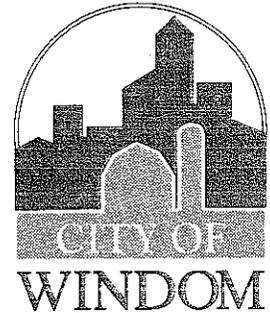


**City Council Meeting**  
**Tuesday, May 19, 2009**  
**City Council Chambers**  
**7:30 p.m.**  
**AGENDA**



Call to Order  
Pledge of Allegiance

1. Approval of Minutes
  - Council Minutes – May 5 & 11, 2009
2. Consent Agenda
  - Minutes
    - Telecommunication Commission – April 14, 2009
    - EDA Commission – May 11, 2009
    - Park & Recreation Commission – May 11, 2009
    - Library Board – May 12, 2009
3. Department Heads
4. License Applications
  - Dance Permit
    - Windom Lion's Club – June 13, 2009 – Riverfest
  - Amplification Equipment Permit
    - Phat Pheasant Pub – June 12 & 13, 2009 – Riverfest Dance
    - Windom Lion's Club - June 13, 2009 – Riverfest Dance
    - Riverfest Committee -- June 13, 2009 – Riverfest Events
    - Phat Pheasant Pub – August 29, 2009 – Torkelson Memorial
  - Exempt Gambling Permit
    - Windom Education & Collaborative Center
    - Windom Area Chamber of Commerce
  - Temporary Liquor License – Windom Lion's Club
    - Riverfest Dance-June 13, 2009
    - Community Center, June 20, 2009
5. Personnel Committee Recommendations
  - Memo
  - IBEW Union Contract
6. Regular Bills
7. Unfinished Business
8. New Business
9. Council Concerns
10. Adjourn



**Council Meeting  
Windom City Hall, Council Chamber  
May 5, 2009  
7:30 p.m.**

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

2. Roll Call: Mayor: Kirby Kruse

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

Council Members Absent: None

City Staff Present: Steve Nasby, City Administrator; Mike Haugen,  
Water\Wastewater Superintendent; Dan  
Fossing, Fire Chief; Eric Ward, Asst. Chief; and  
Jeremy Rolfes, Telecom

Public Present: Frank Dorpinghaus, Todd Hagen, Ehlers &  
Associates; and Windom High School Students

3. Pledge of Allegiance

4. Approval of Minutes:

**Motion by Fast, second by Maricle, to approve the April 21, 2009 and April 29, 2009 minutes. Motion carried 5 – 0.**

5. Consent Agenda:

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

- Community Center Commission – April 27, 2009
- Utility Commission – April 29, 2009

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

6. Public Comment:

Frank Dorpinghaus reviewed the aspects of federal legislation, HR 1388, S 425 and HR 875 and stated that these laws are in violation of the Minnesota Constitution. HR 875 pertains to restrictions on organic farming, backyard gardeners and the federal government directing the State's responsibilities to oversee food inspections.

Items he had previously brought to the Council's attention included the violations of the Minnesota Constitution by the Military Commissions Act, Patriot Act and John Warner Defense Act.

Kruse asked the Council if there were any actions they would like to entertain. Seeing none, Kruse thanked Dorpinghaus for his comments.

7. Department Heads:

Mike Haugen, Water\Wastewater Superintendent said that it is National Drinking Water Week. Haugen thanked his staff (Glen Lund, Randy Lyons, Lee Petersen, Kevin Stevens, Jack Rogers and Eric Ward) for their work and commitment to keeping Windom's water system safe and reliable. Drinking water is a precious resource.

Haugen updated the City Council on the progress of the water and wastewater portions of the 2009 Street Project.

8. 2009 Street Project – Bond Sale:

Todd Hagen, Ehlers & Associates, handed out copies of the bond sale report. Wells Fargo, Inc. had the winning bid of 3.7974%. Four bids were received and ranged from 3.79% to 4.5%. The difference in these rates saved Windom \$96,000 in interest costs over the term of the bond. Part of this bond sale was to have the City of Windom obtain a bond rating from Standard & Poors. The bond rating call was conducted with representatives of Ehlers, Standard & Poors and the City Administrator. The result of the bond rating was that Windom received an A+ rating, which is very good. Bond ratings can range from a low of "C" to a high of "AAA". Typically only very large, higher wealth cities have AAA ratings. The highlights are included in the rating report. Strong financial management was the main reason for the higher rating. Hagen encouraged the City Council to keep improving the General Fund balance within the State Auditor's guidelines and complimented them on being proactive on the City's budget in consideration of LGA cuts.

**Council member Messer introduced the Resolution No. 2009-22, entitled "RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF \$1,510,000 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2009A, TO PAY A PORTION OF THE COSTS OF LOCAL PUBLIC IMPROVEMENTS; ESTABLISHING THE TERMS AND CONDITIONS THEREFOR; CREATING A CONSTRUCTION ACCOUNT AND A DEPT SERVICE ACCOUNT THEREFOR; AND AWARDED THE SALE THEREOF" and moved its adoption. The resolution was seconded by Powers and on roll call vote: Aye: Powers, Ray, Fast, Maricle and Messer. Nay: None. Absent: None. Resolution passed 5 – 0.**

9. Assistance to Firefighters Grant Applications:

**County-wide Communications System** -- Dan Fossing, Fire Chief and Mark Marcy, Cottonwood County Emergency Management Director discussed the need for the communications systems to be in compliance with the 2013 mandates. Grant funds are available for this equipment and there is an effort underway to have all of Cottonwood County governments involved with this grant application. If awarded the grant would cover 95% of the cost with the local match being 5%. Everyone would then be on the same system and meet all of the mandates. A memorandum with several options was included in the Council packet.

Messer asked Marcy if there was a preference in the options. Marcy said the State is going with the ARMER system, but meeting inter-operational standards is the key.

Messer said that the costs are different for the three systems and the VHF digital option was the most expensive and thus required the most local match. Marcy concurred and stated that the grant has an overall cap of \$1 million so the digital system, which costs over \$1 million, is likely out of consideration.

Messer said it appears the ARMER would be the preference. Marcy said it is at this time. The State has commissioned a radio coverage study, but the final report will not be done until about August.

Messer asked if the ARMER system could be funded within the \$1 million limit. Marcy said it could.

**Council member Messer introduced the Resolution No. 2009-23, entitled “A RESOLUTION APPROVING PARTICIPATION IN A COUNTYWIDE COMMUNICATION EQUIPMENT PROJECT WITH THE ARMER SYSTEM AND SUBMISSION OF “ASSISTANCE TO FIREFIGHTERS” GRANT APPLICATION” and moved its adoption. The resolution was seconded by Ray and on roll call vote: Aye: Ray, Fast, Maricle, Messer and Powers. Nay: None. Absent: None. Resolution passed 5 – 0.**

**Rescue Vehicle** -- Dan Fossing, Fire Chief and Eric Ward, Assistant Chief said that the Department would like to submit a grant application for a new Rescue truck to replace the existing unit that is 20 years old and is due to be replaced. Larger pieces of fire equipment have been placed on a 20-year life cycle for replacement to keep the equipment current and plan for replacement costs. The grant application lists trucks as a second priority so the odds of getting funding are not too good, but it is worthwhile to apply as the unit is needed. New trucks are typically larger to carry more supplies and equipment so the department will have to take this into consideration when preparing the specifications so it will fit into the fire hall or possibly modifications could be made to one of the fire hall doors. Since the grants would not be awarded until later in the year and then the unit would have to be ordered it could be 12 months or more before a new truck would be available. The action this evening is to authorize the application for the grant and the Council could

decide at a later date not to accept the grant if there are issues with the cost or the fire hall. Fossing said that the estimated cost to the City of Windom would be about \$8,000 out of the \$14,000 – 15,000 needed for local match. The balance could come from the agreements with the townships.

Powers asked if there were problems with the existing rescue unit #20. Ward said that the rear seal was bad and that the bearings will need to be looked at. They will be getting it to the mechanic shortly.

Powers asked if the old unit #20 would be going away. Fossing said that the old unit would not be needed.

Messer asked if the truck specifications could be provided to make the truck fit into the existing fire hall doors. Fossing said the specifications were not done yet, but the manufactures say it can be done. Messer said this is a concern and may be the department should wait on replacing this unit until there is a new fire hall.

Powers said there could be problems with the existing unit before a new hall is completed. Fossing said they also want to try and stick to the 20-year replacement cycle too.

Messer asked why some departments appear to have older equipment in service. Ward said that is accurate and that may be the quality of the equipment was better or the use was not as rough.

Powers noted that unit #20 was a licensed ambulance, but that it is not now. Fossing said that was correct.

Messer asked if a “pop” truck design with side doors would work. Ward said that is a style that is being used in some departments.

**Council member Maricle introduced the Resolution No. 2009-24, entitled “RESOLUTION SUPPORTING THE SUBMISSION OF A GRANT APPLICATION TO THE “ASSISTANCE TO FIREFIGHTERS” GRANT PROGRAM” and moved its adoption. The resolution was seconded by Ray and on roll call vote: Aye: Fast, Maricle, Messer, Powers and Ray. Nay: None. Absent: None. Resolution passed 5 – 0.**

Messer asked where the funds would come from to pay for the local match. Nasby asked Fossing if the maintenance budget could be reduced by \$1,000 – 2,000 as a new truck would not need as much maintenance. Fossing said that was a possibility. Nasby said the Council could also decide to forward fund the purchase and reimburse the General Fund in 2010, but that further ties the Council down in budgeting.

## Preliminary

Powers asked if a new header could be done on the existing fire hall door to allow for more room. Fossing said that is a thought, but it would need to be looked at by an engineer.

Maricle said that some funds would be available through the sale of the old unit 20, which would help off-set the cost.

Fast asked Fossing if the Fire Department had any funds available for equipment purchases. Fossing said that funds had been given for the 6-wheeler and the new Jaws of Life and he would talk to the members to see if funds could be directed to the rescue unit.

### 10. Park & Recreation Commission Recommendation – Membership and By-laws:

Kruse noted that this is the second reading of the ordinance to reduce the membership on this Commission from seven members to five members.

**Motion by Ray, seconded by Fast, to approve the second reading of Ordinance No. 133, 2<sup>nd</sup> Series as an amendment to Ordinance #278. Motion carried 5 -- 0.**

**Motion by Fast, seconded by Ray, to ratify the necessary changes to the Park & Recreation Commission By-laws as shown. Motion carried 5 -- 0.**

### 11. Regular Bills:

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

### 12. Unfinished Business:

None.

### 13. New Business:

None.

### 14. Council Concerns:

Powers thanked the Windom students for attending the City Council meeting.

Fast asked about the status of the dam. Nasby said that Council tabled the issue indefinitely in December. A letter asking for the MN DNR's input on both the re-build and removal options was submitted in December 2008 and a reply was received in March 2009. The DNR's reply has been forwarded to the City's engineer for this project (SEH, Inc.). One idea was to see if the DNR got additional funds through the

3\8 cent sales tax increase approved in November 2008. Those funds are tied up in the legislature at the present time.

15. Board of Review Reminder – May 11, 2009:

Kruse reminded everyone of the upcoming Board of Review meeting on May 11<sup>th</sup> at 4:30 p.m. to discuss property valuations with the County Assessor.

16. Adjourn:

**Kruse adjourned the meeting by unanimous consent.**

Meeting adjourned at 8:22 p.m.

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

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

**Special Council Meeting  
Board of Review  
Windom City Hall, Council Chamber  
May 11, 2009  
4:30 p.m.**

1. Call to Order: The meeting was called to order by Mayor Kruse at 4:30 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 and Brigitte  
Olson, Assistant City Administrator  
  
Public Present: Gale Bondhus, County Assessor; Lisa Will,  
Assistant County Assessor; Al Conner,  
Assistant County Assessor; Phil Johnson,  
John Holt, Scott Benson, Johnny Granstra,  
Darrel Stevens, Clark Lingbeek, Harvey  
Nerness and Mary Ann Keffeler
  
3. Pledge of Allegiance
  
4. Board of Review:

Kruse noted that the purpose of this meeting is to discuss property valuations with the County Assessor.

Gale Bondhus introduced herself and Lisa Will and Al Conners from the County Assessor's office and highlighted their qualifications. Bondhus said that there are some basic criteria or informational items for this meeting. These include the following:

- Qualifying sales figures are used. These do not include foreclosures, estate sales, distressed sales, and non-arms length transactions, sales by the EDA or non-profits.
  
- Certificates of Real Estate Value are filed on all sales over \$1,000 and these are reviewed by the State Department of Revenue (DOR).
  
- Valuation ratios must be within the 90 – 105% range or the State will make adjustments to values.

- The residential class of property values were left the same as 2008, but there were some internal equalizations or adjustments made as necessary.
- A new appraisal firm (Vanguard) out of Cedar Rapids, IA is being used.
- The valuation process is the same since 1987.

Kruse said the Council would now take public comment and he would call on people in the order they signed in.

Kruse called on Phil Johnson. Johnson said he would defer to John Holt who was next in line as he only had one parcel to discuss.

**Parcel #25.823.1920**

John Holt said he is President of the Business, Arts, Culture and Recreation (BARC) board. The valuation on the property went up from \$77,800 to \$199,200. This is too large of a jump in valuation and would be very hard for the BARC, as a non-profit organization, to afford. The building is large, but much of the space is unused.

Bondhus said that the building was reviewed by Al Conners and the space used for rentals has gone up considerably since the last time the building was reviewed five years ago.

Holt said that much of the space, including the gym\auditorium, is used very little for rental space and the BARC is a predominately volunteer-run operation. The change in the cost of the taxes could be too difficult to manage.

**Parcel #25.837.0030**

Phil Johnson said he has been to many, many Board of Review meetings. The valuation on this property was \$159,000 in 2008 and \$159,700 for 2009. He constructed the building for \$130,000 a few years ago and feels the valuation is too high. He wants the valuation lowered to the construction cost. The building is 100' wide x 200' long x 20' high. Values on properties have gone down this last year and adjustments must be made or he will not be willing to do other businesses in the community. The City pays an EDA Director to get businesses in town so why not give businesses incentives to grow with lower taxes. Kruse asked Johnson specifically what he wanted from the Council. Johnson said the value has to be lowered to \$130,000 or less.

**Parcel #25.821.0430 and #25.821.0440**

Scott Benson said he owned both of these residential properties and he does not understand the valuations. He bought his home for \$21,000 when he was married, put some work into the siding and shingles years ago and now it is valued at \$72,900. He would not get that amount if the property were sold. Houses in his neighborhood that have sold went down in value. His other parcel has a small, old house and the

value stayed the same. Why was no adjustment made on this one either? Bondhus noted the small home had a flat valuation as it was around \$6,000 and no changes were made to homes in this value range.

**Parcel #25.165.0070**

Johnny Granstra said he purchased this property several weeks ago for \$82,000 and the valuation was \$109,000, which was a reduction from 2008 by \$1,400. He thought the tax value should match the purchase price.

**Parcel #25.624.0080**

Darrel Stevens noted that his property value went up \$1,200. National housing prices are going down so why would his value go up. The home was purchased in 2005 and the tax value goes up every year.

**Parcel #25.752.0050 and #25.752.0060**

Clark Lingbeek said he understands the process, but felt the purchase price of other comparable properties was inflated and these businesses folded. He purchased the property for much less than the \$179,800 valuation. The 2009 valuations for the two properties were the same as in 2008, which are too high.

Messer asked Lingbeek what he thought was a reasonable valuation. Lingbeek said that a reduction of \$20,000 – \$30,000 would be justified. Messer asked Lingbeek how large the buildings were. Lingbeek did not have that information available. Bondhus said that one building section was 6,250 square feet and the other was 4,708 square feet and that her office had already reduced the valuation by \$33,000 due to the large size.

Messer asked what the land was valued at. Bondhus said that it was valued at 20 cents per square foot and land values differ depending on use and she realizes that other properties in the area are valued higher.

**Harvey Nerness – No Parcel Numbers**

Nerness said he has properties in several states and the valuations on the properties here look to be “in line”.

**Parcel #25.821.0830**

Phil Johnson said this property was built for \$40,000 and had \$3,000 demolition cost and now it is valued at \$141,000.

Bondhus said that there was already a reduction given to Mr. Johnson on one of his properties.

**Parcel #25.035.0401**

Bondhus said she is recommending an adjustment on this property owned by the Good Samaritan Society. Her office has met with the Good Samaritan management and valued the property at \$3,070,900. An \$8,300 reduction is requested due to

some of the property is being used for the nursing home parking versus the assisted living complexes therefore the land value is less.

Kruse declared a 5-minute recess at 5:15 p.m.

Kruse reconvened the meeting at 5:20 p.m. and suggested the City Council discuss each of the properties in the order of their presentation.

**Parcel #25.823.1920 – BARC**

Conners said that he toured the building and compared their use to that of a private business. The Assessor's office had already discounted the value by 50% due to non-profit ownership, given a 15% vacancy discount and 10% economic discount due to the large size and un-used areas. The gym\auditorium area was valued at \$2 per square foot.

Fast noted that the rental income is minimal. Conners said they had that information and detailed the renters and amounts, which totaled about \$42,800 per year in rent income. Bondhus said the DOR has determined that these types of properties owned by non-profits are taxable.

Messer asked about the size of the building. Conners said that there was 45,468 square feet on the first floor (including the newer wing), 10,018 square feet on the second floor and 5,734 square feet on the first floor and 82% of the building was available for rent. Bondhus noted that the Minnesota Tax Court would uphold the proposed taxable value. The building sits on a whole block and the land value is 41,800 or about \$1 per square foot.

Messer said the taxes should be based on the rentable space. Bondhus said the rented space has significantly increased since the last review which is why the taxable value has gone up. Fast noted that if BARC loses renters or removes them to lower the taxes then there is a risk of ending up with nothing. Messer said it is better to have the building used.

Bondhus said the Council could consider a larger economic discount. Powers asked about the qualifying criteria for an economic discount. Bondhus said that the size could be a criterion, but other large buildings were not given a size discount.

**Motion by Messer, second by Fast, to set the total valuation for Parcel #25.823.1920 at \$140,000 and the reduction was due to an economic discount. Motion failed 1-4 (Fast voting yes).**

Fast said the renters go to BARC as they believe in the mission, not for a cost advantage and would be unlikely to re-locate somewhere else.

Bondhus said she would not recommend a change to the County Board if the City Council makes an adjustment on this property.

**Motion by Ray, second by Maricle, to leave the 2009 valuation for Parcel #25.823.1920 as set by the County Assessor. Motion passed 4 – 1 (Messer voting no).**

**Parcel #25.164.0450**

Mary Ann Keffeler noted she was late to the meeting and asked if she could still address the City Council regarding her property. Kruse asked her to proceed. Keffeler said that she did not allow the assessor into her home last year, due to medical issues with her husband, who has since passed away. The assessor added 15% on to her valuation because of this and the State law does not say they can add a flat percentage. Bondhus said that the law allows the assessor to add whatever value they think is applicable based on assumptions if entry is not allowed by the property owner, so she added 15%. Bondhus said that the 15% would be considered for removal when they get to inspect the property. Keffeler said that she does not want that 15% still on the property this year too.

**Parcel #25.837.0030 and #25.821.0830 – Phil Johnson**

Bondhus handed out a listing of commercial properties sold by Mr. Johnson since 2004 showing the tax valuation and the sales prices. In all but one sale the tax valuation was lower than the sale price.

Kruse asked if the valuation was based on today's construction cost and depreciated back to the actual age. Bondhus said that was correct.

Messer said the true value should be what the construction cost was and not based on some formula created for metro area properties. Conners said that the formulas do discount by 40% from the formula numbers.

Kruse confirmed that the assessor's office does discount for the Windom area. Bondhus said that is correct and the sales data supports their valuation numbers.

**Motion by Ray, second by Powers, to leave the 2009 valuation for Parcel #25.837.0030 as set by the County Assessor. Motion passed 5 – 0.**

**Motion by Powers, second by Maricle, to leave the 2009 valuation for Parcel #25.821.0830 as set by the County Assessor. Motion passed 4 – 0 (Ray absent).**

**Parcel #25.821.0430 and #25.821.0440 -- Scott Benson**

Bondhus said the sales trends for this area may show reductions for next year.

**Motion by Powers, second by Fast, to leave the 2009 valuation for Parcel #25.821.0440 as set by the County Assessor. Motion passed 4 – 0 (Ray absent).**

**Motion by Powers, second by Maricle to leave the 2009 valuation for Parcel #25.821.0430 as set by the County Assessor. Motion passed 5 – 0.**

Messer asked Bondhus what was meant by “mass appraisal”. Bondhus said that is when there is a general change in valuation based on size and condition of generally comparable units and not a one-by-one property change.

**Parcel #25.165.0070 -- Johnny Granstra**

Bondhus noted that this was an estate sale and as such is not included in the sales data formula. The 2009 valuation was \$108,100 which was a \$1,400 reduction.

Messer said the valuation may be too high the owner just purchased it for less. The housing market in general is inflated and is coming down.

Maricle said the formula uses comparable values which is logical to determine this value.

**Motion by Maricle, second by Ray, to leave the 2009 valuation for Parcel #25.165.0070 as set by the County Assessor. Motion passed 4 – 1 (Messer voting no).**

**Parcel #25.624.0080 -- Darrel Stevens**

Fast noted that this property had an increase in valuation. Bondhus said that this was one of the properties that had an internal adjustment within the residential class.

**Motion by Fast, second by Ray to leave the 2009 valuation for Parcel #25.624.0080 as set by the County Assessor. Motion passed 5 – 0.**

**Parcel #25.752.0050 & #25.752.0060 – Phat Pheasant & Jack Slade’s Steakhouse**

Maricle asked Bondhus why there was an assessor’s discount on one parcel and not the other. Bondhus said that there were improvements on one parcel but not the other.

Messer asked why the land was valued at 20 cents per square foot versus the \$1 per square foot land valuations on other properties in this area. Bondhus said that values are different in areas of town and these parcels are in a different subdivision and there is a lack of sales data for similar uses.

**Motion by Messer, second by Powers to leave the 2009 valuation for Parcel #25.752.0050 as set by the County Assessor. Motion passed 5 – 0.**

**Motion by Powers, second by Ray to leave the 2009 valuation for Parcel #25.752.0060 as set by the County Assessor. Motion passed 5 – 0.**

**Parcel #25.035.0401 -- Good Samaritan Society**

Maricle noted that an \$8,300 reduction was sought due to land use by the nursing home.

Powers asked if adjustments made by the City Council would conflict with the County Assessor's job. Bondhus said that the Council can make reasonable adjustments based on specific rationale. She is recommending this adjustment due to the clarification of use of about 1.5 acres of land used by the nursing home for parking.

**Motion by Maricle, second by Messer to lower the 2009 valuation for Parcel #25.035.0401 by \$8,300. Motion passed 5 – 0.**

**Parcel #25.164.0450 -- Mary Ann Keffeler**

Keffeler said that the prior discussion talked about comparable values. She lives on 4<sup>th</sup> Avenue and her \$63,500 valuation is out of line as the house next door to her sold for \$20,000.

Bondhus noted that Keffeler has no legal right to appeal as the property was not assessed due to the non-access issue. Bondhus asked when they could gain access to do an inspection. Keffeler said anytime. Bondhus asked Keffeler to contact her office and set up a time.

**Certification Training**

Bondhus noted that Ray's certification training for the Board of Review expires this year leaving only one current member trained. Normally there are two certified Council members so there is coverage if someone cannot make the meeting. There are going to be training sessions coming up and one will be held in Cottonwood County. She is strongly recommending that another member or two attend the training. The training dates and locations have not been published yet, but she will forward the information to the City Administrator when it becomes available.

Kruse noted that the training has to be for a voting member of the Council so he is ineligible.

**Motion by Ray, second by Fast, to approve all of the other property valuations within the City of Windom as set by the County Assessor. Motion carried 5 – 0.**

5. Adjourn:

**Kruse adjourned the meeting by unanimous consent.**

Meeting adjourned at 6:17 p.m.

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Kirby Kruse, Mayor

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

**Telecommunication Commission Minutes**  
**April 14,2009**

1. Call to Order: The meeting was called to order by Chair Wendell Woodcock.

2. Roll Call:

Commission Members Present: Wendell Woodcock, Robert Messer,  
Jean Fast, Virgil Meyer Forrest Fosheim

Commission Members Absent: .

City Staff Present: Dan Olsen, Telecom Operations Manager, Steve Nasby, City  
Administrator

Public Present:

Motion by Woodcock to reinstate marketing postion , second by Fast,

Motion Failed 5-0

Motion by Messer, second by Woodcock, to reinstate marketing postion as a 32 hour postion.  
With personnel committee and Council approval.

Motion passed 5-0

Motion by Messer Second Woodcock to issue credit to MDu customer for billing mishap. Nasby  
will deliver each credit personally. .

Motion passed 5-0

5. Next Meeting Date:

To Be June 23,2009.

6. Adjourn:

**Motion made by Messer, seconded by Woodcock, to adjourn the meeting. Motion  
Carried 5-0.**

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Wendell Woodcock, Chairman

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

**ECONOMIC DEVELOPMENT AUTHORITY OF WINDOM  
MINUTES  
MAY 11, 2009**

1. Call to Order: The meeting was called to order by President Slette at 12:02 p.m.
2. Roll Call & Guest Introductions:

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

Also Present: EDA Staff – Aaron Backman, Executive Director, and Mary Hensen, Adm. Asst.; Steve Nasby, City Administrator; Kirby Kruse, Mayor; Sally Larson, WADC Liaison; Randy Dittmann, General Manager of POET Biorefining; and Doug Westerman representing Red Rock Rural Water.
3. Approval of Minutes:

**Motion by Commissioner Messer, seconded by Commissioner Palm, to approve the Minutes of the EDA Meeting held on March 9, 2009, and the EDA Special Meeting held on April 8, 2009. Motion carried 5-0.**
4. Presentation – Support for Ethanol Industry – Randy Dittmann (POET General Manager): Randy Dittmann, General Manager of POET Biorefining, gave a power point presentation concerning the “Green Jobs Waiver (E15)”. Mr. Dittmann requested support from individual members concerning the proposed increase from 10% to 15% ethanol in blended fuels. This waiver is currently under consideration by the EPA. Mr. Dittmann responded to questions and indicated that messages of support can be submitted at GoE15.com and should be forwarded to the EPA before May 21, 2009.
5. Small Cities Development Program Update: In January, 2009, the Southwest Minnesota Housing Partnership (Partnership) completed the filing of the City’s SCDP grant application. On May 5, 2009, the EDA received a Notice of Intent to Request Release of Funds from the Small Cities Development Program (SCDP). The Notice states that on or about May 26, 2009, the City of Windom will request that the Business and Community Development Division of Department of Employment and Economic Development (DEED) release the federal funds. Following the notice periods and if no objections have been filed, DEED can then approve the Grant Agreement. The grant is in the amount of \$354,000. These grant funds will be divided between the Cities of Windom and Mountain Lake for rehab of owner-occupied properties located within the target areas. Other funds of \$241,500 will be added to this amount for a total of \$595,500. The sources of other funds for Windom include the EDA’s matching funds (from program income) and the homeowners’ shares of the project costs, etc. Preliminary estimates indicated that there would be funds for the rehab of approximately 9-10 homes in Windom. This number could change depending on the cost of rehab, etc. The Windom EDA will be working with the Partnership and Western Community Action on the implementation of the grant program. In June, notice of another public meeting will be publicized and mailed to all property owners in the target area. Applications will then be accepted by Western Community Action. The EDA will approve proposed rehab projects and the Partnership will disburse the SCDP funds. It is hoped that the first rehab projects will begin in mid to late summer.
6. North Windom Industrial Park
  - A. Update on Tinklenberg Group Activities: In February, 2009, the Tinklenberg Group was retained to assist with the submittal of information and supplemental materials to Rep. Walz’s Office concerning applications for federal appropriations funding. Director Backman

reviewed some of the followup activities since that time. The infrastructure project was not included in the federal appropriations that Rep. Walz is sponsoring. Director Backman updated the Board on other possible sources of funds which are being pursued.

B. Placement of Fill: There was a discussion concerning the placement of “good fill” from the 2009 Street Project on a 200’ X 200’ area in the North Windom Industrial Park.

