proposed \$118 million cut to LGA, which if passed and combined with the previous 2010 unallotment would amount to over a 40% cut to the program in 2010. The governor's proposal would also make levy limits permanent with the added stipulation that a city could levy back only \$0.50 of every \$1 cut in state aid. To view Tim and Steve's presentation slides, please visit www.greatermncities.org/lga-property-tax-relief.

After CGMC members returned from meetings with their legislators at the Capitol, the legislative leadership joined us for a panel discussion on key issues. Speaker Margaret Anderson Kelliher (DFL-Minneapolis), House Minority Leader Kurt Zellers (R-Maple Grove), and Senate Minority Leader Dave Senjem (R-Rochester) all made it, while Senate Majority Leader Larry Pogemiller (DFL-Minneapolis) was unable to attend and sent Sen. Rod Skoe (DFL-Clearbrook), chair of the Senate Property Tax Division, in his place.

On solving the state budget deficit, both Speaker Kelliher and Sen. Skoe said that the state has and will continue to have budget problems if it doesn't put revenue on the table along with cuts, while Rep. Zellers contended that the state needs to pursue zero-based budgeting, health and human services reductions, and retirement reform. Regarding CGMC's Minnesota Communities Stabilization Act, panel members acknowledged the bill as a creative solution, but Sen. Senjem and Rep. Zellers see little chance of the governor signing it. Speaker Kelliher and Sen. Skoe characterized CGMC's bill as the kind of new ideas the state needs to pursue. Speaker Kelliher pointed to the bill's taxation of non-essential personal care services as a way to make taxation fairer. On the topic of holding K-12 education harmless from cuts, Sen. Senjem and Speaker Kelliher believe that there is a need to prioritize K-12 funding, while Sen. Skoe said it's difficult to protect such a large part of the budget from reductions and Rep. Zellers added that cuts could be made in K-12 bureaucracy that would not affect the classroom.

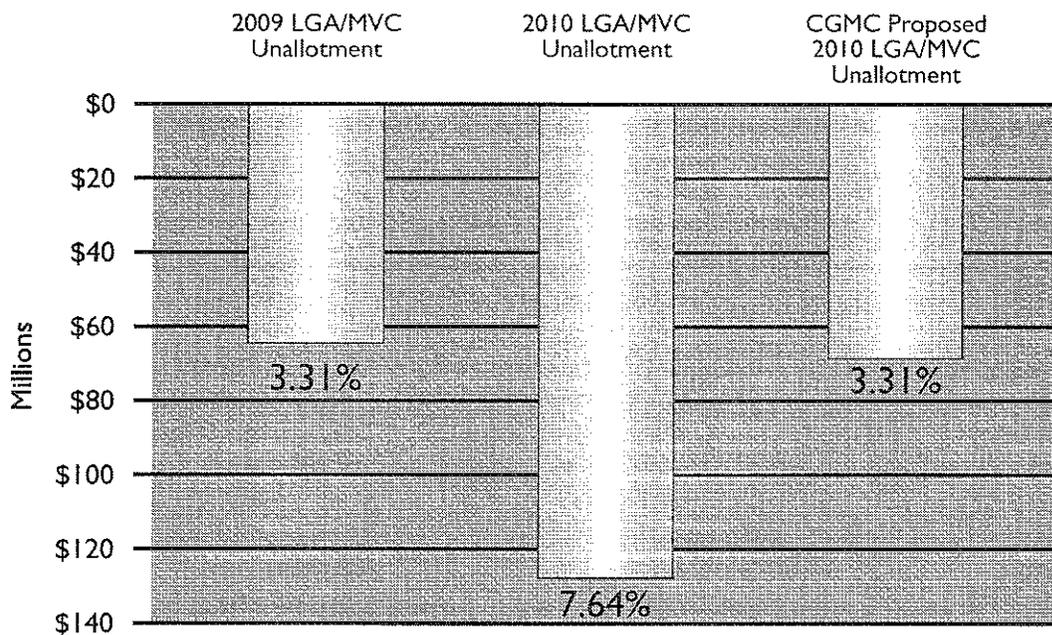
Following the leadership panel, members gathered at Mancini's Char House for dinner with their legislators. St. Paul Mayor Chris Coleman also provided opening comments on the importance of maintaining strong cities.



Limit 2010 LGA Cuts to the 2009 level

Support the Minnesota Community Stabilization Act to reduce the 2010 LGA/MVC (FY2011) unallotments to the 2009 level by expanding the sales tax to personal care, tattoos, body piercing, and digital downloads

The 2010 unallotment can be up to 7.64% of a city's levy plus aid, while the 2009 unallotment was 3.31% of a city's levy plus aid. Because of the profound effect the proposed 2010 unallotment will have on Minnesota's communities, **CGMC supports limiting the 2010 unallotment to the 2009 level.** Outlined in the Minnesota Community Stabilization Act, this approach requires \$60 million, which can be generated by expanding the state sales tax to personal care, such as facials, manicures, tattoos, and body piercings, and digital downloads. This bill will not add to the state's current deficit. The bill also prevents any further unallotment of 2010 (FY 2011) LGA/MVC payments.



► Raising taxes fairly across the state is better than further cutting LGA

Nobody likes to pay taxes, but it is better to raise state taxes in a fair manner rather than continually cut LGA, which hurts some communities harder than others. Residents and businesses across the state should have access to quality city services at a fair property tax rate. As LGA is reduced, the location of a business or resident in the state matters more and more.

► The 2010 unallotment disproportionately impacts greater Minnesota cities

In FY 2010/2011, LGA is 2.9% of the state's general fund budget, but makes up 16% of the unallotment (not including the school payment shifts). LGA is designed to aid cities with the lowest tax bases and the cities with the highest needs, which are disproportionately in greater Minnesota. In fact, 65% of LGA goes to greater Minnesota cities; therefore, when aid to cities is reduced, rural Minnesota and tax fairness are harmed the most.

