

Council Meeting
Tuesday, May 4, 2010
City Council Chambers
7:30 p.m.



AGENDA

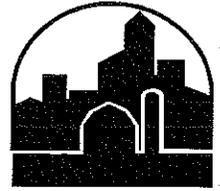
6:00 p.m. - Budget Workshop

Call to Order
Pledge of Allegiance

1. Approval of Minutes
 - Council Minutes – April 20, 2010
2. Consent Agenda
 - Correspondence
 - Good Samaritan Society – Donald Pabst Retirement Celebration
 - Minutes
 - Tree Commission – April 14, 2010
 - Community Center Commission – April 26, 2010
 - Utility Commission – April 28, 2010
3. Department Heads
4. Windom United Service Annual Drive Donation to Windom Fire Department
5. Southwest West Central Service Cooperative Joint Powers Agreement
6. Assistance to Fireman Grant Applications
 - County-Wide Communication Regional Grant
 - Vehicle – Pumper/Engine
7. Regular Bills
8. Unfinished Business
9. New Business
10. Council Concerns
11. Board of Review Reminder – May 10, 2010 – 4:30 p.m.
12. Adjourn



MEMORANDUM



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

TO: City Council
FROM: City Administrator *Jayen*
DATE: April 29, 2010
RE: Round 2 of 2010 Local Government Aid Cuts

As you know, the cuts to Windom's LGA that have been passed on to us are as follows:

- 2008 LGA \$110,110
 - 2009 LGA \$ 94,753
 - 2010 LGA \$218,631 (Round 1)
 - 2010 LGA \$102,370 (Round 2)
- \$525,864 Total Lost LGA**

Last year we budgeted for the 2010 Round 1 LGA cut of \$218,631. This 2010 second round of LGA cuts comes in the midst of the fiscal year where cities have counted on and spent these funds as part of their yearly budgets.

A couple of months ago I asked the Department Heads to restrict expenditures where possible in the 2010 budgets as anything we could save would lessen the hole we would be in at the end of the year. Due to the timing of this second round LGA cut there is no mechanism for re-examining the tax levy, so the budget will need to be reduced. The Department Heads and I have looked into the 2010 budgets and made a number of suggestions for expense reductions (please see attached spread sheet).

At this budget meeting there are two primary areas that need to be addressed. First, I am requesting the Council's consideration of the 2010 budget cuts as presented. Second, continue to work on long-term budget priorities, efficiencies or changes in the delivery of services, possible reduction of services and revenue solutions as the future of the LGA program is far from stable. The current projections of the State budget indicate a deficit of about \$5.8 billion for the next biennium – depending on the economy.

If you need any additional information please contact me at 831-6129 or snasby@windom-mn.com.

Attachment

Budget Item	General Fund 2010 Expense Reduction	Account Number	Notes
Operational Expenses			
Conference Registration - City Council	\$ 250	01-101-4711	3 year average is less than 2010 budget.
Hotel/Meals - City Council	\$ 350	01-101-4712	3 year average is less than 2010 budget.
Other Supplies and Services - City Hall Operations	\$ 1,000	01-103-4899	2009 actual expense is lower than budgeted amount.
Data Processing - P/Z	\$ 100	01-106-4826	No expenses last 3 years
Periodicals - P/Z	\$ 100	01-106-4844	No expenses last 3 years
Engineering - P/Z	\$ 300	01-106-4710	No expenses last 3 years
Mileage - P/Z	\$ 500	01-115-4413	2009 cost abnormally high due to problems. 3 year avg. is less than budget.
Heating & A/C Maintenance - City Hall Building	\$ 2,000	01-120-4012	New officer at lower pay grade
Overtime - Police	\$ 1,000	01-120-4661	New contract with lower cost.
Telephone - Police	\$ 1,500	01-120-4663	No new squad car in 2010 (radio install cost) Will need these funds budgeted in 2011.
Radio Maintenance - Police	\$ 500	01-120-4818	Expenses reduced
Printing & Publishing - Police	\$ 500	01-120-4861	Expenses reduced
Community Policing - Police	\$ 500	01-120-4899	Expenses reduced
Misc. Other Supplies - Police	\$ 2,500	01-125-4899	3 year average is less than 2010 budget.
Misc. Other Supplies - Fire Dept	\$ 2,421	01-140-4317	Accepted quote is under 2010 budget
Seal-coating - Streets	\$ 2,000	01-140-4012	Estimates for the balance of 2010 show this line item can be reduced.
Motor Fuel - Streets	\$ 1,500	01-140-4011	Don't need this year.
Part-time Staffing - Streets	\$ 6,800	01-165-4317	Deduction after accepted quote for crack repair on walking trails WRA
Seal Coat & Crack Fill Repair - Parks	\$ 200	14-177-4415	Staff will do fertilizing and weed control
Grounds Maintenance - Community Center	\$ 100	14-177-4711	No conferences or classes scheduled this year
Registrations - Community Center	\$ 50	14-177-4712	No conferences or classes scheduled this year
Hotel/Meals - Community Center	\$ 200	14-177-4818	No conferences last 3 years
Publishing and Printing - Community Center	\$ 1,000	64-184-4833	Quotes for wood chips were solicited and price is lower than 2009 pricing.
Hay/Straw - Arena	\$ 100	67-187-4660	Expenses reduced
Postage - EDA	\$ 200	67-187-4661	Expenses reduced
Telephone - EDA	\$ 300	67-187-4712	Expenses reduced
Hotel/Meals - EDA	\$ 300	67-187-4899	Expenses reduced
Other Supplies and Services - EDA	\$ 1,746	xx-xxx-4611	Actual cost below budget (City Hall, P/Z, Police, Fire, Street, Parks, Pool, Comm Ctr, Arena and EDA)
Workers Compensation Insurance (multiple non-enterprise funds)	\$		
Sub-total	\$ 28,117		

Budget Item	General Fund 2010 Expense Reduction
Capital Expenses	
Salt/Sand Shed - Street Department	\$16,000
Mower Replacement - Parks	\$11,500
Community Center - Equipment Reserve	\$1,500
Sub-total	\$29,000

City still using State & Coop site.
City purchase mower for Airport with State aviation funds? City pays 20% share of cost.
Cut equipment reserve contribution by 40%

Budget Item	General Fund 2010 Expense Reduction	Account Number	Notes
Possible Items for Discussion			
Transfer - Ambulance Fund at 3%	\$ 12,000	Revenue Estimate	3% of \$400,000 Gross Revenue (Elect = 3.3% and Liquor = 5%)
Transfer - Water Fund at 3%	\$ 27,000	Revenue Estimate	3% of \$900,000 Gross Revenue (Elect = 3.3% and Liquor = 5%)
Transfer - Sewer Fund at 3%	\$ 33,000	Revenue Estimate	3% of \$1,100,000 Gross Revenue (Elect = 3.3% and Liquor = 5%)
Transfer - Hospital Fund at 3%	\$ 360,000	Revenue Estimate	3% of \$12,000,000 Net Revenue (Elect = 3.3% and Liquor = 5%)
Payment In Lieu Of Tax for the Windom HRA	\$ 25,000	Revenue Estimate	10% of rental revenues as anticipated when HRA was started
Use of Re-captured 2008 LGA (loss to Reserve funds)	\$ 50,000	Revenue Estimate	Reduction of City General Fund Reserves
Storm water fee	\$ 55,000	Revenue Estimate	\$2/month for each residential & commercial property for future storm water improvements.
Street Light Utility Fee	\$ 35,316	Revenue Estimate	Covers electricity cost for Street lights = \$1.50 per 1,962 customers/month.
ROW and Street Excavation Permit Fees	\$ 5,000	Revenue Estimate	Permits to dig in City ROW or street excavation. \$50+ \$1/foot
Increased fee schedule for City services for all non-residents	\$	Revenue	Property tax supported services are currently the same price for residents and non-residents.
Franchise Fees (garbage & telecom services)	\$	Revenue	Cannot do natural gas as they already have a free franchise with the City.
Sub-total	\$ 692,316		

Council Meeting
Windom City Hall, Council Chamber
April 20, 2010
7:30 p.m.

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

2. Roll Call: Mayor: Kirby Kruse

Council Members: Jean Fast, Corey Maricle and Robert Messer

Council Members Absent: Bradley Powers and JoAnn Ray

City Staff Present: Steve Nasby, City Administrator; Bruce Caldwell, Street Superintendent; Mike Haugen, Water\Wastewater Superintendent; Dennis Johnson, Wenck and Associates and Terry Glidden, Telecom

Public Present: Ken Hoffman, Jered Heger, Wayne Wormstadt and Dirk Abraham

3. Pledge of Allegiance

4. Approval of Minutes:

Motion by Maricle second by Fast, to approve the City Council minutes from April 6, 2010. Motion carried 3 – 0.

5. Consent Agenda:

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

- Telecommunications Commission – March 31, 2010
- Economic Development Authority – April 12, 2010
- Park & Recreation Commission – April 12, 2010
- Library Board – April 13, 2010

Motion by Maricle second by Fast, to approve the consent agenda. Motion passed 3 – 0.

6. Department Heads:

Mike Haugen, Water\Wastewater Superintendent, said that the new Consumer Confidence Report has been received from the State and Windom's water system had passed all of the

thresholds including lead and copper. A copy of the report will be sent to all water customers in the May or June utility bills.

Haugen also noted that the Windom Wastewater system received an award from the State of Minnesota for its operations. Haugen thanked the water and wastewater staff for all of their efforts and dedication.

7. Windom Area Schools Telecom Donation Request – Jered Heger:

Jered Heger, Student and Wayne Wormstadt, Windom Area Schools Superintendent, introduced themselves and outlined the project to bring free wireless internet access into the High School for student access. Heger said that there is not enough access provided in the school for students and there is no access if students have their own devices such as lap tops, ipads or smart phones. The project has secured donations from Toro for hardware, the school for support and assistance and he is asking the City Council for a donation of an internet connection from Windomnet valued at \$67.95\month. He said that bandwidth maybe a future problem depending on use, but that can be addressed when or if it happens. Besides day to day student access the service would also be available for community events held at the school such as the Farm & Home Show. Heger showed a mock-up of a possible log on screen showing and thanking the project partners and this would help promote and advertise these entities.

Wormstadt said that the school is currently served by SW\WC Coop for their wireless and this connection through Windomnet is being sought as to maintain privacy and separation of access so there is not a risk to hackers getting into the school's systems. The school will be providing a filter for the proposed Windomnet access at the school.

Messer asked if the access would be in the school only. Heger said it depended on the placement of the wireless equipment and some access could spill over into the parking lot.

Kruse asked if this would be a secure access. Wormstadt said there would be a password, but anyone having the password could access the system. The students would be using their own hardware to access this system.

Fast asked if the Telecom Manager had agreed to this project. Nasby said that Heger had contacted Dan Olsen about the project. Heger confirmed that Olsen was aware of the request and indicated that Heger should go to the City Council.

Nasby clarified that the only request from Windomnet is to provide the internet connection. The fiber lines are already in place, internal cables are already done and all of the hardware and support are covered. Wormstadt said that is correct.

Motion by Messer, seconded by Fast, to approve the donation of a Windomnet internet connection valued at \$67.95\month for the Windom Area Schools for the balance of the 2009-10 school year and the 2010-11 school year. Motion carried 3 –0.

8. 4th Avenue Street Closure Request - Riverfest:

Bruce Caldwell, Street Superintendent, said that there is a new event for Riverfest that is a soap box derby. The proposal is to race the derby cars from Abby Park to Perkins Creek Bridge on N. 4th Avenue. This event would be on Friday, June 11 from approximately 5 – 9 pm. The Riverfest volunteers will be running the event.

Motion by Messer, seconded by Maricle, to approve the proposed street closure from 5 – 9 pm on June 11, 2010 for N. 4th Avenue. Motion carried 3 – 0.