7. Landform Report – Status: The PM Windom Wastewater Narrative was completed by Landform, the Minneapolis consulting firm, in early March. The report describes the issues associated with the existing PM Windom pre-treatment wastewater facility components and the effects on the Windom Wastewater Treatment Facility. The purpose of the narrative was to provide a minimum of two options for upgrading the existing PM Windom facilities with new technology for pre-treatment. Three Landform representatives traveled to Windom on April 9, 2009, and presented their findings at a special EDA meeting and at a separate meeting with PM Windom staff. The Board received a copy of the follow-up memo from Landform concerning the meeting with PM representatives. The engineers for PM Windom are currently reviewing the Landform report and hope to have a response soon.
8. River Bluff Townhomes
  - A. Sale of Lawn Mower: On Saturday, April 25, 2009, there was a joint auction of surplus/obsolete equipment from the City of Windom, Cottonwood County, and the Windom School District. The EDA’s Toro ZTR mower (with the bad right hydro), which had been used at the River Bluff Townhomes, was included in the auction and sold for \$650.00.
9. Closed Session – Proposed Additional Lease Space – Lot 6, Block 2, Windom Industrial Park Subdivision: Director Backman advised that the closed session pertains to a request to expand the lease space for the EDA’s spec building located at 1925 North Redding Avenue. President Slette closed the meeting to the public at 12:41 p.m. Director Backman updated the Board concerning preliminary communications with the lessee and a general overview concerning a proposed addition to the spec building. It was the consensus of the Board to authorize Director Backman to continue communications with the Lessee regarding specifications and preliminary lease terms and report back to the Board at the next meeting concerning options for specifications, required procedures, and possible funding sources. The meeting was re-opened to the public at 1:14 p.m.
10. Prospect Update: Director Backman updated the Board concerning discussions with a local business regarding alternative sites and other prospect contacts.
11. Miscellaneous Information
  - A. Monthly Budget Recap: The Board received copies of the monthly budget reports for the periods ending February 28, 2009, and March 31, 2009.
  - B. River Bluff Townhomes – Monthly Financial Report: The Board received copies of the financial reports provided by Van Binsbergen & Associates for the periods ending February 28, 2009, and March 31, 2009.
12. Adjourn: On motion and by consensus, President Slette adjourned the meeting at 1:22 p.m.

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Nestor Palm, Secretary

Attest: \_\_\_\_\_  
Aaron Backman, Executive Director

**PARK AND RECREATION COMMISSION MEETING  
MINUTES MAY 11, 2009**

1. Call to Order: The meeting was called to order by Terry Fredin at 5:15p.m. at the Arena Community Room.
2. Roll Call:  
Commission Present: Steph Schwalbach Sherri Zimmerman, Angie Blanshan & Jeff LaCanne  
Commission Absent: Kay Clark  
City Staff Present: Recreation Director Al Baloun & Park Director Bruce Caldwell  
Council Liaisons: Absent  
Public: Girl Scout Swim Team Representatives Nikki Steen & Mary Mohlencamp
3. Approve Agenda  
**Motion by Blanshan, seconded by Schwalbach to approve agenda  
Motion Carried 4-0**
4. Approve Minutes, April 13, 2009  
**Motion by LaCanne, seconded by Schwalbach  
Motion Carried 4-0**
5. Girl Scout Swim Team  
Representatives Nikki Steen & Mary Mohlencamp asked the commission not charge them a fee for their summer program. If the city would need to charge them a fee they would have to refer that charge back to their girls or conduct fund raisers or possibly reduce the number of days a week they would use the facility. In 2008 the daily group session fee was \$10.00 per day for three times a week. This year's proposal was estimated to be increase to \$25.00 per session. One option would be for the girls to buy a seasonal swimming pass then use the facility during the open time from 5-6:00 pm for laps to replace missed practices. Fredin stated that the program is good but with all the budgetary cuts the additional fees are needed. They were instructed to return at the end of this year's program and discuss any changes on rates for 2010.  
**Motion by Blanshan, seconded by Schwalbach to charge the Girl Scout Swim Team a daily group fee of \$25.00 per day for usage of the city pool for their 2009 program  
Motion Carried 4-0**
6. Park Superintendent-Bruce Caldwell
  1. Updated the commission on staffing problems due to the reduction of the summer part time help. Caldwell & Baloun stated that we may possibly be getting some summer help through the Stimulus package. In the request both departments requested 2-3 individuals. More details will be coming in the near future.
  2. Caldwell also said that the commission may want to use some of the CIP funds for adding an outfield fence at Wacker Field in the WRA. There have been several requests for this improvement. Also the Jungle Jim at Witt Park should be replaced with a new style. Caldwell will get some prices for the two ideas prior to the next commission meeting.
  3. WRA Irrigation System has two leaks following the winter. The staff worked with Jack Kelly during the winterization process for two seasons and last fall we did it ourselves using the same techniques. Following the end of the school spring season out staff will make the repairs.
7. Recreation Director's Report- Al Baloun

Continued Page 2

Continued Page 2 Park & Recreation Meeting May 11, 2009

a. Summer Recreation Programs –

1. Baloun updated the commission on the summer recreation sign up event. The level one swimming lessons is full for the 4-5 year olds. The only way for anyone else to join up is if someone would happen to cancel out or be moved up to the next level. As for the other recreation programs the numbers will be put together and Baloun will report back to the commission at the next meeting.
2. Hershey's Track Event will be back for this year for area youth to participate. The district meet will be held in Worthington & Pipestone this year.
3. Open Baseball Games will be on May 31<sup>st</sup> & June 7<sup>th</sup> this year. It will be open to anyone in grades 3-6 that want to play fun ball.
4. Summer Wallyball Fun Games for school kids during the summer was discussed. Baloun will see how to promote it and also scheduling for the courts. Arena staff will be looking into seeing if there is interest in open Wallyball and couples wallyball during the fall and winter months.

b. Pool

The new drains have been delivered and the water department has been contacted to start draining the pool so that the drains can be installed. The pool is scheduled to open June 10<sup>th</sup>.

c. Arena Survey Summary

The majority of the evening's discussion related to the Arena Survey Summary that was recently completed. It was stated by several members that they didn't feel the survey was distributed fairly. Fredin said the concept of moving forward with a survey was to gain information on how many people actually use the facility. They wanted to know approximately how much time the users spent at the Arena, how much money they generally spend in town during arena functions and a few questions how were could best serve them for future events. The survey wasn't intended to be a complaint box, but a vehicle to get feedback on what improvements are needed for the facility and staffing. With the limited budgets the commission knows that some building maintenance items may not happen soon but the staff was directed to work with what we have. Because of several complaints about the concessions area, Baloun said he would like to use the budgeted moneys that were intended for a new concession stand on the old concessions room. Baloun said he doesn't believe construction will happen on a new concession room due to the current economy. The outside user groups have basically given up doing more fund raising and they have not been able to attain enough to build a new one.

Baloun stated that he and City Administrator met with the arena staff and discussed what was stated in the survey and changes need to happen concerning the items below.

The commission said the following items must be corrected or improved immediately at the facility.

1. Better Customer Service
2. Staff Needs to promote a positive attitude at all times
3. Better janitorial building & grounds maintenance is a Must at All Times
4. Staff work better between themselves and remember Baloun is the authority at the arena
5. Better Efficiently. (Use a Daily Check List to make sure the facility is clean and everything is ready when the doors open for the public.)

8. Open Mike:

- a. Steph Schwalbach said this would be her last meeting as she is leaving town. The commission thanked her for the dedication she gave to the city and wished her happiness.
- b. Caldwell said Don Jackson stated the request for the Remick Grant to erect a new building at the Island Park baseball field was denied recently.

9. Meeting Adjourned at 6:45 pm.

**Next Park & Recreation Meeting June 8, 2009 5:15 p.m. Council Chambers**

Windom Library Board Meeting  
Windom Library  
May 12, 2009  
5:05 p.m.

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

2. Roll call: Members Present: Jan Johnson, Tina Peiffer, Mary Erickson  
John Duscher Charles Reid and Anita Winkel

Members Absent: Kathy Hiley

Library Staff Present: Joan Hunter and Dawn Aamot

City Council Member Present: none

3. Agenda and Minutes:

Motion by Charles Reid, seconded by Anita Winkel to approve the agenda and minutes.

5. Financial Report:

Motion by John Duscher, seconded by Tina Peiffer to approve the Financial report

6. Librarians Report:

Joan reported on the labor negotiations between the city and the worker's union. Dawn has a performance set up at the Community Center in July. The Friends organization will pay for the event

7. Old Business:

None

8. New Business:

None

9. New Book suggestions:

The board presented new book suggestions

10. Adjourn:

Motion by Anita Winkel and seconded by Anita John Duscher to adjourn.











**LG220 Application for Exempt Permit**

**Fee is \$50 for each event**

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.

For Board Use Only

Check # \_\_\_\_\_ \$ \_\_\_\_\_

**ORGANIZATION INFORMATION**

Organization name Previous gambling permit number  
**Windom Education & Collaborative Center**

Type of nonprofit organization. Check one.  
 Fraternal  Religious  Veterans  Other nonprofit organization

Mailing address City State Zip Code County  
**P. O. Box 123** **Windom** **MN** **56101** **Cottonwood**

Name of chief executive officer (CEO) Daytime phone number Email address  
**Rick Frederickson** **507-831-3455** **rickf@windomnews.com**

**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)  
**Business, Arts & Recreation Center**

Address (do not use PO box) City Zip Code County  
**1012 5th Ave.** **Windom** **56101** **Cottonwood**

Date(s) of activity (for raffles, indicate the date of the drawing)  
**06-15-2009** to **09-28-2009**

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.

Fill-in & Print Form

Reset Form

To find a licensed distributor, go to [www.gcb.state.mn.us](http://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 (X) 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 (X) the action that the county is taking on this application and sign the application.  
**A township official is not required to sign the application (unless required by the county).**

- 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]]

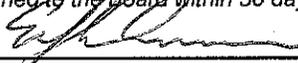
Print township name \_\_\_\_\_

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 5/13/09

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 \$50 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. 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.

Fill-in & Print Form

Reset Form

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

the Board will be able to process your application. Your name and your organization's name and address will be public information when received by the Board. All the other information you provide will be private data until the Board issues your permit. When the Board issues your permit, all of the information provided to the Board will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your name and 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, Finance, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies that are 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 consent.

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **APR 30 2009**

WINDOM EDUCATION AND COLLABORATIVE  
CENTER INC  
PO BOX 123  
WINDOM, MN 56101-1404

Employer Identification Number:  
26-2777456  
DLN:  
17053104044009  
Contact Person: GARY MUTHERT ID# 31518  
Contact Telephone Number:  
(877) 829-5500  
Accounting Period Ending:  
June 30  
Public Charity Status:  
509(a)(2)  
Form 990 Required:  
Yes  
Effective Date of Exemption:  
September 3, 2008  
Contribution Deductibility:  
Yes  
Addendum Applies:  
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 947 (DO/CG)

# LG220 Application for Exempt Permit Fee is \$50 for each event

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.

For Board Use Only

Check # \_\_\_\_\_ \$ \_\_\_\_\_

## ORGANIZATION INFORMATION

*for Benefit - Brenda Farber Family*

Organization name: WINDOM AREA CHAMBER OF COMMERCE Previous gambling permit number: X-05127

Type of nonprofit organization. Check one.

- Fraternal
- Religious
- Veterans
- Other nonprofit organization

Mailing address: 303 9TH STREET City: WINDOM State: MN Zip Code: 56101 County: COTTONWOOD

Name of chief executive officer (CEO): CHERYL HANSON Daytime phone number: 507-831-2752 Email address: windomchamber@windomnet.com

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 COMMUNITY CENTER COTTONWOOD

Address (do not use PO box): 1750 COTTONWOOD LAKE DRIVE City: WINDOM State: MN Zip Code: 56101 County: COTTONWOOD

Date(s) of activity (for raffles, indicate the date of the drawing): SUNDAY, MAY 31, 2009

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.

To find a licensed distributor, go to [www.gcb.state.mn.us](http://www.gcb.state.mn.us) and click on List of Licensed Distributors, or call 651-639-4076.

Also complete Page 2 of this form.

Fill-in & Print Form

Reset Form

**LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT**

If the gambling premises is within city limits, a city official must check (X) 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 (X) the action that the county is taking on this application and sign the application. A township official is not required to sign the application (unless required by the county).

- 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 Cheryl Hanson Date 5-15-09

**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 \$50 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. 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.

Fill-in & Print Form

Reset Form

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

the Board will be able to process your application. Your name and your organization's name and address will be public information when received by the Board. All the other information you provide will be private data until the Board issues your permit. When the Board issues your permit, all of the information provided to the Board will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your name and 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, Finance, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies that are 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 consent.



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



paid 5/4/06  
 ct 1952  
 \$50.00  
 #76049

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

TYPE OR PRINT INFORMATION

|   |  |  |   |                          |
|---|--|--|---|--------------------------|
| NAME OF ORGANIZATION<br><i>WINDOM LIONS CLUB</i>  |  | DATE ORGANIZED<br><i>4-14-71</i>   | TAX EXEMPT NUMBER<br><i>E41-6175799</i> |                          |
| STREET ADDRESS<br><i>PO BOX 72</i>  |  | CITY<br><i>WINDOM</i>  | STATE<br><i>MN</i>                      | ZIP CODE<br><i>56101</i> |
| NAME OF PERSON MAKING APPLICATION<br><i>DAN OLSEN</i>   |  | BUSINESS PHONE<br><i>(507) 832-8007</i>                                  | HOME PHONE<br><i>(507) 531-1359</i>     |                          |
| DATES LIQUOR WILL BE SOLD <i>June 13-14</i>   |  | TYPE OF ORGANIZATION<br><u>CLUB</u> CHARITABLE RELIGIOUS OTHER NONPROFIT |   |                          |
| ORGANIZATION OFFICER'S NAME<br><i>FOREST FOSHEM PRES</i>  |  | ADDRESS <i>1213 3 AV WINDOM MN</i>                                       |   |                          |
| ORGANIZATION OFFICER'S NAME<br><i>DAN JONES SEC</i>   |  | ADDRESS <i>575 20 ST WINDOM MN</i>                                       |   |                          |
| ORGANIZATION OFFICER'S NAME<br><i>DAN OLSEN TREAS</i>   |  | ADDRESS <i>48255 Co RD 26 WINDOM</i>                                     |   |                          |
| Location license will be used. If an outdoor area, describe   |  |  |   |                          |
| <i>WINDOM CITY ARENA PARKING LOT FENCED PER<br/>POLICE CHIEF DEMANDS</i>  |  |  |   |                          |
| Will the applicant contract for intoxicating liquor service? If so, give the name and address of the liquor licensee providing the service.<br><i>NO</i>          |  |  |   |                          |
| Will the applicant carry liquor liability insurance? If so, please provide the carrier's name and amount of coverage.<br><i>HENDRICKSON AGENCY, EEN PRARIE MN</i> |  |  |   |                          |
| <b>APPROVAL</b>   |  |  |   |                          |
| <b>APPLICATION MUST BE APPROVED BY CITY OR COUNTY BEFORE SUBMITTING TO ALCOHOL &amp; GAMBLING ENFORCEMENT</b>   |  |  |   |                          |
| CITY/COUNTY _____   |  | DATE APPROVED _____  |   |                          |
| CITY FEE AMOUNT _____   |  | LICENSE DATES _____  |   |                          |
| DATE FEE PAID _____   |  | _____  |   |                          |
| SIGNATURE CITY CLERK OR COUNTY OFFICIAL _____   |  | APPROVED DIRECTOR ALCOHOL AND GAMBLING ENFORCEMENT _____                 |   |                          |

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



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



CK 1951  
 #2500  
 #7605

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

TYPE OR PRINT INFORMATION

|   |  |  |   |                          |
|---|--|--|---|--------------------------|
| NAME OF ORGANIZATION<br><i>WINDOM LIONS CLUB</i>  |  | DATE ORGANIZED<br><i>4-14-71</i>   | TAX EXEMPT NUMBER<br><i>E91-6175799</i> |                          |
| STREET ADDRESS<br><i>P.O. BOX 72</i>  |  | CITY<br><i>WINDOM</i>  | STATE<br><i>MN</i>                      | ZIP CODE<br><i>56101</i> |
| NAME OF PERSON MAKING APPLICATION<br><i>DAN OLSEN</i>   |  | BUSINESS PHONE<br><i>(507) 832-8007</i>  | HOME PHONE<br><i>(507) 831-1359</i>     |                          |
| DATES LIQUOR WILL BE SOLD<br><i>June 20, 09</i>   |  | TYPE OF ORGANIZATION<br><input checked="" type="checkbox"/> CLUB <input type="checkbox"/> CHARITABLE <input type="checkbox"/> RELIGIOUS <input type="checkbox"/> OTHER NONPROFIT |   |                          |
| ORGANIZATION OFFICER'S NAME<br><i>FOREST FOSTER PRES</i>  |  | ADDRESS<br><i>1213 3RD AV WINDOM MN</i>  |   |                          |
| ORGANIZATION OFFICER'S NAME<br><i>DAN JONES SEC</i>   |  | ADDRESS<br><i>875 2ND WINDOM MN</i>  |   |                          |
| ORGANIZATION OFFICER'S NAME<br><i>DAN OLSEN TREAS</i>   |  | ADDRESS<br><i>48255 CORD 28 WINDOM MN</i>  |   |                          |
| Location license will be used. If an outdoor area, describe   |  |  |   |                          |
| <i>WINDOM COMMUNITY CENTER</i>  |  |  |   |                          |
| Will the applicant contract for intoxicating liquor service? If so, give the name and address of the liquor licensee providing the service. |  |  |   |                          |
| <i>NO</i>   |  |  |   |                          |
| Will the applicant carry liquor liability insurance? If so, please provide the carrier's name and amount of coverage.                       |  |  |   |                          |
| <i>HENDRICKSON AGENCY, EDEN PRAIRIE MN</i>  |  |  |   |                          |
| <b>APPROVAL</b>   |  |  |   |                          |
| <b>APPLICATION MUST BE APPROVED BY CITY OR COUNTY BEFORE SUBMITTING TO ALCOHOL &amp; GAMBLING ENFORCEMENT</b>                               |  |  |   |                          |
| CITY/COUNTY _____   |  | DATE APPROVED _____  |   |                          |
| CITY FEE AMOUNT _____   |  | LICENSE DATES _____  |   |                          |
| DATE FEE PAID _____   |  |  |   |                          |
| SIGNATURE CITY CLERK OR COUNTY OFFICIAL _____   |  | APPROVED DIRECTOR ALCOHOL AND GAMBLING ENFORCEMENT _____   |   |                          |

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

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

| Department           | Vendor Name          | Description              | Amount    |
|----------------------|----------------------|--------------------------|-----------|
| -----                |                      |                          |           |
| CITY OFFICE          | MII LIFE             | VEBA                     | 198.40    |
| CITY OFFICE          | STEVE NASBY          | EXPENSE                  | 288.12    |
| CITY OFFICE          | SECR REV FUND/CITY O | EXPENSE                  | 45.86     |
|                      |                      | Total for Department 103 | 532.38*   |
| P & Z / BUILDING OFF | MII LIFE             | VEBA                     | 148.80    |
|                      |                      | Total for Department 106 | 148.80*   |
| CITY HALL            | ELECTRIC FUND        | MAINTENANCE              | 2.92      |
| CITY HALL            | SANDRA HERDER        | CLEANING                 | 357.48    |
| CITY HALL            | MELISSA PENAS        | CLEANING                 | 357.47    |
|                      |                      | Total for Department 115 | 717.87*   |
| POLICE               | DELL MARKETING L.P.  | COMPUTER                 | 207.09    |
| POLICE               | MII LIFE             | VEBA                     | 1,398.96  |
| POLICE               | SECR REV FUND/CITY O | POSTAGE                  | 7.34      |
| POLICE               | WATONWAN COUNTY TREA | SERVICE ON PC'S          | 172.68    |
|                      |                      | Total for Department 120 | 1,786.07* |
| FIRE DEPARTMENT      | AMOCO OIL COMPANY    | GAS                      | 54.48     |
|                      |                      | Total for Department 125 | 54.48*    |
| STREET               | AMOCO OIL COMPANY    | GAS                      | 189.50    |
| STREET               | MII LIFE             | VEBA                     | 755.44    |
| STREET               | POWERPLAN            | MAINTENANCE              | 829.84    |
|                      |                      | Total for Department 140 | 1,774.78* |
| HEALTH & SANITATION  | NEAL GRUNEWALD       | COMPOST SITE MANAGER     | 160.00    |
|                      |                      | Total for Department 145 | 160.00*   |
| RECREATION           | WINDOM COMMUNITY EDU | AD                       | 300.00    |
|                      |                      | Total for Department 150 | 300.00*   |
| PARKS                | MII LIFE             | VEBA                     | 185.68    |
|                      |                      | Total for Department 165 | 185.68*   |
|                      |                      | Total for Fund 01        | 5,660.06* |
| LIBRARY              | SANDRA HERDER        | CLEANING                 | 357.47    |
| LIBRARY              | MELISSA PENAS        | CLEANING                 | 357.48    |
|                      |                      | Total for Department 171 | 714.95*   |
|                      |                      | Total for Fund 03        | 714.95*   |
| AIRPORT              | ELECTRIC FUND        | MAINTENANCE              | 129.00    |
| AIRPORT              | RED ROCK RURAL WATER | WATER                    | 23.00     |
| AIRPORT              | SO. CENTRAL ELECTRIC | POWER COST               | 714.35    |
|                      |                      | Total for Department 174 | 866.35*   |
|                      |                      | Total for Fund 11        | 866.35*   |

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

| Department             | Vendor Name                                   | Description              | Amount      |
|------------------------|---|--------------------------|-------------|
| POOL                   | WINDOM COMMUNITY EDU AD                       |                          | 375.00      |
|                        | Total for Department 175                      |                          | 375.00*     |
|                        | Total for Fund 12                             |                          | 375.00*     |
| AMBULANCE              | BOB AXFORD                                    | EXPENSE                  | 47.00       |
| AMBULANCE              | KATE AXFORD                                   | EXPENSE                  | 19.63       |
| AMBULANCE              | ALLAN REMPEL                                  | EXPENSE                  | 55.95       |
| AMBULANCE              | JIM SKARPHOL                                  | EXPENSE                  | 194.59      |
| AMBULANCE              | JIM SKARPHOL                                  | SUPPLIES                 | 23.76       |
|                        | Total for Department 176                      |                          | 340.93*     |
|                        | Total for Fund 13                             |                          | 340.93*     |
| MULTI-PURPOSE BUILDING | MII LIFE                                      | VEBA                     | 284.88      |
|                        | Total for Department 177                      |                          | 284.88*     |
|                        | Total for Fund 14                             |                          | 284.88*     |
| N IND PARK             | SO. CENTRAL ELECTRIC POWER COST               |                          | 33.45       |
|                        | Total for Department 147                      |                          | 33.45*      |
|                        | Total for Fund 18                             |                          | 33.45*      |
|                        | U S BANK TRUST NATIO BOND PAYMENT (HOSP BOND) |                          | 153,827.50  |
|                        | Total for Department                          |                          | 153,827.50* |
|                        | Total for Fund 31                             |                          | 153,827.50* |
| LIQUOR                 | HAGEN DISTRIBUTING                            | MERCHANDISE              | 6,221.55    |
| LIQUOR                 | A H HERMEL CANDY & T                          | MERCHANDISE              | 392.54      |
| LIQUOR                 | JOHNSON BROS.                                 | MERCHANDISE              | 858.85      |
| LIQUOR                 | MII LIFE                                      | VEBA                     | 371.36      |
| LIQUOR                 | PHILLIPS WINE & SPIR                          | MERCHANDISE              | 1,145.17    |
| LIQUOR                 | QUALITY WINE SPIRITS                          | MERCHANDISE              | 5,436.90    |
| LIQUOR                 | WINE MERCHANTS                                | MERCHANDISE              | 167.25      |
|                        | Total for Department 180                      |                          | 14,593.62*  |
|                        | Total for Fund 60                             |                          | 14,593.62*  |
| WATER                  | H P SUDS                                      | BILLING CONTRACT SERVICE | 112.50      |
| WATER                  | MIDWEST DATA, INC                             | SPECIAL SERVICES         | 11.76       |
| WATER                  | MIDWEST DATA, INC                             | UTILITY BILL SERVICES    | 765.49      |
| WATER                  | MII LIFE                                      | VEBA                     | 560.22      |
| WATER                  | SBCR REV FUND/CITY O                          | POSTAGE                  | 6.10        |
|                        | Total for Department 181                      |                          | 1,456.07*   |
|                        | Total for Fund 61                             |                          | 1,456.07*   |
|                        | SBCR REV FUND/CITY O REFUND - UTILITY PREPAYM |                          | 270.00      |

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

| Department           | Vendor Name              | Description              | Amount    |
|----------------------|--------------------------|--------------------------|-----------|
|                      | STAPLES OIL CO           | SALES TAX NOT PAID ON IN | 213.63    |
|                      | DON BOHART               | REFUND - UTILITY PREPAYM | 125.00    |
|                      | Total for Department     |                          | 608.63*   |
| ELECTRIC             | AMOCO OIL COMPANY        | GAS                      | 224.85    |
| ELECTRIC             | H P SUDS                 | BILLING CONTRACT SERVICE | 112.50    |
| ELECTRIC             | MIDWEST DATA, INC        | SPECIAL SERVICES         | 11.79     |
| ELECTRIC             | MIDWEST DATA, INC        | UTILITY BILL SERVICES    | 1,578.87  |
| ELECTRIC             | MII LIFE                 | VEBA                     | 1,049.86  |
| ELECTRIC             | BANK MIDWEST             | NSF CHECK                | 250.00    |
|                      | Total for Department 182 |                          | 3,227.87* |
|                      | Total for Fund 62        |                          | 3,836.50* |
| SEWER                | AMOCO OIL COMPANY        | GAS                      | 60.45     |
| SEWER                | H P SUDS                 | BILLING CONTRACT SERVICE | 112.50    |
| SEWER                | MIDWEST DATA, INC        | SPECIAL SERVICES         | 11.76     |
| SEWER                | MIDWEST DATA, INC        | UTILITY BILL SERVICES    | 765.49    |
| SEWER                | MII LIFE                 | VEBA                     | 931.58    |
|                      | Total for Department 183 |                          | 1,881.78* |
|                      | Total for Fund 63        |                          | 1,881.78* |
| ARENA                | MII LIFE                 | VEBA                     | 371.36    |
|                      | Total for Department 184 |                          | 371.36*   |
|                      | Total for Fund 64        |                          | 371.36*   |
|                      | BANK MIDWEST             | LOAN PAYMENT             | 1,204.78  |
|                      | Total for Department     |                          | 1,204.78* |
| ECONOMIC DEVELOPMENT | MII LIFE                 | VEBA                     | 235.28    |
| ECONOMIC DEVELOPMENT | SECR REV FUND/CITY O     | EXPENSE                  | 9.00      |
| ECONOMIC DEVELOPMENT | SIJAMBO CAFE             | EXPENSE                  | 70.88     |
| ECONOMIC DEVELOPMENT | BANK MIDWEST             | LOAN PAYMENT             | 2,795.22  |
| ECONOMIC DEVELOPMENT | EDAM                     | REGISTRATION             | 200.00    |
|                      | Total for Department 187 |                          | 3,310.38* |
|                      | Total for Fund 67        |                          | 4,515.16* |
| RIVERBLUFF ESTATES   | BRADY POWERS             | MOWING                   | 243.74    |
|                      | Total for Department 166 |                          | 243.74*   |
|                      | Total for Fund 68        |                          | 243.74*   |
| TELECOMMUNICATIONS   | H P SUDS                 | BILLING CONTRACT SERVICE | 337.50    |
| TELECOMMUNICATIONS   | MIDWEST DATA, INC        | SPECIAL SERVICES         | 35.28     |
| TELECOMMUNICATIONS   | MIDWEST DATA, INC        | UTILITY BILL SERVICES    | 1,674.50  |
| TELECOMMUNICATIONS   | MII LIFE                 | VEBA                     | 665.78    |
| TELECOMMUNICATIONS   | KEVIN WOLTJER            | REUND - TELECOM INSTALL  | 15.00     |

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

| Department | Vendor Name | Description              | Amount      |
|------------|-------------|--------------------------|-------------|
| -----      |             |                          |             |
|            |             | Total for Department 199 | 2,728.06*   |
|            |             | Total for Fund 69        | 2,728.06*   |
|            |             | Grand Total              | 191,729.41* |