Impact of LGA Unallotments

Service Cuts & Workforce Reductions

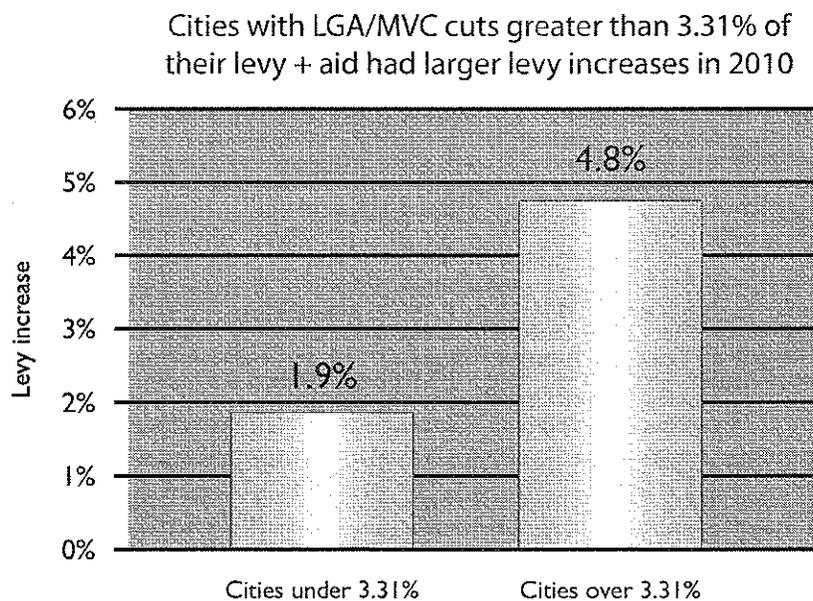
Total 2010 levy increases for all cities over 1,000 was \$69 million. Cities have lost \$259 million in LGA and MVC cuts since the last time they could raise their levies.*

CGMC member cities are reducing expenditures. A survey of CGMC cities shows:

- Members surveyed cut their expenditures by an average of 2%
- 69% of cities eliminated a total of over 188 positions including 42 in public safety
- 69% delayed needed capital equipment purchases
- 66% of cities have or are attempting to negotiate wage freezes with union employees
- 65% of cities reduced their street maintenance
- 30% reduced snow removal
- 27% reduced library hours

Uneven Revenue Increases

Cities over 1,000 increased their levies by an average of 4.1%. The size of the 2010 LGA/MVC unallotment affected levy increases. Cities with an unallotment of less than 3.31% of their levy plus aid increased their levy by an average of 1.9%. Cities with an unallotment of over 3.31% increased their levy by an average of 4.8%.



*Source: Property tax data from the MN Dept. of Revenue. Data does not include cities in Murray County. The CGMC Survey was given to 76 cities member cities outside the metro area with 58 cities responding.

MINNESOTA COMMUNITY STABILIZATION ACT

LGA cuts result in service cuts, property tax increases

- A survey of the Coalition of Greater Minnesota Cities shows they are doing all they can to make up for LGA cuts including:
 - **Service cuts:** 65% cut street maintenance, 48% cut park and recreation, 40% cut public safety, 30% cut snow removal
 - **Spending cuts:** 98% cut expenditures, primarily by delaying capital equipment purchases and capital improvement projects
 - **Frozen wages and benefits:** 55% imposed wage freezes on non-union workers; 66% are trying to negotiate wage freezes with union personnel
 - **Reduction in personnel:** The cities averaged 3.25 cuts per city, or 188 positions in total
 - **Increased revenues:** The cities averaged a 5% increase in property taxes; 60% added new or higher fees
 - **Reserves and cash flow:** 74% of cities reduced their fund balances to off-set the LGA loss, 9% have inadequate fund balances, 3.5% of cities have used short-term borrowing
- **Tell your story!**

LGA cuts disproportionate, unfair to greater Minnesota

- LGA is only 2.9% of the state budget but accounted for 16% of the unallotment
- Due to lower property wealth, greater Minnesota receives 65% of the LGA
- Because greater Minnesota is more dependent on LGA, the impact of cuts is worse

The MN Community Stabilization Act will limit unallotment

- The bill—advocated by CGMC—will:
 - Limit the 2010 unallotment of 7.6% of levy plus aid to the 2009 amount of 3.3%
 - Prohibit any further unallotment of LGA
- The bill will provide long-term property tax relief

A state sales tax expansion is better than more LGA cuts

- Expanding the state sales tax to cover digital downloads and optional personal care purchases such as tattooing, body piercing, facials and tanning, **but not haircuts**, is better than excessive LGA cuts
- The impact of a sales tax on these types of businesses should be minimal
- Additional LGA cuts, on the other hand, will hurt small businesses and harm economic recovery in greater Minnesota

Residents need support of all greater Minnesota legislators

- Both Democrat and Republican legislators should support the bill limiting LGA cuts and unallotments
- Republican legislators should use their power to keep the governor from making additional LGA cuts

The current budget deficit, now estimated at \$1.2 billion, should be solved without taking additional LGA

CGMC 2010 LGA Survey Results

How Greater Minnesota Cities Responded to the 2008, 2009 and 2010 LGA Unallotments

Intro

In response to the state of Minnesota's budget deficit, Governor Pawlenty unallotted many spending programs including Local Government Aid (LGA) and the Market Value Credit (MVC), both of which are directed to cities. Of these programs, most greater Minnesota cities saw the greatest impact from reduced LGA payments. LGA is provided to cities to reduce property taxes, and assist low property wealth communities and high need communities with providing services.

Cities have faced three years of reduced aid and credit payments. In 2008, the governor reduced LGA by \$54 million, a maximum of 4.08 percent of a city's levy plus aid. In 2009, another \$45 million was reduced from LGA, a maximum of 3.31 percent of a city's levy plus aid. The 2008 cut was reduced in December of 2008 with less than two weeks remaining in the 2008 city budget year. This required cities to use their reserves and then reduce spending in their 2009 budget year. In June 2009, the governor unallotted cities' 2009 LGA payment. Midway through their 2009 budget year, cities again had to make further spending reduction and use of their reserves to cover the lost revenue. Combined, cities reduced costs and reserves by \$98 million due to the 2008 and 2009 unallotments.

Cities' only opportunity to look at increasing revenue occurred in the setting of their 2010 budget discussions. For 2010, the governor reduced LGA payments by \$102 million, a maximum of 7.64 percent of a city's levy plus aid. Unlike the cuts of 2008 and 2009, cities in 2010 were fully aware of their LGA reduction and could budget accordingly with all the options available to local elected officials. The setting of the 2010 budget is the first real opportunity to see how local officials in greater Minnesota react to the LGA unallotments of the last three years.

Survey Population

The survey was given to 76 CGMC city managers and administrators. The survey had a response rate of 77 percent. Cities in the CGMC are located in all regions of Minnesota outside the Twin Cities metro area. Cities responding to the survey vary in population from under 3,000 to over 100,000 residents.