9. LMCIT Annual Insurance Renewal – Ken Hoffman:

Ken Hoffman, Agent, provided an overview of the City's insurance coverage through the League of Minnesota Cities Insurance Trust (LMCIT). The policy included both property coverage and liability for the City along with some bonding and special liability coverage for liquor. The City received a \$23,758 dividend on its 2009 policy. The cost of the 2010 policy is approximately 1.1% higher due to some inflationary cost adjustments to the value of City property.

The City's workers compensation experience was good in 2009 and this will help keep costs down in future years.

Hoffman reviewed the statutory tort liability limits and excess liability coverage. He said City Council action will be needed on both these items.

Messer asked about what is covered under the excess liability policy that is not included in the general policy. Hoffman said that the coverage amount may not be enough for things such as federal civil rights suits, liability assumed under contract, liability for actions in another State or inverse condemnation. Hoffman said about half of the cities opt to decline this coverage. Messer said the policy adds about \$16,000 to the cost of the premium, but with the way things are going in society there may be a time when this coverage will be necessary.

Motion by Messer, seconded by Fast, to leave the statutory tort limit at \$500,000 per claimant and \$1,500,000 per occurrence. Motion carried 3 - 0.

Motion by Maricle, seconded by Fast, to decline the excess liability coverage for 2010. Motion carried 3 – 0.

10. Disposition of Equipment – Electric Utility:

Nasby said that the Electric Department had budgeted for a new bucket truck and this was approved by the Utility Commission. The new truck has been purchased from the State contract at a cost of \$62,380 and the aerial lift device is being mounted by Dueco, Inc. for about \$91,000. Part of the deal for this unit was to trade the existing bucket truck; however, if we can get more money for selling it outright staff is recommending advertising the unit

to see what price it would bring. If the bid price was over the trade-in value staff would like authorization to sell it to the high bidder. If the bid price is less than the trade-in value it would just go to the dealer as part of the transaction.

Motion by Fast, seconded by Maricle, to approve the disposition of the bucket truck from the Electric Utility and to authorize the sale of the unit to the highest bidder if the high bid is more than the trade-in value. Motion carried 3 – 0.

11. Regular Bills:

Motion by Messer, seconded by Fast, to approve the regular bills. Motion carried 3–0.

12. Unfinished Business:

None

13. New Business:

Kruse said he had two appointments for the Tree Committee. The two appointments to fill the remaining positions are Jason Vazquez and Deb Polzin.

Motion by Fast, seconded by Maricle, to approve the appointments of Jason Vazquez and Deb Polzin to the Tree Committee. Motion carried 3 – 0.

14. Council Concerns:

Maricle confirmed that the City Council budget workshop is scheduled for May 4, 2010 at 6:00 p.m.

Fast reminded residents that the Spring Clean-up Days are May 8 and 15.

15. Adjourn:

Kruse adjourned the meeting by unanimous consent

Meeting adjourned at 8:03 p.m.

Kirby Kruse, Mayor

Attest: _____
Steve Nasby, City Administrator



705 6th St
Windom, MN 56101-1814

Phone: 507-831-1788
Fax: 507-831-0844
www.good-sam.com

Sogge Memorial
Remick Ridge Estates
Mikkelsen Manor
Home Care

April 20, 2010

City of Windom and
Windom City Council
Mr. Steven Nasby, City Administrator
444 9th Street
Windom, MN 56101

Dear Mr. Nasby and City Council:

Good Samaritan Society-Windom opened in 1958. Just 6 years later, in 1964, Donald Pabst began working for our campus, where he has lived and worked since. He began working in maintenance, housekeeping, and grounds care and now works in our dietary department.

Being our longest term employee, Donny has a special place in the heart of our campus. Over the years, he has seen many changes and additions to our campus and has witnessed its growth from a nursing home into the development that it is today, which serves over 200 people and employs 185 staff members.

Although Donny started out life under humble circumstances, he is very proud today to live on his own and to serve others through his church, our campus, and the community of Windom. Donny is very proud to be a resident of the Windom and weekly, visits our downtown businesses just to say "hi" and maybe take them a doughnut. He is a friend and good neighbor to all. In 1994, Donny received the Mayor's Medal of Honor for services by those with a disability.

On May 21, 2010, after 46 years of service, Donny Pabst will retire from Good Samaritan Society-Windom. We will celebrate his retirement in style with an open house held from 2p-3p and a special visit from the president of The Evangelical Lutheran Good Samaritan Society, Mr. David Horazdovsky. Coincidentally, Mr. Horazdovsky served in his first administrator position at GSS-Windom in 1978-1982. It was then that Donny and Dave became friends and Dave was instrumental in establishing a job description and a wage grid for Donny.

You are invited to attend this special event in honor of Donny. Additionally, letters of congratulations can be sent prior to the event to me at the campus, which we will read during the open house program. If you should have any questions, please call me. Thank you for helping us to honor this special employee.

Sincerely,

Nancy E. Wepplo
Campus Administrator

In Christ's Love, Everyone Is Someone.

**CITY OF WINDOM TREE COMMISSION MEETING
MINUTES APRIL 14, 2010**

1. Call to Order: The meeting was called to order by Bruce Caldwell at 5:20 p.m. in the council chambers at city hall. This was the first meeting of the new commission.

2. Roll Call:

Commission Present:	Lindsey Cartwright, Joanne Kaiser & Eldon Moon
Commission Absent:	None
City Staff Present:	Bruce Caldwell City of Windom Tree Inspector
Council Liaisons:	Corey Maricle
Public:	Dave Bucklin (Mt. Lake Tree Commission, District Technician Cottonwood SWCD)

3. Bruce Caldwell

Caldwell opened the meeting and introductions were made. Members received materials showing the Cities current Tree Ordinance, Public Nuisance Ordinance (Chapter 13, Subd 9-11. stating tree information), Risk Management Information stating Maintenance of City Trees from the League of Minnesota Cities, preliminary By-Laws.

4. Election of Officers
 - a. Chair- Lindsey Cartwright
 - b. Secretary- Joanne Kaiser

5. Public Comment: Dave Bucklin

Mr. Bucklin stated that would be happy to work with the new Tree Commission. He currently is on the Mt. Lake Tree Commission and he works as the District Technician Cottonwood SWCD.

 - a. The Commission members received materials concerning our public urban forest in Windom. He also did a preliminary boulevard tree inventory on 4th ave. This survey showed the majority of the trees along that corridor were either Ash or Maple however there were other species as well.

Mr. Bucklin said he has talked to the Cottonwood County Environmental Officer and about our new Tree Commission and they have offered to match our current budget this year which is \$2000, this would be used for projects.
 - b. Below are some of the goals that he believes the Tree Commission should address in the next few months.
 1. Write an updated Tree Ordinance for City adoption in 2010
 2. Perform a City tree inventory
 - a. Identify tree species and populations
 - b. Identify open planting spots
 - c. Identify hazardous trees for removal
 3. Contact landowners with potential tree projects
 4. Order trees and contact tree removal contractors for hazardous trees
 5. Oversee tree removals and tree plantings
 6. Continue the program in the future

6. Chair Lindsey Cartwright:

He requested that the commission members take the materials home to review then at the next meeting they will have to make some decisions how to proceed. At the next meeting the commission will need to adopt new By-Laws and set some short and long term goals.
Caldwell was asked to get a few tree identification booklets so that the members could use them when they do the tree inventory.

7. New Members it was stated that other city residences have expressed interest in joining the commission. Caldwell said he would forward their names to the Mayor for review. Currently the commission has three members and it was stated that it would good to get a couple more members.
8. Open Mike None
9. Meeting Adjourned at 6.25 P.M.

Next Tree Commission Meeting May 5, 2010 5:15 p.m. Council Chambers

Community Center Commission Minutes
Monday April 26, 2010

1. Call to Order: The meeting was called to order by President Wayne Maras at 5:34 p.m.

2. Roll Call: President: Wayne Maras
CC Director: Brad Bussa
Commission Members: Dick Jeffrey
Kelly Woizeschke
Hilary Mathis
Commission Liaisons: Corey Maricle
Bruce Caldwell-Absent
Jo Ann Ray-Absent
EDA Director: Aaron Backman – absent

3. Approval of Minutes:

Motion by Dick Jeffrey, seconded by Kelly Woizeschke, to approve the March 22, 2010 Community Center Commission Minutes. Motion carried 4-0

4. Additions to the agenda:

- a. Election of Officers-President, Vice President, and Secretary. Discussion of keeping existing officers, **Motion by Kelly Woizeschke, seconded by Dick Jeffrey to reelect existing officers which are President Wayne Maras, Vice President Kelly Woizeschke. Motion carried 4-0. Motion by Dick Jeffrey to nominate Hilary Mathis for secretary, seconded by Kelly Woizeschke. Motion carried 4-0.**

5. Correspondence:

- a. Nothing to Report

6. President's Report:

- a. Catering /Liquor Review-WCC Director Brad Bussa has checked into liquor license and a discussion followed regarding advantages and disadvantages of WCC having a full liquor license. It was discussed in general of how other businesses do it and how the WCC could handle different situations and what options the WCC has. It was decided that the Commission needs to make a decision on what option to pursue by July, 2010. Commission tabled matter until further information is gathered.

7. Director's Report:

- a. Spring Flea Market/Garage Sale May 15, 2010-so far up to 11 vendors and 1 maybe. There are 25 spaces available and interesting vendors on the lineup. Hilary Mathis and Wayne Maras are available to help out.

- b. American Red Cross Disaster Shelter Agreement-WCC Director Bussa handed out Red Cross Agreement for Commission to review, discussion followed. It was noted that WCC would be used in time of disaster.
- c. Dance Policy Review-Discussion followed on policies regarding Dances. A decision was made to table discussion until WCC Director Bussa is further able to get more information.

8. Resource Management:

Schedule of Events: ZEDS Volleyball Tourneys coming up in May

Income & Expense: Numbers are down but peak season is ahead

9. Miscellaneous:

Nothing to report.

10. Open Forum: Nothing to Report

11. Next Meeting: Monday May 24, 2010 at 5:30pm

Adjourn:

Motion by Kelly Woizeschke, seconded by Dick Jeffrey, to adjourn the meeting at 6:36 pm. Motion carried 4-0.

Wayne Maras, WCC President

Attest: _____
Brad Bussa, WCC Director

Hilary Mathis, WCC Secretary

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

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

Members Present: Utility Commission Chairperson: Mike Schwalbach

Members Present: Chris Johnson, and Keith Bloomgren

Members Absent: None

City Council Liaison: Jean Fast

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

Others Present: None

APPROVE MINUTES

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

WATER WASTEWATER ITEMS

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

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

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

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

OTHER WATER/WASTEWATER ITEMS

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

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

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

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

ELECTRIC ITEMS

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

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

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

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

OTHER ELECTRICAL ITEMS

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

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

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

REGULAR BILLS

None

OLD BUSINESS

None

NEW BUSINESS

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

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

Mike Schwalbach, Commission Chairperson

Attest: _____
Steve Nasby, City Administrator

Windom Municipal Electric Utility Rates with Power Cost Adjustment base

Effective date: 11/6/2007

Residential

All Kwhs @ \$.0699 / Kwh
City Customer Charge \$3.52 / month
Out of City \$10.54 / month

General Service (Commercial)

First 2000 Kwhs @ \$.0807 / Kwh
Next 6000 Kwhs @ \$.0753 / Kwh
Excess Kwhs @ \$.0699 / Kwh
Customer Charge \$11.74 / month

Industrial **

First 30,000 Kwhs @ \$.0591 / Kwh
Excess Kwhs @ \$.0559 / Kwh
Demand Charge @ \$4.87 / Kw *

* For all non-residential customers with any annual
monthly demands in excess of 75 kilowatts (Kw).
MINIMUM: 50% of maximum demand charge of the
previous eleven months.

Municipal

All Kwhs @ \$.0655 / Kwh

Green Power Rate
per 100 Kwhs (1 block) \$3.50/Tag

Power Cost Adjustment base - \$0.0455

** At the option of the City, metering may be on the high voltage or
primary side of the transformer, in which case a discount of 2%
of the monthly Kwhs will be allowed.