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

| Department           | Vendor Name              | Description              | Amount     |
|----------------------|--------------------------|--------------------------|------------|
| MAYOR & COUNCIL      | CONVENT. & VISTOR BU     | LODGING TAX              | 1,394.47   |
|                      | Total for Department 101 |                          | 1,394.47*  |
| CITY OFFICE          | ELECTRIC FUND            | UTILITY BILLING          | 182.79     |
|                      | Total for Department 103 |                          | 182.79*    |
| P & Z / BUILDING OFF | ELECTRIC FUND            | UTILITY BILLING          | 60.97      |
| P & Z / BUILDING OFF | VET'S WHOA N'GO          | GAS                      | 70.13      |
| P & Z / BUILDING OFF | VOYAGER FLEET SERVIC     | GAS                      | 14.23      |
|                      | Total for Department 106 |                          | 145.33*    |
| CITY HALL            | ELECTRIC FUND            | UTILITY BILLING          | 520.12     |
|                      | Total for Department 115 |                          | 520.12*    |
| POLICE               | ELECTRIC FUND            | UTILITY BILLING          | 82.28      |
| POLICE               | VET'S WHOA N'GO          | GAS                      | 29.96      |
| POLICE               | VOYAGER FLEET SERVIC     | GAS                      | 176.84     |
|                      | Total for Department 120 |                          | 289.08*    |
| FIRE DEPARTMENT      | ELECTRIC FUND            | UTILITY BILLING          | 48.03      |
| FIRE DEPARTMENT      | VOYAGER FLEET SERVIC     | GAS                      | 10.04      |
|                      | Total for Department 125 |                          | 58.07*     |
| STREET               | ELECTRIC FUND            | UTILITY BILLING          | 3,156.56   |
| STREET               | ERICKSON OIL CO          | GAS                      | 584.55     |
| STREET               | MIDWEST WIRELESS         | TELEPHONE                | 95.88      |
| STREET               | VET'S WHOA N'GO          | GAS                      | 553.94     |
| STREET               | VOYAGER FLEET SERVIC     | GAS                      | 149.17     |
|                      | Total for Department 140 |                          | 4,540.10*  |
| RECREATION           | GREG PFEFFER             | TOURNEY FEE REIMBURSED   | 200.00     |
|                      | Total for Department 150 |                          | 200.00*    |
| PARKS                | ELECTRIC FUND            | UTILITY BILLING          | 159.43     |
| PARKS                | ERICKSON OIL CO          | GAS                      | 101.43     |
|                      | Total for Department 165 |                          | 260.86*    |
| GENERAL              | EAGLE APPLIANCE RECY     | APPLIANCE PICK-UP        | 2,690.00   |
| GENERAL              | BETTY BOTTIN             | REFUND - SPRING CLEAN UP | 20.00      |
| GENERAL              | DUANE CHRISTENSEN        | REFUND - SPRING CLEAN UP | 35.00      |
| GENERAL              | MARY HOLMEN              | REFUND - SPRING CLEAN UP | 10.00      |
| GENERAL              | RON LILLEGAARD           | REFUND - SPRING CLEAN UP | 30.00      |
| GENERAL              | HILARY MATHIS            | REFUND - SPRING CLEAN UP | 25.00      |
|                      | Total for Department 201 |                          | 2,810.00*  |
|                      | Total for Fund 01        |                          | 10,400.82* |
| LIBRARY              | ELECTRIC FUND            | UTILITY BILLING          | 263.19     |
|                      | Total for Department 171 |                          | 263.19*    |
|                      | Total for Fund 03        |                          | 263.19*    |

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

| Department           | Vendor Name              | Description              | Amount     |
|----------------------|--------------------------|--------------------------|------------|
|                      | REED BUSINESS INFORM AD  | AIRPORT PROJECT          | 275.52     |
|                      | Total for Department     |                          | 275.52*    |
|                      | Total for Fund 11        |                          | 275.52*    |
| AMBULANCE            | KATE AXFORD              | REFRESHER COURSE         | 111.00     |
| AMBULANCE            | BLUE CROSS/BLUE SHIE     | AMBULANCE REFUND         | 227.60     |
| AMBULANCE            | ELECTRIC FUND            | UTILITY BILLING          | 24.66      |
| AMBULANCE            | MIDWEST WIRELESS         | TELEPHONE                | 92.69      |
| AMBULANCE            | VET'S WHOA N'GO          | GAS                      | 1,059.94   |
| AMBULANCE            | VOYAGER FLEET SERVIC     | GAS                      | 19.24      |
|                      | Total for Department 176 |                          | 1,535.13*  |
|                      | Total for Fund 13        |                          | 1,535.13*  |
| MULTI-PURPOSE BUILDI | ELECTRIC FUND            | UTILITY BILLING          | 1,207.05   |
| MULTI-PURPOSE BUILDI | MIDWEST WIRELESS         | TELEPHONE                | 13.69      |
|                      | Total for Department 177 |                          | 1,220.74*  |
|                      | Total for Fund 14        |                          | 1,220.74*  |
| EDA LINDAMAN REV LOA | US BANK                  | ADMINISTRATION FEES      | 431.25     |
|                      | Total for Department 178 |                          | 431.25*    |
|                      | Total for Fund 31        |                          | 431.25*    |
| LIQUOR               | BEVERAGE WHOLESALERS     | MERCHANDISE              | 4,516.39   |
| LIQUOR               | ELECTRIC FUND            | UTILITY BILLING          | 610.03     |
| LIQUOR               | HAGEN DISTRIBUTING       | MERCHANDISE              | 13,688.35  |
| LIQUOR               | QUALITY WINE SPIRITS     | MERCHANDISE              | 125.00     |
| LIQUOR               | BANK MIDWEST             | NSF CHECK                | 41.90      |
|                      | Total for Department 180 |                          | 18,981.67* |
|                      | Total for Fund 60        |                          | 18,981.67* |
| WATER                | CREATIVE DESIGN          | SHIRTS                   | 73.50      |
| WATER                | ELECTRIC FUND            | UTILITY BILLING          | 4,427.74   |
| WATER                | H P SUDS                 | BILLING CONTRACT SERVICE | 64.68      |
| WATER                | MIDWEST WIRELESS         | TELEPHONE                | 51.44      |
| WATER                | VOYAGER FLEET SERVIC     | GAS                      | 264.52     |
| WATER                | NICOLE VANDERVEEN        | REFUND - STATEMENT CREDI | 8.66       |
|                      | Total for Department 181 |                          | 4,890.54*  |
|                      | Total for Fund 61        |                          | 4,890.54*  |
|                      | NICOLE VANDERVEEN        | REFUND - STATEMENT CREDI | .51        |
|                      | NICOLE VANDERVEEN        | REFUND - UTILITY PREPAYM | 125.00     |
|                      | KEVIN WOLTJER            | REFUND - UTILITY PREPAYM | 125.00     |
|                      | Total for Department     |                          | 250.51*    |

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

| Department           | Vendor Name              | Description              | Amount     |
|----------------------|--------------------------|--------------------------|------------|
| ELECTRIC             | ELECTRIC FUND            | UTILITY BILLING          | 269.63     |
| ELECTRIC             | H P SUDS                 | BILLING CONTRACT SERVICE | 64.68      |
| ELECTRIC             | BRAD BUSSA               | CLEANING                 | 184.60     |
| ELECTRIC             | VET'S WHOA N'GO          | GAS                      | 73.56      |
| ELECTRIC             | VOYAGER FLEET SERVIC     | GAS                      | 77.98      |
| ELECTRIC             | BANK MIDWEST             | NSF CHECK                | 207.53     |
| ELECTRIC             | NICOLE VANDERVEEN        | REFUND - STATEMENT CREDI | 8.14       |
|                      | Total for Department 182 |                          | 886.12*    |
|                      | Total for Fund 62        |                          | 1,136.63*  |
| SEWER                | CREATIVE DESIGN          | SHIRTS                   | 73.50      |
| SEWER                | ELECTRIC FUND            | UTILITY BILLING          | 15,183.14  |
| SEWER                | ERICKSON OIL CO          | GAS                      | 56.67      |
| SEWER                | H P SUDS                 | BILLING CONTRACT SERVICE | 64.68      |
| SEWER                | J&M WASTE APPLICATOR     | HAUL SLUDGE              | 8,689.00   |
| SEWER                | MIDWEST WIRELESS         | TELEPHONE                | 51.43      |
| SEWER                | VOYAGER FLEET SERVIC     | GAS                      | 15.34      |
| SEWER                | VOYAGER FLEET SERVIC     | MISC MERCHANDISE         | 3.58       |
| SEWER                | NICOLE VANDERVEEN        | REFUND - STATEMENT CREDI | 11.55      |
|                      | Total for Department 183 |                          | 24,148.89* |
|                      | Total for Fund 63        |                          | 24,148.89* |
| ARENA                | ELECTRIC FUND            | UTILITY BILLING          | 3,599.63   |
| ARENA                | VET'S WHOA N'GO          | GAS                      | 33.04      |
|                      | Total for Department 184 |                          | 3,632.67*  |
|                      | Total for Fund 64        |                          | 3,632.67*  |
| ECONOMIC DEVELOPMENT | ELECTRIC FUND            | UTILITY BILLING          | 132.71     |
|                      | Total for Department 187 |                          | 132.71*    |
|                      | Total for Fund 67        |                          | 132.71*    |
|                      | MN 9-1-1 PROGRAM         | 911 SERVICE              | 835.14     |
|                      | CARMEN GUZMAN            | REFUND - STATEMENT CREDI | .56        |
|                      | NICOLE VANDERVEEN        | REFUND - STATEMENT CREDI | .38        |
|                      | Total for Department     |                          | 836.08*    |
| TELECOMMUNICATIONS   | BIG TEN NETWORK          | SUBSCRIBER               | 1,588.95   |
| TELECOMMUNICATIONS   | COMCAST MEDIA CENTER     | SUBSCRIBER               | 6.50       |
| TELECOMMUNICATIONS   | E-911                    | MONTHLY 911 SERVICE      | 43.80      |
| TELECOMMUNICATIONS   | ELECTRIC FUND            | UTILITY BILLING          | 1,492.30   |
| TELECOMMUNICATIONS   | FOX SPORTS               | SUBSCRIBER               | 5,105.10   |
| TELECOMMUNICATIONS   | H P SUDS                 | BILLING CONTRACT SERVICE | 194.09     |
| TELECOMMUNICATIONS   | KARE                     | SUBSCRIBER               | 399.30     |
| TELECOMMUNICATIONS   | LIFETIME                 | SUBSCRIBER               | 663.00     |
| TELECOMMUNICATIONS   | LIFETIME MOVIE NETWO     | SUBSCRIBER               | 30.00      |
| TELECOMMUNICATIONS   | NATIONAL CABLE TV CO     | SUBSCRIBER               | 20,106.89  |

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

| Department         | Vendor Name              | Description              | Amount      |
|--------------------|--------------------------|--------------------------|-------------|
| TELECOMMUNICATIONS | QWEST COMMUNICATIONS     | DIRECTORY LISTING        | 277.67      |
| TELECOMMUNICATIONS | TOWER DISTRIBUTION C     | SUBSCRIBER               | 217.77      |
| TELECOMMUNICATIONS | VET'S WHOA N'GO          | GAS                      | 53.06       |
| TELECOMMUNICATIONS | VOYAGER FLEET SERVIC     | GAS                      | 115.70      |
| TELECOMMUNICATIONS | WOODSTOCK TELEPHONE      | SERVICE                  | 186.67      |
| TELECOMMUNICATIONS | IP NETWORKS, INC         | SUPPORT RENEWAL          | 1,800.00    |
| TELECOMMUNICATIONS | CARMEN GUZMAN            | REFUND - STATEMENT CREDI | 8.63        |
| TELECOMMUNICATIONS | NICOLE VANDERVEEN        | REFUND - STATEMENT CREDI | 10.12       |
|                    | Total for Department 199 |                          | 32,299.55*  |
|                    | Total for Fund 69        |                          | 33,135.63*  |
|                    | Grand Total              |                          | 100,185.39* |

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

| Department           | Vendor Name              | Description          | Amount    |
|----------------------|--------------------------|----------------------|-----------|
| MAYOR & COUNCIL      | MCDONALD & SCHRAMEL      | LEGAL FEES           | 199.50    |
|                      | Total for Department 101 |                      | 199.50*   |
| CITY OFFICE          | DAN'S OFFICE SUPPLY      | SUPPLIES             | 27.15     |
| CITY OFFICE          | MANKATO MOBIL RADIO      | MAINTENANCE CONTRACT | 6.50      |
|                      | Total for Department 103 |                      | 33.65*    |
| P & Z / BUILDING OFF | DAN'S OFFICE SUPPLY      | SUPPLIES             | 14.90     |
| P & Z / BUILDING OFF | MCDONALD & SCHRAMEL      | LEGAL FEES           | 31.50     |
| P & Z / BUILDING OFF | MANKATO MOBIL RADIO      | MAINTENANCE CONTRACT | 6.50      |
|                      | Total for Department 106 |                      | 52.90*    |
| CITY HALL            | COLE PAPER INC.          | SUPPLIES             | 49.72     |
| CITY HALL            | COTTONWOOD COUNTY SO     | RECYCLING PICK UP    | 18.00     |
| CITY HALL            | CULLIGAN                 | SERVICE              | 12.50     |
| CITY HALL            | WASTE MANAGEMENT OF      | HAUL GARBAGE         | 89.51     |
| CITY HALL            | SCHWALBACH HARDWARE      | MAINTENANCE          | 27.79     |
|                      | Total for Department 115 |                      | 197.52*   |
| POLICE               | DAN'S OFFICE SUPPLY      | SUPPLIES             | 31.60     |
| POLICE               | EVIDENT CRIME SCENE      | SUPPLIES             | 183.95    |
| POLICE               | MCDONALD & SCHRAMEL      | LEGAL FEES           | 3,549.00  |
| POLICE               | MANKATO MOBIL RADIO      | MAINTENANCE CONTRACT | 35.28     |
| POLICE               | NAPA AUTO PARTS          | MAINTENANCE          | 3.50      |
| POLICE               | COUNTRY PRIDE SERVIC     | MAINTENANCE          | 495.36    |
|                      | Total for Department 120 |                      | 4,298.69* |
| FIRE DEPARTMENT      | DAN'S OFFICE SUPPLY      | SUPPLIES             | 119.50    |
| FIRE DEPARTMENT      | HEIMAN FIRE EQUIP. C     | MAINTENANCE          | 175.00    |
| FIRE DEPARTMENT      | LUCAN COMMUNITY TV I     | MAINTENANCE          | 106.50    |
| FIRE DEPARTMENT      | MANKATO MOBIL RADIO      | MAINTENANCE CONTRACT | 6.50      |
| FIRE DEPARTMENT      | NAPA AUTO PARTS          | MAINTENANCE          | 40.97     |
| FIRE DEPARTMENT      | QUEST                    | TELEPHONE            | 117.32    |
| FIRE DEPARTMENT      | WINDOM FARM SERVICE      | MAINTENANCE          | 4.23      |
| FIRE DEPARTMENT      | CARQUEST AUTO PARTS      | MAINTENANCE          | 5.88      |
|                      | Total for Department 125 |                      | 575.90*   |
| EMERGENCY MANAGEMENT | MANKATO MOBIL RADIO      | MAINTENANCE CONTRACT | 200.00    |
| EMERGENCY MANAGEMENT | WERNER ELECTRIC          | MAINTENANCE          | 68.72     |
|                      | Total for Department 130 |                      | 268.72*   |
| ANIMALS              | CITIZEN PUBLISHING C     | ADVERTISING          | 2,180.85  |
| ANIMALS              | COTTONWOOD-SLAYTON V     | VETERINARY SERVICE   | 181.05    |
|                      | Total for Department 135 |                      | 2,361.90* |
| STREET               | BERGENDAHL MASONRY       | MAINTENANCE          | 229.00    |
| STREET               | COTTONWOOD COUNTY LA     | GARBAGE              | 10.00     |
| STREET               | WASTE MANAGEMENT OF      | HAUL GARBAGE         | 270.87    |
| STREET               | DIAMOND VOGEL PAINT      | SUPPLIES             | 1,318.78  |
| STREET               | ENVIROSIDE               | TESTING              | 300.00    |
| STREET               | GDF ENTERPRISES, INC     | MAINTENANCE          | 38.18     |

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

| Department          | Vendor Name              | Description            | Amount     |
|---------------------|--------------------------|------------------------|------------|
| STREET              | JIFFY-JR. PRODUCTS       | SUPPLIES               | 777.10     |
| STREET              | MCDONALD & SCHRAMEL      | LEGAL FEES             | 535.50     |
| STREET              | MACQUEEN EQUIP. CO.      | MAINTENANCE            | 1,278.00   |
| STREET              | MANKATO MOBIL RADIO      | MAINTENANCE CONTRACT   | 6.50       |
| STREET              | MESSER MACHINE & MFG     | MAINTENANCE            | 161.93     |
| STREET              | MIDSTATES EQUIPMENT      | MAINTENANCE            | 3,004.06   |
| STREET              | MTI DISTRIBUTING, IN     | MAINTENANCE            | 240.09     |
| STREET              | NAPA AUTO PARTS          | MAINTENANCE            | 98.39      |
| STREET              | QUEST                    | TELEPHONE              | 117.32     |
| STREET              | PRAXAIR DISTRIBUTION     | SERVICE                | 125.67     |
| STREET              | RESCO                    | INVENTORY              | 165.29     |
| STREET              | SCHWALBACH HARDWARE      | MAINTENANCE            | 76.39      |
| STREET              | SOUTHERN MN SPRAY SY     | MAINTENANCE            | 106.50     |
| STREET              | WENCK ASSOCIATES, IN     | 08 SEAL COAT           | 2,158.60   |
| STREET              | CARQUEST AUTO PARTS      | MAINTENANCE            | 120.77     |
|                     | Total for Department 140 |                        | 11,138.94* |
| HEALTH & SANITATION | COTTONWOOD COUNTY LA     | SPRING PICK-UP EXPENSE | 2,235.10   |
| HEALTH & SANITATION | WASTE MANAGEMENT OF      | HAUL GARBAGE           | 5,531.10   |
|                     | Total for Department 145 |                        | 7,766.20*  |
| RECREATION          | SCHWALBACH HARDWARE      | MAINTENANCE            | 7.94       |
| RECREATION          | FAIRMONT BASEBALL AS     | LEAGUE FEES            | 150.00     |
|                     | Total for Department 150 |                        | 157.94*    |
| PARKS               | BRYAN ROCK PRODUCTS,     | MAINTENANCE            | 384.48     |
| PARKS               | CENTER SPORTS            | SUPPLIES               | 336.20     |
| PARKS               | COLE PAPER INC.          | SUPPLIES               | 257.58     |
| PARKS               | GOPHER                   | SUPPLIES               | 170.10     |
| PARKS               | JIFFY-JR. PRODUCTS       | SUPPLIES               | 240.95     |
| PARKS               | LAMPERTS YARDS, INC.     | MAINTENANCE            | 427.76     |
| PARKS               | NAPA AUTO PARTS          | MAINTENANCE            | 21.62      |
| PARKS               | SCHWALBACH HARDWARE      | MAINTENANCE            | 211.79     |
| PARKS               | COUNTRY PRIDE SERVIC     | MAINTENANCE            | 1,142.08   |
| PARKS               | CARQUEST AUTO PARTS      | MAINTENANCE            | 21.07      |
| PARKS               | BSN SPORTS COLLEGIAT     | SUPPLIES               | 370.84     |
|                     | Total for Department 165 |                        | 3,584.47*  |
|                     | Total for Fund 01        |                        | 30,636.33* |
|                     | COTTONWOOD CTY RECOR     | SERVICE                | 92.00      |
|                     | Total for Department     |                        | 92.00*     |
|                     | Total for Fund 02        |                        | 92.00*     |
| LIBRARY             | BBC AUDIO                | BOOKS                  | 112.26     |
| LIBRARY             | CENTER POINT LARGE P     | BOOKS                  | 41.34      |
| LIBRARY             | COLE PAPER INC.          | SUPPLIES               | 17.11      |
| LIBRARY             | COTTONWOOD COUNTY SO     | RECYCLING PICK UP      | 18.00      |
| LIBRARY             | FEATURE FILMS FOR FA     | MOVIE                  | 24.90      |

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

| Department           | Vendor Name                    | Description          | Amount    |
|----------------------|--------------------------------|----------------------|-----------|
| LIBRARY              | GALE                           | BOOKS                | 435.62    |
| LIBRARY              | INGRAM                         | BOOKS                | 1,805.65  |
| LIBRARY              | MICROMARKETING                 | BOOKS & AUDIO        | 767.93    |
| LIBRARY              | MN HISTORICAL SOC PR           | SUBSCRIPTION         | 20.00     |
| LIBRARY              | PLUM CREEK LIBRARY             | SUPPLIES             | 50.14     |
| LIBRARY              | RECORDED BOOKS, LLC            | SUBSCRIPTION         | 243.30    |
| LIBRARY              | READERS SERVICE                | SUBSCRIPTION         | 40.22     |
| LIBRARY              | READERS DIGEST - AUD           | SUBSCRIPTION         | 23.40     |
| LIBRARY              | SCHWALBACH HARDWARE            | MAINTENANCE          | 257.79    |
| LIBRARY              | MONEY                          | SUBSCRIPTION         | 19.95     |
| LIBRARY              | REAL SIMPLE                    | SUBSCRIPTION         | 23.94     |
| LIBRARY              | DISCOVER                       | SUBSCRIBER           | 24.95     |
| LIBRARY              | COOK'S ILLUSTRATED             | SUBSCRIPTION         | 28.95     |
| LIBRARY              | COUNTRY                        | SUBSCRIPTION         | 19.98     |
| LIBRARY              | DISNEY MOVIE CLUB              | MOVIES               | 91.70     |
|                      | Total for Department 171       |                      | 4,067.13* |
|                      | Total for Fund 03              |                      | 4,067.13* |
|                      | JACKSON BUILDING CEN SALT SHED |                      | 3,439.91  |
|                      | Total for Department           |                      | 3,439.91* |
|                      | Total for Fund 04              |                      | 3,439.91* |
| AIRPORT              | CITIZEN PUBLISHING C           | ADVERTISING          | 443.62    |
| AIRPORT              | COLE PAPER INC.                | SUPPLIES             | 93.19     |
|                      | Total for Department 174       |                      | 536.81*   |
|                      | Total for Fund 11              |                      | 536.81*   |
| POOL                 | UNBLOCKABLE DRAIN CO           | DRAIN COVER          | 3,333.45  |
|                      | Total for Department 175       |                      | 3,333.45* |
|                      | Total for Fund 12              |                      | 3,333.45* |
| AMBULANCE            | HIGLEY FORD SALES              | MAINTENANCE          | 46.34     |
| AMBULANCE            | MANKATO MOBIL RADIO            | MAINTENANCE CONTRACT | 6.50      |
| AMBULANCE            | NAPA AUTO PARTS                | MAINTENANCE          | 134.14    |
| AMBULANCE            | QUEST                          | TELEPHONE            | 117.32    |
| AMBULANCE            | PRAXAIR DISTRIBUTION           | SERVICE              | 207.81    |
| AMBULANCE            | SCHWALBACH HARDWARE            | MAINTENANCE          | 83.87     |
| AMBULANCE            | WINDOM AREA HOSPITAL           | SERVICE              | 1,922.49  |
| AMBULANCE            | COUNTRY PRIDE SERVIC           | MAINTENANCE          | 863.40    |
| AMBULANCE            | ZOLL MEDICAL CORPORA           | SUPPLIES             | 135.79    |
| AMBULANCE            | DARRELL GOEMAN                 | REFUND - AMBULANCE   | 20.00     |
|                      | Total for Department 176       |                      | 3,537.66* |
|                      | Total for Fund 13              |                      | 3,537.66* |
| MULTI-PURPOSE BUILDI | CITIZEN PUBLISHING C           | ADVERTISING          | 178.80    |

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

| Department           | Vendor Name              | Description            | Amount     |
|----------------------|--------------------------|------------------------|------------|
| MULTI-PURPOSE BUILDI | CITIZEN PUBLISHING C     | VISITORS GUIDE         | 414.00     |
| MULTI-PURPOSE BUILDI | COLE PAPER INC.          | SUPPLIES               | 126.78     |
| MULTI-PURPOSE BUILDI | CREATIVE DESIGN          | SHIRTS                 | 350.00     |
| MULTI-PURPOSE BUILDI | WASTE MANAGEMENT OF      | HAUL GARBAGE           | 162.69     |
| MULTI-PURPOSE BUILDI | HEARTLAND PAPER COMP     | SUPPLIES               | 453.08     |
| MULTI-PURPOSE BUILDI | KDOM RADIO               | ADVERTISING            | 140.80     |
| MULTI-PURPOSE BUILDI | MARTIN'S FLAG COMPAN     | FLAGS                  | 301.46     |
| MULTI-PURPOSE BUILDI | SCHWALBACH HARDWARE      | MAINTENANCE            | 218.40     |
| MULTI-PURPOSE BUILDI | TOWN 'N COUNTRY          | MAINTENANCE            | 1,785.36   |
| MULTI-PURPOSE BUILDI | WERNER ELECTRIC          | MAINTENANCE            | -10.06     |
| MULTI-PURPOSE BUILDI | PRAIRIE ARTS CONTINU     | AD                     | 35.00      |
|                      | Total for Department 177 |                        | 4,156.31*  |
|                      | Total for Fund 14        |                        | 4,156.31*  |
| N IND PARK           | TINKLENBERG GROUP        | SERVICE                | 1,964.80   |
|                      | Total for Department 147 |                        | 1,964.80*  |
|                      | Total for Fund 18        |                        | 1,964.80*  |
| LIQUOR               | ENVIROMASTER, INC.       | SERVICE                | 39.41      |
| LIQUOR               | BEVERAGE WHOLESALERS     | MERCHANDISE            | 4,215.75   |
| LIQUOR               | CITIZEN PUBLISHING C     | ADVERTISING            | 99.60      |
| LIQUOR               | COCA-COLA BOTTLING C     | MERCHANDISE            | 300.10     |
| LIQUOR               | CULLIGAN                 | SERVICE                | 8.32       |
| LIQUOR               | WASTE MANAGEMENT OF      | HAUL GARBAGE           | 45.79      |
| LIQUOR               | DAN'S OFFICE SUPPLY      | SUPPLIES               | 102.11     |
| LIQUOR               | FIELDSTONE VINEYARDS     | MERCHANDISE            | 247.68     |
| LIQUOR               | GOPHER ALARMS            | SERVICE                | 51.12      |
| LIQUOR               | GRIGGS COOPER            | MERCHANDISE            | 871.31     |
| LIQUOR               | HOLINKA DISTR. CO.       | MERCHANDISE            | 102.75     |
| LIQUOR               | JOHNSON BROS.            | MERCHANDISE            | 1,080.65   |
| LIQUOR               | PAPER ROLL SUPPLIES      | SUPPLIES               | 126.00     |
| LIQUOR               | PEPSIAMERICAS            | MERCHANDISE            | 356.80     |
| LIQUOR               | PHILLIPS WINE & SPIR     | MERCHANDISE            | 505.90     |
| LIQUOR               | QUALITY WINE SPIRITS     | MERCHANDISE            | 2,124.90   |
| LIQUOR               | S&K LINES                | FREIGHT                | 455.70     |
| LIQUOR               | TOTAL REGISTER SYSTE     | SUPPLIES               | 86.90      |
| LIQUOR               | WINDOM FIRE DEPT.        | AD                     | 175.00     |
| LIQUOR               | BANK MIDWEST             | NSF CHECK - RIVER BEND | 48.49      |
|                      | Total for Department 180 |                        | 11,044.28* |
|                      | Total for Fund 60        |                        | 11,044.28* |
|                      | THEIN WELL CO.           | WELL WORK              | 5,000.00   |
|                      | Total for Department     |                        | 5,000.00*  |
| WATER                | ATCO INTERNATIONAL       | MAINTENANCE            | 83.74      |
| WATER                | CALIFORNIA CONTRACTO     | SUPPLIES               | 98.99      |
| WATER                | CITIZEN PUBLISHING C     | ADVERTISING            | 129.00     |