Results

2010 City Budgets

In response to the LGA reductions, more cities cut expenditures than raised revenue in their 2010 budgets. Ninety-eight percent of cities responding to the survey reduced expenditures, compared to

Snow removal	30 percent	98 percent
Library hours	27 percent	76 percent
Life guard hours at beaches	26 percent	47 percent
Public safety programs not including police and fire personnel	20 percent	86 percent

City Employment

In response to the reduction in revenues, 69 percent of cities reduced their workforce. Over 188 positions were eliminated, an average of 3.25 positions per city. Thirty-three percent of cities reduced their public safety personnel, resulting in the loss of 42 public safety positions.

In addition to reducing workforces, many cities attempted to reduce the cost of their workforce. Wage freezes were instituted in 55 percent of cities for non-union employees. Sixty-six percent of cities have or are attempting to negotiate wage freezes with union employees. Three percent of cities do not have union employees.

Revenue Increases

The average property levy increase was 5 percent. Eighteen percent of cities increased their property tax levy by over 10 percent.

Many cities looked to increase revenue through other means other than property tax levies. Sixty percent of cities increased or implemented new fees. Five percent of cities are implementing a street light utility fee. Seventeen percent of cities increased their sewer and water fees.

Reserves and Cash Flow

Particularly to address mid-year and end-of-year unallotments, city fund balances have been reduced. Seventy-four percent of cities reduced their fund balance to offset the loss of LGA. Reductions in reserves can impact city cash flow. Nine percent of cities responding to the survey report they do not have an adequate fund balance to meet their 2010 cash flow needs. Due to the reduction in revenue and the timing of the aid payment cuts, 3.5 percent of cities surveyed have used some form of short-term borrowing.



2010 CGMC Policy Positions: LGA, Property Tax, and State Budget

1. Local Government Aid Funding

The state should reduce the governor's 2010 LGA and Market Value Credit unallotments to the level of the 2009 LGA and Market Value Credit unallotments. To reduce the 2010 unallotments, the state should find an additional \$60 million in state spending reductions to fund LGA or raise \$60 million in revenue. Funding LGA should be the state's highest priority for property tax relief programs and it should not be cut further in 2009, 2010 and beyond.

2. Local Government Aid Formula

The legislative study group should determine if improvements can be made that are consistent with the LGA program's purpose. Any changes in the formula should be agreed upon by all city organizations before passage in the legislature, and to the greatest extent possible:

- Be based on a city's tax base and need;
- Include no separate pots based on geographic location or population;
- Reduce disparities among Minnesota cities greater than the current formula;
- Reduce yearly fluctuations in aid; and
- Be intuitive and rational.

3. State Budget Deficit

With the state facing a \$4.4 billion deficit in the 2011-2012 budget, CGMC supports a balanced budget solution that incorporates revenue increases, spending reductions, limited reliance on one-time money, limited payment shifts, and balances long-term. If there are no revenue increases to address the \$1.2 billion deficit for the 2009-2010 biennium, all areas of the state budget should be subject to funding reductions.

4. School Funding

The governor and the state Legislature should fully equalize all local property taxes used for education funding. If the governor and state Legislature need revenue to maintain or increase funding for K-12 education, it should increase general fund taxes or re-impose the state general education levy. The state should not reduce or eliminate LGA to fund education.

5. Inflation

To accurately reflect the cost of government, the governor and state Legislature should include inflation in the spending forecast beginning in February 2010.

6. Levy Limits

Levy limits are not an effective way to control property taxes, and place an arbitrary limitation on a city's ability to respond to local conditions. Levy limits should be repealed.

7. Local Option Sales Tax

The state should allow the moratorium on local option sales taxes to expire in May of 2010 as prescribed by current law.

8. Unfunded Mandates

LGA City by City Unallotments and Gov's Feb. Budget Summary

	2008 & 2009 Total LGA Unallotments	Certified 2010 LGA	Actual 2010 LGA (After Unallotment)	Change in 2010 LGA due to Unallotment	2010 LGA under Gov's Feb Budget	Change in 2010 LGA due to Gov's Feb. Budget	Total Change in 2010 LGA under Gov's Feb. Budget and Unallotment	Total LGA Lost under Gov's Feb. Budget and 2008, 2009 & 2010 Unallotments	2010 MVC Reductions due to Unallotment	2010 MVC Reductions under Gov's Feb. Budget	2011 LGA under Gov's Feb Budget
State Total	-98,129,422	536,671,457	434,287,473	-102,383,984	316,173,934	-118,113,539	-220,497,523	-318,626,945	-25,479,790	-6,886,465	337,640,792