WINDOM RIVERFEST - "FIRED UP IN 2010"

Saturday, June 5

City-wide Garage Sales
 Throughout Windom

Windom Area Hospital Foundation's Walking Taco Fund-Raiser
 BARC Auditorium

Women of Today's Riverfest Royalty Pageant
 BARC Auditorium

ECFE & ECI Family Concert by Entertainer Phil Baker
 Windom Area High School Gym

GCC Windom Ready Mix Soap Box Derby
 North 4th Ave. - near Hillside Greenhouse

Windom Ministerial Association's Concert featuring the Mike Kingery Family
 Evangelical Free Church Worship Center

See a Glow in the Dark Hot Air Balloon - sponsored by Windom Fire Department
 Near Windom Area High School

Fireworks
 Near Windom Area High School

8:00 AM

5:00 PM

7:00 PM

6:00 PM

9:00 PM

7:30 PM

9:00 PM

Approximately 10:15 PM

Saturday, June 12

Windom Area Hospital's Vickie Schendel Fun Run
 Start at Courthouse Square

Prudence Masonic Lodge Cribbage Tournament - Play begins at 8:30 a.m.
 Masonic Lodge

ZEDS' Sand Volleyball Tournament
 Cottonwood Lake

Concessions
 Downtown Windom

Craft Show
 Downtown Windom

James W. Remund Memorial Tennis Tournament
 Witt Park

Men's Slow Pitch Softball Tournament
 Windom Recreation Area

Soccer Tournament
 Windom Recreation Area

Cottonwood Co. Game & Fish League Fishing Tournament for Kids
 Cottonwood Lake

Sons Of Norway Smorgasbord
 Cottonwood Lake

Cannon Firing by Fulda Cannoneers
 Cottonwood County Historical Society

Windom Fire Department Games
 Downtown Windom

Alternative Learning Center (ALC) Art in the Park Exhibit & Activities
 Downtown Windom

Remote Controlled Model Airplane Float Fly
 Courthouse Square

Turtle Races
 Cottonwood Lake

Kiddie Parade - Dress up as your favorite hero
 Downtown Windom

Cookout
 Courthouse Square

Entertainment by the BARC Band
 Downtown Windom

7:45 AM to 10:00 AM

8:00 AM Registration

8:30 AM ALL DAY

9:00 AM ALL DAY

9:00 AM ALL DAY

9:00 AM Until finished

9:00 AM ALL DAY

10:00 AM Until finished

10:00 AM Until finished

11:00 AM to 2:00 PM

NOON

NOON to 4:00 PM

NOON To 4:00 PM

NOON to 5:00 PM

2:00 PM Until finished

4:00 PM Until finished

4:00 PM to 5:30 PM

4:30 PM to 5:15 PM

Grande Parade
 Parade Route

RIVERFEST IDOL TALENT CONTEST (Following Parade)
 Courthouse Square

Phat Pheasant Outdoor Entertainment
 Phat Pheasant Pub

6:00 PM

APP 8:00 PM

9:00 PM

Sunday, June 13

Kiwanis Pancake Breakfast
 The Eagles Club

Men's Slow Pitch Softball Tournament
 Windom Recreation Area

Karz 'n Trux Shine & Show Classic Vehicle & Antique Tractor Show & Swap Meet
 Tegels Park - Cottonwood Lake

Kids Tractor Pedal Pull
 Tegels Park

Remote Controlled Model Airplane Float Fly
 Cottonwood Lake

Sons of Norway Invite Everyone to Come and Enjoy a game of KUBBI!
 Tegels Park

Antique Tractor Parade
 Cottonwood Lake Area

9:00 AM to 1:00 PM

9:00 AM ALL DAY

9:00 AM to 3:00 PM

NOON to 2:00 PM

NOON to 5:00 PM

1:00 PM To 3:00 PM

3:00 PM

All events are subject to change. For more information please call the Windom Area Chamber of Commerce at 507-831-2752.

RESOLUTION #2010-

INTRODUCED:

SECONDED:

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

AUTHORIZATION TO ACCEPT A DONATION FROM WINDOM UNITED SERVICE FOR THE WINDOM FIRE DEPARTMENT

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

WHEREAS, Windom United Service supports communities and promotes local philanthropy in southwest Minnesota; and

WHEREAS, the City of Windom has received a donation from Windom United Service in the amount of \$40.00 for the Windom Fire Department.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF WINDOM, MINNESOTA, that the City Council accepts the donation in the amount of \$40.00 offered by Windom United Service to be used by the Windom Fire Department.

Adopted by the Council this 4th day of May, 2010.

Kirby G. Kruse, Mayor

Attest: _____
Steven Nasby, City Administrator

WINDOM UNITED DRIVE
P.O. BOX 222
WINDOM, MN 56101

March 13, 2010

Dear Charitable Organization,

In our 2009 Windom United Drive, your organization received some write-in donations. Please find enclosed a check which represents your organizations portion of the funds received in our drive.

We appreciate being able to work with you and wish you a great deal of success.

Sincerely,



Judy Markl 831-1647
Monica Muller
Windom United Drive
Project Chairs

FYI

The donation
amount
noted in

Enclosure



Division of Risk Management
1420 East College Drive
Marshall, MN 56258
Phone 507-537-2247
Fax 507/537-7327

CLIFF CARMODY
EXECUTIVE DIRECTOR
WEBSITE: www.swsc.org
Offices in Marshall, Pipestone,
Willmar, Windom and Montevideo

April 21, 2010

Brigitte Olson
City Of Windom
444 9th Street
Windom, MN 56101

Dear Group Leader,

The Minnesota Service Cooperatives recently conducted a full review of the current Joint Powers Agreement for Group Employee Benefits and other Financial and Risk Management Services. Revisions of the current document were presented and approved by the CCOGA Executive Committee on March 11th, the School Insurance Pool Advisory Committee on March 23rd, and the SW/WC Service Cooperative Board of Directors on March 24, 2010.

Enclosed is a copy of the new joint powers agreement. We ask that you please sign both copies of the signature page and return to me. Once received, we will obtain signatures from our Board of Directors and return an original copy back to you for your files. Also enclosed is a mark-up copy of the previous agreement which outlines changes that were made.

At this time, we would also like you to complete the enclosed Insurance Pool Group Contact Information Form, so we have the most current and updated information in our records. Please note the Primary Group Contact is considered the "group leader". Please complete this form and return to Bobbie Carmody via fax at 507/537-7327, email at bobbie.carmody@swsc.org, or mail to: SW/WC Service Cooperative, 1420 East College Drive, Marshall, MN 56258.

Thank you for your assistance and please contact me with any questions, concerns, or comments.

Sincerely,

Doug Deragisch, Director of Risk Management
SW/WC Service Cooperative

Enclosure

**JOINT POWERS AGREEMENT
FOR GROUP EMPLOYEE BENEFITS AND OTHER FINANCIAL AND RISK
MANAGEMENT SERVICES**

This Joint Powers Agreement, hereinafter referred to as "Agreement," is made between Participant Member _____ and other Participant Members as are now or may hereafter become parties to this Agreement, and the _____ hereinafter called the "SC."

RECITALS

~~Whereas, Minn. Stat. 471.59, Subds. 1 and 1010,~~ Whereas, Minn. Stat. 471.59, Subds. 1 and 1010, authorizes two or more governmental units to exercise jointly or cooperatively powers which they possess in common, and

~~Whereas, Minn. Stat. 123A.21,~~ Whereas, Minn. Stat. 123A.21, establishes service cooperatives, the purpose of which, among other things, is to assist participating governmental units in meeting certain specific needs which can most advantageously be met on a regional basis, and

~~Whereas, the Participant Members wish to authorize the SC Board of Directors to act as a joint board for the purpose of exercising certain powers as set forth in this Agreement, and~~

~~Whereas, the Participant Members acknowledge that the Board of Directors of the SC is representative of the parties to this Agreement;~~

NOW THEREFORE, the parties hereto agree as follows:

SECTION 1

PURPOSE, INTENT AND OBJECTIVE

1.1 **Purpose.** Under the provisions of Minnesota law, governmental units may enter into contracts ~~for the purposes of providing to provide~~ Group Employee Benefits for their employees and to obtain Other Financial and Risk Management Services deemed necessary or beneficial for their operation. Under the provisions of Minn. Stat. 471.59, two or more governmental units (including, but not limited to, school districts, counties, towns, other governmental agencies and service cooperatives) may agree to exercise jointly or cooperatively powers which they possess in common. The purpose of this Agreement is to authorize the Board to exercise the common powers of the participating governmental units in connection with certain matters pertaining to the administration and funding of Group Employee Benefits and the provisions of Other Financial and Risk Management Services, all as described herein. It is not the purpose of this Agreement to transfer to the Board the authority to execute contracts on behalf of Participants, or to in any manner become involved in any collective bargaining process.

1.2 **Compliance with Applicable Laws.** It is the parties' intent to comply with the applicable statutory requirements pertaining to requests for proposals for group insurance, self-insurance, COBRA and its Minnesota extensions, service cooperatives, and all other applicable federal and state statutes. Pursuant to the laws governing service cooperatives, it is also intended that nonprofit, non-governmental units be allowed to participate as Associate Members in the Group Employee Benefits and Other Financial and Risk Management Services made

available pursuant to this Agreement, although it is not intended that such nonprofit, non-governmental units exercise any of the powers or authorities exclusively delegated to governmental units described in Minn. Stat. 471.59 Subd. 1.

SECTION 2

DEFINITIONS

2.1 ~~2.1~~—**Advisory Committee(s)** means committees appointed by the Board in accordance with Section 4.8 of this Agreement which are representative of the Participants as deemed appropriate by the Board for the purpose of recommending policies, procedures and actions to the Board.

2.2 ~~2.2~~—**Agreement** means this Joint Powers Agreement as the same may be amended from time to time. This document, and all other documents in the same form executed (or deemed executed as provided in Section 9 of this Agreement) by SC and other Participant Members, all as amended from time to time, shall together constitute a single Agreement.

2.3 ~~2.3~~—**Associate Member** means any nonprofit or non-governmental entity which participates in any of the Group Employee Benefits or Other Financial and Risk Management Services made available to Associate Members by the Board, and agrees in writing to be bound by the terms of this Agreement other than those terms explicitly applicable only to Participant Members (or is deemed to have so agreed as provided in Section 9 of this Agreement).

2.4 ~~2.4~~—**Board or Joint Powers Governing Board** means the SC Board of Directors acting as the joint board authorized to exercise certain powers of the Participant Members, as permitted by Minn. Stat. 471.59, Subd. ~~22~~, and as set forth in this Agreement.

2.5 **Carrier Contract** means an agreement by and between the Board and a Provider which establishes terms for the benefits, administration or funding of Group Employee Benefits or Other Financial and Risk Management Services.

2.6 ~~2.5~~—**CBA** means collective bargaining agreement.

2.7 ~~2.6~~—**CBA Employee Benefits** means employee welfare and retirement benefits made available by the Board from time to time for adoption by a Participant pursuant to the terms of a CBA, and may include, but shall not be limited to health benefits coverage, wellness and employee assistance programs, life insurance, disability income protection, dental insurance, flexible spending programs, retirement programs and long term care insurance. In no event shall any Discretionary Employee Benefits be considered CBA Employee Benefits unless and until they become part of a collective bargaining agreement between a union and a Participant.

2.8 ~~2.7~~—**Discretionary Employee Benefits** means employee welfare and retirement benefits made available by the Board from time to time for adoption by a Participant, exclusive of any CBA Employee Benefits, and may include, but shall not be limited to health benefits coverage, wellness and employee assistance programs, life insurance, disability income protection, dental insurance, flexible spending programs, retirement programs and long term care insurance. Discretionary Employee Benefits may be terminated or reduced by the Board at

any time. In the event any Discretionary Employee Benefit is terminated by the Board but continued by one or more Participants, the provision of such Discretionary Employee Benefit shall become the sole responsibility of such Participants.