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

| Department | Vendor Name              | Description              | Amount     |
|------------|--------------------------|--------------------------|------------|
| WATER      | DAN'S OFFICE SUPPLY      | SUPPLIES                 | 24.61      |
| WATER      | DAVIS TYPEWRITER         | SUPPLIES                 | 11.84      |
| WATER      | HAWKINS, INC             | CHEMICALS                | 3,841.97   |
| WATER      | GOPHER STATE ONE CAL     | LOCATE                   | 15.35      |
| WATER      | HANSON WELL DRILLING     | MAINTENANCE              | 4,213.55   |
| WATER      | MCDONALD & SCHRAMEL      | LEGAL FEES               | 273.00     |
| WATER      | MANKATO MOBIL RADIO      | MAINTENANCE CONTRACT     | 6.50       |
| WATER      | MN VALLEY TESTING        | TESTING                  | 56.25      |
| WATER      | NAPA AUTO PARTS          | MAINTENANCE              | 12.77      |
| WATER      | QUEST                    | TELEPHONE                | 117.32     |
| WATER      | THEIN WELL CO.           | WELL WORK                | 6,666.66   |
| WATER      | WENCK ASSOCIATES, IN     | LANDFILL                 | 2,100.00   |
| WATER      | CARQUEST AUTO PARTS      | MAINTENANCE              | 22.18      |
|            | Total for Department 181 |                          | 17,673.73* |
|            | Total for Fund 61        |                          | 22,673.73* |
|            | DAKOTA SUPPLY GROUP      | MAINTENANCE              | 2,837.96   |
|            | DIRECT ELECTRIC SUPP     | MAINTENANCE              | 274.20     |
|            | J. H. LARSON             | SUPPLIES / MAINTENANCE   | 65.43      |
|            | ODDSON UNDERGROUND       | SERVICE                  | 2,106.00   |
|            | RESCO                    | INVENTORY                | 882.25     |
|            | WERNER ELECTRIC          | MAINTENANCE              | 545.22     |
|            | WESCO DISTRIBUTION,      | SUPPLIES                 | 70.29      |
|            | RHONDA BAUER & JERRY     | REFUND - UTILITY PREPAYM | 125.00     |
|            | Total for Department     |                          | 6,906.35*  |
| ELECTRIC   | CENTRAL MINNESOTA MU     | POWER COST               | 187,620.65 |
| ELECTRIC   | CENTRAL MINNESOTA MU     | VIP SERVICES ASSESSMENT  | 2,971.00   |
| ELECTRIC   | CITIZEN PUBLISHING C     | ADVERTISING              | 233.70     |
| ELECTRIC   | COLE PAPER INC.          | SUPPLIES                 | 135.34     |
| ELECTRIC   | WASTE MANAGEMENT OF      | HAUL GARBAGE             | 89.21      |
| ELECTRIC   | DAVIS TYPEWRITER         | SUPPLIES                 | 11.88      |
| ELECTRIC   | GOPHER STATE ONE CAL     | LOCATE                   | 15.35      |
| ELECTRIC   | KDOM RADIO               | ADVERTISING              | 211.20     |
| ELECTRIC   | LUCAN COMMUNITY TV I     | MAINTENANCE              | 86.77      |
| ELECTRIC   | MANKATO MOBIL RADIO      | MAINTENANCE CONTRACT     | 6.50       |
| ELECTRIC   | MAY ENGINEERING          | SERVICE                  | 412.00     |
| ELECTRIC   | MESSER MACHINE & MFG     | MAINTENANCE              | 6.88       |
| ELECTRIC   | QUEST                    | TELEPHONE                | 110.42     |
| ELECTRIC   | RETROFIT RECYCLING,      | RECYCLING                | 874.53     |
| ELECTRIC   | SANFORD LABORATORIES     | TESTING                  | 68.36      |
| ELECTRIC   | SCHWALBACH HARDWARE      | MAINTENANCE              | 45.81      |
| ELECTRIC   | SKARSHAUG TESTING LA     | SUPPLIES                 | 173.36     |
| ELECTRIC   | UTILITIES PLUS ENERG     | MAINTENANCE              | 800.00     |
| ELECTRIC   | WINDOM AREA DEVELOPM     | INDUSTRIAL DEVELOPMENT   | 1,200.00   |
| ELECTRIC   | WINDOM AREA HOSPITAL     | SERVICE                  | 30.00      |
| ELECTRIC   | WINDOM QUICK PRINT       | CONNECTOR                | 196.87     |
| ELECTRIC   | CARQUEST AUTO PARTS      | MAINTENANCE              | 119.69     |
| ELECTRIC   | ENERGY CONSERVATION      | MAINTENANCE              | 975.00     |

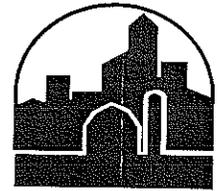
CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

| Department           | Vendor Name          | Description              | Amount      |
|----------------------|----------------------|--------------------------|-------------|
| ELECTRIC             | SAGE                 | SOFTWARE UPGRADE         | 367.32      |
|                      |                      | Total for Department 182 | 196,761.84* |
|                      |                      | Total for Fund 62        | 203,668.19* |
| SEWER                | ATCO INTERNATIONAL   | MAINTENANCE              | 83.74       |
| SEWER                | AUTOMATIC SYSTEMS CO | MAINTENANCE              | 423.50      |
| SEWER                | CALIFORNIA CONTRACTO | SUPPLIES                 | 98.99       |
| SEWER                | CITIZEN PUBLISHING C | ADVERTISING              | 43.00       |
| SEWER                | WASTE MANAGEMENT OF  | HAUL GARBAGE             | 89.51       |
| SEWER                | DAN'S OFFICE SUPPLY  | SUPPLIES                 | 24.60       |
| SEWER                | DAVIS TYPEWRITER     | SUPPLIES                 | 11.84       |
| SEWER                | ENVIRONMENTAL TOXICI | TESTING                  | 1,150.00    |
| SEWER                | HAWKINS, INC         | CHEMICALS                | 577.77      |
| SEWER                | GOPHER STATE ONE CAL | LOCATE                   | 15.35       |
| SEWER                | HACH COMPANY         | SUPPLIES                 | 360.69      |
| SEWER                | JIFFY-JR. PRODUCTS   | SUPPLIES                 | 131.75      |
| SEWER                | LAMPERTS YARDS, INC. | MAINTENANCE              | -315.35     |
| SEWER                | MANKATO MOBIL RADIO  | MAINTENANCE CONTRACT     | 6.50        |
| SEWER                | MN REVENUE           | PERMIT FEE               | 5,900.00    |
| SEWER                | MN VALLEY TESTING    | TESTING                  | 2,756.00    |
| SEWER                | DUANE W. NIELSEN     | MAINTENANCE              | 481.06      |
| SEWER                | QUEST                | TELEPHONE                | 451.22      |
| SEWER                | RON'S ELECTRIC       | MAINTENANCE              | 42.00       |
| SEWER                | SANFORD LABORATORIES | TESTING                  | 34.18       |
| SEWER                | SCHWALBACH HARDWARE  | MAINTENANCE              | 84.78       |
| SEWER                | MIKE HAUGEN          | REGISTRATION             | 60.00       |
| SEWER                | SCOTT VEENKER        | TRACTOR RENTAL           | 537.50      |
| SEWER                | FLEXIBLE PIPE TOOK C | MAINTENANCE              | 2,445.45    |
|                      |                      | Total for Department 183 | 15,494.08*  |
|                      |                      | Total for Fund 63        | 15,494.08*  |
| ARENA                | CITIZEN PUBLISHING C | VISITORS GUIDE           | 414.00      |
| ARENA                | WASTE MANAGEMENT OF  | HAUL GARBAGE             | 137.77      |
| ARENA                | SUNSHINE FOODS       | SUPPLIES                 | 67.44       |
| ARENA                | KDOM RADIO           | ADVERTISING              | 70.00       |
| ARENA                | NAPA AUTO PARTS      | MAINTENANCE              | 174.28      |
| ARENA                | SCHWALBACH HARDWARE  | MAINTENANCE              | 235.24      |
| ARENA                | WINDOM PAINTING      | MAINTENANCE              | 124.61      |
| ARENA                | COTTONWOOD CO AGRICU | BUILDING RENT            | 4,150.00    |
|                      |                      | Total for Department 184 | 5,373.34*   |
|                      |                      | Total for Fund 64        | 5,373.34*   |
| ECONOMIC DEVELOPMENT | CITIZEN PUBLISHING C | ADVERTISING              | 288.00      |
| ECONOMIC DEVELOPMENT | DAN'S OFFICE SUPPLY  | SUPPLIES                 | 14.91       |
| ECONOMIC DEVELOPMENT | LAMAR COMPANIES      | SIGN                     | 325.00      |
| ECONOMIC DEVELOPMENT | SUBWAY               | EXPENSE                  | 29.31       |
|                      |                      | Total for Department 187 | 657.22*     |

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

| Department                     | Vendor Name          | Description              | Amount      |
|--------------------------------|----------------------|--------------------------|-------------|
| Total for Fund 67              |                      |                          | 657.22*     |
| RIVERBLUFF ESTATES             | NAPA AUTO PARTS      | MAINTENANCE              | 9.98        |
| RIVERBLUFF ESTATES             | BRADY POWERS         | MOWING                   | 210.00      |
| RIVERBLUFF ESTATES             | SCHWALBACH HARDWARE  | MAINTENANCE              | 44.71       |
| RIVERBLUFF ESTATES             | UNITED PRAIRIE BANK  | LOAN PAYMENT             | 620.79      |
| RIVERBLUFF ESTATES             | WINDOM FARM SERVICE  | MAINTENANCE              | 38.53       |
| RIVERBLUFF ESTATES             | CARQUEST AUTO PARTS  | MAINTENANCE              | 82.77       |
| Total for Department 166       |                      |                          | 1,006.78*   |
| Total for Fund 68              |                      |                          | 1,006.78*   |
| NATIONAL CABLE TV CO EQUIPMENT |                      |                          | 8,193.70    |
| Total for Department           |                      |                          | 8,193.70*   |
| TELECOMMUNICATIONS             | AT & T               | USAGE CHARGES            | 351.82      |
| TELECOMMUNICATIONS             | WASTE MANAGEMENT OF  | HAUL GARBAGE             | 77.81       |
| TELECOMMUNICATIONS             | DAVIS TYPEWRITER     | SUPPLIES                 | 35.52       |
| TELECOMMUNICATIONS             | DISH NETWORK         | SERVICE                  | 3,400.00    |
| TELECOMMUNICATIONS             | E-911                | MONTHLY 911 SERVICE      | 43.80       |
| TELECOMMUNICATIONS             | GLOBAL GOV'T/EDUCATI | LEASE AGREEMENT          | 238.99      |
| TELECOMMUNICATIONS             | GODFATHER'S PIZZA    | EXPENSE                  | 34.07       |
| TELECOMMUNICATIONS             | GOPHER STATE ONE CAL | LOCATE                   | 46.05       |
| TELECOMMUNICATIONS             | SUNSHINE FOODS       | SUPPLIES                 | 51.75       |
| TELECOMMUNICATIONS             | HEARTLAND TECHNOLOGY | ISP PREPAY SUPPORT CONTR | 120.00      |
| TELECOMMUNICATIONS             | KDOM RADIO           | ADVERTISING              | 288.00      |
| TELECOMMUNICATIONS             | NATIONAL CABLE TV CO | EQUIPMENT                | 355.98      |
| TELECOMMUNICATIONS             | NEW STAR SALES & SER | COPIER MAINTENANCE       | 35.00       |
| TELECOMMUNICATIONS             | ONVOY, INC           | BANDWIDTH BILLING        | 1,377.63    |
| TELECOMMUNICATIONS             | ONVOY, INC           | SS7 SERVICE              | 1,634.51    |
| TELECOMMUNICATIONS             | PAMIDA               | SUPPLIES                 | 11.60       |
| TELECOMMUNICATIONS             | JEREMY ROLFES        | SERVICE INTERNET         | 76.80       |
| TELECOMMUNICATIONS             | RUSHMORE INDUSTRIES, | FREIGHT                  | 8.62        |
| TELECOMMUNICATIONS             | SCHWALBACH HARDWARE  | MAINTENANCE              | 42.65       |
| TELECOMMUNICATIONS             | SIJAMBO CAFE         | EXPENSE                  | 37.80       |
| TELECOMMUNICATIONS             | WINDOM FIRE DEPT.    | AD                       | 300.00      |
| TELECOMMUNICATIONS             | WINDOM QUICK PRINT   | CONNECTION               | 1,957.20    |
| TELECOMMUNICATIONS             | ZAYO BANDWIDTH       | BANDWIDTH BILLING        | 3,650.30    |
| TELECOMMUNICATIONS             | IP NETWORKS, INC     | SERVICE/MAINT/UPDATES    | 7,735.88    |
| TELECOMMUNICATIONS             | CHRIS ZIMMERMAN      | MOWING                   | 47.50       |
| Total for Department 199       |                      |                          | 21,959.28*  |
| Total for Fund 69              |                      |                          | 30,152.98*  |
| COLONIAL LIFE INSURA           |                      |                          | INSURANCE   |
| Total for Department           |                      |                          | 22.05*      |
| Total for Fund 70              |                      |                          | 22.05*      |
| Grand Total                    |                      |                          | 341,857.05* |

# MEMORANDUM



CITY OF WINDOM  
444 9th Street  
Windom, MN 56101  
Phone: 507-831-6129  
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**TO:** City Council  
**FROM:** Personnel Committee  
**DATE:** May 15, 2009  
**RE:** IBEW Labor Contract 2009 – 2011 and  
City Mechanic and Telecom Marketing\Administrative Positions

## **IBEW Labor Agreement**

On May 6<sup>th</sup> the IBEW members voted to ratify the labor agreement per the terms and conditions negotiated between the bargaining unit representatives and the Personnel Committee. The Personnel Committee is recommending the approval of the proposed IBEW Labor Agreement. The changes in the IBEW labor agreement included the following:

- 2009, 2010 and 2011 Cost-Of-Living-Adjustment (COLA) of 1% per year
- 2009 COLA is retro-active to January 1, 2009
- Vacation language change to allow for accrual and use during the year it is earned
- Sick leave definition of “immediate family” now includes “grandchildren”
- Christmas Eve will be an 8 hour holiday (up from a 4 hour holiday)
- New Year’s Eve will be a non-holiday (down from a 4 hour holiday)

## **City Mechanic Position**

Due to a retirement in the Street Department there is a need to re-evaluate the City Mechanic position. To accomplish this re-evaluation the following compromise was reached with IBEW. Paul Marsh who will take on the mechanic duties will move to a Grade 8 position (up from Grade 6). Mr. Marsh will perform both mechanic duties and regular Street Department duties as needed. This move to Grade 8 would be retro-active to February 2, 2009, which is when Mr. Marsh took over the mechanic duties. Mr. Marsh’s duties will be tracked by the Street Superintendent for 2009. In January 2010 the City and union would review the 2009 data and time spent on mechanic duties. If mechanic duties were 50-65% of Mr. Marsh’s hours he would remain in Grade 8, if the mechanic duties were 65-80% of the time the position would go to Grade 9 and if the mechanic duties were in excess of 80% the position would move to Grade 10. The Personnel Committee is recommending the approval of the proposed arrangement for the Street Dept.

## **Proposed Telecom Marketing\Administrative Assistant Position**

The Telecommunications Commission had recommended that the Personnel Committee consider a new position for the Telecom office for marketing and administrative duties. A proposed job description was drafted for consideration by the Personnel Committee. The Personnel Committee and IBEW have agreed to place this position at a Grade 5, Step 1 in the Telecommunications Department under supervision of the Department Head. The Personnel Committee is recommending the approval of the proposed position.

LABOR AGREEMENT  
BETWEEN  
**CITY OF WINDOM**  
AND THE  
**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS**  
**LOCAL UNION 949**

JANUARY 1, 2006 2009 THROUGH DECEMBER 31, 2008 2011

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MASTER LABOR AGREEMENT  
BETWEEN  
CITY OF WINDOM  
AND  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS,  
LOCAL UNION 949

ARTICLE I - PURPOSE OF AGREEMENT

This AGREEMENT is entered into between the CITY OF WINDOM, hereinafter called the EMPLOYER, and I.B.E.W. LOCAL UNION 949, hereinafter called the UNION.

- 1.1 It is the intent and purpose of this AGREEMENT to:
  - 1.1.1 Establish an equitable and orderly procedure for the resolution of disputes concerning this AGREEMENT'S interpretation and application; and
  - 1.1.2 Place in written form the parties' agreement upon the rates of pay, hours of work and other terms and conditions of employment contained herein; and
  - 1.1.3 Promote harmonious relations between the EMPLOYER and the UNION.
- 1.2 The EMPLOYER and the UNION, through this AGREEMENT continue and pledge their dedication to the highest quality of public service.

ARTICLE II - RECOGNITION

2.1 The EMPLOYER recognized the UNION as the exclusive representative for:

"All employees of the City of Windom, Minnesota, who are public employees within the meaning of Minnesota Statutes, 179A.03, Subd. 14, excluding supervisory, confidential and all other employees."

2.2 "All other employees" as referred to in Section 2.1 includes essential employees and employees of the Windom City Hospital.

2.3 In the event the EMPLOYER and the UNION are unable to agree as to the inclusion or exclusion of a new or modified job class, the issue shall be submitted to the Bureau of Mediation Services for determination.

2.4 For the purposes of determining inclusion or exclusion of part-time employees whose job class falls within the definition of the unit, employees must work fourteen (14) or more hours in twenty-six (26) or more weeks per year.

ARTICLE III - DEFINITIONS

- 3.1 UNION: The International Brotherhood of Electrical Workers, Local Union 949.
- 3.2 UNION MEMBER: A member of I.B.E.W., Local Union 949.
- 3.3 EMPLOYEE: A member of the exclusively recognized bargaining unit as described in ARTICLE II of this AGREEMENT.
- 3.4 REGULAR EMPLOYEE: An employee who has completed the required probationary period.
- 3.5 PROBATIONARY EMPLOYEE: An employee who has not completed the required probationary period.
- 3.6 EMPLOYER: The City of Windom
- 3.7 UNION OFFICER: Officer elected or appointed by I.B.E.W., Local Union 949.
- 3.8 BASE PAY RATE: The employee's hourly pay rate exclusive of any other special allowances.
- 3.9 WORK SHIFT: A work period including rest breaks and a lunch break.
- 3.10 REST BREAKS: A rest break shall consist of a fifteen (15) minute paid period.
- 3.11 LUNCH BREAKS: A lunch break shall consist of a sixty (60) minute unpaid period.

ARTICLE IV - EMPLOYER SECURITY

The UNION agrees that during the life of this AGREEMENT it will not cause, participate in or support any strike, slow-down or other interruption of or interference with the normal functions of the EMPLOYER as prohibited by Minnesota Statutes, chapter 179A.

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ARTICLE V - EMPLOYER AUTHORITY

- 5.1 The EMPLOYER retains the full and unrestricted right to operate and manage all manpower, facilities and equipment; to establish functions and programs; to set and amend budgets; to determine the utilization of technology; to establish and modify the organizational structure; to establish work schedules and to perform any inherent managerial function not specifically limited by this AGREEMENT.
- 5.2 Any term and condition of employment not specifically established or modified by this AGREEMENT shall remain solely within the discretion of the EMPLOYER to modify, establish or eliminate.

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ARTICLE VI - UNION SECURITY

- 6.1 Upon receipt of written notice from the UNION, the EMPLOYER agrees to deduct from the wages of employees who authorize such deduction in writing an amount to equal monthly UNION dues. Such monies shall be remitted to the designated officer of the UNION, together with a list of the names of the employees from whose wages deductions were made. Written notice of any change in monthly deductions will be submitted thirty (30) calendar days in advance by the UNION to the EMPLOYER.
- 6.2 The UNION may designate employees from the bargaining unit to act as Stewards and alternates and shall inform the EMPLOYER in writing of such notice and changes in the position of Stewards and/or alternates.
- 6.3 The UNION agrees to indemnify and hold the EMPLOYER harmless against any and all claims, suits, orders, or judgments brought or issued against the EMPLOYER as a result of any action taken or not taken by the EMPLOYER under the provisions of this Article.
- 6.4 UNION Stewards and representatives shall have access to the premises of the EMPLOYER with the prior approval of the EMPLOYER-designated representative at reasonable times and subject to reasonable rules to investigate and process grievances.

## ARTICLE VII - EMPLOYEE RIGHTS - GRIEVANCE PROCEDURE

### 7.1 DEFINITIONS OF A GRIEVANCE

A grievance is defined as a dispute or disagreement as to the interpretation or application of the specific terms and conditions of the AGREEMENT.

### 7.2 UNION REPRESENTATIVES

The EMPLOYER will recognize representatives designated by the UNION as the grievance representatives of the bargaining unit having the duties and responsibilities established by this Article. The UNION shall notify the EMPLOYER in writing of the names of such UNION representatives and of their successors when so designated as provided by 6.2 of this AGREEMENT.

### 7.3 PROCESSING OF A GRIEVANCE

It is recognized and accepted by the UNION and the EMPLOYER that the processing of grievances as hereinafter provided is limited by the job duties and responsibilities of the employees and shall therefore be accomplished during normal work hours only when consistent with such employee duties and responsibilities. The aggrieved employee and a UNION representative shall be allowed a reasonable amount of time without loss in pay when a grievance is investigated and presented to the EMPLOYER during normal work hours provided that the employee and the UNION representative have notified and received prior approval of the designated supervisor who has determined that such absence is reasonable and would not be detrimental to the work programs of the EMPLOYER.

### 7.4 PROCEDURE

Grievances, as defined by Section 7.1, shall be resolved in conformance with the following procedure:

Step 1: An employee claiming a grievance as defined in Section 7.1, shall, with the employee's UNION representative, present the grievance to the employee's supervisor as designated by the EMPLOYER within five (5) work days after such alleged violation has occurred. The employee's supervisor will discuss and provide an oral answer within five (5) workdays after receipt.

Step 2: In the event that the grievance is not resolved in Step 1, the UNION may present and discuss the written grievance to the EMPLOYER-designated Step 2 representative within five (5) work days of the Step 1 response or be considered waived. The written grievance must include the nature of the grievance, the facts on which it is based, the specific provision(s) of the AGREEMENT allegedly violated and the remedy sought. The EMPLOYER-designated representative shall provide a written response within twenty-one (21) work days after receipt of the Step 2 grievance.

Step 3: In the event that the grievance is not resolved in Step 2, the UNION may submit the grievance to the Minnesota Bureau of Mediation Services within five (5) work days of the Step 2 response or be considered waived. If the grievance is submitted to mediation and is not resolved, it may be appealed to arbitration within five (5) work days following the EMPLOYER-designated representative's final Step 3 answer.

Step 4: A grievance unresolved in Step 3 and appealed to Step 4 by the UNION may be submitted to arbitration by request for a list of arbitrators made within five (5) work days

following the EMPLOYER-designated representative's final Step 3 answer. The request shall be made to the Minnesota Bureau of Mediation Services which shall provide a list of arbitrators in accordance with its rules. The parties shall determine who strikes first by a flip of the coin with the loser striking first. The parties shall alternately strike names until one (1) name remains on the list. The arbitrator shall be notified of his/her selection by a letter from the parties.

7.5 ARTIBRATOR'S AUTHORITY

A. The arbitrator shall have no right to amend, modify, nullify, ignore, add to or subtract from the terms and conditions of this AGREEMENT. The arbitrator shall consider and decide only the specific issue(s) submitted in writing by the EMPLOYER and the UNION, and shall have no authority to make a decision on any other issue not so submitted.

B. The arbitrator shall be without power to make decisions contrary to, or inconsistent with, or modifying or varying in any way the application of laws, rules or regulations having the force and effect of law. The arbitrator's decision shall be submitted in writing within thirty (30) days following close of the hearing or the submission of briefs by the parties, whichever be later, unless the parties agree to an extension. The decision shall be binding on both the EMPLOYER and the UNION and shall be based solely on the arbitrator's interpretation or application of the express terms of this AGREEMENT and to the facts of the grievance presented.

C. The fees and expenses for the arbitrator's services and proceedings shall be borne equally by the EMPLOYER and the UNION provided that each party shall be responsible for compensating its own representatives and witnesses. If either party desires a verbatim record of the proceedings, it may cause such a record to be made, providing it pays for the record. If both parties desire a verbatim record of the proceedings, the cost shall be shared equally.

7.6 WAIVER

If a grievance is not presented or appealed by the UNION within the time limits set forth above, the grievance shall be considered waived. The time limits as stated may be extended upon mutual agreement. If the EMPLOYER does not answer a grievance or an appeal thereof within the specified time limits, the UNION may elect to treat the grievance as denied and may proceed to the next step.

ARTICLE VIII - SAVINGS CLAUSE

In the event any provision of this AGREEMENT shall be held to be contrary to law by a court of competent jurisdiction from whose final judgment or decree no appeal has been taken within the time provided, such provision shall be voided. All other provisions of the AGREEMENT shall continue in full force and effect. The voided provision may be renegotiated at the written request of either party.

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ARTICLE IX - DISCIPLINE

- 9.1 The EMPLOYER will discipline employees for just cause only. Discipline will be in one or more of the following forms:
- a) oral reprimand
  - b) written reprimand
  - c) suspension
  - d) demotion
  - e) discharge
- 9.2 Notice of suspensions, demotions and discharges will be in written form and will state the reasons for the action taken. The UNION shall be provided with the copy of such notice.
- 9.3 Written reprimands, notices of suspension and notices of discharge which are to become part of an employee's personnel file shall be read and acknowledged by signature of the employee. The employee will receive a copy of such reprimands and/or notices.
- 9.4 Employees will not be questioned concerning the investigation of events or circumstances which may lead to disciplinary action unless the employee has been given an opportunity to have a UNION representative present at such meeting.
- 9.5 Prior to taking disciplinary action, if the EMPLOYER requires the employee to meet concerning possible disciplinary action, the employee will be given an opportunity to have a UNION representative present at such meeting.
- 9.6 Grievances relating to this Article shall be initiated by the UNION in Step 2 of the grievance procedure under ARTICLE VII.

## ARTICLE X - WORK SCHEDULES

- 10.1 The sole authority in establishing work schedules is the EMPLOYER. The normal work year for full-time employees will be 2,080 hours and shall be accounted for by each employee through:
- a) hours worked on assigned shifts
  - b) assigned training hours
  - c) authorized paid leave time
- 10.2 Nothing contained in this or any other ARTICLE shall be interpreted to be a guarantee of a minimum or maximum number of hours the EMPLOYER may assign employees.
- 10.3 Full-time employees who work an eight (8) hour day shall receive a rest break of fifteen (15) minutes in the morning and in the afternoon. Part-time employees who work less than an eight (8) hour day shall receive a fifteen (15) minute rest break during each four (4) hour period of work.
- 10.4 Full-time employees shall receive a one (1) hour lunch break during each eight (8) hour day.
- 10.5 The EMPLOYER will give no less than seven (7) calendar days of advance notice to the employees affected by a change in scheduled shifts and to the steward. In the event that work is required because of unusual or emergency circumstances such as, but not limited to, fire, flood, snow, sleet or breakdown of municipal equipment or facilities, no advance notice need be given.
- 10.6 The normal work day for a full-time employee shall be eight (8) hours. The normal work week shall be forty (40) hours Monday through Friday.
- 10.7 Service to the public may require the establishment of regular shifts for some employees on a daily, weekly, seasonal or annual basis other than the normal work day.
- 10.7.1 The normal work day and work week for Electric Distribution, CATV and City Hall Administration Departments currently are 8:00 a.m. to 5:00 p.m. with one (1) hour for lunch and a fifteen (15) minute break during each morning and each afternoon Monday through Friday.
  - 10.7.2 The normal work day and work week for the Water and Waste Water Department and Park and Street Department currently are 7:00 a.m. to 4:00 p.m. with one (1) hour for lunch and a fifteen (15) minute break during each morning and each afternoon Monday through Friday.
  - 10.7.3 The normal work day and work week for the Arena Department are based on service needs and currently vary Monday through Sunday to provide the required coverage. Work shifts currently include one (1) hour for lunch and breaks as scheduled.
  - 10.7.4 The normal workday and work week for the Municipal Liquor Store Department are based on service needs and currently vary between the hours of 9:00 a.m. to 10:00 p.m. Monday through Saturday to provide the required coverage. Work shifts currently include one (1) hour for lunch and breaks as scheduled.
- 10.8 Service to the public may require the establishment of regular work weeks during which work is scheduled on Saturdays and/or Sundays.

10.9 The normal work day and the normal work week for part-time employees will be scheduled by the EMPLOYER in accordance with service needs.

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ARTICLE XI - OVERTIME

- 11.1 Regular, full-time employees will be compensated at one-and-one-half (1-1/2) times the employee's regular base pay rate for hours worked in excess of forty (40) hours in a seven (7) day period. Changes of shifts do not qualify an employee for overtime under this Article.
- 11.2 For the purpose of computing overtime compensation overtime hours worked shall not be pyramided, compounded or paid twice for the same hours worked.
- 11.3 Overtime will be calculated to the nearest fifteen (15) minutes.
- 11.4 Employees have the obligation to work overtime or call backs if requested by the EMPLOYER unless unusual circumstances prevent the employee from so working.
- 11.5 At the discretion of the EMPLOYER-designated representative, employees may be paid for overtime worked in accordance with Section 11.1 or be allowed to use compensatory time off in accordance with Section 11.1. Accrual and use of compensatory time off shall be subject to the prior approval of the EMPLOYER and accrual shall not exceed forty (40) hours without EMPLOYER or EMPLOYER-designated representative approval.
- 11.6 Employees at the Community Center will be compensated at one-and one-half (1-1/2) times the employee's regular base rate for any shift exceeding eight (8) hours.