Coalition of Greater Minnesota Cities

Albert Lea	-737,612	5,503,297	4,724,618	-778,679	3,870,963	-853,655	-1,632,334	-2,369,946	0	0	3,241,422
Alexandria	-433,049	1,689,877	1,212,962	-476,915	676,944	-536,018	-1,012,933	-1,445,982	0	0	1,119,842
Austin	-832,122	7,999,283	7,122,450	-876,833	6,151,664	-970,786	-1,847,619	-2,679,741	0	0	6,035,565
Babbitt	-100,252	387,432	299,542	-87,890	153,979	-145,563	-233,453	-333,705	0	0	284,461
Bagley	-64,110	436,710	368,125	-68,585	292,238	-75,887	-144,472	-208,582	0	0	281,710
Bemidji	-451,796	3,438,112	2,952,424	-485,688	2,371,101	-581,323	-1,067,011	-1,518,807	0	0	2,069,119
Benson	-142,477	931,810	776,650	-155,160	592,831	-183,819	-338,979	-481,456	0	0	508,810
Brainerd	-587,166	4,260,178	3,637,320	-622,858	2,954,263	-683,057	-1,305,915	-1,893,081	0	0	2,515,978
Breckenridge	-141,623	1,316,617	1,168,005	-148,612	998,904	-169,101	-317,713	-459,336	0	0	938,565
Cannon Falls	-208,998	695,570	469,740	-225,830	224,713	-245,027	-470,857	-679,855	0	0	349,907
Cloquet	-425,338	2,420,835	1,971,691	-449,144	1,566,153	-405,538	-854,682	-1,280,020	0	0	1,470,903
Crookston	-359,911	3,449,593	3,064,272	-385,321	2,654,818	-409,454	-794,775	-1,154,686	0	0	2,664,976
Detroit Lakes	-265,558	974,291	690,536	-283,755	356,342	-334,194	-617,949	-883,507	0	0	652,191
Dodge Center	-130,748	766,100	624,915	-141,185	471,719	-153,196	-294,381	-425,129	0	0	444,225
East Grand Forks	-393,492	2,903,060	2,483,041	-420,019	2,018,086	-464,955	-884,974	-1,278,466	0	0	1,916,435
Elbow Lake	-72,595	416,952	349,082	-67,870	258,830	-90,252	-158,122	-230,717	0	0	264,077
Ely	-211,382	1,908,121	1,713,366	-194,755	1,416,101	-297,265	-492,020	-703,402	0	0	1,466,996
Eveleth	-231,780	2,385,826	2,186,891	-198,935	1,856,202	-330,689	-529,624	-761,404	0	0	1,936,576
Faribault	-845,266	5,677,361	4,772,748	-904,613	3,796,818	-975,930	-1,880,543	-2,725,809	0	0	3,213,555
Fergus Falls	-592,912	4,192,809	3,563,825	-628,984	2,888,512	-675,313	-1,304,297	-1,897,209	0	0	2,466,184
Gilbert	-106,372	782,145	685,125	-97,020	531,626	-153,499	-250,519	-356,891	0	0	562,145
Glencoe	-229,403	1,308,232	1,063,154	-245,078	788,106	-275,048	-520,126	-749,529	0	0	705,036
Glenwood	-126,420	765,389	634,282	-131,107	491,976	-142,306	-273,413	-399,833	0	0	437,514
Goodview	-107,933	152,747	37,598	-115,149	0	-37,598	-152,747	-260,680	0	-88,428	139,258
Grand Marais	-69,057	170,069	96,422	-73,647	17,064	-79,358	-153,005	-222,062	0	0	77,341
Grand Rapids	-434,934	1,446,514	963,410	-483,104	443,475	-519,935	-1,003,039	-1,437,973	0	0	761,910

	2008 & 2009 Total LGA Unalotments	Certified 2010 LGA	Actual 2010 LGA (After Unalotment)	Change in 2010 LGA due to Unalotment	2010 LGA under Gov's Feb. Budget	Change in 2010 LGA due to Gov's Feb. Budget	Total Change in 2010 LGA under Gov's Feb. Budget and Unalotment	Total LGA Lost under Gov's Feb. Budget and 2008, 2009 & 2010 Unalotments	2010 MVC Reductions due to Unalotment	2010 MVC Reductions under Gov's Feb. Budget	2011 LGA under Gov's Feb. Budget
Roseau	-125,319	700,714	569,077	-131,637	426,308	-142,769	-274,406	-399,725	0	0	346,788
Rushford	-87,003	656,130	559,018	-97,112	445,720	-113,298	-210,410	-297,413	0	0	489,205
Sartell	-160,258	373,329	3,554	-369,775	0	-3,554	-373,329	-533,587	0	-204,762	218,565
St. Charles	-60,948	875,913	757,339	-118,574	620,928	-136,411	-254,985	-315,933	0	0	477,847
St. James	-166,526	1,513,065	1,336,057	-177,008	1,142,531	-193,526	-370,534	-537,060	0	0	1,083,539
St. Peter	-334,400	2,971,096	2,616,126	-354,970	2,208,907	-407,219	-762,189	-1,096,589	0	0	1,960,925
Staples	-126,072	1,091,899	957,573	-134,326	809,615	-147,958	-282,284	-408,356	0	0	728,731
Thief River Falls	-307,614	2,745,096	2,418,906	-326,190	2,065,853	-353,053	-679,243	-986,857	0	0	1,953,893
Tracy	-120,074	977,585	859,170	-118,415	702,230	-156,940	-275,355	-395,429	0	0	711,835
Virginia	-531,714	4,543,165	4,062,905	-480,260	3,326,260	-736,645	-1,216,905	-1,748,619	0	0	3,454,790
Wadena	-149,777	1,349,217	1,191,075	-158,142	1,016,531	-174,544	-332,686	-482,463	0	0	954,102
Waite Park	-203,174	228,590	0	-228,590	0	0	-228,590	-431,764	-141,505	-2,514	62,592
Warren	-62,257	630,467	561,156	-69,311	482,670	-78,486	-147,797	-210,054	0	0	452,627
Warroad	-90,674	839,653	744,943	-94,710	618,401	-126,542	-221,252	-311,926	0	0	653,660
Waseca	-433,908	2,744,853	2,273,651	-471,202	1,769,325	-504,326	-975,528	-1,409,436	0	0	1,521,228
Willmar	-585,580	4,673,575	4,052,791	-620,784	3,372,197	-680,594	-1,301,378	-1,886,958	0	0	2,839,223
Windom	-204,873	1,421,548	1,202,917	-218,631	959,335	-243,582	-462,213	-667,086	0	0	876,923
Winona	-1,170,400	10,430,544	9,204,794	-1,225,750	7,850,519	-1,354,275	-2,580,025	-3,750,425	0	0	7,345,891
Worthington	-419,112	3,143,998	2,705,107	-438,891	2,230,633	-474,474	-913,365	-1,332,477	0	0	1,808,094
CGMC Total	-28,304,209	171,707,723	141,836,018	-29,871,705	108,759,718	-33,076,300	-62,948,005	-91,252,214	-141,505	-783,568	113,092,802

Other Regional Centers

Duluth	-3,266,194	31,509,961	27,980,953	-3,529,008	24,008,970	-3,971,983	-7,500,991	-10,767,185	0	0	22,921,911
St. Cloud	-2,558,234	12,802,204	10,114,299	-2,687,905	7,186,917	-2,927,382	-5,615,287	-8,173,521	0	0	8,074,839

Select Metro

Andover	0	0	0	0	0	0	0	0	-490,022	-34,108	0
Anoka	-517,027	1,458,183	901,095	-557,088	294,018	-607,077	-1,164,165	-1,681,192	0	0	1,081,486
Apple Valley	0	0	0	0	0	0	0	0	-1,046,140	-12,419	0
Blaine	0	0	0	0	0	0	0	0	-741,834	-170,697	0
Bloomington	0	0	0	0	0	0	0	0	-1,370,603	0	0