2.9 ~~2.8~~—**Group Contract** shall mean an agreement for the rendering of services by and between a Participant and a Provider of such services. In connection with the self-insurance of employee health benefits, such an agreement may also mean a Participant's agreement to participate in a program of self-insurance.

2.10 ~~2.9~~—**Group Employee Benefits** shall mean CBA Employee Benefits and Discretionary Employee Benefits.

2.11 ~~2.10~~—**Other Financial and Risk Management Services** may include, but shall not be limited to, technical advice regarding borrowing programs, contracted legal services, property/casualty safety group protection, personal property and casualty protection, student accident, coverage, and other services as made available by Group Contract for Participants from time to time by the Board.

2.12

2.13 ~~2.11~~—**Operating Agreement** means an agreement by and between the Board and a Provider which establishes terms for the benefits, administration or funding of Group Employee Benefits or Other Financial and Risk Management Services.

2.14 ~~2.12~~—**Participant** means both Participant Members and Associate Members. It does not refer to individual employees obtaining insurance or other benefit coverage pursuant to a plan offered by a Participant which is funded or administered in whole or in part pursuant to this Agreement.

2.15 ~~2.13~~—**Participant Member** means any governmental unit as defined in Minn. Stat. 471.59 which is accepted for participation in this Agreement by the Board, certifies that its employee benefit plans qualify as "governmental plans" that are exempt from application of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and agrees in writing to be bound by the terms of this Agreement (or is deemed to have so agreed as provided in Section 9 of this Agreement).

2.16 ~~2.14~~—**Pool** means the collective group of Participants in a given program of Group Employee Benefits or Other Financial and Risk Management Services, as the context shall require. Absent an agreement expressly to the contrary, a separate Pool shall exist for each such program and a separate Group Contract shall exist between the Provider and each Participant for the rendering of services or benefits for which such Pool is formed.

2.15 ~~2.15~~—**Program Funds** means any monies, reserves, excesses or other amounts, whether acquired through contributions, payments, discounts, dividends, refunds, credits, reserves, savings, interest or otherwise, that are held and administered in accordance with Section 6 of this Agreement.

2.16 ~~2.16~~—**Provider** means the person, insurance carrier, third party administrator, or other entity which is selected by the Board, in its discretion, to provide Participants with Group Employee Benefits or Other Financial and Risk Management Services or, as in the case of self-insured health benefits, to provide administrative or other services in connection with such Benefits or Services.

2.17 **SC** means the Service Cooperative, a governmental
~~2.17 SC means the _____ Service Cooperative, a governmental~~
agency and public corporation, whose existence is authorized by Minn. Stat. 123A.21.

SECTION 3

JOINT POWERS GOVERNING BOARD

3.1 3.1—**Board Membership.** The SC Board of Directors, when exercising the joint powers authorized by this Agreement, will also serve as the Board referred to in this Agreement. The Board will be elected pursuant to the Bylaws of the SC. As appropriate, the Board may designate one or more representatives to act on its behalf.

3.2 3.2—**Upon Dissolution of SC.** In the event that the SC is dissolved, the Board shall continue to exist and its members shall be elected solely from the governing bodies of the Participant Members to this Agreement in a manner consistent with the provisions of the Joint Powers Act, Minn. Stat. 471.59, Subd.2. Any administrative services provided by the SC prior to its dissolution shall be provided thereafter as determined by the Board in its discretion.

3.3 3.3—**Acknowledgment by Associate Members.** Associate Members acknowledge that Minn. Stat. 471.59 does not authorize their participation in a Joint Powers Agreement, even though Minn. Stat. 123A.21, Subd.33, authorizes nonprofit, non-governmental organizations to participate in Group Employee Benefits, Other Financial and Risk Management Services, and other programs made available from time to time by service cooperatives. By participating in any such program made available by the SC, such non-governmental Associate Members agree to be bound by the terms of this Agreement (other than those terms explicitly applicable only to Participant Members) and that the Board is representative of their interests.

SECTION 4

RIGHTS AND RESPONSIBILITIES OF THE BOARD

4.1 **Authorized Powers.** Pursuant to Minn. Stat. 471.59, Subd. 2, in addition to any other powers specifically delegated to the Board by this Agreement, the Board is hereby authorized to:

(a) establish, procure and administer Group Employee Benefits and Other Financial and Risk Management Services;

(b) define and clarify requests for proposals, rights and responsibilities, length of contract, premium or contribution rates and other costs, termination guidelines, the relative liability of the parties, and the method(s) by which parties to this Agreement shall exercise their common powers; and

(c) receive, collect, hold, invest, expend and disburse Program Funds in connection with the exercise of its powers under this Agreement.

4.2 **Group Employee Benefits.**

4.2.1 4.2.1—**CBA Employee Benefits.** The Board may from time to time make

employee welfare and retirement benefits available for adoption by Participants pursuant to a CBA. The Board may arrange alternative financing arrangements respecting such benefits, and may administer or arrange for the administration of such benefits. Any employee or collective bargaining representative notification of alternative financing arrangements shall be the responsibility of the Participant. The Group Contract for the provision of such benefits shall be between the Participant and the Provider. Pursuant to Minn. Stat. 471.6161, Subd.5, the Board has no authority nor authorization to change a policy or benefit respecting a Participant's CBA Employee Benefits in a manner that would reduce the aggregate value of such benefits.

4.2.2 Discretionary Employee Benefits. The Board may from time to time make available for adoption by Participants Discretionary Employee Benefits. The Board may arrange alternative financing arrangements respecting such benefits, and may administer or arrange for the administration of such benefits. The Group Contract for the provision of such benefits shall be between the Participant and the Provider. Notwithstanding that a Group Contract for Discretionary Employee Benefits be between a Participant and a Provider, the Board, upon reasonable notice to Participants, may prospectively amend, reduce or terminate any such Discretionary Employee Benefits in its sole and absolute discretion.

4.2.3 Reserves. The Board shall from time to time determine the minimum amount of funds needed for purposes of risk management and rate stabilization. Any such funds shall be held and used in accordance with, and subject to the limitations set forth in, Section 6.

4.2.4 Self-Insurance of Health Benefits. In accordance with Minn. Stat. 471.617, Group Employee Benefits that are employee health benefits may be self-insured. A self-insurance Pool made available by the Board shall be a pool established and operated by the Board, or by the Board and one or more other joint powers governing boards governed by Minn. Stat. 471.59 or service cooperatives governed by Minn. Stat. 123A.21.

4.3 Other Financial and Risk Management Services. The Board may make available Other Financial and Risk Management Services for electing Participants and may administer, or arrange for the administration of such services. The Board will determine the most cost-effective and appropriate manner in which to deliver Other Financial and Risk Management Services and the service fees and other costs pertaining to the same.

4.4—~~Operating Agreements. Carrier Contracts.~~ The Board, alone or in collaboration with other governmental units, whether acting alone or jointly, including other service cooperatives, may negotiate ~~Operating Agreements~~ Carrier Contracts for the benefit of the SC and each of the Participants with respect to any Group Employee Benefit or Other Financial and Risk Management Service. Such ~~Operating Agreements~~ Carrier Contracts may establish, among other things:

- (a) the terms and conditions for any program,
- (b) premium or contribution rates and other costs,

- (c) ~~(e)~~—funding arrangements,
- (d) ~~(d)~~—administrative arrangements, including the extent to which the SC shall provide administrative services,
- (e) ~~(e)~~—the applicable responsibilities of the Board, and
- (f) ~~(f)~~—the amount of service fees payable to the SC.

The ~~Operating Agreement~~Carrier Contract is a proprietary document between the Service Cooperative and the provider. However, at the request of any Participant, the Board may provide that Participant with any information regarding the applicable ~~Operating Agreement~~Carrier Contract that is reasonably necessary for the Participant to understand its rights and obligations thereunder.

4.5 **SC Service Fees.** The SC ~~may~~shall be paid a service fee in consideration for services rendered pursuant to this Agreement and any ~~Operating Agreements.~~Carrier Contracts. The amount and source of such service fee shall be established from time to time by the Provider and the SC and shall be approved by the Board. Such service fee may include, but shall not be limited to, a percentage of premiums collected from Participants for the payment of Group Employee Benefits, a fixed fee per contract per month paid by each Participant, or such other arrangements approved from time to time by the Board. At the time a Participant elects to participate in any of the Group Employee Benefits made available by the Board, the Participant shall, by execution of this Agreement (or by the deemed execution of this Agreement as provided in Section 9), be deemed to have acknowledged and agreed to the amount of such service fee ~~as set forth in Addendum A attached hereto (as in effect from time to time)~~, and the source of its payment, including any part thereof derived from discounts, refunds, dividends, ~~or~~and similar revenues. Services fees payable with respect to Other Financial and Risk Management Services shall be established and disclosed from time to time as determined by the Board. Participants shall be given advance notice of any change in Addendum A-service fees.

4.6 Use of SC Service Fees. The SC may use service fees to provide programs and services which are determined pursuant to Minn. Stat. Sec. 123A.21, Subd. 7 to be priority needs of the particular region and to assist in meeting special needs which arise from fundamental constraints upon individual members.

~~4.6~~—4.7 Service Providers.

4.7.1 ———~~4.6.1~~—**Selection.** The Participants hereby delegate to the Board the right to select the Providers for Group Employee Benefits and Other Financial and Risk Management Services.

4.7.2 ~~4.6.2~~—**Governmental Unit Bidding and Contracting Laws.** As applicable, the Board shall comply with all state and federal laws relating to requests for proposals, review of proposals, length of Group Contract rules, and other laws and regulations relating to contracting

for Group Employee Benefits and Other Financial and Risk Management Services.

4.7.3 ~~4.6.3~~—**Service Provider Rate Increases.** The Board will annually review renewal information as presented by Providers, make recommendations and determine if requests for proposals are necessary. Rate renewals for group insurance will be determined on the basis of the aggregate change of premiums.

4.8 ~~4.7~~—**Premiums and/or Contract Charges.** To the extent not established by the applicable ~~Operating Agreement~~Carrier Contract or in any other manner prescribed by this Agreement, premiums and/or contract charges shall be determined by the Board in its discretion; provided, however, that in accordance with Section 6.5, no retroactive assessment may be made without the consent of the affected Participants.

4.9 ~~4.8~~—**Advisory Committee(s).** The Board may, but is not required to, appoint one or more advisory committees. The purpose of any such committee may include, without limitation, the receipt and processing of information relating to group employee benefits, and the future direction of such benefits as well as other programs and services. The Board shall consider, but is not required to adopt, advisory committee recommendations and proposals. Labor representation, when appropriate, on any advisory committee formed by the Board shall be, ~~in so far as~~insofar as is reasonably possible, representative of the bargaining representatives of individuals covered in the relevant Pool. Notwithstanding anything to the contrary in this Section 4.8, the SC shall create a labor-management committee to advise it on certain matters as required by Minn. Stat. 123A.25.

4.10 ~~4.9~~—**Authority of Board.** The Board, with due consideration given to recommendations submitted by any advisory committee which may be established, shall, unless otherwise expressly agreed, retain final authority in all matters relative to this Agreement and to the Group Employee Benefits and Other Financial and Risk Management Services subject to this Agreement; provided, however, that nothing in this Agreement shall permit the Board to enter into a Group Contract on behalf of a Participant, and that, subject to any applicable notice rules, nothing in this Agreement shall prevent a Participant from withdrawing from this Agreement, any Group Employee Benefit, or any Other Financial and Risk Management Service.

4.11 ~~4.10~~—**Liability Limited.** The Board, its authorized representatives, employees and designees shall have no duty or liability to any of the Participants or Providers with respect to the fees, premium and/or contract charges, offers, acceptances or binders of coverage, cancellation notices, or other matters relating to a Participant's subscribers, all of which shall be the responsibility of the Participant. The Board, its authorized representatives, employees and designees, and each Participant shall have no duty or liability due to negligence of other Participants and Providers. When it is not exercising the joint powers authorized by this Agreement (and, therefore, not acting as the Board), the SC Board of Directors shall have no duty or obligation whatsoever to act for the benefit of Participants (as Participants).