## ARTICLE XII - SENIORITY

- 12.1 Seniority rosters shall be maintained by the EMPLOYER as follows:
  - 12.1.1 EMPLOYER seniority will be determined by the employee's length of continuous service with the City of Windom.
  - 12.1.2 Bargaining unit seniority will be determined by the employee's length of continuous service in all positions covered by this AGREEMENT.
  - 12.1.3 Job classification seniority will be determined by the employee's length of continuous service in a position covered by this AGREEMENT.
- 12.2 The EMPLOYER will provide the UNION with an updated seniority roster annually.
- 12.3 Employees who separate from employment shall lose their seniority except when such separation is due to lay-off. An employee shall be considered separated from employment in cases of: resignation, retirement, discharge and unauthorized absence for a period of three (3) or more consecutive work days.
- 12.4 An employee who is rehired following separation from employment shall be considered a new employee for purposes of seniority.
- 12.5 An employee who has been suspended without pay for thirty (30) or more work days shall have his/her seniority date reduced by the number of work days on suspension without pay. An employee who has been found to have been suspended without pay or discharged without cause shall have his/her seniority reinstated.
- 12.6 An employee who has completed the probationary period shall have his/her seniority dates established retroactively.
- 12.7 An employee who is injured while on duty shall retain and continue to accrue seniority while on paid or unpaid approved leave of absence due to such injury. For purposes of progression through the wage schedule, unpaid approved leaves of absence shall not be credited and the employee's anniversary review date shall be set forward by the amount of time on unpaid leave of absence. When an employee who has been injured on duty returns to work, he/she shall be credited with seniority accrued while on paid or unpaid approved leave of absence due to such injury.

ARTICLE XIII - LAY OFF AND RECALL

- 13.1 The EMPLOYER shall be the sole authority in determining which job classification(s) and department(s) are to be affected by a lay off. Employees shall be laid off on the basis of job classification and seniority only when the job relevant qualification factors between employees are equal. In case job classification seniority between two (2) employees is equal, employer seniority shall prevail.
- 13.2 Employees laid off by the EMPLOYER shall retain recall rights for a period of twelve (12) months from the date of layoff. If an opening occurs in the job classification from which the employee was laid off within the twelve (12) month recall period, the employee with greater job classification seniority will be recalled to fill that position provided that at the time of recall, the employee has maintained the job-relevant qualifications required by the EMPLOYER. It shall be the employee's responsibility to keep the EMPLOYER informed of the employee's current address. The EMPLOYER shall notify employees on layoff to return to work by certified mail. The employee must return to work within two (2) weeks of receipt of this notification to be eligible for re-employment. If the EMPLOYER does not receive confirmation of receipt of this notice within thirty (30) calendar days of sending it by certified mail, the EMPLOYER may fill the vacant position to which the employee was recalled and the employee loses recall rights to that position.

ARTICLE XIV - PROBATIONARY PERIOD

- 14.1 The probationary period for a newly hired or promoted full-time employee shall extend six (6) months from the date of hire or promotion.
- 14.2 The probationary period for a newly hired or promoted part-time employee shall extend one thousand and forty (1,040) hours from the date of hire or promotion.
- 14.3 A probationary full-time employee shall accrue vacation and sick leave beginning the date of hire. Earned sick leave and the floating holiday may not be used by a newly hired probationary employee until after completion of the probationary period. Earned vacation may not be used by a newly hired probationary employee until after completion of one (1) year of continuous service.
- 14.4 During the probationary period, a newly hired or rehired employee may be discharged at the sole discretion of the EMPLOYER. During the probationary period, a promoted or transferred employee may be replaced in the position previously held at the discretion of the EMPLOYER. A promoted or transferred employee may elect to return to the position previously held within thirty (30) calendar days of transfer or promotion.

ARTICLE XV - JOB POSTING

- 15.1 Job vacancies within the designated bargaining unit will be posted for five (5) work days prior to the filling of such vacancies.
- 15.2 EMPLOYER seniority will be the determining criterion for transfers and promotions within the bargaining unit only when the job-relevant qualification factors between employees are equal as determined by the EMPLOYER.
- 15.3 To be considered for a job vacancy, an employee must:
- 15.3.1 apply for the job opening in the manner specified in the job posting
  - 15.3.2 meet the job-relevant qualifications and other conditions of employment for the job classification as determined by the EMPLOYER.
  - 15.3.3 be performing satisfactorily in the employee's current position as determined by the EMPLOYER.
- 15.4 Employees shall be promoted or transferred on the basis of job-relevant qualifications as determined by the EMPLOYER and seniority. In the event that the job-relevant qualifications of employees are equal as determined by the EMPLOYER, bargaining unit seniority shall prevail.
- 15.5 An employee who is promoted or transferred shall be subject to the conditions of ARTICLE XIV- PROBATIONARY PERIOD.
- 15.6 EMPLOYER seniority will be the determining criterion for transfers and promotions within the bargaining unit only when the job-relevant qualification factors between employees are equal as determined by the EMPLOYER.

ARTICLE XVI - HOLIDAYS

16.1 Full-time employees shall be compensated for the following holidays which shall consist of eight (8) hours ~~except as otherwise noted:~~

|                        |   |
|------------------------|---|
| New Year's Day         | Veterans' Day                           |
| Presidents' Day        | Thanksgiving Day                        |
| Memorial Day           | Christmas Eve Day (4 hours)             |
| Independence Day       | Christmas Day                           |
| Labor Day              | <del>New Year's Eve Day (4 hours)</del> |
| Martin Luther King Day | One (1) Floating Holiday                |

16.2 In the event that an eight (8) hour holiday falls on a Sunday, the following Monday shall be observed as the holiday. In the event that an eight (8) hour holiday falls on a Saturday, the preceding Friday shall be observed as the holiday. In the event that Christmas falls on a Saturday, the preceding Friday shall be observed as the Christmas holiday and the preceding Thursday shall be observed as the Christmas Eve holiday. In the event that Christmas falls on a Sunday, the following Monday shall be observed as the Christmas holiday and the preceding Friday shall be observed as Christmas Eve. In the event Christmas falls on a Monday, the preceding Friday will be observed as the Christmas Eve holiday.

16.3 Employees shall be required to work their last regularly scheduled work day prior to the holiday and their next regularly scheduled work day following the holiday in order to receive holiday pay unless the employee has an approved absence due to illness or injury or is on approved vacation leave.

16.4 The floating holiday will be scheduled with the prior approval of the EMPLOYER-designated representative. If the floating holiday is not utilized by an employee prior to the employee's termination from employment, the employee will not be paid for it. To be eligible for the floating holiday, a newly hired employee must have completed the probationary period.

16.5 An employee who is required by the EMPLOYER to work on a designated holiday will be paid at the rate of one and one-half (1-1/2) times the employee's base pay rate for actual hours worked. The employee will also receive pay for the holiday in accordance with Section 16.1 at the employee's base pay rate.

## ARTICLE XVII – VACATION

17.1 Employees accruing vacation in calendar year 2008 will receive their lump sum accumulation in January, 2009 as has been the past practice.

Starting in 2009, vacation will be credited to each employee that is eligible to accrue vacation in an amount equal to the rate specified herein (dependent upon years of service) at the time of each pay period. Any vacation accrued in 2009 or used prior to implementation of this accrual method will be credited/deducted on the first applicable pay period.

For employees hired prior to December 31, 2008, the vacation accrual rate will change on January 1 of each year based on the number of years of service according to the schedule herein. The vacation accrual rate for employees hired after December 31, 2008 will change annually upon the anniversary of their hire date according to the schedule herein.

Due to the change in the vacation accrual accounting methodology, the maximum amount of vacation accruals carried forward will be phased in as follows:

- In 2009 the amount of vacation accrual an employee may carry over shall be limited to a maximum of the amount of vacation credited to an employee in January 2009 (for 2008 work) or 200 hours as of December 31, 2009, whichever is less.
- In 2010 the maximum vacation accrual that may be carried over is limited to 140 hours as of December 31, 2010.
- In 2011 the maximum vacation accrual that may be carried over is limited to 80 hours as of December 31, 2011.

Employees reaching the maximum accrual levels established herein will not accrue additional vacation until their vacation balance is under the maximum allowed herein.

Vacation may be used as it is accrued, but not in anticipation of accruals. No vacation may be used before one (1) year of continuous service.

Regular, full-time employees shall accumulate paid vacation in accordance with the following schedule based on completion of years of continuous service:

| <u>YEARS OF CONTINUOUS SERVICE COMPLETED</u> | <u>HOURS OF VACATION</u>        |
|--|---------------------------------|
| 1 Year                                       | 40 hours (3.33 hrs per month)   |
| 2 Years                                      | 80 hours (6.67 hrs per month)   |
| 7 Years                                      | 120 hours (10.00 hrs per month) |
| 8 Years                                      | 128 hours (10.67 hrs per month) |
| 9 Years                                      | 136 hours (11.33 hrs per month) |
| 10 Years                                     | 144 hours (12.00 hrs per month) |
| 11 years                                     | 152 hours (12.67 hrs per month) |
| 12 Years                                     | 160 hours (13.33 hrs per month) |
| 13 years                                     | 168 hours (14.00 hrs per month) |
| 14 Years                                     | 176 hours (14.67 hrs per month) |
| 15 Years                                     | 184 hours (15.33 hrs per month) |
| 16 Years                                     | 192 hours (16.00 hrs per month) |
| 17 years                                     | 200 hours (16.67 hrs per month) |

17.2 Part-time employees who are regularly scheduled to work forty (40) hours or more in a payroll period shall accumulate paid vacation on a pro-rata basis in accordance with the accrual schedule established in Section 17.1.

17.3 Time on suspension without pay, unpaid leave of absence or lay off shall not be counted in accruing vacation.

~~17.4 Vacation shall be used in the year following the year in which it was accrued. No vacation may be used before one (1) year of continuous service.~~

17.5 4 The times during which vacation may be used must be approved in advance by the Department Head or designee. Scheduled vacations are subject to postponement by the EMPLOYER or EMPLOYER-designated representative in case of emergency.

17.6-5 In determining vacation schedules, the Department Head shall consider the following:

17.6.1 First, the service needs of the EMPLOYER.

17.6.2 Second, the wishes of the employees in regard to vacation dates and preference for vacation periods for the coming calendar year.

- 17.7 6 Preference for vacation periods for the coming year shall be made known to the EMPLOYER or the EMPLOYER-designated representative before May 1 of each calendar year. In the case of conflict for a preferred vacation period(s), the employee with greater EMPLOYER seniority will be given preference. After May 1, vacation scheduling will be on a "first come, first served" basis.
- 17.8 7 Split vacations may be taken at the discretion of the Department Head.
- 17.9 8 Vacation time shall be forfeited if not used by the end of the year in which it was to be taken except as provided herein. Vacation to a maximum of eighty (80) hours per year may be carried over into the following calendar year only with the prior approval of the Department Head. Under no circumstances may an employee waive vacation right for the purpose of earning double pay.
- 17.10 09 Cash payment subject to the approval of the EMPLOYER may be made to the employee or the employee's estate for accrued unused vacation only in the event of the employee's separation from employment due to sickness, injury or death.
- 17.11 0 Employees who have completed a minimum of one (1) year of continuous service and who resign in good standing with two (2) weeks of advance notice shall be compensated for vacation benefits earned and not used at the time of separation. Accrued, unused vacation leave shall be calculated to the nearest hour per month at the employee's base pay rate which is in effect at the time of termination. Credit for the month in which the employee leaves will be given only when the employee is on paid status through the fifteenth of that month.
- 17.12 1 When a holiday as designated in ARTICLE XVI - HOLIDAYS Section 16.1 (except for the floating holiday) occurs during an employee's vacation, the employee shall be allowed to schedule an additional work day off with pay with the prior approval of the Department Head.

## ARTICLE XVIII - SICK LEAVE

- 18.1 Regular, full-time employees shall earn sick leave at the rate of eight (8) hours per month to a maximum of one thousand (1000) hours.
- 18.2 Employees who are employed before the fifteenth of the month shall accrue eight (8) hours of sick leave for that month. Employees hired after the fifteenth of the month shall not accrue sick leave until the following month.
- 18.3 Employees who are granted a leave of absence with pay shall continue to earn sick leave at the regular prescribed rate. Sick leave cannot be earned for leaves without pay except when required in accordance with state and federal laws for military leave.
- 18.4 Paid sick leave may be granted only if it has been earned and it shall be deducted from accrued sick leave in hourly increments. Any fraction of an hour of sick leave expended shall be considered as a whole hour of sick leave over the term of the sick leave or recuperation period.
- 18.5 To be eligible for sick leave payment, an employee must notify the EMPLOYER-designated representative as soon as possible in order to enable the EMPLOYER to plan to meet service needs. The employee must keep the EMPLOYER-designated representative informed of the approximate date of the employee's return to work.
- 18.6 Sick leave may be utilized by an employee when the employee is incapacitated due to sickness or injuries. Employees may also use sick leave for the illness of their children for such reasonable periods as the employee's attendance with the child may be necessary.
- 18.7 No sick leave will be allowed for time off due to an injury incurred while working for another employer.
- 18.8 Sick leave usage shall be subject to approval and verification by the EMPLOYER.
- 18.9 In case of serious illness or death of a member of the employee's immediate family, the amount of sick leave which may be granted will be up to a maximum of five (5) work days or forty (40) duty hours per occasion. This maximum shall not apply to the illness of an employee's child or stepchild. The employee is required to provide notice of sick leave to the EMPLOYER-designated representative as soon as possible and must keep that representative informed of the date that the employee expects to return to work.
- 18.10 The term "immediate family" shall include; the employee's spouse, parents, siblings, children, step-children, grandchildren, and spouse's parents.

ARTICLE XIX - JURY DUTY

- 19.1 An employee absent from work because of jury service shall be paid his or her regular base salary by the EMPLOYER with the understanding that at the completion of the jury service, the employee shall present the check for such jury service to the EMPLOYER. The EMPLOYER shall reimburse the employee for mileage and any other expenses which have been included in the check for jury service.
- 19.2 An employee shall notify the EMPLOYER-designated representative in advance of the required reporting time for jury service.
- 19.3 An employee who is excused from jury service prior to the end of the employee's duty shall return to work.
- 19.4 In the event that an employee leaves the City's employment prior to completion of jury service, the EMPLOYER shall deduct the appropriate amount of reimbursement which the employee is owed for jury service from the employee's final paycheck and benefits.

ARTICLE XX - SEVERANCE PAY

20.1 A regular, full-time employee who is separated from employment due to retirement or death shall receive severance in an amount to be calculated at the employee's base pay rate upon retirement or death for fifty percent (50%) of the employee's accrued, unused sick leave to a maximum of five hundred (500) hours.

20.2 All employees who qualify for a Severance Benefit under Article XX Section 20.01 of the Labor Agreement shall have the full amount of said accumulated sick leave as defined in Article XX Section 20.1, remitted by the employer to the Minnesota State Retirement System to be deposited to the Post Retirement Health Care Savings Plan for the employee as authorized and governed by Minnesota Statute Section 352.98. The employee will not have the option of receiving these funds in cash or having them applied for any purpose other than as stated above.

No Employer contribution shall be made to the said plan, and the Employer shall have no responsibility or liability for management or disbursement of any funds remitted to the Plan.

20.3 Upon retirement employees may continue to participate in the existing group health insurance program offered by the Employer for a term equal to that allowed under the federal COBRA laws.

ARTICLE XXI - CALL BACK

- 21.1 An employee who is called back to duty during the employee's scheduled off-duty time shall receive a minimum of two (2) hours pay at one and one-half (1-1/2) times the employee's base pay rate.
- 21.2 An employee on call back is considered to be on duty for the full two (2) hours. Additional call backs received within the same two (2) hour call back period do not qualify for additional call back pay.
- 21.3 Language in Section 21.1 will apply to the Street Department.



ARTICLE XXII - STANDBY

- 22.1 An employee who is scheduled to stand by during the employee's scheduled off-duty time shall be compensated for ten (10) hours at one and one-half (1-1/2) times the employee's regular base pay rate for each seven (7) calendar day period during which the employee is on standby status.
- 22.2 Employees in the Water/Wastewater Department who are assigned by the EMPLOYER to perform duties to monitor the Water/Wastewater system shall receive an additional two (2) hours of pay at one and one-half (1-1/2) times the employee's regular base pay rate and the following Friday off with pay for each week they are on standby status.

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ARTICLE XXIII - MILITARY LEAVE OF ABSENCE

Military leaves of absence will be administered in accordance with applicable laws.

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ARTICLE XXIV – WORKERS’ COMPENSATION SUPPLEMENT

- 24.1 An employee who is injured in the performance of the employee's job duties and who is eligible to receive Workers' Compensation benefits may at the employee's discretion receive a supplement to the Workers' Compensation benefit as follows:
- 24.1.1 The employee shall retain the Workers' Compensation benefits and shall receive from the EMPLOYER a supplement to be deducted from earned accrued sick leave, earned accrued vacation leave and accrued compensatory time off provided that the employee has such leave available.
  - 24.1.2 The amount to be deducted from the employee's earned accrued sick leave, earned accrued vacation leave and accrued compensatory time shall be the difference between the Workers' Compensation benefits and compensation for the employee's normal work day or work week.
  - 24.1.3 Under no circumstances shall an employee who receives Workers' Compensation benefits and the supplement noted in Section 24.1.1 and 24.1.2 receive compensation which is in excess of the employee's normal work day or normal work week.
- 24.2 An employee may at the employee's discretion receive the supplement noted in Section 24.1.1 and 24.1.2 as deducted from the employee's earned accrued sick leave, earned accrued vacation leave and accrued compensatory time off until sick leave is exhausted. At such time, the supplement shall cease and the employee shall receive only the Workers' Compensation benefits.

ARTICLE XXV - INSURANCE

- 25.1 The EMPLOYER will pay 75% of the premium cost for group health insurance for each full-time employee who selects either single or family coverage. The employee will pay the remaining 25% of the premium cost.
- 25.2 It is understood that the EMPLOYER'S only obligation is to pay the EMPLOYER contribution for group insurance premiums as agreed to herein. The EMPLOYER is not liable for claims as a result of a denial of insurance benefits by an insurance carrier.

REF  
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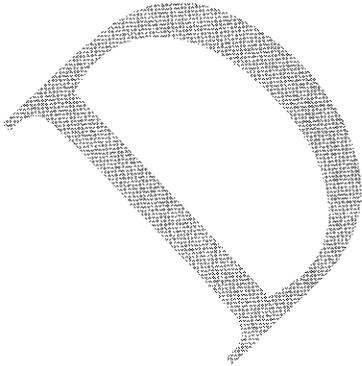
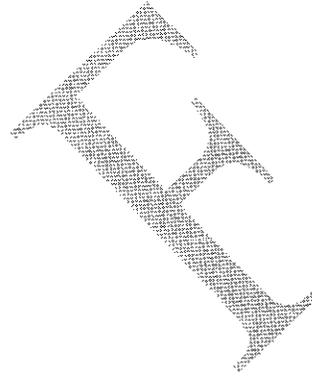
ARTICLE XXVI - RIGHT OF SUBCONTRACT

- 26.1 Nothing in this AGREEMENT shall prohibit or restrict the right of the EMPLOYER from subcontracting work performed by employees covered by this AGREEMENT.
- 26.2 The EMPLOYER will provide the UNION with an opportunity to meet and confer as defined by M.S. 179A.01, Subd. 10 prior to subcontracting.

REF

ARTICLE XXVII - RESIGNATION

- 27.1 Two (2) weeks of prior notice shall constitute proper notice for an employee who is planning to resign in good standing.
- 27.2 Employees who leave without notice as provided herein shall forfeit any accumulated leave time they may have earned and shall be entitled to no other compensation other than the regular salary due on the date last worked.



ARTICLE XXVIII - WAIVER

- 28.1 Any and all prior agreements, resolutions, practices, rules and regulations regarding terms and conditions of employment, to the extent consistent with the provisions of this AGREEMENT, are hereby superseded.
- 28.2 The parties mutually acknowledge that during the negotiations which resulted in this AGREEMENT, each had the unlimited right and opportunity to make demands and proposals with respect to any term or condition of employment not removed by law from bargaining. All agreements and understandings arrived at by the parties are set forth in writing in this AGREEMENT for the stipulated duration of this AGREEMENT. The EMPLOYER and the UNION each voluntarily and unqualifiedly waives the right to meet and negotiate regarding any and all terms and conditions of employment referred to or covered in the AGREEMENT or with respect to any term or condition of employment not specifically referred to or covered in this AGREEMENT, even though such terms or conditions may not have been within the knowledge or contemplation of either or both of the parties at the time this contract was negotiated or executed.

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ARTICLE XXIX - SAFETY

The EMPLOYER will provide all initial and replacement flame retardant clothing as required by the City. Replacement clothing is subject to Department Head approval.

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ARTICLE XXX - DURATION

This AGREEMENT shall be effective as of January 1, ~~2006~~ 2009, and shall remain in full force and effect until December 31, ~~2008~~ 2011.

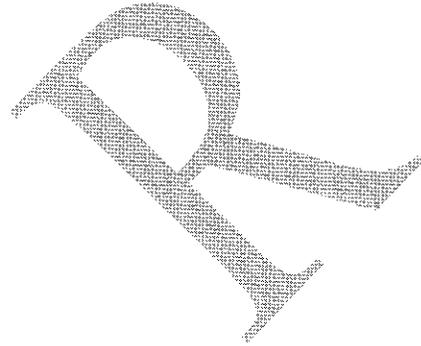
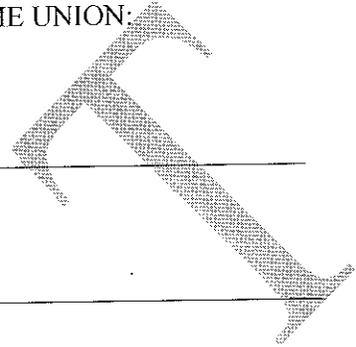
IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT on this \_\_\_\_\_ day of \_\_\_\_\_.

FOR THE CITY OF WINDOM:

FOR THE UNION:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



APPENDIX E D

NOTES REGARDING WAGE SCHEDULES

- A. The preceding wage schedules for 2006~~9~~, 2007~~10~~ and 2008~~11~~ shall not constrain the EMPLOYER from hiring an employee at any step in the schedule.
- B. Temporary employees employed for no more than 960 hours per calendar year either in a full-time or part-time capacity will be paid at an hourly rate as determined by the EMPLOYER for the term of their employment. Such employees will not be eligible for any rights or benefits under this AGREEMENT including ARTICLE VII-EMPLOYEE RIGHTS - GRIEVANCE PROCEDURE.
- C. Progression through the step schedule on January 1 of each calendar year shall require satisfactory performance as determined by the EMPLOYER, but nothing will prevent accelerated movement throughout the step schedule at the discretion of the EMPLOYER. Part-time employees included in the bargaining unit in accordance with ARTICLE II - RECOGNITION shall be eligible for step increases on a calendar year basis.
- D. Pay for licenses for Water Department employees shall be as follows for 2006~~9~~, 2007~~10~~ and 2008~~11~~:
- \$105.00 per month for Class B License (.61/hr)
  - \$ 55.00 per month for Class C License (.32/hr.)
  - \$ 25.00 per month for Class D License (.14/hr)

## MEMORANDUM OF UNDERSTANDING

**Between the City of Windom and  
International Brotherhood of Electrical Workers  
Local #949  
For Adoption of the Health Reimbursement  
Arrangement for Active Employees**

**WHEREAS**, The City of Windom (the CITY) and the International Brotherhood of Electrical Workers (IBEW) Local 949 (the UNION), have negotiated a 2005 Collective Bargaining Agreement; and

**WHEREAS**, the CITY has requested the UNION consider adoption of a Health Reimbursement Arrangement for Active Employees in the bargaining unit.

**NOW THEREFORE BE IT RESOLVED**, the CITY and the UNION hereby mutually agree to change ARTICLE XXV-INSURANCES to read as follows:

### **Establishment of VEBA with Health Reimbursement Arrangement for Active Employees**

25.1 **Establishment of VEBA:** Effective January 1, 2005, the CITY shall adopt the Minnesota Service Cooperatives VEBA Plan and the Employee Benefits Trust Agreement for the benefit of qualifying employees who are members of this Collective Bargaining Agreement. The CITY and employees assent to and ratify the appointment of the trustee and plan administrator in place on the adoption date of this agreement. It is intended that this arrangement constitute a voluntary employees' beneficiary association under Section 501(c)(9) of the Internal Revenue Code. It is further intended that the benefits offered through the VEBA Plan and Trust satisfy the requirement of Revenue Ruling 2202-41 (June 26, 2002) and IRS Notice 2002-45 (June 26, 2002)

25.2 **Benefits provided through the VEBA.** The CITY shall provide the following welfare benefit arrangement through the VEBA Plan:

#### **The Health Reimbursement Arrangement for Active Employees.**

25.3 **Payment of Fees.** The CITY will pay for annual enrollment fees for active employees enrolling in the VEBA and/or Section 125 Plans, and for administrative fees allocable to individual accounts of active employees. Investment fees allocable to individual accounts of active employees shall be paid from the account. Administrative and investment fees allocable to the individual accounts of former employees, including retirees, shall be paid from individual accounts. Administrative and investment fees shall be paid from individual accounts of all participants in the event the VEBA Plan is terminated.

25.4 **City Contributions to the Health Reimbursement Arrangement for Active Employees:**

A. **Contributions to the Active Employees' Plan:** The CITY will make a monthly contribution to the individual accounts under the Health Reimbursement Arrangements for Active Employees for qualifying employees who are members of this Collective Bargaining Agreement in accordance with the following schedule:

\$76.00 for each qualified employee who elects single coverage under the group health plan described in 19.4B; and

\$142.00 for each qualified employee who elects family coverage under the group health plan described in 19.4B.

In 2005 only, the July through December monthly contributions will be made to individual accounts in January 2005. The January through June monthly contributions will be made to individual accounts beginning in January of 2005.

- B. **High Deductible Group Health Plan:** The CITY shall make available the high deductible group health plan described as Plan #830 in the summary attached hereto. With respect to qualifying employees who are members of this Collective Bargaining Agreement, starting 2005 the CITY shall contribute an amount of \$209 towards the monthly premium cost for single group health coverage, and \$594 towards the monthly premium cost for family group health coverage. The qualifying employees will contribute \$88.50 toward the monthly premium cost for single group health coverage, or \$200 toward the monthly premium cost for family group health coverage.

For coverage years subsequent to 2005, the CITY and each qualified employee will increase its' contributions equivalent to the percent increase in insurance premiums. In the event of a premium decrease, the employee and employer contributions will remain the same as the previous year and any excess contributions exceeding insurance premiums will be placed in the individuals trust account.

- C. **Grants:** The City agrees to pass through each individual employee's account, unit incentive program grants received from the Appletree Institute.

- 25.5 Full-time regular employees will be eligible to participate in the City's insurance program. All seasonal, temporary and intermittent employees and regular part-time employees will not qualify for insurance coverage.
- 25.6 It is understood that the Employer's only obligation is to pay the Employer's contribution for group insurance premiums as agreed to herein. The Employer is not liable for claims as a result of a denial of insurance benefits by an insurance carrier.
- 25.7 The City shall pay the premium for PERA Life Insurance.

All remaining terms and conditions of the 2005 Collective Bargaining Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereto caused this agreement to be executed this 12 day of NOVEMBER, 2004.