	2008 & 2009 Total LGA Unallotments	Certified 2010 LGA	Actual 2010 LGA (After Unallotment)	Change in 2010 LGA due to Unallotment	2010 LGA under Gov's Feb. Budget	Change in 2010 LGA due to Gov's Feb. Budget	Total Change in 2010 LGA under Gov's Feb. Budget and Unallotment	Total LGA Lost under Gov's Feb. Budget and 2008, 2009 & 2010 Unallotments	2010 MVC Reductions due to Unallotment	2010 MVC Reductions under Gov's Feb. Budget	2011 LGA under Gov's Feb. Budget
Minneapolis	-21,709,985	90,012,451	68,671,351	-21,341,100	39,724,056	-28,947,295	-50,288,395	-71,998,380	0	0	48,125,383
Minnetonka	0	0	0	0	0	0	0	0	-485,760	-6	0
Minnetrista	0	0	0	0	0	0	0	0	-9,143	0	0
Mounds View	-207,848	571,636	232,079	-339,557	0	-232,079	-571,636	-779,484	0	-149,001	299,215
New Brighton	-152,339	65,619	0	-65,619	0	0	-65,619	-217,958	0	0	220,589
New Hope	-539,755	771,554	44,807	-726,747	0	-44,807	-771,554	-1,311,309	0	-364,366	463,322
Newport	-177,995	797,884	603,514	-194,370	377,513	-226,001	-420,371	-598,366	0	0	501,889
North St. Paul	-360,212	2,287,444	1,899,895	-387,549	1,440,787	-459,108	-846,657	-1,206,869	0	0	1,328,337
Oakdale	0	0	0	0	0	0	0	0	-537,707	-39,981	0
Plymouth	0	0	0	0	0	0	0	0	-551,911	0	0
Prior Lake	0	0	0	0	0	0	0	0	-227,546	-39,173	0
Ramsey	0	0	0	0	0	0	0	0	-441,606	-20,152	90,999
Richfield	-1,180,539	2,513,609	1,218,347	-1,295,262	0	-1,218,347	-2,513,609	-3,694,148	0	-233,974	995,229
Robbinsdale	-471,270	1,675,837	1,170,849	-504,988	589,223	-581,626	-1,086,614	-1,557,884	0	0	1,002,852
Rogers	0	0	0	0	0	0	0	0	-88,216	0	0
Rosemount	0	0	0	0	0	0	0	0	-412,573	-17,525	0
Roseville	0	0	0	0	0	0	0	0	-461,500	-7,117	0
Savage	0	0	0	0	0	0	0	0	-430,772	-66,775	0
Shakopee	0	0	0	0	0	0	0	0	-531,409	0	0
Shoreview	0	0	0	0	0	0	0	0	-317,648	-20,664	0
South St. Paul	-664,655	2,378,665	1,663,721	-714,944	861,488	-802,233	-1,517,177	-2,181,832	0	0	1,219,574
Spring Lake Park	-90,000	146,604	0	-146,604	0	0	-146,604	-236,604	-112,156	-59,057	274,954
St. Anthony Village	0	0	0	0	0	0	0	0	-154,594	0	0
St. Louis Park	0	0	0	0	0	0	0	0	-655,095	-26,994	0
St. Paul	-10,719,226	64,079,116	52,471,678	-11,607,438	39,525,318	-12,946,360	-24,553,798	-35,273,024	0	0	34,854,734
St. Paul Park	-124,287	276,171	143,307	-132,864	0	-143,307	-276,171	-400,458	0	-1,219	157,822
Stillwater	-587,373	1,012,574	183,298	-829,276	0	-183,298	-1,012,574	-1,599,947	0	-374,993	740,592
Vadnais Heights	0	0	0	0	0	0	0	0	-130,631	-17,025	0
West St. Paul	-740,003	1,558,714	773,763	-784,951	0	-773,763	-1,558,714	-2,298,717	0	-109,346	853,623
White Bear Lake	-474,159	2,041,462	1,537,595	-503,867	990,377	-547,218	-1,051,085	-1,525,244	0	0	1,394,695
Woodbury	0	0	0	0	0	0	0	0	-695,559	-108,696	0



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Unallotment legislation advances

This week, the House State and Local Government Operations Reform, Technology and Election Committee and Senate State and Local Government Operations and Oversight Committees considered and approved legislation that would restrict the governor's unallotment authority.

HF 2866/SF 2566, introduced by Rep. Lyn Carlson (DFL-Crystal) and Sen. Dick Cohen (DFL-St. Paul) would: 1) restrict unallotment to only on the portion of a projected budget deficit that was not known at the completion of the last legislative session, 2) require that when portions of the budget are reduced through unallotment payments must be reduced proportionately, and formulas or eligibility standards may not be modified, 3) restricts the governor from unallotting more than two percent of the general fund appropriations, and 4) prevents the governor from unallotting more than 10 percent of a single general fund appropriation.

In addition, a separate bill was approved on Thursday in the House State and Local Government Operations Reform, Technology and Elections Committee that would amend the constitution to allow the Legislature to call a special session under certain circumstances. The legislation, HF 2577/SF 2260, was introduced by Rep. Lyn Carlson (DFL-Crystal) and Sen. Dick Cohen (DFL-St. Paul). Under the bill, the majority leader and the president of the Senate along with the majority leader and the speaker of the House could initiate a special session via written agreement that would be ratified by the Rules Committees in each body.

The proposed constitutional amendment would also limit a legislatively-initiated special session to no more than seven legislative days. If ultimately approved by the full House and

Senate, the language would be placed on the ballot this fall.

Separate bills to repeal the governor's unallotment authority completely, HF2395/SF 2318, have not been heard. Some legislators have raised concerns that eliminating the governor's unallotment authority completely could jeopardize the state's credit rating.

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

Governor vetoes bill that would prolong medical assistance benefits

Just hours after a scaled-back version of a bill to extend the General Assistance Medical Care (GAMC) program reached his desk, Governor Tim Pawlenty (R) vetoed the measure. It had passed in the House by a margin of 125-9 and in the Senate by 47-16.

While the League does not typically report on issues pertaining to health and human services, the issue merits attention because the outcome will undoubtedly have ramifications for the remainder of the legislative session.

Pawlenty line-item vetoed funding for GAMC late in the 2009 session in order to help balance the state's budget. GAMC covers approximately 35,000 single adults who earn less than \$8,000 a year and are generally ineligible for the state/federal Medicaid program. Approximately one-third of the recipients are homeless, 70 percent are mentally ill or drug addicted -- or both -- and some are veterans. Without action, funds for the program will run dry by April 1 of this year. Advocates for GAMC believe the end of the program would be catastrophic for those who depend on it.