4.12 ~~4.11~~—**Withdrawal by Board.** The undertakings for the provision of Group Employee Benefits in this Agreement may be terminated by the Board or the SC (as applicable) at any time.

SECTION 5

RIGHTS AND RESPONSIBILITIES OF PARTICIPANTS

5.1 ~~5.1~~—**Enrollment and Renewal.** Participants may elect whether to participate in any Group Employee Benefit and any Other Financial and Risk Management Service made available by the Board. If a Participant elects to participate in a Group Employee Benefit or Other Financial or Risk Management Service, the Participant must execute any applicable Group Contract, Group Contract amendment, enrollment and renewal documents directly with the Provider.

5.2 ~~5.2~~—**Participants to Furnish Data.** Each Participant agrees to furnish all reasonably necessary employee data directly to the SC or its designee.

5.3 ~~5.3~~—**Remittance of Premiums and Contract Charges.** The Participant shall remit premiums and/or contract charges in the time and manner as from time to time determined by the Board.

5.4 ~~5.4~~—**CBA Employee Benefits.** Each Participant that participates in CBA Employee Benefits shall be solely responsible for the collective bargaining of such benefits, and for providing any notices regarding CBA Employee Benefits, including, without limitation, the obligation to notify certain representatives regarding the adoption of a self-insured health benefit plan set forth in Minn. Stat. 471.617, Subd.4.

5.5 ~~5.5~~—**Participant Withdrawal.**

5.5.1 ~~5.5.1~~—**Voluntary Withdrawal.** At any time during a year, (but at least three (3) months prior to renewal), a Participant may terminate its participation in this Agreement or in a Pool upon ninety (90) days written notice to the Board and to all Providers of programs in which it participates.

5.5.2 ~~5.5.2~~—**Withdrawal Relating to Participant Rate Solicitation.** If a Participant solicits proposals independently of this Agreement when there has not been a fifty percent (50%) increase in the aggregate rates for that Participant group in a given year agreement within five months prior to the end of the master agreement, the Board retains the right to deem that the Participant has withdrawn from the appropriate Pool. "Soliciting proposals" shall be defined as requesting and/or accepting written or verbal proposals of any kind, regardless of how formal or informal. Notwithstanding the foregoing, a Participant receiving a 50% or greater increase in the aggregate rate for that Participant group in a given year shall be allowed to solicit proposals without jeopardizing their participation in the Pool. If the Participant elects to reject all proposals and remain a Participant in the Pool, the Participant will receive a rate to be established by the Board.

5.5.3 ~~5.5.3~~—**Withdrawal Relating to Dual Offering.** If a Participant offers Group Employee Benefits through an additional or different plan which, in the discretion of the Board, are considered to be substantially similar to those provided by a Pool in which the Participant participates, then the Board retains the right to deem that such Participant has withdrawn from the Pool.

5.5.4 ~~5.5.4~~—**Withdrawal at Annual Renewal.** If a material change in any

term or condition of a Group Employee Benefit or Other Financial or Risk Management Service in which a Participant participates is proposed to commence as of the Participant's annual renewal date, the Participant may withdraw from the applicable Pool as of the renewal date, provided the Participant gives advance written notice of its intent to withdraw promptly (within 30 days) after receiving notice of the material change, even if such notice is given less than ~~420~~ days five (5) months in advance of the renewal date.

5.6 Effect of Participant Withdrawal. Upon a Participant's withdrawal or deemed withdrawal from this Agreement or from a Pool, the following rules shall apply:

~~5.6.1~~ 5.6.1 **Withdrawal from this Agreement.** Upon its withdrawal from this Agreement, a Participant shall be deemed to have withdrawn from all Pools maintained under this Agreement in which the Participant is participating at the time of such withdrawal. If a Participant no longer participates in any Pool, the Participant shall be deemed to have withdrawn from this Agreement, as well as from the applicable Pool(s).

~~5.6.2~~ 5.6.2 **Withdrawal from a Pool.** Withdrawal by a Participant from any Pool shall not affect the Participant's participation in any other Pool.

~~5.6.3~~ 5.6.3 **Program Funds.** No Program Funds or any other amounts that may, in any way, be attributable to a Participant's participation in a Pool shall be returned to the Participant in the event such Participant's participation in a Pool ends prior to the Pool's termination.

~~5.6.4~~ 5.6.4 **Future Participation Limited.** If a Participant withdraws or is deemed by the Board to have withdrawn from a Pool, such Participant's participation in such Pool shall be prohibited for a period of ~~twenty-four (24)~~ twelve (12) months from the date of such withdrawal or deemed withdrawal. If a Participant withdraws or is deemed by the Board to have withdrawn from this Agreement, such Participant's participation in this Agreement (and any Pool offered hereunder) shall be prohibited for a period of ~~twenty-four (24)~~ twelve (12) months from the date of such withdrawal or deemed withdrawal.

SECTION 6

PROGRAM FUNDS ADMINISTRATION

~~6.1~~ 6.1 **Program Funds.** It is understood and agreed that, in connection with the Group Employee Benefits and Other Financial and Risk Management Services made available pursuant to this Agreement, the Board may acquire Program Funds. The Board may, in its discretion, establish and maintain separate accounts for specified portions of the Program Funds, and may designate specific purposes, such as the payment and financing of Group Employee Benefits or the stabilization of the cost of such benefits, for which the amounts credited to such account shall be used, but it shall not be required to do so.

6.2 General Rules Regarding Management and Disposition of Program Funds.

~~6.2~~ **General Rules Regarding Management and Disposition of Program Funds.** Program Funds shall be used solely for the purposes of providing Group Employee Benefits and Other Financial and Risk Management Services, providing related services, defraying the reasonable expenses of administering such benefits and services, and, if the Board determines

that such use would either directly or indirectly benefit Participants (e.g., by spreading risk, achieving economies of scale, generating revenues or enhancing the Board's ability to negotiate with Providers as a result of the Board's visibility, presence in the marketplace or enhanced expertise), establishing, providing and administering similar benefits and services offered by the joint action of other governmental units. Program Funds shall not inure to the benefit of the Board; this prohibition shall not, however, prohibit the payment of service fees to an SC as provided below. Subject to the foregoing, the Board, in its sole discretion, shall determine the management and disposition of the Program Funds. The Board may consider Advisory Committee recommendations regarding the use of Program Funds before any determinations are made. The following are examples of purposes for which the Board may use and apply Program Funds.

(a) ~~(a)~~—to negotiate the purchase of, administer, provide and maintain (either directly or through the purchase of insurance, or both) Group Employee Benefits (including, but not limited to programs related to the purpose for which the Fund was created, such as, for example, in the case of a Health Pool, an Employee Assistance Program (EAP) and Wellness Program) and Other Financial and Risk Management Services;

(b) ~~(b)~~—to pay or provide for the payment of reasonable and necessary expenses of administering Group Employee Benefits and Other Financial and Risk Management Services including, without limitation, all expenses which may be incurred in connection with the establishment and administration of Pools, the employment of administrative, legal, accounting, other expert and clerical assistance, the leasing of such premises and the purchase of lease materials, supplies, equipment, and liability and property insurance;

(c) ~~(c)~~—to establish and accumulate funds deemed adequate by the Board to carry out the purposes of the Pools, for example, for purposes of rate stability and risk reserve;

(d) ~~(d)~~—to pay any federal, state or local income, employment, death or other tax which may be properly imposed on or levied against Group Employee Benefit, Other Financial and Risk Management Service, a Pool, or on benefits paid therefrom;

(e) ~~(e)~~—to pay for any bond and to pay the premiums on any insurance purchased by a Pool, including, but not limited to liability insurance, "stop loss" insurance and other insurance intended to pay directly or indirectly the benefits established with respect to a Pool; and

(f) ~~(f)~~—to pay the SC any service fee payable to it pursuant to, or authorized pursuant to, this Agreement.

6.3 ~~6.3~~—**Investment of Program Funds.** Program Funds shall be held and invested in a manner that is consistent with any applicable legal requirements regarding the holding and investment of funds by the Participant Members who are governmental units within the meaning of Minn. Stat. 471.59.

6.4 ~~6.4~~—**Withdrawal of Participant.** In the event of the withdrawal of a Participant prior to the termination of this Agreement or of a Pool, Program Funds attributable to contributions of such Participant shall not be returned to such Participant.

6.5 ~~6.5~~—**Termination of Pool.** In the event of termination of a Pool, any portion of the Program Funds that has been designated for use solely in connection with the terminating Pool, and any other portion allocated to the terminating Pool by the Board in its sole discretion, shall be distributed to the Pool Participants in a manner to be determined by the Board, which may include the following:

- (a) ~~(a)~~—payment of benefits to or on behalf of enrolled employees with respect to claims arising prior to such termination;
- (b) ~~(b)~~—provision of similar benefits for such employees;
- (c) ~~(c)~~—payment of reasonable and necessary expenses incurred in such termination;
- (d) ~~(d)~~—payment of taxes; and
- (e) ~~(e)~~—cash payments to Participant Members according to a formula established by the Board.

Upon such termination, the Board shall continue to serve for such period of time and to the extent necessary to carry out the directions of the preceding sentence. The Participants who receive such distributions shall be solely responsible for determining whether, and to what extent, any amounts they receive will be distributed to individuals who were covered by benefit programs provided by the terminating Pool.

6.6 Funding of Risk. Premiums may be adjusted, but no retroactive assessment shall be made without consent and agreement by the affected Participants. Subject to their obligation to provide accurate information regarding the individuals who will receive benefits from a Pool, no Participant or its employees shall bear any financial risk other than the agreed upon premium.

SECTION 7

LENGTH OF AGREEMENT AND TERMINATION

Pursuant to Minn. Stat. 471.59, Subd. 4, but subject to the provisions herein relating to Participant withdrawal, this Agreement shall be ongoing.

SECTION 8

LIABILITY OF PARTIES

Any Participant to this Agreement holds the Board and its employees and ~~its~~ designees, and the SC and its board, employees and designees, harmless from any and all causes of action arising at law or in equity unless such action shall arise from its or their gross negligence and is permitted,

after application of all doctrines and statutes respecting immunity, by applicable law. The parties agree to waive any rights to litigation from any dispute arising out of this Agreement unless such action is the result of intentional wrongdoing. All benefits hereunder are the sole responsibility of the Provider(s) and the Participants, and shall not be the responsibility of the Board or the SC.

SECTION 9

AGREEMENT BY PARTICIPATION

Any governmental unit, and any nonprofit or non-governmental entity, which participates in any of the Group Employee Benefits or Other Financial and Risk Management Services and remits premium and/or contract charges in accordance with this Agreement, shall be deemed to have approved this Agreement and, in the case of an eligible governmental unit, to have executed this Agreement by its duly authorized officers, and shall be bound by the terms and conditions of this Agreement to the same extent as if such formal approval had been obtained and such execution had occurred.

SECTION 10

SOLICITATION OF BIDS

Notwithstanding anything in the Joint Powers Agreement to the contrary, the following amendments and additions, consistent with changes made by the Minnesota State Legislature in 2006, shall become part of the Joint Powers Agreement.

1. All members of Service Cooperative Health Insurance Pools may solicit bids and other information from competing sources of health coverage at any time other than within the five months prior to the end of the Carrier Contract.
2. Should a member of the Health Insurance Pool solicit bids pursuant to #1 above, the Service Cooperative will not impose a fine or other penalty against the member for soliciting a bid or other information during the allowed period. Should a member leave the Service Cooperative Health Insurance Pool and obtain health insurance coverage elsewhere, the Service Cooperative may prohibit member from participating in Service Cooperative coverage for a period of up to one year.
3. The Service Cooperative shall provide each member with that entity's monthly claims data notwithstanding the provisions of Minn. Stat. 13.203.