CITY OF WINDOM

BY: Coralee Krueger  
Coralee Krueger, Mayor

BY: Dennis Nelson  
Dennis Nelson, City Administrator

IBEW LOCAL #949

BY: Mark Kinkor  
IBEW Representative

APPENDIX A  
WAGE RATES

THE FOLLOWING HOURLY RATES OF PAY SHALL BE EFFECTIVE BEGINNING JANUARY 1, 2009 (1%)

| JOB CLASSIFICATIONS  | STEPS  |         |         |         |         |         |         |         |         |         |         |         |         |
|--|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|  | GRADES | 1       | 2       | 3       | 4       | 5       | 6       | 7       | 8       | 9       | 10      | 11      | 12      |
| Line Crew Foreman/NOC Telephone Tech   | 16     | \$20.13 | \$20.62 | \$21.11 | \$21.62 | \$22.16 | \$22.68 | \$23.23 | \$23.79 | \$24.38 | \$24.96 | \$25.56 | \$26.19 |
| Lineman/Outside Plt Tech   | 14     | \$18.90 | \$19.35 | \$19.84 | \$20.30 | \$20.79 | \$21.29 | \$21.81 | \$22.32 | \$22.89 | \$23.42 | \$23.99 | \$24.55 |
| IT Analyst/F&I Sys Ast Bill/Pay Clerk  | 11     | \$17.04 | \$17.45 | \$17.86 | \$18.29 | \$18.75 | \$19.19 | \$19.64 | \$20.16 | \$20.61 | \$21.11 | \$21.60 | \$22.27 |
| Sr CATV Tech/City Mechanic   | 10     | \$16.41 | \$16.81 | \$17.21 | \$17.63 | \$18.06 | \$18.49 | \$18.94 | \$19.39 | \$19.88 | \$20.34 | \$20.83 | \$21.34 |
| Cable Tech   | 9      | \$15.79 | \$16.18 | \$16.57 | \$16.96 | \$17.36 | \$17.80 | \$18.22 | \$18.65 | \$19.12 | \$19.58 | \$20.05 | \$20.53 |
| Ast Liquor Store Mgr / Water Dept Foreman  | 8      | \$15.17 | \$15.53 | \$15.93 | \$16.30 | \$16.70 | \$17.09 | \$17.51 | \$17.94 | \$18.35 | \$18.80 | \$19.26 | \$19.73 |
| WaterDept WasteCollection Opr/Arena Coord/ Sr MaintWorker/B/PCK/Police Legal Secretary/Elect Adm Ast/Inv Clk | 7      | \$14.54 | \$14.91 | \$15.25 | \$15.64 | \$16.01 | \$16.39 | \$16.79 | \$17.19 | \$17.61 | \$18.05 | \$18.47 | \$19.10 |
| MINTeleComm Woker/LiquorStore Clerk/ Librarian Ast   | 6      | \$14.23 | \$14.27 | \$14.60 | \$14.96 | \$15.30 | \$15.70 | \$16.07 | \$16.46 | \$16.87 | \$17.28 | \$17.70 | \$18.10 |
| Sales Clerk / Maintenance / Custodian Supervisor   | 5      | \$13.32 | \$13.64 | \$13.98 | \$14.30 | \$14.67 | \$14.99 | \$15.36 | \$15.73 | \$16.10 | \$16.51 | \$16.91 | \$17.31 |
| REC.Center/Csh/Clerk/Office/Sec-Ed/Ast Liquor Store Clerk/Ord Clerk  | 3      | \$12.08 | \$12.36 | \$12.66 | \$13.16 | \$13.29 | \$13.61 | \$13.92 | \$14.27 | \$14.60 | \$14.96 | \$15.30 | \$15.70 |
| Recpt/Admin Ast  | 2      | \$11.45 | \$11.72 | \$12.00 | \$12.31 | \$12.60 | \$12.90 | \$13.21 | \$13.53 | \$13.86 | \$14.19 | \$14.50 | \$14.88 |
| ArenaMaintenance Worker/Ast Liquor Store Clerk   | 1      | \$10.82 | \$11.09 | \$11.37 | \$11.64 | \$11.91 | \$12.21 | \$12.48 | \$12.82 | \$13.10 | \$13.41 | \$13.75 | \$14.13 |

APPENDIX B  
WAGE RATES

THE FOLLOWING HOURLY RATES OF PAY SHALL BE EFFECTIVE BEGINNING JANUARY 1, 2010 (1%)

| JOB CLASSIFICATIONS   | STEPS  |         |         |         |         |         |         |         |         |         |         |         |         |
|---|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|   | GRADES | 1       | 2       | 3       | 4       | 5       | 6       | 7       | 8       | 9       | 10      | 11      | 12      |
| Line Crew Foreman/NOC Telephone Tech  | 16     | \$20.33 | \$20.83 | \$21.32 | \$21.84 | \$22.38 | \$22.91 | \$23.46 | \$24.03 | \$24.62 | \$25.21 | \$25.82 | \$26.45 |
| Lineman/Outside P/E Tech  | 14     | \$19.09 | \$19.54 | \$20.04 | \$20.50 | \$21.00 | \$21.50 | \$22.03 | \$22.54 | \$23.12 | \$23.65 | \$24.23 | \$24.80 |
| IT Analyst/F&I Sys Ast Bill/Pay Clerk   | 11     | \$17.21 | \$17.62 | \$18.04 | \$18.47 | \$18.94 | \$19.38 | \$19.84 | \$20.36 | \$20.82 | \$21.32 | \$21.82 | \$22.49 |
| Sr CATV Tech/City Mechanic  | 10     | \$16.57 | \$16.98 | \$17.38 | \$17.81 | \$18.24 | \$18.67 | \$19.13 | \$19.58 | \$20.08 | \$20.54 | \$21.04 | \$21.55 |
| Cable Tech  | 9      | \$15.95 | \$16.34 | \$16.74 | \$17.13 | \$17.53 | \$17.98 | \$18.40 | \$18.84 | \$19.31 | \$19.78 | \$20.25 | \$20.74 |
| Ast Liquor Store Mgr / Water Dept Foreman   | 8      | \$15.32 | \$15.69 | \$16.09 | \$16.46 | \$16.87 | \$17.26 | \$17.69 | \$18.12 | \$18.53 | \$18.99 | \$19.45 | \$19.93 |
| WaterDept WasteCollection Opr/Arena Coord/ Sr MaintWorker/B/PCK/Police Legal Secretary/Elect Adm Ast/Tinv Clk | 7      | \$14.69 | \$15.06 | \$15.40 | \$15.80 | \$16.17 | \$16.55 | \$16.96 | \$17.36 | \$17.79 | \$18.23 | \$18.65 | \$19.29 |
| MNTeleComm Woker/LiquorStore Clerk/ Librarian Ast   | 6      | \$14.37 | \$14.41 | \$14.75 | \$15.11 | \$15.45 | \$15.86 | \$16.23 | \$16.62 | \$17.04 | \$17.45 | \$17.88 | \$18.28 |
| Sales Clerk / Maintenance / Custodian Supervisor  | 5      | \$13.45 | \$13.78 | \$14.12 | \$14.44 | \$14.82 | \$15.14 | \$15.51 | \$15.89 | \$16.26 | \$16.68 | \$17.08 | \$17.48 |
| REC Center/Csh/Clerk-Office/Sec.Ed /Ast. Liquor Store Clerk/Ord Clerk   | 3      | \$12.20 | \$12.48 | \$12.79 | \$13.29 | \$13.42 | \$13.75 | \$14.06 | \$14.41 | \$14.75 | \$15.11 | \$15.45 | \$15.86 |
| Recpt/Admin Ast   | 2      | \$11.56 | \$11.84 | \$12.12 | \$12.43 | \$12.73 | \$13.03 | \$13.34 | \$13.67 | \$14.00 | \$14.33 | \$14.65 | \$15.03 |
| ArenaMaintenance Worker/Ast Liquor Store Clerk  | 1      | \$10.93 | \$11.20 | \$11.48 | \$11.76 | \$12.03 | \$12.33 | \$12.60 | \$12.95 | \$13.23 | \$13.54 | \$13.89 | \$14.57 |

APPENDIX C  
WAGE RATES

THE FOLLOWING HOURLY RATES OF PAY SHALL BE EFFECTIVE BEGINNING JANUARY 1, 2011 (1%)

| JOB CLASSIFICATIONS  | STEPS   |         |         |         |         |         |         |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|  | 1       | 2       | 3       | 4       | 5       | 6       | 7       | 8       | 9       | 10      | 11      | 12      |
| Line Crew Foreman/NOC Telephone Tech   | \$20.53 | \$21.04 | \$21.53 | \$22.06 | \$22.60 | \$23.14 | \$23.69 | \$24.27 | \$24.87 | \$25.46 | \$26.08 | \$26.71 |
| Lineman/Outside Pit Tech   | \$19.28 | \$19.74 | \$20.24 | \$20.71 | \$21.21 | \$21.72 | \$22.25 | \$22.77 | \$23.35 | \$23.89 | \$24.47 | \$25.05 |
| IT Analyst/F&I Sys Ast Bill/Pay Clerk  | \$17.38 | \$17.80 | \$18.22 | \$18.65 | \$19.13 | \$19.57 | \$20.04 | \$20.56 | \$21.03 | \$21.53 | \$22.04 | \$22.71 |
| Sr-CATV Tech/City Mechanic   | \$16.74 | \$17.15 | \$17.55 | \$17.99 | \$18.42 | \$18.86 | \$19.32 | \$19.78 | \$20.28 | \$20.75 | \$21.25 | \$21.77 |
| Cable Tech   | \$16.11 | \$16.50 | \$16.91 | \$17.30 | \$17.71 | \$18.16 | \$18.58 | \$19.03 | \$19.50 | \$19.98 | \$20.45 | \$20.95 |
| Asst Liquor Store Mgr / Water Dept Foreman   | \$15.47 | \$15.85 | \$16.25 | \$16.62 | \$17.04 | \$17.43 | \$17.87 | \$18.30 | \$18.72 | \$19.18 | \$19.64 | \$20.13 |
| WaterDept WasteCollection Opr/Arena Coord/ Sr MaintWorker/B/PCk/Police Legal Secretary/Elect Adm Ast/Inv Clk | \$14.84 | \$15.21 | \$15.55 | \$15.96 | \$16.33 | \$16.72 | \$17.13 | \$17.53 | \$17.97 | \$18.41 | \$18.84 | \$19.48 |
| MNTeleComm Woker/LiquorStore Clerk/ Librarian, Ast   | \$14.51 | \$14.55 | \$14.90 | \$15.26 | \$15.60 | \$16.02 | \$16.39 | \$16.79 | \$17.21 | \$17.62 | \$18.06 | \$18.46 |
| Sales Clerk / Maintenance / Custodian Supervisor   | \$13.58 | \$13.92 | \$14.26 | \$14.58 | \$14.97 | \$15.29 | \$15.67 | \$16.05 | \$16.42 | \$16.85 | \$17.25 | \$17.65 |
| REC Center/Csh/Clerk-Office/Sec-Ed /Ast Liquor Store Clerk/Ord Clerk   | \$12.31 | \$12.62 | \$12.92 | \$13.42 | \$13.89 | \$14.20 | \$14.55 | \$14.90 | \$15.26 | \$15.60 | \$16.02 | \$16.02 |
| Recpt/Admin Ast  | \$11.68 | \$11.96 | \$12.24 | \$12.55 | \$12.86 | \$13.16 | \$13.47 | \$13.81 | \$14.14 | \$14.47 | \$14.80 | \$15.18 |
| ArenaMaintenance Worker/Ast Liquor Store Clerk   | \$11.04 | \$11.31 | \$11.59 | \$11.88 | \$12.15 | \$12.45 | \$12.73 | \$13.08 | \$13.36 | \$13.68 | \$14.03 | \$14.72 |

Main Identity

**From:** "Strub, Brian" <BStrub@lmc.org>  
**To:** "General legislative" <legislative@listserv.lmc.org>  
**Sent:** Friday, May 15, 2009 12:22 PM  
**Subject:** [legislative] LMC Capitol Update: If unallotment, how bad for cities?

If unallotment, how bad for cities?

During the flurry of capitol activity on Thursday afternoon, the Governor announced that he would be signing all of the major budget bills sent to him by the legislature and then resolving the balance of the state deficit by line-item vetoing portions of those budget bills and through his unallotment power if a compromise cannot be reached by midnight Monday. He firmly stated that he does not want the budget to remain unresolved and that he does not want to call a special session.

The only piece of the legislature's budget that has not been sent to the governor is the omnibus tax bill, which is the vehicle that would have contained city aid reductions and other cuts in tax-related expenditures. The tax conference committee was scheduled to meet on Thursday but in the wake of the governor's budget announcement, the meeting was postponed at least seven times before it was cancelled around 10 pm last night.

Based on what we know this morning, the final pieces of the budget solution will be difficult. As it now stands, the remaining deficit that must be resolved either through a legislative agreement with the governor or through unallotment is roughly \$2.7 billion. The remaining major budget-balancing items that have not been resolved and that might still be in play are the school funding shift that could save between \$1.3 billion and \$1.8 billion and the appropriation bonds that could yield as much as \$1 billion in accelerated state revenues. Based upon the governor's positions, it appears that tax increases will not be a part of any final solution.

The school funding shift described above was included in both the House and the governor's budget plans and can be accomplished either through legislative action or by the governor through his unallotment power. It appears that the school funding shift is almost certain to be employed in either a legislative or governor fix. Although the appropriation bonds were a part of the governor's budget proposal, he needs legislative authorization to issue the bonds and the legislature was not supportive of the appropriation bond proposal because it would essentially create a larger budget problem for the state into the future.

If the school funding shift is added to the deficit solution, the remaining deficit would be reduced to between \$900 million and \$1.4 billion. If the legislature agrees to the use of some level of appropriation bonds, the deficit would be further reduced.

So what could the impact be on city local government aid (LGA) and market value homestead credit (MVHC) reimbursement?

The outcome depends on whether the legislature can reach an agreement with the governor. The tax conference committee is scheduled to meet again today and clearly they will be trying to craft a compromise with the governor.

If no agreement is reached and unallotment is used to balance the remaining deficit, the commissioner of finance indicated yesterday that at this time, they are looking at cuts in tax programs in the range of \$200 million to \$500 million. Cuts in city LGA and MVHC and county aids would clearly be a part of this amount. In comparison, in the governor's January budget, he proposed aid and credit reductions of roughly \$513 million which included \$100 million in 2009 city LGA and MVHC cuts and \$184 million in 2010 city LGA and MVHC cuts.

#### Levy Limits

Under current law, levy limits are in place for the next two years. Both the House and the Senate have included levy limit repeals in their budget proposals but the governor has publicly stated that he wants to continue levy limits but privately, he has indicated some willingness to adjust the current formula.

The current law levy limit allows cities to declare a special levy for the \$66 million in unallotments that were imposed last December. The current levy limit law would also allow cities to replace any unallotment that would be imposed by the governor for 2009 LGA and MVHC reimbursement when they certify their 2010 levies. However, there appears to be an issue in 2010 for levy limit cities. Under unallotment, cities would have their levy limits computed on an unrealistically high LGA appropriation under current law of roughly \$536 million. This would mean that cities would not be able to levy for a 2010 aid and credit unallotment until their 2011 budget year. We are considering a fix for this problem but a fix must be enacted by the legislature and therefore must be completed before midnight Monday.

Please keep in mind that this analysis is very preliminary and there are many moving pieces of in the budget negotiations. Over the next several days, the details on the impacts of the budget solution will solidify and we will know if the governor will exercise his unallotment authority.

Questions? Contact Gary Carlson, LMC, at [gcarlson@lmc.org](mailto:gcarlson@lmc.org), 800-925-1122 and 651-281-1255.

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5/15/2009

**Main Identity**

**From:** "Strub, Brian" <BStrub@lmc.org>  
**To:** "General legislative" <legislative@listserv.lmc.org>  
**Sent:** Thursday, May 14, 2009 4:52 PM  
**Subject:** [legislative] Legislative update -- Governor announces he may use unallotment to balance state budget

May 14, 2009

During a media availability session this afternoon Governor Pawlenty announced that if he and State Legislative leaders are unable to reach a budget agreement by midnight on Monday, he plans to use line-item vetoes and his authority to exercise unallotment to balance the budget.

Local government aid was mentioned in the Governor's comments to reporters as a possible target for unallotment. A full text of the Governor's news release follows. The League will provide additional updates over the next few days as events warrant.



**FOR IMMEDIATE RELEASE:**

May 14, 2009

**Contact:** Brian McClung  
 (651) 296-0001

**NO SPECIAL SESSION, NO GOVERNMENT SHUTDOWN – GOVERNOR PAWLENTY SAYS HE WILL BALANCE STATE BUDGET**

*~ Governor outlines plan to use executive action to balance budget, says his preference is to sign into law a negotiated budget agreement ~*

**Saint Paul** – At the State Capitol this afternoon, Governor Tim Pawlenty said, “Politics as usual around this place is over. The people of Minnesota expect and deserve timely and decisive action. I will not let the legislature’s work spill over into a special session. We are not going to waste taxpayer money with a costly overtime or have a state government shutdown, especially in this economy. My preference would be for DFL legislators to work with me on a reasonable budget solution, but if they can’t get that done I will take executive action to balance the budget.”

“A key principle is that the DFL-controlled legislature shouldn’t spend more money than the state has available,” Governor Pawlenty said. “Unfortunately, they have done just that and now I’ll fix it.”

Over the past week, DFL majorities in the Minnesota House and Senate passed budget bills that leave a \$3 billion shortfall between spending and revenues.

Governor Pawlenty announced today that he would use line-item vetoes during the upcoming period and his unallotment authority in July 2009 to bring the state budget into balance.

“Passing a balanced budget is the legislature’s most fundamental job. Unfortunately, so far this year the DFL majority has failed to get the job done,” Governor Pawlenty said. “In January, I outlined a balanced budget that prioritized important areas like public safety, military and veterans, and K-12 education. Now we’re in the final days of this legislative session and it’s time to let the people of Minnesota know that this will be resolved. It should get done on time and I’m saying it will get done on time.

“If the DFL cannot balance this budget without reaching into Minnesotans’ pockets and increasing our already uncompetitive taxes in ways that will kill job growth, I’m prepared to make the tough decisions they’ve avoided and take action to balance the budget.”

The Governor said final decisions have not been made regarding possible impacts to state programs, but areas could include government-subsidized health care programs, welfare, and other social services; K-12 and higher education; and local government aid. In addition, state employee layoffs could be used to save additional funds. In Wisconsin, Gov. Jim Doyle has said approximately 1,100 state employees could be laid off as part of their budget cutting measures, along with 16 furlough days over the next two years.

A compromise offer from Governor Pawlenty to DFL legislative leaders earlier this week incorporated a House DFL position (a larger K-12 education shift than proposed by the Governor), a Senate DFL position (no funds included for the budget reserve, the Governor proposed \$250 million for the budget reserve) and a reduction in a proposal that the DFL indicated they didn’t support (agreeing to use only half of the tobacco appropriation bond funds). Even though the Governor was willing to move in their direction in all three areas, DFL leaders rejected the offer.

Governor Pawlenty has also compromised during this legislative session by showing a willingness to work with DFL legislators regarding their proposed fee increases for the courts system, their lower levels of funding for K-12 education and their lack of interest in the Governor’s proposals to reduce business taxes to grow jobs and spur investment.

5/15/2009

The Governor stated that he is unwilling to raise taxes on Minnesotans, especially as the state looks to grow jobs and recover from the economic recession. DFL legislators have proposed numerous tax increases this session, including:

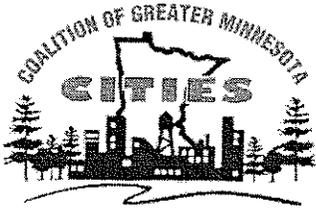
- New top income tax rate of 9 percent, which would be fourth-highest in the nation
- New top income tax rate of 9.25 percent
- Across-the-board income tax increases
- New sales tax on Internet downloads, including music
- Elimination of the local property tax cap, enacted just last year
- Higher taxes on beer, wine and alcohol
- Higher taxes on cigarettes
- Allowing counties to increase the sales tax by 0.5 percent
- Eliminating home mortgage interest deduction
- Eliminating deduction when a person donates an organ
- Eliminating elderly or disabled income subtraction
- Eliminating child and dependent care credit
- Eliminating exemption for Minnesota state and municipal bonds interest income
- Eliminating long-term care credit

"I'm willing to work with the DFL on a reasonable plan, but I'm not willing to let them squeeze more money out of taxpayers and further burden job creators and employers in the midst of the toughest economy in more than 60 years," Governor Pawlenty said. "One way or another, we will get the budget situation resolved, keeping taxpayers and families first in our minds."

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5/15/2009



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

May 14, 2009

Contact: Tim Flaherty  
651-225-8840

**Budget negotiations  
gridlocked over  
revenue alternatives**

With just four days left in the regular session, legislative leaders and the governor have yet to make major progress toward a budget agreement.

Early Saturday morning, Governor Pawlenty vetoed the legislature's quickly crafted tax bill that would have raised \$1 billion in revenues through a fourth-tier income bracket, increased alcohol and cigarette taxes, and an added tax on excessive interest rates. The plan was billed as a revenue raiser that would protect K-12 education and healthcare from deep cuts and provide an alternative to the governor's \$1 billion tobacco bonding plan. At this time, it is unclear whether the House plans to attempt an override of the governor's veto.

Although the legislature may not achieve an override, the tax bill's revenue goal of only \$1 billion may signal a problematic concession from the legislature. Both the House and Senate produced omnibus tax bills that contain limited cuts to LGA, but these cuts are based on revenue increases of \$2.2 billion in the Senate and \$1.5 billion in the House. Limiting new revenue to \$1 billion—whether it is raised through taxes or through the governor's bonding proposal—will likely necessitate the legislature to cut at least an additional \$500 million in spending, leaving LGA at risk of further reductions.

After vetoing the tax bill, the governor submitted a letter to legislative leaders earlier this week suggesting he would be willing to work toward a "compromise" by reducing his use of appropriation bonds, redirecting any potential reserve funds, and increasing his K-12 payment shift. Legislative leaders maintained that the governor's new proposal did not signify a compromise because it did not include any new ongoing revenues.

**'Lights on bill' may be  
lights out for LGA**

If budget negotiations stay on their current trajectory, the session will end with no final budget resolution. In preparation for this, both the House and Senate passed a "lights on bill" that would fund state programs beyond June 30 at their current funding levels.

While a lights on bill will help the state avoid a government shutdown, current program allocations and projected revenues will leave the state with a shortfall, and deficit spending is constitutionally prohibited. To prevent deficit spending, the lights on bill allows the governor to unallot any program by any desired amount starting July 1. This means the governor could essentially adopt his entire proposed budget, with one caveat: the



governor would not be allowed to implement his \$1 billion tobacco bonding appropriations plan.

Under the governor's current proposal, LGA would be cut by \$246 million. This number could grow as the governor attempts to fill the \$1 billion hole left by his bonding plan. CGMC sent a letter to legislators and the Capitol Press Corp. Thursday which outlines the dangers of the lights on bill and calls on legislators and the governor to balance the budget through agreement and not unilateral actions. A copy of this letter is attached.

The governor has three days to sign or veto this bill, and at this time, it is unclear what action he will take. While the governor has stated that he prefers a more "stripped down" version of the bill, he may decide to take advantage of the opportunity to implement his own spending reductions.

### **Omnibus tax bill likely to be last bill passed**

The tax conference committee has yet to complete its report for the omnibus tax bill, which will contain the legislature's LGA reduction amounts. So far, the committee has yet to discuss LGA appropriations. The tax bill will probably be the last bill passed, in hopes that a budget agreement will be reached between the governor and legislature before the May 18 adjournment date. We will keep our website, [www.greatermncities.org](http://www.greatermncities.org), updated over the weekend with any breaking news.

### **Minnesota Court of Appeals issues decision in CGMC phosphorus rule lawsuit**

In an opinion released yesterday morning, the Minnesota Court of Appeals upheld the Minnesota Pollution Control Agency's (MPCA) recently-adopted phosphorus effluent rule, Minn. R. 7053.0255, against the legal challenge brought by the CGMC. The opinion may be viewed on the Minnesota Courts website at:

<http://www.lawlibrary.state.mn.us/archive/ctappub/0905/opa081198-0512.pdf>.

CGMC argued that the new rule must be declared invalid because it granted unbridled discretion to the MPCA to interpret the three exemptions in the rule to its 1 mg/L phosphorus effluent limit on all new or expanding wastewater treatment facilities, which rendered the rule unconstitutional and in violation of the Agency's statutory and rulemaking authority. CGMC argued that as drafted, the new rule provided insufficient protection to member cities who would be burdened with significant capital and operational expenditures to comply with the new phosphorus effluent limit in situations where even the MPCA acknowledged little or no environmental benefit would be realized from such compliance. The Court of Appeals sided with CGMC and against the MPCA on the issue of whether CGMC had standing to bring its legal challenge to the new rule, but rejected CGMC's constitutional and related challenges to the new rule in holding that it is valid.

The CGMC board of directors will decide Friday whether or not to appeal the Court of Appeals decision to the Minnesota Supreme Court.



**Water assessment  
funds struck from  
Environmental  
Finance bill**

Late last week, the governor signed the omnibus Environmental and Natural Resources Finance bill (H.F. 2123), but line item vetoed a \$15 million appropriation for surface water assessment. The governor explained that money for this assessment should come from the Clean Water Fund, not the Environmental Fund. This appropriation had been in the House's version of the bill before conference committee, but not the Senate's version. Long term, this change may be positive for cities. Although the assessment of surface water is important, paying for the assessment through the Environmental Fund could increase the likelihood that permit fees would be increased to support the activities of Pollution Control Agency.

**Capitol budget  
request forms now  
available**

Minnesota Management and Budget (MMB) has made forms available for local units of government who plan to request state bonding appropriations for 2010. Forms and related information from MMB can be found here: <http://www.mmb.state.mn.us/doc/budget/bud-op/op10/local-gov.pdf>

Please note that requests must be submitted to MMB by June 25, 2009.







Dedicated to a Strong Greater Minnesota

May 14, 2009

Dear Legislator,

On behalf of the 78 cities represented by the Coalition of Greater Minnesota Cities, and out of consideration for the nearly three-quarter of a million Minnesotans who live in our cities, I am writing to express deep concern about the consequences our communities face if a budget resolution is not reached between the governor and the legislature.

Under the "lights on bill" passed by the legislature this week, state programs would continue to be funded at current levels beyond June 30. Because current funding levels and projected revenues are expected to leave the state with a \$4.6 billion shortfall for the next biennium, the governor would be allowed by the lights on bill to unallot any state programs by any desired amount due to the constitutional requirement that prohibits deficit spending.

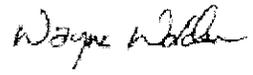
**Allowing the governor to unallot risks the state's fiscal health and future viability and is unacceptable. The governor and the legislature must come to a budget agreement in which both parties are accountable for the outcome.**

If an agreement is not reached and the governor is given free rein to reduce programs, Local Government Aid (LGA) will likely be on the chopping block. The governor has already proposed cutting LGA by \$246 million over the next biennium, and he could increase this reduction without legislative oversight in order to balance the budget. There would be nothing stopping the governor from taking similar actions with other critical areas of the budget.

It has been widely reported in the news and discussed at the legislature that the governor's current proposed cuts to LGA will result in massive property tax increases and significant cuts to police, fire protection, libraries, and other essential city services. If the governor unallots additional aid to cities as allowed by the lights on bill, Minnesotans will likely see the largest property tax increases in decades, and our cities' ability to provide core services such as public safety will be in serious jeopardy.

The process now in motion jeopardizes CGMC cities and cities throughout the state, and this is not an acceptable outcome for the session. The governor and the legislature should do their job by appropriating funds for the state's programs and balancing the budget in a responsible manner.

Sincerely,

A handwritten signature in black ink, appearing to read "Wayne Wolden". The signature is written in a cursive style with a prominent loop at the end.

Wayne Wolden, Mayor of Wadena  
President of the Coalition of Greater Minnesota Cities



# CITIES BULLETIN

ONLINE EDITION

## State government 'lights on' bill approved by the Senate

Issue 19

Published: May 13, 2009

*By Jennifer O'Rourke and Gary Carlson*

A bill introduced in the Senate on Monday would keep all state agencies operating if current appropriations bills are not enacted by July 1, the start of the next state biennial budget.

Under SF 2141 (Sen. Larry Pogemiller, DFL-Minneapolis)—dubbed the “lights on” bill—state agency appropriations would be subject to unallotment by the governor to balance the state budget. One-time appropriations in place at the end of the current biennium would not be continued under the bill.

Under the proposed bill, it is not clear how city programs, including local government aid (LGA) and market value homestead credit (MVHC), would be treated. The bill seems to state that only major appropriations not enacted by July 1 would be “continued” and that “continued” appropriations would be subject to budget-balancing unallotment.

Although city aid programs are standing appropriations written into state statute, the bill does not explicitly specify whether unallotment could be applied to city aid programs. However, the underlying unallotment statute (*Minnesota Statutes, section 16A.152, subdivision 4*) gives the governor broad power to reduce expenditures, and LGA and MVHC could be impacted as they were last December.