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Sponsored by Rep. Erin Murphy (DFL-St. Paul) and Sen. Linda Berglin (DFL-Minneapolis), HF2680/ SF2168 would create a 16-month GAMC program providing continued coverage of basic medical services to eligible low-income Minnesotans. The program would be funded by reduced reimbursement to health care providers, cuts to county social services grants and the draw-down of federal dollars. A controversial surcharge on hospitals and HMOs was eliminated in committee.

The governor's veto letter, which he issued from Washington, D.C. late yesterday, reads in part:

As the state struggles to resolve a \$1.2 billion budget deficit, passage of this legislation is at best premature. Legislation that appropriates significant funds simply cannot be passed in a piecemeal fashion. A comprehensive, balanced budget solution must first be reached.

This legislation utilizes \$170 million that I previously identified in my supplemental budget to help resolve the \$1.2 billion budget deficit. Those same dollars cannot be used twice.

The action begs the question of whether the Legislature will attempt to override the governor's veto, something they have only accomplished once in almost eight years. (The successful override occurred in 2008 when the Legislature overrode the governor's veto of a transportation funding package.) Given the bipartisan support for the GAMC bill, an override attempt looks possible, if not probable. The action may test the governor's relationship with members of his own caucus.

The situation also emphasizes what a number of budget stakeholders and Capitol observers have

already concluded: the 2010 Legislative Session may be defined by frustration and conflict.

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

Shared services back on the table

Next Tuesday, the House K-12 Education Finance Division will hold an information-only hearing on HF 2840 Rep. Marsha Swails, (DFL-Woodbury). This bill sets up a collaborative governance council with appointments by all the statewide associations from the League of Minnesota Cities to the Minnesota School Boards Association, and would also include the American Federation of State, County and Municipal Employees (AFSCME) and Service Employees International Union (SEIU) employee unions. The 12-member council would be chaired by the state auditor, who already conducts Best Practices studies on local government service delivery.

The League, along with the other statewide associations, has been asked to testify about what has worked with collaborations and where some of the obstacles lie. This bill represents the second year efforts have been made in this area to help local governments work together. Last session, more of the emphasis was on forcing cooperative purchasing and ideas to create a state database on collaborative efforts were deemed too expensive. Similar legislation has been introduced in HF 3100 Rep. Keith Downey, (R-Edina)/SF 2620 Sen. Terri Bonoff, (DFL-Minnetonka) that would establish the Commission on Service Innovation. That bill appears to be broader in scope, looking at the realignment of service delivery by region and proximity, using technology and shared facilities, and with the focus on both state and local government services. The Downey/Bonoff legislation brings in more groups to the



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commission with representatives such as the Minnesota Chamber of Commerce, Minnesota Business Partnership, and the University of Minnesota.

The hearing is at 2:45 p.m. on Tuesday in room 10 of the State Office Building.

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

Governor proposes taking funds from dedicated firefighter training account

A portion of funds dedicated to firefighter training will be diverted to the state's general fund if Governor Tim Pawlenty has his way. The governor has identified the Fire Safety Account as a source of funds to help balance the state's ailing budget.

Since 2007, under a statute signed into law by Governor Pawlenty, homeowners and commercial property owners have paid a "fire safety surcharge" of 0.65 percent on insurance premiums. The surcharge, which is listed as a line-item on policyholders' statements, is deposited into the Fire Safety Account. The account is used for firefighter training, state chemical and decontamination response teams, as well as the State Fire Marshall's office. The average homeowner pays \$5.20 into the fund annually.

The governor is proposing to divert \$6.9 million from the fund in 2010 and another \$3 million in 2011 to the state's general fund. The proposal would leave about \$1 million per year in the account.

Since 2007, the Fire Safety Account has provided \$2 million to partially reimburse over 400 fire departments for training expenses. According to a representative of the Minnesota State Fire Chiefs

Association, the *requests* for reimbursement from the account total approximately \$5 million. Even though the account has the funds to accommodate all requests, the dollars have not been allocated because the Legislature and governor must first approve the expenditure. The \$3 million in requests that have not been reimbursed must then be borne by local property taxpayers.

On Thursday, ironically the same day that two firefighters were injured while responding to a large fire in South Minneapolis, the Minnesota State Fire Chiefs Association and other groups voiced their concerns about their frustration with Governor Tim Pawlenty's proposal. Groups representing nearly all of Minnesota's 20,000 firefighters attended the news conference.

The League recognizes this proposal as another potential loss of revenue for local units of government and will oppose this diversion of funds.

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

Property maintenance bill to be heard Monday

HF 2945, Rep. Tim Mahoney (DFL - St. Paul), will be heard on Monday by the House Local Government Division at 4:30 p.m. in Room 500N of the State Office Building. Current law, Minn. Stat. 2008, § 326B.121, subd. 2, says that cities "must not by ordinance, or through development agreement, require building code provisions regulating components or systems of any structure that are different from any provision of the State Building Code."

Two recent court rulings have essentially found that the phrase 'different from' prohibits cities from having any local controls other than the state building code and have created tremendous uncertainty about what authority cities actually



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have to protect public health and safety. The proposed legislation, which is supported by the League, changes those words to 'in conflict with', making it clear that cities may have requirements that are related to the condition of property, as long as those requirements are not in conflict with the state building code. The bill also adds property maintenance and rental licensing to the allowed types of municipal ordinances.

Questions? Contact Craig Johnson at 651.281.1259 or cjohnson@lmc.org.

Contact local legislators to support bipartisan election reform

The League strongly encourages city officials, including local election administrators, to contact members of the Minnesota House of Representatives as soon as possible to urge them to support legislation to move this year's and future state primaries to August 10 (HF 2552 Rep. Steve Simon, (DFL-St. Louis Park)/SF 2251 Sen. Terri Bonoff, (DFL-Minnetonka) and for both House and Senate members to support legislation (HF 2566 Rep. Gene Pelowski, (DFL-Winona)/SF 2622 Sen. Kathie Sieben, (DLF-Newport) to make changes to absentee voting to reduce the number of rejected absentee ballots and errors made in the process. It is particularly important that legislators vote for the early primary and absentee ballot reform legislation that has strong bipartisan backing to indicate to the governor that there is broad support for the bills among legislators. The hope is to avoid lengthy debates and multiple amendments when the bills are heard on the floor.

HF 2552/SF2251, which would make changes to local election laws to comply with the action to move the date of the state primary to the second Tuesday in August (beginning with August 10 this year), have been recommended to pass in committee in a form that the League of

Minnesota Cities (League) and the Minnesota Clerks and Finance Officer Association (MCFOA) strongly support. This week the Senate voted unanimously to approve SF 2251, which is now on the House floor awaiting a final vote.