RESOLUTION #2010-

INTRODUCED:

SECONDED:

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

**A RESOLUTION APPROVING PARTICIPATION IN A COUNTYWIDE
COMMUNICATION EQUIPMENT PROJECT AND SUBMISSION OF
“ASSISTANCE TO FIREFIGHTERS” GRANT APPLICATION**

WHEREAS, the Federal Communication Commission has mandated that all public safety agencies that operate radio equipment on frequencies of less than 500 MHz must use radio equipment that is “narrow banded” (i.e., operates in a band width of 12.5 KHz) by January 1, 2013; and

WHEREAS, there is a national Department of Homeland Security initiative underway to develop regional, statewide and interstate communications interoperability to facilitate resource sharing and inter-agency collaboration in response to mass casualty and multi-jurisdictional natural or man-made disasters; and

WHEREAS, grants to obtain communication equipment for a Countywide Communication Equipment Project are available through the “Assistance to Firefighters” Grant Program of the U.S. Department of Homeland Security; and

WHEREAS, it is necessary that one entity act as the legal sponsor for the grant application to be submitted to U.S. Department of Homeland Security; and

WHEREAS, Cottonwood County and the Cities of Jeffers, Mountain Lake, Storden and Westbrook have agreed to participate in the Countywide Communication Equipment Grant application and have designated the City of Windom to act as legal sponsor for the application; and

WHEREAS, the City of Windom understands that there is a five percent (5%) match requirement for grants to fire departments serving areas with a population of 20,000 or less as stated in the Federal Register and sources for these matches are available.

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

1. The City Council of Windom, Minnesota, on behalf of the citizens and firefighters of Windom, supports the Windom Fire Department’s efforts in pursuing funding through the Assistance to Firefighters Grant Program through the U.S. Department of Homeland Security.

2. Cottonwood County and the Cities of Jeffers, Mountain Lake, Storden and Westbrook have agreed to participate in the Countywide Communication Equipment Project and their Commission or Councils have passed a resolution supporting the designation of the City of Windom as the legal sponsor for the grant application for this project.
3. An application shall be submitted to the Assistance to Firefighters Grant Program through the U.S. Department of Homeland Security for a Countywide Communication Equipment Project.
4. The City of Windom shall act as legal sponsor for the grant application; and the Mayor and the City Administrator are hereby authorized, on behalf of the City of Windom, to submit a grant application to the Assistance to Firefighters Grant Program through the U.S. Department of Homeland Security for the funding of this project.
5. The City of Windom has legal authority to apply for financial assistance, and the institutional, managerial, and financial capacity to ensure compliance with the grant requirements and completion of the proposed project.
6. The City of Windom has not violated any Federal, State, or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.
7. If the grant application for the Countywide Communication Equipment Project is approved, the five percent (5%) match will be provided by the participating agencies. Each City/County participating in the project will provide matching funds in an amount equivalent to its percentage of benefit from the project.
8. If the grant application is approved, each City/County will be responsible to ensure that its portion of the proposed project is properly constructed or assembled, operated and maintained.
9. Upon approval of its grant application by the U.S. Department of Homeland Security, the City of Windom may enter into agreements for the approved project; and the City of Windom certifies that it will comply with applicable laws and all regulations and requirements as contained in said agreements.
10. The Mayor and the City Administrator are hereby authorized, on behalf of the City of Windom, to execute such agreements and contracts as are necessary to implement the project.

Adopted this 4th day of May, 2010.

Kirby G. Kruse, Mayor

ATTEST: _____
Steven Nasby, City Administrator/City Clerk

April 28, 2010

To: Denise Nichols
City of Windom
444 9th Street
Windom, MN 56101

Dear Denise,

This is in regards to the 2010 F.E.M.A. grant application. The department would like you to apply for a new engine truck to replace Unit 21. This truck is used for both City and Rural calls so the matching funds could be split. Based on the fact that engines are a high priority for this round of grants, and this truck is due to be replaced in 2013. We could then continue to work towards the replacement of Unit 20, the rescue truck, which should have been replaced in 2009. The projected cost to replace Unit 21 would be approximately \$ 220,000.00.

Your expertise at writing grants for the Windom Fire Department is greatly appreciated!

Sincerely,



Daniel Fossing
Windom Fire Chief

RESOLUTION #2010-

INTRODUCED:

SECONDED:

VOTED: Aye:
 Nay:
 Abstained:
 Absent:

RESOLUTION SUPPORTING THE SUBMISSION OF A GRANT APPLICATION TO THE "ASSISTANCE TO FIREFIGHTERS" GRANT PROGRAM

WHEREAS, the City of Windom is committed to the health, safety and welfare of the citizens of Windom with respect to fire and all other hazards; and

WHEREAS, the City of Windom is also committed to the health, safety and welfare of the Windom Fire Department members and other emergency response personnel with respect to fire and all other hazards; and

WHEREAS, the purchase of a new pumper/engine vehicle would replace a pumper/engine vehicle that is nearly 20 years old and enhance the department's capabilities with respect to firefighting and other emergency related hazards; and

WHEREAS, funding to purchase a new pumper/engine vehicle may be available through the Assistance to Firefighters Grant Program through the US Department of Homeland Security; and

WHEREAS, it is in the best interests of the City of Windom, its residents and firefighters to submit an application for funding to the Assistance to Firefighters Grant Program through the US Department of Homeland Security for the replacement of the Fire Department's engine/pumper; and

WHEREAS, the City of Windom understands that there is a five percent (5%) match requirement for grants to fire departments serving areas with a population of 20,000 or less as stated in the Federal Register and sources for these matches are available.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The City Council of Windom, Minnesota, on behalf of the citizens and firefighters of Windom, supports the Windom Fire Department's efforts in pursuing funding through the Assistance to Firefighters Grant Program through the US Department of Homeland Security.

2. If the City of Windom receives a grant award, the City agrees to match the federal grant funds with an amount of non-federal funds equal to 5% of the total project cost.
3. The City of Windom has legal authority to apply for financial assistance, and the institutional, managerial, and financial capacity to ensure compliance with the grant requirements and completion of the proposed project.
4. The City of Windom has not violated any Federal, State, or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.
5. The City of Windom shall act as legal sponsor for the grant application; and the Mayor and the City Administrator are hereby authorized, on behalf of the City of Windom, to submit a grant application to the Assistance to Firefighters Grant Program through the US Department of Homeland Security for the funding of this project.
6. Upon approval of the application, the City of Windom and the Windom Fire Department certify that they will comply with all applicable laws, policies and regulations as stated in the application and subsequent agreements.
7. The Mayor and City Administrator are hereby authorized, on behalf of the City of Windom, to execute such agreements and contracts as are necessary to implement the project.

ADOPTED this 4th day of May, 2010.

Kirby G. Kruse, Mayor

ATTEST: _____
Steve Nasby, City Administrator

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
P & Z / BUILDING OFF	INTERNATIONAL CODE C	DUES	100.00
P & Z / BUILDING OFF	Verizon Wireless	TELEPHONE	11.87
	Total for Department 106		111.87*
CITY HALL	SUNSHINE FOODS	SUPPLIES	60.79
CITY HALL	MN ENERGY RESOURCES	HEATING	557.64
	Total for Department 115		618.43*
FIRE DEPARTMENT	DENISE NICHOLS	MILEAGE	72.00
	Total for Department 125		72.00*
HEALTH & SANITATION	NEAL GRUNEWALD	COMPOST SITE MANAGER	128.00
	Total for Department 145		128.00*
	Total for Fund 01		930.30*
LIBRARY	GE MONEY BANK/AMAZON	SUBSCRIPTION	71.41
LIBRARY	THE NEW YORK TIMES	SUBSCRIPTION	405.60
LIBRARY	MN ENERGY RESOURCES	HEATING	579.06
	Total for Department 171		1,056.07*
	Total for Fund 03		1,056.07*
AIRPORT	MN REVENUE	2009 ANNUAL PERMIT FEE	400.00
AIRPORT	PHIL ANDERSON	REFUND - AIRPORT GAS	32.77
	Total for Department 174		432.77*
	Total for Fund 11		432.77*
AMBULANCE	JIM AXFORD	EXPENSE	14.02
AMBULANCE	BUCKWHEAT JOHNSON	EXPENSE	44.47
AMBULANCE	ALLAN REMPEL	EXPENSE	140.58
AMBULANCE	KOHL'S-WEELBORG	SERVICE	164.11
	Total for Department 176		363.18*
	Total for Fund 13		363.18*
MULTI-PURPOSE BUILDI	SUNSHINE FOODS	SUPPLIES	176.61
MULTI-PURPOSE BUILDI	MN ENERGY RESOURCES	HEATING	931.16
	Total for Department 177		1,107.77*
	Total for Fund 14		1,107.77*
LIQUOR	ARNESON DISTRIBUTING	MERCHANDISE	63.50
LIQUOR	BEVERAGE WHOLESALERS	MERCHANDISE	4,817.85
LIQUOR	COCA-COLA BOTTLING C	MERCHANDISE	234.50
LIQUOR	COLLINS BROTHERS, IN	MERCHANDISE	177.42
LIQUOR	HAGEN DISTRIBUTING	MERCHANDISE	4,114.90
LIQUOR	JOHNSON BROS.	MERCHANDISE	2,416.94
LIQUOR	PHILLIPS WINE & SPIR	MERCHANDISE	1,419.43
LIQUOR	QUALITY WINE SPIRITS	MERCHANDISE	391.45

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
LIQUOR	WINE MERCHANTS	MERCHANDISE	138.00
		Total for Department 180	13,773.99*
		Total for Fund 60	13,773.99*
WATER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	85.31
WATER	MN ENERGY RESOURCES	HEATING	545.34
		Total for Department 181	630.65*
		Total for Fund 61	630.65*
ELECTRIC	CENTRAL MINNESOTA MU	CAPX2020 ASSESSMENT - FI	2,832.00
ELECTRIC	CENTRAL MINNESOTA MU	CIP SERVICE ASSESSMENT	5,112.00
ELECTRIC	CENTRAL MINNESOTA MU	ECO @ HOME SUBSCRIPTION	957.65
ELECTRIC	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	85.32
ELECTRIC	MN ENERGY RESOURCES	HEATING	114.40
ELECTRIC	BANK MIDWEST	NSF CHECK	229.15
		Total for Department 182	9,330.52*
		Total for Fund 62	9,330.52*
SEWER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	85.32
SEWER	MN ENERGY RESOURCES	HEATING	76.81
		Total for Department 183	162.13*
		Total for Fund 63	162.13*
ARENA	Verizon Wireless	TELEPHONE	78.41
ARENA	MN ENERGY RESOURCES	HEATING	873.18
		Total for Department 184	951.59*
		Total for Fund 64	951.59*
ECONOMIC DEVELOPMENT	BRADLEY & DEIKE, P.A	PROFESSIONAL SERVICE	80.00
ECONOMIC DEVELOPMENT	Verizon Wireless	TELEPHONE	12.03
ECONOMIC DEVELOPMENT	MN ENERGY RESOURCES	HEATING	37.18
		Total for Department 187	129.21*
		Total for Fund 67	129.21*
TELECOMMUNICATIONS	SUNSHINE FOODS	SUPPLIES	38.53
TELECOMMUNICATIONS	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	255.93
TELECOMMUNICATIONS	MN ENERGY RESOURCES	HEATING	84.87
		Total for Department 199	379.33*
		Total for Fund 69	379.33*
	LAW ENFORCMENT LABOR UNION	DUES	210.00
	LOCAL UNION #949	UNION DUES	1,558.56
	MN BENEFIT ASSOCIATI	INSURANCE	114.18