Unlike budget solutions enacted by the Legislature, the governor has far fewer tools to address a budget imbalance. The governor would only be able to balance the budget through the use of his power to unallot appropriations, which could involve either cutting or deferring payments. Without additional tools or the ability to raise revenues, the governor would have to eliminate the \$4.6 billion deficit largely through appropriation reductions or deferrals of payments. Of course, even if the bill is ultimately signed by the governor, and the state budget is not balanced before July 1, he can always call the Legislature back into special session to balance the budget.

During a recess in the floor session, the Senate Rules Committee discussed the bill and ultimately approved it on a voice vote, with one Republican dissenting. Pogemiller, Rules Committee chair and majority leader, said the bill is necessary to avoid a potential state government shutdown. Minority Leader Dave Senjem (R-Rochester) spoke against the bill. Pogemiller acknowledged that he had not yet discussed the idea with the governor, but said he would do so soon.

The bill was subsequently considered on the Senate floor and after waiving the second and third reading rules that require the bill to be laid over for 24 hours between each reading, the bill was approved by the full Senate by a vote of 45-19. Several Senate Republicans opposed the bill and after the vote, Sen. Ray Vandev eer (R-Forest Lake) moved to adjourn the Senate until February 2010. His motion was defeated by a vote of 3-52.

The bill will now go to the House, where it will likely see even more intense scrutiny.

For more information, contact **Jennifer O'Rourke**, LMC, at [jorourke@lmc.org](mailto:jorourke@lmc.org) or (651) 281-1261; or **Gary Carlson**, LMC, at [gcarlson@lmc.org](mailto:gcarlson@lmc.org) or (651) 281-1255.



# CITIES BULLETIN

ONLINE EDITION

## Governor vetoes first tax bill, sends legislators back to work on a compromise

Issue 19

Published: May 13, 2009

*By Jennifer O'Rourke and Gary Carlson*

At around 3 a.m. Saturday, Gov. Pawlenty vetoed HF 885 (Rep. Ann Lenczewski, DFL-Bloomington), the hastily constructed first tax bill that contained nearly \$1 billion in tax increases designed to help erase the state's \$4.6 billion budget deficit.

The House and Senate quickly processed the bill last week, sent it to a conference committee, and then approved the conference report on the House and Senate floors. The governor's veto was not unexpected, but the House and Senate have one week to find a compromise budget that the governor is willing to sign—or face the real prospect of a special legislative session. By law, the regular session must end by May 18.

### Background on HF 885

The activity began last Thursday, when the full House approved HF 885 and sent it to the Senate. Although the Department of Revenue's technical tax bill as transmitted to the Senate was not controversial, the timing of the action alone raised eyebrows and complaints from House and Senate Republicans. Tax bills must originate in the House, and in order to maintain control of tax legislation, the House generally does not send miscellaneous tax bills to the Senate because they can become vehicles for any germane tax amendment, especially late in the legislative session.

The rapid processing of HF 885 was an alternative strategy jointly supported by the House and Senate majority leadership apparently designed to reframe the discussions on the state budget and the deficit. Over the past several weeks, the House and Senate have forwarded legislation for agency budgets that rely, in part, on tax increases that the governor has repeatedly warned will draw his veto. But despite these warnings, the budget and tax conference committees have continued their negotiations, predicated on some additional, new state revenues.

In response to the veto warnings, House and Senate DFL leadership have countered that the governor's budget also includes revenue increases in the form of appropriation bonds that would be issued to generate more than \$900 million in immediate revenue for the state. The appropriation bonds would be supported by future revenues from the state's settlement with the tobacco industry, which they argue will borrow future state revenues to balance the immediate state deficit.

Around 11:30 p.m. last Thursday, the conference committee on HF 885 convened to process the bill. With only about 90 minutes of discussion and debate, the bill was approved by a vote of 9-1, with the lone dissenting vote cast by freshman Rep. Keith Downey (R-Edina). The House conferees were Reps. Ann Lenczewski (DFL-Bloomington), Paul Marquart (DFL-Dilworth), Mindy Greiling (DFL-Roseville), Erin Murphy (DFL-St. Paul), and Keith Downey (R-Edina). The Senate conferees were Sens. Tom Bakk (DFL-Cook), Rod Skoe (DFL-Clearbrook), Mee Moua (DFL-St. Paul), Scott Dibble (DFL-Minneapolis), and Ann Rest (DFL-New Hope).

The vetoed proposal was scaled to raise an amount equivalent to the appropriations bonds in the governor's budget. The bill would have created a new fourth-tier income tax rate of 9 percent that would apply to joint

filers earning more than \$250,000 per year, individual filers with incomes in excess of \$141,250, and heads of household earning more than \$212,500. The fourth tier would have raised an estimated \$516.3 million for the 2010-2011 biennium. In addition, the bill would have increased a variety of taxes on wine, beer, and spirits that would increase state revenues by an estimated \$240.9 million in 2010-2011.

The plan also included a provision from the Senate tax bill that would have created a new surtax on certain interest income realized by financial institutions, including credit card companies. Under the proposal, interest income generated by rates in excess of 15 percent would have been taxed at a 30 percent rate. This excess interest rate surtax would have generated an estimated \$216.3 million over the next two years.

Finally, the bill would have increased state revenues through tax compliance and enforcement by the Department of Revenue, which would have generated estimated net new revenues of \$18.6 million over the upcoming biennium.

The new tax revenues in HF 885 would have been broadly dedicated to education, nursing homes, and hospitals. Under the bill for fiscal year 2010-2011, a newly-created E-12 education account would have received \$585.8 million; the new nursing home and long-term care account would have received \$287.6 million; and the new hospital account would have received \$114.1 million. The allocation of revenues from these new accounts was not specified in the bill.

### **What is next?**

It will be a long, final full week at the Capitol. We expect that the House and Senate may attempt an override of the veto of HF 885. Even if the veto is overridden, there are still a wide array of unresolved tax issues within omnibus tax bill HF 2323 (Lenczewski) for the conference committee to consider, including differences in funding cuts for local government aid (LGA) and market value homestead credit (MVHC) reimbursement. The conference committee on HF 2323 met on Saturday to try to iron out several remaining issues, but the committee has not even discussed city aid and credit cuts.

At a conference committee meeting on Monday, Sen. Bakk announced the conference committee's intention to divide the remaining tax conference committee work into two bills—the first would contain many of the non-controversial provisions that have already been agreed to by conferees, and the second would be a more controversial bill that would contain tax increases, aid cuts, and other provisions that have not been agreed to by the conferees. The goal would be to complete that work on the non-controversial bill by Monday night and possibly add the language into the public finance bill (HF 1298, Lenczewski).

The committee has not decided yet on a number of municipal issues, including street improvement district authority, LGA and MVHC cuts, housing replacement tax increment financing (TIF) districts, transit area TIF districts, compact development TIF districts, levy limits, certain local TIF districts or other requests, historic structure rehabilitation tax credits, tax on municipal bond interest, county local option sales taxes, the Legislative Commission on Mandate Relief, the Council on Local Results and Innovation, library maintenance-of-effort (MOE) requirements, truth-in-taxation and other mandates, use deed changes and other provisions.

Municipal issues the committee has adopted thus far include the following: housing improvement area authorization extended until 2013, special service district authorization extended to 2013, the temporary suspension of new/increased MOE requirements, levy limit authority for MVHC losses, levy recertification authority after unallotment, senior property tax deferral program, emergency debt certificates, disrupted access abatements for certain businesses, several local option sales tax changes, general TIF law changes to the four-year knockdown rule and the five-year rule in response to current economic conditions, and much of the public finance article. It is likely most of these will be included in the non-controversial bill described above.

For more information, contact **Jennifer O'Rourke**, LMC, at [jorourke@lmc.org](mailto:jorourke@lmc.org) or (651) 281-1261; or **Gary Carlson**, LMC, at [gcarlson@lmc.org](mailto:gcarlson@lmc.org) or (651) 281-1255.



# CITIES BULLETIN

ONLINE EDITION

## Jobs bill scrutinized by tax committees

Issue 19

Published: May 13, 2009

*By Jennifer O'Rourke*

Both the Senate and House Taxes committees last Wednesday took up their respective state jobs stimulus bills, SF 2078 (Sen. James Metzen, DFL-South St. Paul) and HF 2364 (Rep. Tony Sertich, DFL-Chisholm). This was the third hearing on the Senate bill, which has been amended at each committee stop. The full Senate passed SF 2078 on Friday.

On the House side, the bill was heard for informational purposes in the Taxes Committee, with no vote taken. Committee Chair Ann Lenczewski (DFL-Bloomington) made the point early on that she was only hearing it so that her committee could be more informed should the matter come up during any conference committee or end-of-session negotiations.

During the testimony and presentation, Lenczewski stated her opposition to the bill's provision for a general tax increment financing (TIF) district 10-year extension. Generally, it would allow an authority to use increment from districts certified between July 31, 1979, and Jan. 1, 2013, to pay for expenditures related to a stimulus project.

Among other points, she talked about the state cost for TIF districts because of the shift in property taxes. Those asking for TIF extensions or other special law often make the argument that tax increment decisions are a purely local decision with no effect on others.

One provision of concern to cities deals with the local permitting process. The bill would extend certain economic development permits to allow developers extra time if their funding has frozen up. The legislation would give these permit holders another year to complete their work without the need for local approval. The League of Minnesota Cities (LMC) is exploring language to address that concern. According to bill proponents, some cities have already extended permits.

Another item of concern is the creation of a state loan guarantee program that has a cost of \$100 million. Legislators have raised concerns at almost every hearing about why the state would want to get involved when the private sector has chosen not to get involved. This piece and the general TIF extensions are among the most controversial portions of the bill.

All along, Sen. Metzen, chief author of SF 2078, has characterized the bill as a work in progress, and the 60-member jobs coalition seems open to making changes to the bill. According to some Capitol insiders, the plan is to try to add this provision into discussions of the tax conference committee, which is already considering other job stimulation, business tax credits, and economic development provisions. The Senate and House conferees, and particularly the chairs, have different ideas on the use of TIF and other tools for generating jobs.

While this is a statewide bill not specific to any one project, there is much speculation that the Mall of America (MOA) expansion project would benefit from this bill. The MOA piece was one of the more controversial items in the 2008 conference committee negotiations for a number of reasons, but this year's focus on job creation and the high levels of unemployment in the construction industry have given new life to legislation like SF 2078.



# CITIES BULLETIN

ONLINE EDITION

## Second omnibus economic development and housing budget bill sent to governor

Issue 19

Published: May 13, 2009

By *Hue Nguyen*

The Senate and House quickly put together a second omnibus economic development and housing budget bill after the governor vetoed their first attempt.

On Friday, the Senate Finance Committee amended HF 2088 with many of the same provisions in the first omnibus economic development and housing bill, SF 2081. HF 2088 was originally an omnibus early education bill carried by Sen. Tarryl Clark (DFL-St Cloud) and Rep. Nora Slawik (DFL-Maplewood). After adding the amendments, the Senate Finance Committee then passed HF 2088 to the Senate floor.

Unlike SF 2081, HF 2088 does not include a loan forgiveness provision for the Xcel Energy Center in St. Paul or a provision addressing workers' compensation. These two items were cited as the reasons the governor vetoed SF 2081.

Additional changes were the deletion of a construction mitigation pilot program because the pilot program was included in other bills, a technical correction to a project in the city of Cook, and the addition of a provision to appropriate \$50,000 to the commissioner of Administration to construct a workers' memorial on the Capitol grounds.

Once on the Senate floor, the Senate author of HF 2088 was changed from Sen. Clark to Sen. David Tomassoni (DFL-Chisholm) and passed on a vote of 47-13. The House took up the bill later the same day, changed the chief author from Rep. Slawik to Rep. Tom Rukavina (DFL-Virginia), concurred with the Senate amendments, and passed the bill 86-43. The bill now awaits the governor's approval.

The omnibus economic development and housing budget bill contains funding and policy changes for the Department of Employment and Economic Development (DEED), Minnesota Housing Finance Agency (MHFA), Department of Labor and Industry (DLI), and various state boards and commissions.

For more information, contact **Hue Nguyen**, LMC, at [hnguyen@lmc.org](mailto:hnguyen@lmc.org) or (651) 281-1260.

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# CITIES BULLETIN

ONLINE EDITION

## Transportation finance bill becomes law

Issue 19

Published: May 13, 2009

By *Anne Finn*

Just one day after reaching Gov. Pawlenty's desk, the omnibus transportation finance bill, [HF 1309](#) (Rep. Bernard Lieder, DFL-Crookston)/[SF 1276](#) (Sen. Steve Murphy, DFL-Red Wing), was signed into law. The measure had passed overwhelmingly out of the House and Senate on May 4.

The package provides funding for the state highway system as well as the county and municipal state aid systems. It also contains funds and provisions pertaining to transit, airports, and passenger rail lines. The most controversial provision in the bill is a measure that borrows \$13 million from the Metropolitan Council's Livable Communities Grant Fund to fill a hole in Metro Transit's budget.

Following are some of the highlights from the conference committee report:

- Provides \$40 million in trunk highway bonds to be used for construction of trunk highway interchanges where the interchange promotes economic development and for local match for federal grants made available to the state.
- Requires road authorities to work with affected businesses during construction to mitigate the impact of construction.
- Allows the commissioner of the [Minnesota Department of Transportation](#) (MnDOT) to provide grants to political subdivisions for replacement or rehabilitation of fracture-critical bridges.
- Requires the commissioner of MnDOT to be responsible for all aspects of planning, constructing, and operating regional passenger rail lines in Minnesota, and requires the commissioner to provide a report to the Legislature by Feb. 1, 2010.
- Accelerates the phase-in of the dedication of the motor vehicle sales tax to address a \$7.5 million greater Minnesota transit deficit.
- Requires the Metropolitan Council to establish a pilot program and policies to provide a 50 percent discount to certain charitable organizations for use by homeless individuals.
- Authorizes a pilot program that would allow limited use of design-build contracting for local transportation projects (the League of Minnesota Cities [LMC] supports this initiative). (See related article, "[Design-build contract authority included in transportation bill.](#)")

The bill does not contain a controversial provision that would have made failure to wear a seatbelt a primary offense. The bill also does not contain an appropriation that would repay \$15 million to the Statewide Airports Fund that was transferred to the general fund in 2003 and was supposed to be repaid by 2007.

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

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# CITIES BULLETIN

ONLINE EDITION

## Design-build contract authority included in transportation bill

Issue 19

Published: May 13, 2009

By *Anne Finn*

A bill that would allow up to nine local government transportation projects to be built under design-build contracts is included as a provision in the omnibus transportation finance bill, [HF 1309](#) (Rep. [Bernard Lieder](#), DFL-Crookston)/[SF 1276](#) (Sen. [Steve Murphy](#), DFL-Red Wing), which was signed into law on May 5. The measure represents a collaborative effort by the League of Minnesota Cities (LMC), the City Engineers Association of Minnesota, the Association of Minnesota Counties (AMC), the County Engineers Association, the Associated General Contractors, and the Minnesota Department of Transportation (MnDOT).

Initially introduced as [HF 1547](#) (Rep. [Melissa Hortman](#), DFL-Brooklyn Park) and [SF 1300](#) (Sen. [Ann Lynch](#), DFL-Rochester), the measure directs MnDOT to conduct a design-build contracting pilot program. The department would authorize and evaluate use of the design-build method of contracting by local units of government in constructing, improving, and maintaining streets and highways on the state-aid system. The legislation authorizes up to nine design-build projects to be let in a three-year period.

The bill establishes a design-build project selection council made up of local government officials and construction industry representatives. The bill also provides requirements for design-builder licensing and information sessions for municipal engineers. Under the measure, the local unit of government would be required to appoint a technical review committee to oversee the project. At the end of the three-year period, MnDOT would be required to submit a report to the Legislature.

The legislation is an outgrowth of a desire by local units of government to deliver construction projects faster and more efficiently. Local officials and some legislators have questioned whether the use of design-build contracting might be appropriate under limited circumstances. The League, along with AMC, has been working with legislators and construction contractors to craft this legislation.

*Minnesota Statutes*, section [161.3410](#), the section of law that authorizes MnDOT to use design-build contracting for a limited number of projects, provides the following definition of design-build:

“‘Design-build contract’ means a single contract between the Department of Transportation and a design-build company or firm to furnish the architectural or engineering and related design services as well as the labor, material, supplies, equipment, and construction services for the transportation project.”

Traditional contracting (known as “competitive bidding”) involves a competitive sealed bid procedure for contracts or purchases over \$50,000. The intent of these statutory requirements is to ensure taxpayers receive the lowest price and best value for their tax dollars. It also allows contractors a level playing field on which to compete for contracts. Third, it limits the discretion of contract-making officials and reduces the possibility of fraud or favoritism.

While a design-build contract does not exempt the contract from some competitive-bidding requirements, it differs in that the construction and design costs are established early and the responsibility for the entire project is with one firm. As a result, the architect and the contractor work together on the project. This type of procedure may also be faster because the construction can begin while the final design is still being

finished.

The weaknesses of the design-build contract are that the project may not be completely planned in advance, and the owner may have less access to and control over the architect. Additionally, there is often little opportunity for outside checks and balances by other professionals because the responsibility for the project rests with one organization.

Representatives of the construction industry have cautioned that both contractors and local officials will need training in order to use the design-build method appropriately. There are a limited number of contractors in the state that have design-build experience. Those that do not have the experience worry about being at a competitive disadvantage. Local officials will have to get a better understanding not only of how to implement a design-build contract, but also of when design-build is the appropriate tool.

The new law went into effect on May 6, and expires on Oct. 1, 2012, or upon completion of nine design-build projects under the pilot program, whichever occurs first.

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

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# CITIES BULLETIN

ONLINE EDITION

## Election reform legislation making progress in House and Senate

Issue 19

Published: May 13, 2009

By Ann Higgins

The Senate last Friday passed SF 1331 (Sen. Katie Sieben, DFL-Newport), the original absentee ballot reform bill, which had been amended earlier to include provisions from 15 other individual election bills that had been pending on the Senate floor. Those election bills of most immediate interest to cities are:

- SF 970 (Sieben): Early voting;
- SF 991 (Sieben): Election administration;
- SF 658 (Sieben): Polling place challengers;
- SF 662 (Sen. Jim Carlson, DFL-Eagan): Recount procedures;
- SF 661 (Sen. Sandra Pappas, DFL-St. Paul): Online voter registration;
- SF 804 (Sen. Chris Gerlach, R-Apple Valley): Elections housekeeping (technical);
- SF 260 (Sen. Terri Bonoff, DFL-Minnetonka): Early state primary;
- SF 663 (Sen. Sharon Erickson Ropes, DFL-Winona): Overseas and military ballots.

Debate on the Senate floor focused largely on the proposal in SF 260 to move the state primary from September of even-numbered years to the second Tuesday in June. Members of the Minority Caucus argued that there was no indication that voters favored that change and that it would create additional campaign spending along with extended campaigning and political advertising. But Senate leadership and Majority Caucus members beat back those challenges to pass the omnibus elections legislation without significant changes.

An amendment added on the Senate floor of immediate interest allows cities that hold even-year elections to decide *not* to hold local primaries so that candidates for city elective office can file closer to (84 to 79 days before) the date of the city general election in November. Without such provisions, candidates in cities with even-year elections would be required to file for election 84 to 70 days before the proposed new June date for the state primary.

House leadership, including Rep. Gene Pelowski (DFL-Winona), Chair of the House State and Local Government Operations, Reform, Technology and Elections Committee, has decided to use HF 1351 (Rep. Ryan Winkler, DFL-Golden Valley), the companion to SF 1331, as the vehicle for an omnibus election reform bill that will be offered on the House floor. The House bill will contain provisions on early voting (HF 1053, Rep. Steve Simon, DFL-St. Louis Park); election administration (HF 1011, Rep. Bill Hilty, DFL-Finlayson); and online voter registration (HF 817, Rep. Phyllis Kahn, DFL-Minneapolis).

Plans also call for legislation that reforms the voter registration process, termed the 21<sup>st</sup> Century Voter Registration Act (HF 1053, Simon/SF 660, Sen. John Marty, DFL-Roseville), to be heard on the floor as stand-alone legislation in both the House and Senate.

For more information, contact **Ann Higgins**, LMC, at [ahiggins@lmc.org](mailto:ahiggins@lmc.org) or (651) 281-1257.



## LMC 2009 Annual Conference and Marketplace

### *Cities at the Crossroads: Surviving the Present, Thriving in the Future*

June 24-26—St. Paul RiverCentre, St. Paul, MN

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Your LMC Resource

**Contact Amy Mansager**  
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## Minnesota Mayors Association Annual Conference

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- Get valuable skills on leading when times are tough
- Participate in a dialogue with St. Paul Mayor Chris Coleman
- Learn how to keep your council, staff, and citizens focused on achievement
- Share challenges and successes with others who have been in your shoes

### Fees:

First-time attendee - \$85

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Non-member - \$145

Spouse/guest - \$70

Optional Chanhassen Dinner Theatre ticket - \$50

*(Lodging is not included in the conference fee)*

—Register (online registration ended May 13)

—**Hotel information and rates**

—**Conference agenda**

—**Spouse/Guest program**

Your LMC Resource

### Contact Rebecca Erickson

Conference Assistant

(651) 281-1222 or (800) 925-1122

[rerickso@lmc.org](mailto:rerickso@lmc.org)

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## Fast-paced tax bill to floors today

With 10 days before the constitutional date for adjournment, the normally methodical and deliberative pace of the omnibus tax conference committee was interrupted on Thursday by a flurry of activity and controversy on another tax bill, HF 885, the Department of Revenue's technical tax bill, authored by Rep. Ann Lenczewski (DFL-Bloomington).

The activity began on Thursday afternoon when the full House approved and sent HF 885 to the Senate. Although the Department's technical tax bill as transmitted to the Senate was not controversial, the timing of the action alone raised eyebrows and complaints from House and Senate Republicans. Tax bills must originate in the House, and in order to maintain control of tax legislation the House generally does not send miscellaneous tax bills to the Senate because they can become vehicles for any germane tax amendment, especially late in the legislative session.

The rapid processing of HF 885 was an alternative strategy jointly supported by the House and Senate majority leadership apparently designed to reframe the discussions on the state budget and the deficit. Over the past several weeks, the House and Senate have forwarded comprehensive budgets that rely, in part, on tax increases that the governor has repeatedly warned will draw his veto. But despite these warnings, the budget and tax conference committees have continued their negotiations, predicated on some additional, new state revenues.

In response to the veto warnings, House and Senate DFL leadership have countered that the governor's budget also includes revenue

increases in the form of appropriation bonds that would be issued to generate more than \$900 million in immediate revenue for the state. The appropriation bonds would be supported by future revenues from the state's settlement with the tobacco industry, which they argue will borrow future state revenues to balance the immediate state deficit.

Around 11:30 p.m. Thursday, the conference committee on HF 885 convened to process the bill. With only about 90 minutes of discussion and debate, the bill was approved on a 9-1 vote, with the lone dissenting vote cast by freshman Rep. Keith Downey (R-Edina). The House conferees were Reps. Ann Lenczewski (DFL-Bloomington), Paul Marquart (DFL-Dilworth), Mindy Greiling (DFL-Roseville), Erin Murphy (DFL-St. Paul) and Keith Downey (R-Edina). The Senate conferees were Sens. Tom Bakk (DFL-Cook), Rod Skoe (DFL-Clearbrook), Mee Moua (DFL-St. Paul), Scott Dibble (DFL-Minneapolis) and Ann Rest (DFL-New Hope).

Although the amended version of HF 885 also includes tax increases that will likely result in a veto by the governor, the proposal was scaled to raise an amount equivalent to the appropriations bonds in the governor's budget. The bill would create a new fourth-tier income tax rate of nine percent that would apply to joint filers earning more than \$250,000 per year, individual filers with incomes in excess of \$141,250 and heads of household earning more than \$212,500. The fourth-tier would raise an estimated \$516.3 million for the 2010-2011 biennium. In addition, the bill would increase a variety of taxes on wine, beer and spirits that would increase state revenues by an estimated \$240.9 million in 2010-2011.



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The plan also includes a provision from the Senate tax bill that would create a new surtax on certain interest income realized by financial institutions, including credit card companies. Under the proposal, interest income generated by rates in excess of 15 percent would be taxed at a 30 percent rate. This excess interest rate surtax would generate an estimated \$216.3 million over the next two years. Finally, the bill seeks to increase state revenues through compliance and enforcement which will generate estimated net new revenues of \$18.6 million over the upcoming biennium.

The new tax revenues in HF 885 would be broadly dedicated to education, nursing homes and hospitals. Under the bill for FY 2010-2011, a newly-created E-12 education account would receive \$585.8 million, the new nursing home and long-term care account would receive \$287.6 million and the new hospital account would receive \$114.1 million. The allocation of revenues from these new accounts is not specified in the bill.

The passage of HF 885 will not affect the broader conference committee on the first omnibus tax bill, HF 2323. That conference committee is scheduled to meet after session on Friday afternoon to continue deliberations.

*Questions? Contact Gary Carlson at 651.281.1255 or [gcarlson@lmc.org](mailto:gcarlson@lmc.org) or Jenn O'Rourke at 651.281.1261 or [jorourke@lmc.org](mailto:jorourke@lmc.org).*

## **Transportation finance bill becomes law**

Just one day after reaching Governor Tim Pawlenty's desk, the omnibus transportation finance bill, HF 1309 (Lieder, DFL-

Crookston)/SF 1276 (Murphy, DFL-Red Wing), was signed into law. The measure passed overwhelmingly out of the House and Senate on Monday.

The package provides funding for the state highway system as well as the county and municipal state aid systems. It also contains funds and provisions pertaining to transit, airports and passenger rail lines. The most controversial provision in the bill is a measure that borrows \$13 million from the Metropolitan Council's Livable Communities Grant Fund to fill a hole in Metro Transit's budget.

Following are some of the highlights from the conference committee report:

- Provides \$40 million in trunk highway bonds to be used for construction of trunk highway interchanges where the interchange promotes economic development and for local match for federal grants made available to the state;
- Requires road authorities to work with affected businesses during construction to mitigate the impact of construction;
- Allows the commissioner of the Department of Transportation (MnDOT) to provide grants to political subdivisions for replacement or rehabilitation of fracture-critical bridges;
- Requires the commissioner of MnDOT to be responsible for all aspects of planning, constructing and operating regional passenger rail lines in Minnesota, and requires the commissioner to provide a report to the Legislature by February 1, 2010;
- Accelerates the phase-in of the dedication of the motor vehicle sales tax (MVST) to address a \$7.5 million greater Minnesota transit deficit;



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- Requires the Metropolitan Council to establish a pilot program and policies to provide a 50 percent discount to certain charitable organizations for use by homeless individuals; and
- Authorizes a pilot program that would allow limited use of design-build contracting for local transportation projects (this is a League supported initiative)

The bill does not contain a controversial provision that would have made failure to wear a seatbelt a primary offense. The bill also does not contain an appropriation that would repay \$15 million to the Statewide Airports Fund that was transferred to the general fund in 2003 and which was to have been repaid by 2007.

*Questions? Contact Anne Finn at 651.281.1263 or [afinn@lmc.org](mailto:afinn@lmc.org).*

## **Conference committee on taxes keeps on keeping on**

The conference committee on HF 2323 continued their meeting this week with long discussions on the differences in their bills, and spending considerable time in the areas of business tax credits and local development provisions. With the gavel alternating between both tax chairs, Sen. Bakk (DFL-Cook) and Rep. Lenczewski (DFL-Bloomington), the committee will take it up again this Friday afternoon after the floor session. Most nights this week they have met past the midnight deadline established in their rules by voting to extend their meeting time to 1 a.m. Per normal conference committee activity, the easy work of adopting same and similar provisions is mostly finished and they continue to pick off the less controversial pieces, saving the items

that have a cost or are more controversial for later discussions.

While progress has been made on a number of smaller provisions, there are key areas such as the aids and credits article that have not been delved into. Other outstanding municipal issues awaiting decisions include: street improvement area authority, local government aid (LGA)/market value homestead credit (MVHC) cuts, housing replacement tax increment financing (TIF) districts, transit area TIF districts, compact development TIF districts, levy limits, certain local TIF districts or other requests, historic structure rehabilitation tax credits, tax on municipal bond interest, county local option sales taxes, the Legislative Commission on Mandate Relief, the Council on Local Results and Innovation, the library maintenance of effort (MOE), truth-in-taxation and other mandates, use deed changes and other provisions.