The following provisions are important to cities:

- Changes time period for voting in person by absentee ballot from 30 to 46 days before the state primary and the general election to comply with federal law (the Military and Overseas Voter Empowerment (MOVE) Act requiring states to provide longer absentee ballot time periods to assure that military and overseas absentee ballots will be received and returned in time to be counted;
- Allows absentee ballot boards at the county or city level (as delegated by counties) to begin accepting and rejecting absentee ballots 45 days before the primary and general election;
- Changes time available for special federal elections (to fill a vacancy in the United States House of Representatives) to provide for 45 days for absentee voting;
- Sets new 60-day deadline prior to a regularly scheduled or special primary and regularly scheduled or special election for printing and delivery of absentee ballots to voters who are permanently ill or disabled, or who have an ongoing absentee ballot status;
- Changes filing period for cities that nominate candidates at a primary to 84-70 days before the city primary. (In 2010, the filing period for cities with primaries will be May 18-June 1);
- Changes filing period for cities that do not hold a primary to 70-56 days before the city general election (August 24-September 8 in 2010);
- Allows cities to adopt an ordinance or resolution by April 15 in the year that the city holds regular elections to choose candidates



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by a primary (which is effective until it is revoked).

HF 2566/SF 2622 make major changes to the absentee voting process, including requiring cities and counties to establish local ballot boards to process all ballots and begin counting beginning the fourth day before the election. Reforming the absentee voting process is a priority for city and county election officials.

The League and MCFOA support SF 2622 as it passed out of committee in the Senate this week. HF 2566 has not yet been heard in the House State and Local Government Operations Reform, Technology and Elections Committee. Among the important changes for cities are:

- Requires cities with ballot boards to enter information provided by voters applying for absentee ballots into the Statewide Voter Registration System (SVRS) as well as to record the date on which returned ballots are received and information on whether the ballot has been accepted and rejected;
- Requires city clerks who administer absentee voting (rather than counties) to receive training in the use of SVRS;
- Requires absentee ballot applications to include information required for verifying that the voter is eligible to receive a ballot and for the ballot board to determine whether the returned ballot should be accepted;
- Requires that ballots received more than 14 days before the election to be provided to the ballot board for accepting and rejecting within 5 days and within 3 days of receipt when there are less than 14 days remaining;
- Requires city councils of cities responsible for administering absentee voting to establish ballot boards to be composed of trained election judges with political party designation who will be responsible for accepting and rejecting ballots as well as

- opening ballots and depositing them in appropriate ballot box after close of business on the fourth day before the election;
- Prohibits absentee voters from casting another ballot after that time because they will have been recorded as voting by absentee on the voter register used at the polls on election day;
- Allows cities with fewer than 400 registered voters to conduct elections by mail, requiring use of ballot board to review ballots received by mail, applying party balance to the membership of the board;
- Allows cities to use the absentee ballot process specified in the bill when submitting questions to voters at a special election conducted by mail; and
- Makes many sections of the bill effective June 25 to allow changes to take effect in time to coincide with the new date for the 2010 state primary.

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

Energy Efficiency Conservation Block Grant deadline extended to March 3

The Minnesota Department of Commerce Office of Energy Security (OES) has amended its Request for Proposals (RFP) for the Energy Efficiency Conservation Block Grant (EECBG) competitive grant program to accept new and modified proposals until 4:00 p.m., Central Standard Time (CST) March 3, 2010.

The amended RFP is available for download from the OES website at:

<http://www.commerce.state.mn.us/EnergyRFP/EECBG.html>.

New proposals are requested because proposals received by the original proposal deadline are not



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sufficient to utilize all funds available. Additional information is being requested from ALL project proposals because many proposals did not contain adequate information for OES staff to verify the energy savings estimates.

1. The major changes in the revised RFP (OES-12142009-EECBG01-Amendment 2) include: Maximum aggregate simple payback period has been increased from 10 to 15 years;
2. A separate proposal category for window replacement (See Section V); and
3. Additional attachments required for applicants to document their energy savings estimates.

This RFP is open to ALL eligible applicants.

New applicants must submit a complete proposal.

Applicants who have previously submitted a project proposal do NOT need to submit a new proposal unless they choose to modify the scope of work previously submitted. Applicants who previously submitted a project proposal are required to complete and submit the applicable cost and savings information worksheet(s) provided in attachments 2 through 6.

There are NO new information requirements for indirect energy saving program proposals. Applicants who previously submitted a program proposal need not supply additional information to have their proposal evaluated, but may choose to do so if desired. However, all additional information submitted will be subject to the page limit requirements stated in the RFP.

An applicant who has submitted only a program proposal may also submit an additional new project proposal.

Important note: Because additional proposals are being accepted, OES will NOT issue the RFP for the Facility Cost-share program until after the EECBG proposals are evaluated.

Questions? Contact Craig Johnson at 651.281.1259 or cjohnson@lmc.org.



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Governor's State of the State Address

On Thursday, Governor Tim Pawlenty addressed a joint session of the House and Senate with the annual State of the State Address. The governor emphasized job creation and the need to reduce taxes as the state tries to recover from the recent economic recession.

For cities, the governor indicated that he will propose a permanent extension of "property tax caps" or levy limits. Under current law, levy limits are only in place through taxes payable 2011 and only apply to cities larger than 2,500 population.

He suggested that his supplemental budget, which will be released on Monday, will include "dramatic and painful spending reductions." Although he did not specifically indicate whether city programs would be cut, he stated that spending for military, veterans, core public safety and K-12 classroom programs will be protected and nearly all other areas proposed for reductions.

He also indicated that he would recommend that the Legislature ratify his 2009 unallotments. The ratification of the school payment shifts is necessary but the statement could also suggest that the governor will be recommending a continuation of his unallotments into the 2012-2013 biennium in order to address that biennium's projected \$5 billion shortfall.

He also indicated that he would recommend giving the mayors of Minneapolis and St. Paul full control of their school districts in order to improve the functions of the school districts. He did not provide any additional information on how this administrative change would occur.

To stimulate business recovery, Governor Pawlenty proposed a 20 percent reduction in the corporate income tax rate, a 20 percent exclusion from taxes for small businesses, an angel investor tax credit to encourage investment in start-up businesses, a "supercharged" research and development tax

credit, a capital gains tax exclusion for qualified investments and incentives for companies to invest in smaller businesses.