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount

		Total for Department	1,882.74*
		Total for Fund 70	1,882.74*
		Grand Total	31,130.25*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
MAYOR & COUNCIL	LEAGUE OF MN CITIES	INSURANCE	156.00
	Total for Department 101		156.00*
CITY OFFICE	LEAGUE OF MN CITIES	INSURANCE	792.28
CITY OFFICE	STEVE NASBY	EXPENSE	42.18
CITY OFFICE	SELECTACCOUNT	ADM FEE	86.01
	Total for Department 103		920.47*
P & Z / BUILDING OFF	LEAGUE OF MN CITIES	INSURANCE	580.28
	Total for Department 106		580.28*
CITY HALL	J & G THE BOILER GUY	BOILER INSPECTION	113.75
CITY HALL	KATO ROOFING, INC	MAINTENANCE	3,746.61
CITY HALL	LEAGUE OF MN CITIES	INSURANCE	725.00
	Total for Department 115		4,585.36*
POLICE	LEAGUE OF MN CITIES	INSURANCE	3,112.13
POLICE	CORY HILLESHEIM	EXPENSE	7.91
	Total for Department 120		3,120.04*
FIRE DEPARTMENT	AMOCO OIL COMPANY	GAS	106.36
FIRE DEPARTMENT	LEAGUE OF MN CITIES	INSURANCE	4,935.28
	Total for Department 125		5,041.64*
ANIMALS	LEAGUE OF MN CITIES	INSURANCE	109.00
	Total for Department 135		109.00*
STREET	AMOCO OIL COMPANY	GAS	237.94
STREET	LEAGUE OF MN CITIES	DEDUCTIBLE	1,000.00
STREET	LEAGUE OF MN CITIES	INSURANCE	8,027.13
	Total for Department 140		9,265.07*
HEALTH & SANITATION	NEAL GRUNEWALD	COMPOST SITE MANAGER	128.00
	Total for Department 145		128.00*
RECREATION	LEAGUE OF MN CITIES	INSURANCE	250.00
	Total for Department 150		250.00*
PARKS	LEAGUE OF MN CITIES	INSURANCE	12,610.28
	Total for Department 165		12,610.28*
	Total for Fund 01		36,766.14*
LIBRARY	LEAGUE OF MN CITIES	INSURANCE	2,694.28
LIBRARY	QUALITY GLASS	DOOR / CONSTRUCTION	431.22
LIBRARY	STAR TRIBUNE	SUBSCRIPTION	58.50
	Total for Department 171		3,184.00*
	Total for Fund 03		3,184.00*
AIRPORT	LEAGUE OF MN CITIES	INSURANCE	8,578.00

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
AIRPORT	MN DEPT OF ADMINISTR	TELEPHONE	91.36
		Total for Department 174	8,669.36*
		Total for Fund 11	8,669.36*
POOL	LEAGUE OF MN CITIES	INSURANCE	1,884.00
		Total for Department 175	1,884.00*
		Total for Fund 12	1,884.00*
AMBULANCE	BOUND TREE MEDICAL,	EQUIPMENT	509.49
AMBULANCE	LEAGUE OF MN CITIES	INSURANCE	2,398.28
AMBULANCE	BLUE PLUS	REFUNDS-COREY ZELINKO	1,239.40
AMBULANCE	WPS MEDICARE PART B	REFUND	103.44
		Total for Department 176	4,250.61*
		Total for Fund 13	4,250.61*
MULTI-PURPOSE BUILDI	LEAGUE OF MN CITIES	INSURANCE	5,636.00
MULTI-PURPOSE BUILDI	MARIA CABALLERO	REFUND- COMMUNITY CENTER	175.00
		Total for Department 177	5,811.00*
		Total for Fund 14	5,811.00*
	MN DEPT OF EMPLOY & E	LOAN REPAYMENT SPAP-99-\$	3,087.03
		Total for Department	3,087.03*
PM REVOLVING LOAN FU	MN DEPT OF EMPLOY & E	LOAN REPAYMENT SPAP-99-\$	77.97
		Total for Department 172	77.97*
		Total for Fund 15	3,165.00*
SCDP	SW MN HOUSING PARTNE	REHAB DRAW #4	13,090.00
		Total for Department 163	13,090.00*
		Total for Fund 17	13,090.00*
LIQUOR	BEVERAGE WHOLESALERS	MERCHANDISE	3,225.01
LIQUOR	EXTREME BEVERAGE, LL	MERCHANDISE	67.00
LIQUOR	WIRTZ BEVERAGE MN WI	MERCHANDISE	8,563.08
LIQUOR	HAGEN DISTRIBUTING	MERCHANDISE	5,491.60
LIQUOR	JOHNSON BROS.	MERCHANDISE	1,756.95
LIQUOR	LEAGUE OF MN CITIES	INSURANCE	9,465.18
LIQUOR	MN ENERGY RESOURCES	HEATING	174.48
LIQUOR	QUALITY WINE SPIRITS	MERCHANDISE	3,355.43
		Total for Department 180	32,098.73*
		Total for Fund 60	32,098.73*
WATER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	151.09

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
WATER	LEAGUE OF MN CITIES	INSURANCE	11,977.85
		Total for Department 181	12,128.94*
		Total for Fund 61	12,128.94*
	NICHOLAS KRUSE	REFUND - UTILITY PREPAYM	300.00
		Total for Department	300.00*
ELECTRIC	AMOCO OIL COMPANY	GAS	667.17
ELECTRIC	CENTRAL MINNESOTA MU	POWER COST	218,074.05
ELECTRIC	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	151.10
ELECTRIC	LEAGUE OF MN CITIES	INSURANCE	31,095.17
ELECTRIC	HOLLY BOLDT	ENERGY REBATE	50.00
ELECTRIC	RICHARD BUCKENTIN	ENERGY REBATE	10.00
ELECTRIC	ANITA EICHSTADT	ENERGY REBATE	25.00
ELECTRIC	JEFF HUSKA	ENERGY REBATE	50.00
ELECTRIC	JEREMY JOHNSON	ENERGY REBATE	50.00
ELECTRIC	VERA LANGLAND	ENERGY REBATE	25.00
ELECTRIC	ALVIN MITTELSTADT	ENERGY REBATE	25.00
ELECTRIC	JAMES L NELSON	ENERGY REBATE	35.00
ELECTRIC	LORI NYANDREKA	ENERGY REBATE	50.00
ELECTRIC	ARLENE ORLOSKE	ENERGY REBATE	35.00
ELECTRIC	MICHELLE RIIHL	ENERGY REBATE	45.50
ELECTRIC	RICHARD ROBINSON	ENERGY REBATE	35.00
ELECTRIC	ALAN SCHWARTZ	ENERGY REBATE	50.00
ELECTRIC	VANESSA TJENTLAND	ENERGY REBATE	50.00
		Total for Department 182	250,522.99*
		Total for Fund 62	250,822.99*
SEWER	AMOCO OIL COMPANY	GAS	234.25
SEWER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	151.10
SEWER	J&M WASTE APPLICATOR	HAUL SLUDGE	12,235.00
SEWER	LEAGUE OF MN CITIES	DEDUCTIBLE	1,000.00
SEWER	LEAGUE OF MN CITIES	INSURANCE	12,264.17
		Total for Department 183	25,884.52*
		Total for Fund 63	25,884.52*
ARENA	LEAGUE OF MN CITIES	INSURANCE	7,281.13
ARENA	QUALITY GLASS	DOOR / CONSTRUCTION	15,215.98
		Total for Department 184	22,497.11*
		Total for Fund 64	22,497.11*
RIVERBLUFF TOWNHOMES	LEAGUE OF MN CITIES	INSURANCE	6,691.00
		Total for Department 186	6,691.00*
		Total for Fund 66	6,691.00*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
	ELECTRIC FUND	LOAN PAYABLE FROM EDA SP	677.99
	Total for Department		677.99*
ECONOMIC DEVELOPMENT	AARON BACKMAN	EXPENSE	157.53
ECONOMIC DEVELOPMENT	ELECTRIC FUND	LOAN PAYABLE FROM EDA SP	271.51
ECONOMIC DEVELOPMENT	LEAGUE OF MN CITIES	INSURANCE	4,405.28
ECONOMIC DEVELOPMENT	SIJAMBO CAFE	EXPENSE	66.05
	Total for Department 187		4,900.37*
	Total for Fund 67		5,578.36*
RIVERBLUFF ESTATES	LEAGUE OF MN CITIES	INSURANCE	1,005.00
RIVERBLUFF ESTATES	BRADY POWERS	MOWING	320.00
RIVERBLUFF ESTATES	SCOTT ROCKER	MAINTENANCE	200.00
	Total for Department 166		1,525.00*
	Total for Fund 68		1,525.00*
TELECOMMUNICATIONS	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	453.27
TELECOMMUNICATIONS	LEAGUE OF MN CITIES	INSURANCE	9,235.28
TELECOMMUNICATIONS	QUEST	TELEPHONE	98.70
	Total for Department 199		9,787.25*
	Total for Fund 69		9,787.25*
	AFLAC	INSURANCE	397.84
	JOHNSON COUNTY COURT	PAYROLL DEDUCTION CDDMO1	1,202.00
	MINNESOTA REVENUE	WAGE LEVY	267.00
	SELECTACCOUNT	FLEX SPENDING	247.20
	Total for Department		2,114.04*
	Total for Fund 70		2,114.04*
	Grand Total		445,948.05*

Main Identity

From: "Peterson, Lynn" <lpeterson@lmc.org>
 To: "General legislative" <legislative@listserv.lmc.org>
 Sent: Friday, April 30, 2010 3:06 PM
 Subject: [legislative] April 30, 2010 FridayFax

More on state budget

At a Tuesday hearing of the Legislative Commission on Planning and Fiscal Policy Subcommittee on a Balanced Budget, members discussed the status of the federal legislation that would extend the increased federal contribution to Medicaid for an additional six months. The federal Medicaid provision is contained in H.R. 4213 but, unfortunately, the legislation has yet to be approved by Congress and sent to the President.

Both the governor's and now the Legislature's budget balancing plans include an assumption that Congress will act on the legislation, which will save the state an estimated \$408 million this biennium. In other words, the state is banking on Congressional action to address roughly 40 percent of the state's projected \$1 billion general fund 2010-2011 deficit.

At the Tuesday hearing, Commissioner of Management and Budget Thomas Hanson indicated that the National Governor's Association (NGA) believes there is an 80 percent chance that Congress will ultimately pass the Medicaid funding extension, but that the final passage will not occur until after the Legislature must adjourn on May 17.

The NGA prognosis is much more positive than last week's Action Alert issued by the National Conference of State Legislatures, which termed the passage of the Medicaid funding "in jeopardy."

Sen. Larry Pogemiller (DFL-Minneapolis) asked Commissioner Hanson to provide the subcommittee in the near future with a recommendation from the administration about how to proceed given the uncertainty of Congressional action before May 17. At this point, it is not clear whether the Legislature would simply adjourn leaving a \$400 million hole in the budget or whether it plans to develop a contingent plan to cut an additional \$400 million from the budget. The subcommittee will likely meet again next week.

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

Pension bills advance

This week, the House and Senate Finance Committees each considered and approved omnibus pension bills—SF 2918 and HF 3281. The Senate bill is authored by Sen. Don Betzold (DFL-Fridley) while the House bill is authored by Rep. Mary Murphy (DFL-Hermantown). The House bill was sent to the Ways and Means Committee. The Senate bill was sent to the floor.

Both the House and the Senate omnibus pension bills include the pension sustainability provisions for the PERA General Plan and the PERA Police and Fire Plan as well as sustainability modifications for the Teachers Retirement Association (TRA) and the Minnesota State Retirement Association (MSRS). The sustainability provisions for all three plans are based on recommendations from each organization's Boards of Directors.

The sustainability legislation is also contained in separate stand-alone bills, SF 2573 and HF 2952. The Senate bill was also approved at the Senate Finance Committee hearing. The House version of that bill was laid over but could be revived at a later date if needed.