On the flip side, some of the municipal-related measures they have adopted thus far include: housing improvement area authorization extended until 2013, special service district authorization extended to 2013, the temporary suspension of new/increased MOE requirements, senior property tax deferral program, emergency debt certificates, disrupted access abatements for certain businesses, several local option sales tax changes, general TIF law changes to the 4-year knockdown rule and the five year rule in response to the current economic conditions, and much of the public finance article.

For more information on conference committee report so far, please contact Jennifer O'Rourke at 651.281.1261 or [jorourke@lmc.org](mailto:jorourke@lmc.org). League staff have attended all of the conference



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committee negotiations and will continue to do so until the work is completed.

*Questions? Contact Jennifer O'Rourke at 651.281.1261 or [jorourke@lmc.org](mailto:jorourke@lmc.org).*

## **Jobs bill scrutinized by tax committees**

On Wednesday, the Senate Taxes Committee and the House Taxes Committee each took up its body's respective state jobs stimulation bill, SF 2078 and HF 2364. This was the third hearing on the Senate bill, which has been amended at each committee stop. On the House side, the bill was heard for informational purposes in the Taxes Committee with no vote taken. Chair Lenczewski (DFL-Bloomington) made the point early on that she was only hearing it so that her committee could be more informed should the matter come up during any conference committee or end-of-session negotiations. During the testimony and presentation, she stated her opposition to a general TIF district 10-year extension that is in the bill. Generally, it would allow an authority to use increment from districts certified between July 31, 1979 and January 1, 2013 to pay for expenditures related to a stimulus project. Among other points, she talked about the state cost for tax increment financing districts because of the shifts in property taxes. Often, those asking for TIF extensions or other special law make the argument that tax increment decisions are a purely local decision with no effect on others.

One provision of concern to cities deals with the local permitting process and extending certain economic development permits with the thought being that developers needed the extra time because of funding freezing up. The

legislation would give these each another year to complete their work; and currently does not allow for any local approval. The League is exploring language to address that concern. According to some involved with the bill, some cities have already extended permits.

Another item of concern for many is the creation of a state loan guarantee program that has a cost of \$100 million. Legislators have raised concerns at almost every hearing stop about why the state would want to get involved when the private sector has chosen to not get involved. This piece, along with the general TIF extensions, are among most controversial portions of the bill.

All along, the chief author, Sen. Metzen (DFL-South St. Paul), has characterized it as a work in progress, and the 60-member jobs coalition has seemed open to making changes in the bill. According to some Capitol insiders, the plan is to probably add this provision into the discussions by the Tax Conference Committee where other job stimulation, business tax credits and economic development provisions are up for consideration.

*Questions? Contact Jennifer O'Rourke at 651.281.1261 or [jorourke@lmc.org](mailto:jorourke@lmc.org).*

## **Governor vetoes omnibus economic development and housing bill**

Yesterday, the governor vetoed a \$263 million omnibus economic development and housing bill. According to the veto letter, a majority of the bill was acceptable to the governor but he chose to veto the entire bill because the provisions he opposed were not subject to line item veto. The governor can line item veto



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appropriations, but the provisions he objected to did not contain appropriations.

SF 2081 sponsored by Sen. David Tomassoni (DFL- Chisholm) and Rep. Tom Rukavina (DFL- Virginia) contains funding and policy changes for the Department of Employment and Economic Development (DEED), Minnesota Housing Finance Agency (MHFA), Department of Labor and Industry (DLI) and various state boards and commissions.

The two provisions the governor cited as his reasons for vetoing the bill were, inclusion of a loan forgiveness for the St. Paul RiverCentre, and a repealer allowing non-registered practitioners of alternative medicine to be compensated through the workers' compensation system. In the letter, the governor commended the Legislature for its work to fund and advance key goals of economic development and job training. The governor also indicated that he believes an acceptable compromise could be worked out.

Although not stated in the veto letter, the League has heard there are other concerns that could also be addressed if and when the administration meets with the conference committee chairs. Two issues that would be of interest to Minnesota cities include a requirement for public employers to knowingly purchase or acquire apparel and public safety equipment required to be worn or used by employees not manufactured in the United States of America, and a repeal of city matching funds in the targeted communities program.

Rep. Rukavina, chair of the House Higher Education and Workforce Development Finance and Policy Division said it was his

intention to pass a new omnibus economic development and housing bill.

*Questions? Contact Hue Nguyen at 651.281.1260 or [hnguyen@lmc.org](mailto:hnguyen@lmc.org).*

## **Governor signs environment and energy budget bill**

On Thursday night, the governor signed Chapter 37, the budget for the Minnesota Pollution Control Agency (MPCA), the Department of Natural Resources (DNR), the Board of Water and Soil Resources (BWSR), the Office of Energy Security (OES), and several other agencies. The governor did, however, use his line item veto authority to remove \$15 million of funding for the MPCA to do assessment of water quality in Minnesota lakes and rivers. The Senate, though, funds that work in its proposal for how to use the new sales tax funds for clean water, which was the funding source supported by the League and the administration. ([Read veto message here](#))

A detailed list of what is included in the final budget bill was in the last issue of the Cities Bulletin.

*Questions? Contact Craig Johnson at 651.281-1259 or [cjohnson@lmc.org](mailto:cjohnson@lmc.org).*

## Main Identity

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**From:** "Strub, Brian" <BStrub@lmc.org>  
**To:** "General legislative" <legislative@listserv.lmc.org>  
**Sent:** Thursday, May 07, 2009 5:07 PM  
**Subject:** [legislative] LMC Legislative Update

### **Senate and House prep another tax bill**

On Thursday afternoon, the House approved and sent the Department of Revenue's technical tax bill, HF 885 (Lenczewski, DFL-Bloomington), to the Senate. Although the bill as transmitted to the Senate was not controversial, the timing of the action alone raised eyebrows. Tax bills must originate in the House and as a result, the House generally does not send random tax bills to the Senate because they can become vehicles for any germane tax amendment—especially late in the legislative session.

The processing of HF 885 appears to be part of a joint House and Senate plan to end the legislative session on time. The Senate received the bill from the House, gave the bill its first reading and immediately sent it to the Senate Rules Committee where the bill was amended with the language contained in SF 681 (Bakk, DFL-Cook), the Senate companion to the Department of Revenue technical tax bill and additional language that adds unspecified biennial appropriations for education and human services.

After the necessary procedural motions to suspend rules that require bills to be laid over for 24 hours between first, second and third readings, two amendments were offered by members. Senator David Tomassoni (DFL-Chisholm) unsuccessfully attempted to add an amendment with language that would allow video lottery terminals which would have raise an estimated \$500 million in the first year and then \$800 million in the second year. Senator Geoff Michel (R-Edina) also unsuccessfully attempted to amend the bill with a requirement that per diem payments to legislators for a special session would be prohibited if the budget was not completed by the date prescribed for adjournment.

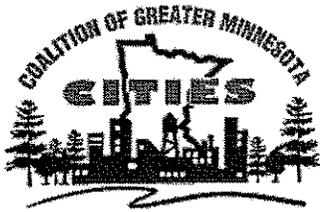
The bill was ultimately approved on a 43-23 vote and returned to the House and a conference committee will be appointed, perhaps yet today. We expect the bill to be amended in the conference committee to fill in the blank education and human service appropriations and we expect the bill to have yet-to-be-determined tax increases added to cover the education and human service appropriations.

The conference committee on the first omnibus tax bill, HF 2323 is scheduled to meet after session tonight. We will have more information on the status of both bills in tomorrow's FridayFax.

*Questions? Contact Gary Carlson at 651.281.1255, 800-925-1122, or [gcarlson@lmc.org](mailto:gcarlson@lmc.org).*

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Coalition of Greater Minnesota Cities

# CGMC in Brief

May 7, 2009

Contact: Tim Flaherty  
651-225-8840

## Tax conference committee & budget negotiations update

Although the tax conference committee has held several meetings over the past week, there has been no discussion yet on reductions to property tax aids and credits. With much work left to do, the committee is expected to finalize its report by Monday, instead of by Thursday night's original deadline.

In the meantime, budget negotiations continue between the House, Senate, and governor. The main sticking point in the negotiations is how much revenue to generate and by what means. The House and Senate prefer tax increases while the governor is in favor of using bonding. They also need to come together on the size of spending reductions and in which areas. The legislature has reached agreement on the environment, transportation and economic development bills and has sent them to the governor.

## LGA and cities have a busy and positive week in the press

As conference committees make their final decisions on high profile bills, CGMC's media efforts have stepped up for the final stretch of the regular session. Last Friday, the Star Tribune published a guest column from Winona Mayor Jerry Miller and Hibbing Mayor Rick Wolff. The column successfully makes the case for LGA funding and debunks the governor's spin that cities can handle his proposed cuts. A copy of this column is attached. Just days after this column ran in the paper, the Star Tribune published a similar column from property tax expert Jeff Van Wychen. This column is also attached.

As part of the Thank LGA campaign, CGMC President Wayne Wolden and St. Paul Mayor Chris Coleman also spoke with outstate and metro newspaper editorial boards this week in hopes that papers would take a pro-LGA position in these final weeks of the regular session. Already this week, the Star Tribune wrote an excellent editorial on the ineffectiveness of levy limits. We strongly encourage you to read this editorial (see attached).

And just last evening, the Thank LGA campaign coordinated a press conference in Richfield with homeowners who are struggling with rising property taxes. Joining homeowners were Richfield Mayor Debbie Goettel and property tax expert Jeff Van Wychen. Although Richfield is not a member of CGMC, their metro perspective helps broaden the reach of the LGA debate. This press conference was picked up on two metro nightly news broadcasts, and you can view the full press conference footage at [www.ThankLGA.org](http://www.ThankLGA.org).



## **Land use provisions opposed by greater Minnesota legislators**

Among the differences between the House and Senate tax bills that must be resolved in the tax conference committee are two land use reform provisions that were included in the Senate bill, but not in the House bill. These provisions include a compact development tax increment financing district and a five-year moratorium on township incorporations.

Rep. Paul Marquart (DLF-Dilworth) has expressed opposition to both provisions, while Rep. Lyle Koenen (DFL-Clara City) opposes the five-year township incorporation moratorium. Both legislators are on the tax conference committee, and primarily, their opposition stems from the high volume of calls received from township advocates from across the state—even though most of these townships will NOT be affected by the moratorium.

For this reason, CGMC sent an action alert to mayors and managers this week urging them to contact both House members with the following message:

- Unnecessary township incorporations will cost the state and taxpayers millions of dollars in duplication of services, unneeded infrastructure, and increased state aids.
- Township incorporations drain city resources and weaken the economic health of the entire region.

## **Large permit increases kept out of conference committee bill**

The environment finance conference committee met over the weekend and passed a bill that does not contain the significant permit fee increases for municipal wastewater treatment facilities originally contained in the House Environment Finance bill. The only troubling aspect is that the Conference Committee Report provides that the permit fee increases currently being considered by the MPCA in FY2010 would be retroactive to July 1, 2009. The increase in permit fees as a result of the rule making process has been expected. The bill also will increase the cost of training for employees of municipal wastewater treatment facilities, but the increase is not as steep as originally expected. If you have any questions regarding this bill, please contact Elizabeth Wefel at [ewefel@flaherty-hood.com](mailto:ewefel@flaherty-hood.com)



## Legislature passes transportation finance bill

Unlike in years past, the Legislature easily passed an omnibus transportation finance bill last week (H.F. 1309). The bill now awaits the governor's signature. □

Two measures of interest to greater Minnesota includes a sizable reduction to the State Road Construction Program and a temporary increase in MVST funding to Greater Minnesota Transit. Due to reduced MVST and license tab fee revenues, along with a negative fund balance in the trunk highway fund, the governor had recommended a \$155 million cut from the trunk highway fund—including a \$150 million cut from the State Road Construction Program. The conferees ultimately spread the \$155 cut across several MnDOT programs, cutting only \$120 million from road construction. □

To address transit deficits in the metro and greater Minnesota, the conference report temporarily adjusts the current MVST allocation—60% to highways and 40% to transit—to increase funding for transit in the metro and greater Minnesota, including:

- +1.25% of MVST for Greater Minnesota Transit in FY2010 (\$5 million cap)
- +0.25% of MVST for Greater Minnesota Transit in FY2011 (\$1.25 million cap)

The temporary shifts capture an additional \$18,667,000 for transit in total, with an estimated \$6 million additional dollars for Greater Minnesota Transit. In 2012, when MVST is fully phased-in, the split of revenue reverts back to the previously agreed 60% for highways and 40% for transit.



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## Jerry Miller and Rick Wolff: Cities simply suffer in Pawlenty's plan

The governor can spin it all he'd like, but under his proposal to cut aid, increases in property taxes or reductions in basic services are inevitable.

By **JERRY MILLER** and **RICK WOLFF**

Last update: May 1, 2009 - 9:34 AM

City officials have drawn Gov. Tim Pawlenty's ire by pointing out the consequences of his proposed cuts to city aid programs. For most Minnesotans, property taxes will go up, and essential services -- including public safety -- may be reduced. The governor thinks these claims are exaggerations. We wish he were right.

Because local government aid is a property-tax-relief program, funding reductions have resulted in widespread property-tax increases. Between 2002 and 2008, property taxes have spiked nearly 26 percent when adjusted for inflation. But even this increase cannot replace lost local government aid. Total city and town revenue, which includes property-tax payments and state aid,

has actually decreased 12.4 percent since 2002.

Reduced revenues have forced cities to cut long-thought untouchable services to deal with the dramatically rising cost of items such as employee health insurance, construction materials and fuel for their fleets of vehicles. In many cities, vacant public-safety positions have been left unfilled, and purchases of equipment such as fire engines and other critical rescue items have been delayed. Several small cities have gone so far as to eliminate their entire police force.

To deflect blame for property-tax increases and public-safety reductions, the governor has resorted to distractions like the ploy that cities are hoarding excessive reserve funds -- or "rainy day funds," as he calls them -- which could soften the blow of aid cuts. Reserve funds are in no way "rainy day" funds. Cities receive revenues only twice a year, but must pay the bills and make payroll on a continuous basis. Adequate cash-flow reserves allow a city to responsibly manage daily operations and avoid budgeting from crisis to crisis, unlike the state's budget practices.

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No matter how the governor spins his budget plan, cuts to local government aid translate into increases in property taxes increases and reductions in essential services, including public safety. Local government aid is a priority for cities, because we believe Minnesotans and businesses deserve safe, attractive, affordable communities, no matter what corner of the state they live in.

Jerry Miller is mayor of Winona, Minn.  
Rick Wolff is mayor of Hibbing, Minn.

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## Property taxes up? It starts in St. Paul

State government gets the key tax revenues, but lately the burden is the only thing it wants to share.

By JEFF VAN WYCHEN

Last update: May 5, 2009 - 9:52 AM

If you think your property taxes are rising rapidly, it's not your imagination.

Minneapolis homeowners have seen their property taxes increase by a whopping 54 percent since 2002 in inflation-adjusted dollars. St. Paul residents have seen a staggering 65 percent jump. And homeowners are being hit around the state. The average homeowner property tax in Minnesota has increased by 29 percent since 2002.

However, revenue for K-12 education, police and fire protection, roads, parks and recreation, and other public services and infrastructure has declined over the same period. Why are we paying more and getting less?

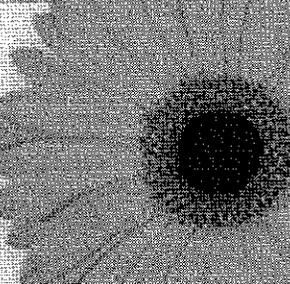
The No. 1 reason: state aid cuts.

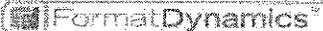
In Minnesota, all income tax revenue and 95 percent of sales tax revenue goes to state government. In exchange for its near monopoly on major taxes, the state is charged with sharing a significant portion of these dollars with local governments to help hold down local property taxes.

However, the state has responded to the ongoing budget crisis by cutting back on the income- and sales-tax dollars that it shares with counties, cities, towns and schools. Over the last six years, total state aid to all Minnesota local governments has fallen by \$2.4 billion in constant 2009 dollars. In response to this loss of funding, local governments have been forced to cut budgets and increase property taxes to address gaping budget holes.

State government has shifted a disproportionate share of its budget problems on to the backs of local governments and local property taxpayers through excessive state-aid cuts. Because of state-aid cuts, local government revenue has fallen much more rapidly than state government revenue.

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And homeowner property taxes have grown about two times more rapidly than all other types of property taxes after adjusting for inflation. On a statewide basis, the more rapid rate of growth in homeowner property taxes is also due to state tax policies that have shifted a larger share of the property tax on to homeowners over time.

Since Gov. Tim Pawlenty came to office, Minnesota has been in a recurring budget crisis. During the first five years of the Pawlenty administration, per capita state tax revenues fell by 5 percent after adjusting for inflation, with another 8 percent decline anticipated in the current fiscal year. While real per capita state spending has also fallen, the spending decline has not been nearly as great as the drop in revenue.

Minnesota is now confronted with yet another budget deficit even larger than that experienced in previous years. If the state continues to respond to its deficit problem through large cuts in aid to local government, we can expect the same results: higher property taxes and less funding for schools and other public services.

Rather than continuing to shift the state's budget problems to local governments and local property taxpayers through disproportionately large state-aid cuts, policymakers should consider a balanced approach that involves prudent reductions in state spending combined with increases in progressive state taxes, such as the state income tax. Unlike property taxes, income taxes do not fall disproportionately on low- and moderate-income families who have the least ability to pay.

Moreover, state policymakers need to come clean about the true cause of rising property taxes in Minnesota. Since 2002, the rapid growth in property taxes in general and homestead property taxes in particular is primarily the result of state policies, not local spending decisions. True reform to the property-tax and state-aid systems will not come about until policymakers acknowledge -- or citizens compel them to acknowledge -- the real causes of property-tax increases.

Jeff Van Wychen is a research fellow with Minnesota 2020, which describes itself as "a progressive, nonpartisan think tank" focused on "the issues that matter for

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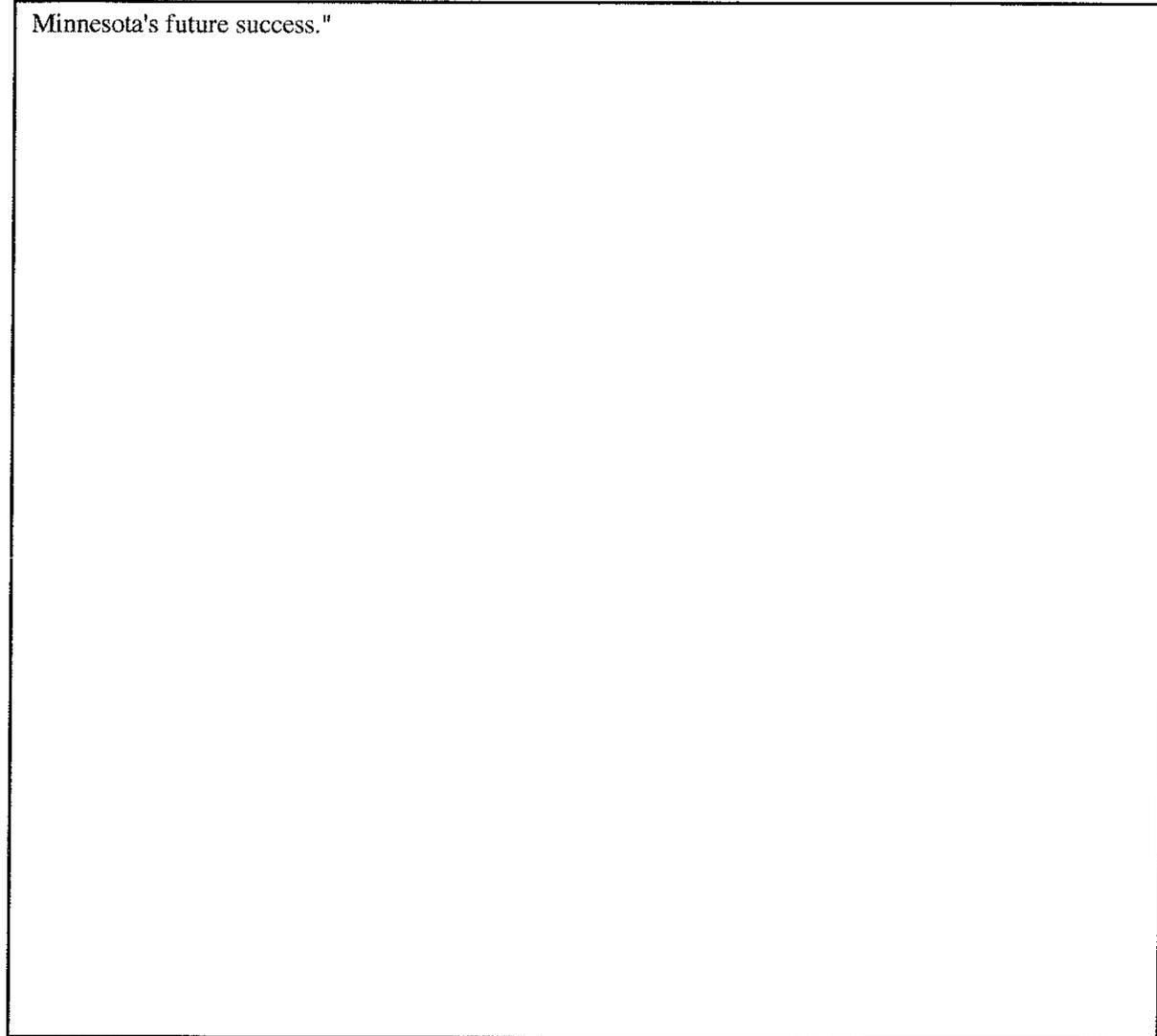
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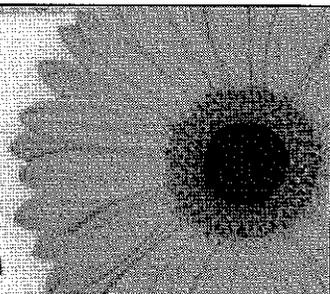
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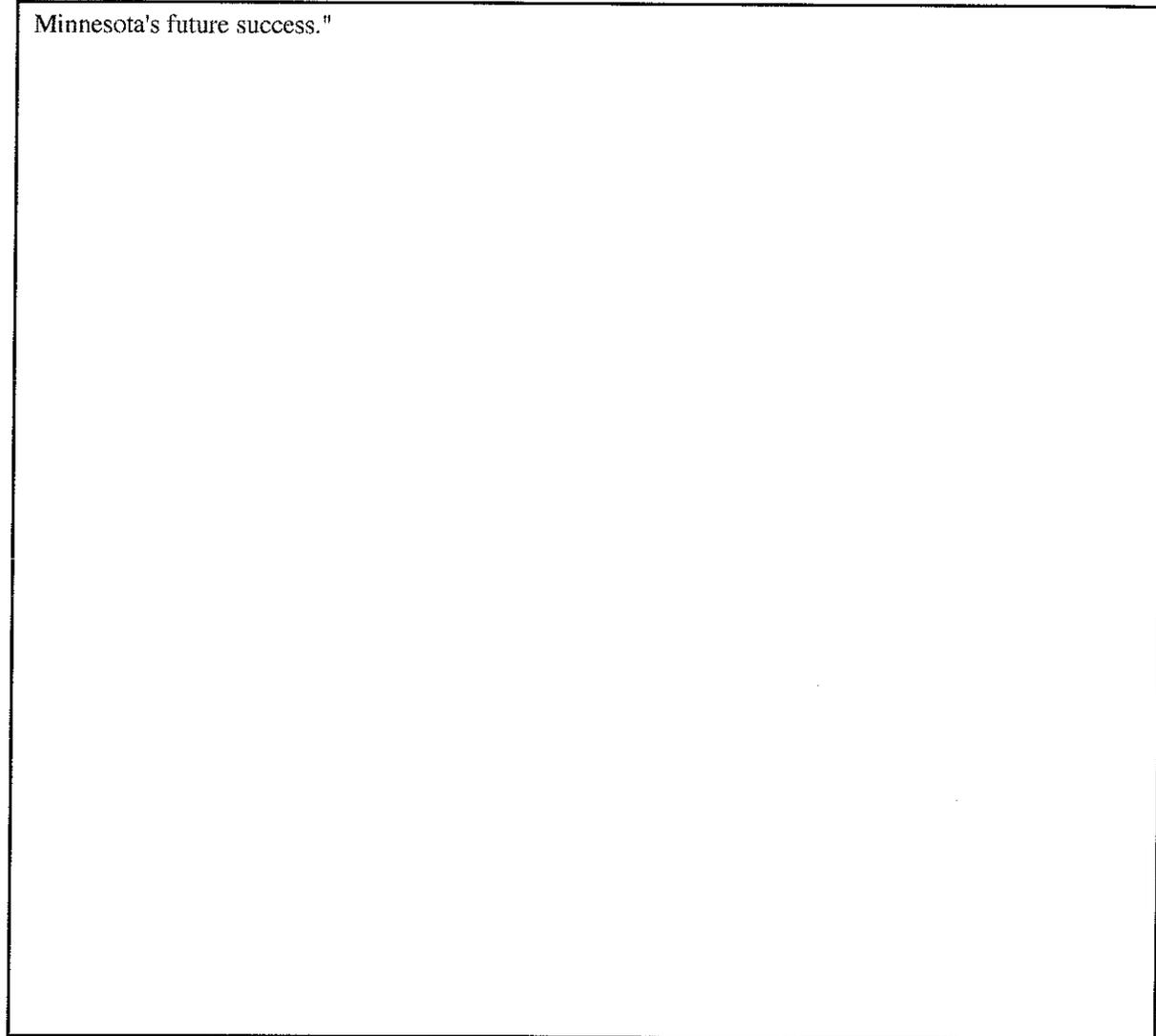
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## Editorial: Levy limits don't keep taxes in check

State shouldn't micromanage local government operations.

Last update: May 6, 2009 - 7:09 AM

Gov. Tim Pawlenty is asking the Legislature for deep cuts in state aid to cities and counties to help erase the state's \$4.6 billion deficit in 2010-11. History teaches that higher local property taxes are bound to follow.

Not to worry, the GOP governor says. In negotiations this week and next with the DFL-controlled Legislature, he'll insist on preserving the cap on levy increases that was enacted last year. On April 23, he told Capitol reporters, "The only way we're going to contain property taxes in the state of Minnesota is property tax caps. They are the most effective way to do it."

Pawlenty must think Minnesotans have short memories. A 3.9 percent levy limit was set last year for 2009. But the state's average 2009 property tax increase is 6.5 percent. That's the most recent illustration of what cities and counties

have been saying for years about state-imposed levy limits. Four decades of on-again, off-again attempts by the state to restrict the taxing power of local elected officials via a statewide cap have seldom produced their intended effect over time.

The shrewd move, local officials likely concluded, was to go for the full increase allowed by state law, and tell their constituents that the state's penchant for interfering with local government finances compelled that choice. That's how levy limits distort the normal lines of accountability between local governments and their taxpayers. There's more to the story of the 2009 levies. Property taxes set by the voters via referendum, such as school operating levies, aren't restricted by the state's limits. Neither are a host of "special levies." Those earmarked tax collections generally go for things that local governments are required by state or federal law to do. That includes debt service, natural disaster preparation and recovery, required jail operations and a good deal more.

In 2008, out of concern for public safety, a special levy for police and fire employee compensation was also allowed through 2011.

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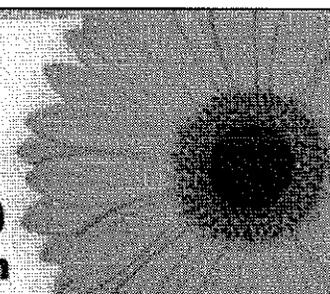
In other words, the cap that Pawlenty wants to preserve is full of holes. Plug them while also cutting aid, and some cities and counties will have real difficulty meeting some of the obligations that the state itself has imposed. City and county officials will lose more ability to govern their jurisdictions as they see fit. More of the local control that state politicians say they favor will be compromised.

but giving them control of their own checkbooks.

The House and Senate budget plans don't cut aid to local governments as deeply as Pawlenty proposes. Both remove city levy limits; the House tax bill retains them for one year for counties, while giving them the authority to raise up to a half-cent sales tax. The nonpartisan state and legislative staffers who project those bills' property tax impacts put the House's at \$115 million and the Senate's at \$168 million greater than current law through 2012 -- modest changes in a \$4 billion-plus property tax system. By comparison, Pawlenty's proposal -- deep aid cuts, plus preserving the existing levy limit law -- is projected to raise city and county levies \$534 million.

The numbers back what cities and counties have long said: The best way to rein in their levies isn't with artificial caps,

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