Governor Pawlenty also reiterated his desire to amend the Minnesota Constitution to restrict state spending to the amount of revenues collected by the state in the previous biennium. The Constitutional amendment concept was first unveiled last December but the legislation has not yet been introduced.

We will summarize the supplemental budget proposal in next week's edition of the *Cities Bulletin*.

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

Capital investment bill clears full Senate and all House committees

The omnibus capital investment (bonding) bill made quick progress in both the House and Senate this week.

On Tuesday, the full Senate debated and passed its version, SF 2360 (Langseth, DFL-Glyndon). The House bill, HF 2700 (Hausman, DFL-St. Paul), made its final committee stop on Thursday; the bill's author, Rep. Alice Hausman, expects the bill to be debated on the House floor on Monday, February 15. Both contain approximately \$1 billion in projects. A comparison of the House, Senate and governor's bonding proposals can be viewed at <http://www.senate.leg.state.mn.us/departments/fisca/lpol/tracking/2010/CapBud-10-Req-Gov-Sen-House-Version%201-Conf.pdf>

There are differences between the existing House and Senate proposals, meaning there will be a conference committee named to resolve issues. The conference committee process is expected to be relatively short. Both Sen. Langseth and Rep. Hausman have indicated they want to see a bill on the governor's desk before the end of the month.

For more information on city legislative issues, contact any member of the League of Minnesota Cities Intergovernmental Relations team.

651.281.1200 or 800.925.1122 and www.lmc.org



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The two bodies are in agreement on the amount of money in the bonding bill.

The governor released his recommendations in January. The proposal calls for \$685 million in general obligation bonding, with a total of \$815 million when user-financed bonds, trunk highway bonds, University of Minnesota and MnSCU bonds, and cash amounts are included. The amount is well below the approximately \$1 billion bonding bill lawmakers have been discussing. Additional details on the governor's proposal can be found at www.mmb.state.mn.us.

That said, given that the governor and the Legislature are about \$300 million apart on the total amount the state will bond for this year, the governor is not expected to approve the conference committee report. The governor also has insisted that funds to implement longer sentences for sex offenders must be included in the bill. While legislators do not oppose this measure, they say the provision cannot be included in the bonding bill without exceeding their self-imposed cap of \$1 billion. The question is whether the governor will veto the bill in its entirety or will exercise his line-item veto authority to eliminate specific projects and align the legislation's bottom line with his.

Questions? Contact Anne Finn at 651.281.1253 or afinn@lmc.org.

House committee considered pension funding

In a Thursday hearing, the House State and Local Government Operations Reform, Technology and Elections received a presentation on pension funding deficiencies from the Executive Directors of the State's three major pension systems: the Minnesota State Retirement System (MSRS), the Teachers Retirement Association and the Public Employees Retirement Association (PERA). All three of the state's major systems are facing funding deficiencies, due in large part to the severe

downturn in the investment markets over the past couple of years.

Mary Vanek, PERA Executive Director, indicated that the PERA General Plan has an actuarial funded ratio (ratio of assets to liabilities) of 69.99 percent while the Police/Fire Plan is funded at 83.22 percent. Just one year earlier on June 30, 2008, the General Plan was funded at 73.6 percent while the Police/Fire Plan was funded at 88.4 percent.

When the actual June 30, 2009 *market value* (instead of the actuarial value) of assets is compared to the fund liabilities, the funded ratios decline to 53.81 percent for the General Plan and 63.55 percent for the Police/Fire Plan. The difference between the actuarial valuation (one-fifth of the total asset loss) and the market valuation (the full market loss) provides an indication of the trend that we will see in the funded ratio of these plans over the next several years.

Members of the committee asked questions about whether the pension systems should move toward a defined contribution system. MSRS Executive Director, Dave Bergstrom, suggested that a well managed defined benefit system can produce better investment results and higher savings rates over the long term.

Although the executive directors had no new information on the funding deficiencies in the plans, the fact that the committee was considering the information was notable. In many years, the committee does not consider pension issues until the Legislative Commission on Pensions and Retirement releases its omnibus pension bill recommendations.

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

Unallotment legislation introduced

On Thursday, February 11, Sen. Dick Cohen (DFL-St. Paul) and Rep. Lyn Carlson (DFL-Crystal)



-FridayFax-

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introduced legislation that will place restrictions on the statutory tool known as unallotment. Governor Pawlenty has indicated that he will veto any attempts to restrict the executive unallotment authority unless he reaches a prior agreement on the changes. At this time, it is not clear whether the governor would be amenable to the changes in the bills.

The bills, SF 2566 and HF 2866 would 1) restrict unallotment to only on the portion of a projected budget deficit that was not known at the completion of the last legislative session, 2) require that when portions of the budget are reduced through unallotment, payments must be reduced proportionately, and formulas or eligibility standards may not be modified, 3) restrict the governor from unallotting more than two percent of the general fund appropriations, and 4) prevent the governor from unallotting more than 10 percent of a single general fund appropriation.

The Cohen/Carlson legislation includes two provisions that are consistent with the League's adopted policy (FF-2) including the timing provision and the percentage limitation. The House bill will be heard in the State and Local Government Operations Reform, Technology and Elections Committee on February 17.

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

Do TIF changes = new jobs?

On Tuesday morning, the House Tax Committee hopes to hear from cities and developers on local projects and specifically on what tax increment flexibility could help get a project completed. The agenda is set as an open forum for cities, developers, contractors and others to propose changes in the TIF law for individual projects that currently have a developer.

The House Tax Committee is interested in learning what reasonable flexibility could be provided to

stimulate the construction of new building projects across Minnesota. The committee is interested in projects that will begin construction no later than June 2011. Signing up to testify helps the committee plan, but is not imperative. Contact House staff at 651.296.8826 (Sarah Carlson-Wallrath) to sign up. Additionally, consulting with non-partisan House Research tax increment expert, Joel Michael at 651.296.5057, may help a city talk through its specific situation.

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

Hearing on the impacts of unallotments to be held Monday in Local Government committee

On Monday, February 15 at 4:30, the House State and Local Government Operations Reform, Technology and Elections Committee will hear from cities, counties and employee groups on the effects of the past unallotments on their constituencies. The meeting is expected to go until 6 PM in the State Office Building, Room 200. Before the testimony, House Research staff will do a short presentation on unallotment. Expect a full story in next week's *Cities Bulletin*.

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