Both of the omnibus pension bills attempt to ensure stability of benefits for retirees, as well as active employees though a series of shared sacrifices that will impact employers, employees and retirees. The PERA sustainability provisions include general plan contribution increases of 0.25 percent from the employer and 0.25 percent from the employee effective on January 1, 2011 and a reduction in the annual pension benefit adjustment to General Plan retirees to one percent from the current 2.5 percent. In the Police and Fire plan, the bills include a contribution increase of 0.3 percent from the employer and 0.2 percent from the employee effective on January 1, 2011 while the annual pension benefit adjustment is limited to one percent for two years and then is adjusted according to the consumer price index, with a limit of no more than 1.5 percent per year.

The omnibus pension bills would also increase the vesting requirement in the PERA general plan to five

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

The omnibus pension bills include a set of changes to administratively consolidate the Minneapolis Employees Retirement Fund (MERF) with the PERA General Plan. The consolidation will not impact the funding of the PERA General Plan and the financial obligations of the MERF plan would be covered largely through increased contributions from Minneapolis, other employers with MERF participants and the state. In the House, the bill includes a state contribution increase of \$15 million beginning on July 1, 2012. In the Senate, the bill includes a state contribution increase of \$27.5 million which would begin on July 1, 2012.

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

The total local government employer contributions (for PERA covered employees working in cities, counties and school districts) will increase by \$12.8 million per year in the General Plan and \$2.3 million in the P&F Plan. The Senate fiscal note indicates that under the bill, the employer contributions coupled with other changes in the plans will reduce the obligations of the PERA General Plan by \$208.6 million per year and the PERA Police and Fire Plan by \$50.9 million per year.

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

House omnibus tax bill released today; up in committee Monday

The House Tax Committee released its omnibus bill (HF 3729) today (Friday, on-line) via the committee's website and is slated to take testimony and mark up the bill on Monday morning at 9 a.m. in the State Office Building. For cities, we believe the majority of the relevant language of the delete-all amendment to HF 3729, consists of what was brought forward earlier this week as HF 3408. This was presented as the work of the Property and Local Sales Tax Division. For a link to the website, go-to: <http://www.house.leg.state.mn.us/comm/docs/1DeleteAllAmendment.pdf>

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

Senate passes its version of the omnibus transportation policy bill

On Monday the full Senate passed its version of the omnibus transportation policy bill, SF 2540 (Sen. Steve Murphy, DFL-Red Wing). Most of the provisions in the package were initially introduced as stand-alone bills that were heard and discussed in the policy committee.

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

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

The League is also following a provision in the bill that requires MnDOT to develop a Complete Streets policy in the agency's biennial budget submission. According to the language in the bill, Complete Streets is defined as follows:

"Complete Streets is the planning, scoping, design, implementation, operation, and maintenance of roads in order to reasonably address the safety and accessibility needs of users of all ages and abilities. Complete Streets considers the needs of motorists, pedestrians, transit users and vehicles, bicyclists, and commercial and emergency vehicles moving along and across roads, intersections, and crossings in a manner that is sensitive to the local context and recognizes that the needs vary in urban, suburban and rural settings."

The Complete Streets provision makes it clear that local units of government are encouraged[#], but not required, to consider Complete Streets policies at the local level.

The League is monitoring numerous other provisions in the legislation. Watch for updates after the House passes its omnibus transportation policy companion bill, HF 2807 (Rep. Frank Hornstein, DFL-Minneapolis).

Questions? Contact Anne Finn at 651-281-1263 or afinn@lmc.org.

Preliminary IPD released

Today, the U.S. Department of Commerce, Bureau of Economic Analysis, released the initial official calculation of the implicit price deflator

(IPD) for state and local governments for the first quarter of 2010. Under state law, the IPD change that is used to determine levy limits is the change from the previous year first quarter (in this case, the first quarter of 2009) to the current year first quarter estimate. Based on that calculation, the IPD change is currently 1.6801 percent.

The figure is also used to determine the increase in the state property tax levy. If the current IPD holds, the state property tax levy will increase by roughly \$13 million for taxes payable in 2011.

The first quarter 2010 IPD will be updated by the Bureau of Economic Analysis in late May and again in late June to reflect updated economic information. In the past, the IPD has only changed slightly from the April estimate. The June update will be used by the Department of Revenue in computing the levy limits for taxes payable in 2011.

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

New law allows cities to plow snow in uncompleted subdivisions

Gov. Pawlenty on Monday signed into law a League-initiated measure that gives cities snow removal authority in uncompleted subdivisions under limited circumstances. Chapter 279 (HF 2231, Rep. Mike Nelson, DFL-Brooklyn Park/SF 2004, Sen. Kenneth Kelash, DFL-Minneapolis), provides that a city may remove snow from unopened or private roads in uncompleted subdivisions containing five or more lots upon finding that the subdivision developer, due to general insolvency or pending foreclosure, is unable to maintain the roads and that public safety may be jeopardized if school buses, public works vehicles, or authorized emergency vehicles cannot travel on the roads. The legislation also provides immunity from tort claims arising from damage to the roadway as long as it is not the result of negligence. Finally, the bill authorizes the city to impose a reasonable and proportionate charge on all properties within the subdivision for services provided.

The new law addresses one of the many unanticipated challenges cities face as a result of the housing market decline. Last year, the League was contacted by city officials concerned about how to provide snow removal services in uncompleted subdivisions where some parcels were occupied, but development had been halted. In some cases, developers had abandoned property or were facing foreclosure proceedings. Absent a development agreement addressing a turnover of the streets to the city, or a road maintenance obligation on the part of the developer, cities were left without a plan—or legal authority—to plow the streets.

The law sunsets in May of 2013, at which time the League will evaluate whether an extension would be appropriate.

Questions? Contact Anne Finn at 651-281-1263 or afinn@lmc.org.

Ice arena air quality mandate legislation scheduled for Monday House hearing

The House Cultural and Outdoor Heritage Finance Division has scheduled a Monday afternoon hearing on HF 3512 (Rep. Rick Hansen, DFL-South St. Paul), a bill that, in its current form, will require catalytic converters on non-electric ice resurfacers and edgers, new certification requirements for rink operators and a directive to the Department of Health that the agency develop more stringent rules pertaining to indoor ice arena air quality management. The bill also contains language pertaining to air quality monitoring devices.

At the last hearing on the bill, also in the Cultural and Outdoor Heritage Finance Division, the bill's author, Rep. Rick Hansen, introduced a fifth version of the measure. It was the fifth so-called delete-everything (DE) amendment to be offered in the House. The measure was adopted and then laid over. According to the hearing notice for Monday's hearing, a sixth draft of the bill will be unveiled late today (Friday).

Those interested in reviewing the measure that will be considered Monday can go to www.house.leg.state.mn.us/comm/committee.asp?comm=86121. Per the meeting notice, "A copy of the DE6 amendment will be posted to the committee website by Friday afternoon." Comments about the amendment should be directed to Rep. Hanson at rep.rick.hansen@house.mn and to Anne Finn at the League of Minnesota Cities at afinn@lmc.org.

The hearing will be held on Monday, May 3, at 1:30 p.m. in room 5 of the State Office Building.

Questions? Contact Anne Finn at 651-281-1263 or afinn@lmc.org.

Coal tar legislation scheduled for informational hearing

The House Environment Policy and Oversight Committee has announced that it will meet in the Basement Hearing Room of the State Office Building at 9:00 a.m. on Wednesday, May 5 to discuss a statewide ban on undiluted coal tar sealants, HF3456 (Rep. Bev Scalze, DFL—Little Canada). The hearing is informational only and the bill will not be voted on. The League supports this legislation because this product is a significant factor in the dredge from some stormwater ponds having to be shipped to lined landfills due to its toxicity, which drastically increases the cost of managing city stormwater systems.

Questions? Contact Craig Johnson at 651-281-1259 or cjohnson@lmc.org.

Agreement pending on property maintenance legislation

After almost two years of work, city and business representatives have finally reached agreement on statutory language changes related to municipal enforcement of property maintenance and rental property ordinances. The new language attempts to clarify uncertainty created by the *Morris v. Sax* decision. The changes will occur in Minnesota Statutes 2008, section 326B.121, subd. 2(c) and are as follows, with the new language underlined:

(c) A municipality must not by ordinance, or through development agreement, require building code provisions regulating components or systems of any structure that are different from any provision of the State Building Code. This subdivision does not prohibit a municipality from enacting or enforcing an ordinance requiring existing components or systems of any structure to be maintained in a safe and sanitary condition or in good repair, but not exceeding the standards under which the structure was built, reconstructed or altered or the component or system was installed, unless specific provisions for existing buildings have been adopted as part of the State Building Code. A municipality may, with the approval of the state building official, adopt an ordinance that is more restrictive than the State Building Code where geological conditions warrant a more restrictive ordinance. A municipality may appeal the disapproval of a more restrictive ordinance to the commissioner. An appeal under this subdivision is subject to the schedule, fee, procedures, cost provisions, and appeal rights set out in section 326B.139.

That language would replace the language in the HF 2945 (Rep. Tim Mahoney, DFL, St. Paul) and should be able to be resolved before the end of the legislative session.

Questions? Contact Tom Grundhoefer at 651.281.1266 / tgrundho@lmc.org or Craig Johnson at 651-281-1259 / cjohnson@lmc.org.

Impacts on cities of new EPA lead rules reduced

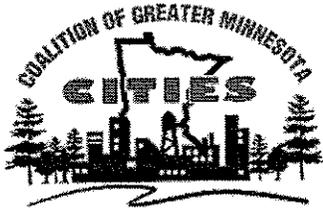
Legislation setting up how Minnesota will implement new federal requirements for training and certification of contractors related to lead in residential structures has created a great deal of discussion over the past few weeks. The bill, SF 3128, has now passed the Legislature, but awaits conference committee action to resolve differences between the House and Senate. In the course of looking at that bill, it was discovered that cities were required to exercise expanded enforcement and inspection, which was not the intent. The League worked with other interested parties to reach agreement on new language that limits city responsibility. Under the new language, when a contractor pulls a permit for a project under the State Building Code in a pre-1978 structure, the city must verify that the contractor has the necessary EPA certification to work with lead if it is found. The link to a federal database listing who holds those certifications will be posted on the Department of Labor and Industry web site at the same location that the other contractor license information is posted. Cities could charge up to \$5 to verify that certification. The conference committee is expected to meet to adopt these changes early next week.

Questions? Contact Craig Johnson at 651-281-1259 or cjohnson@lmc.org.

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Coalition of Greater Minnesota Cities
CGMC in Brief

April 29, 2010

Contact: Tim Flaherty
651-225-8840

**Federal funds
critical to state
budget no longer
sure thing**

Budget plans for both the governor and DFL-controlled legislature count on over \$400 million in federal funding to balance the state's current \$1 billion budget deficit. The federal funds that were at one point considered almost certain have hit a snag in Washington. Tom Hanson, Governor Pawlenty's Commissioner to Minnesota Management and Budget, stated this week that the funds now have an 80 percent chance of passage, but will unlikely pass before the legislature adjourns on May 18.

The uncertainty of the federal funds has put the Minnesota legislature in a bind. If the legislature assumes the federal funds are coming and they adjourn but the funds are not passed by the feds, the governor will have the ability and right to unallot up to \$400 million to balance this year's state budget. This, of course, would put cities at great risk of more cuts in aids and credits. The legislature may also create a contingency plan in the unlikely event that the funds are not received from Washington. This would require the legislature and governor agreeing on \$400 million more in spending cuts, revenue increases, and/or shifts. A contingency plan may prove politically difficult given that any spending cuts or revenue increases would likely not occur once the funding is received, but would have to be voted on by legislators and signed by the governor.

**Contact Speaker
and Majority Leader
NOW**

To protect cities from deeper cuts, CGMC is pushing for the legislature to pass a contingency plan. The governor has a known history of reducing aids and credits to cities through unallotment, and we have no reason to believe that this year would be any different. **Please contact the DFL leadership as soon as possible and tell them:**

- The state needs a contingency plan in the event that the federal funds are not passed.
- They need to finish their job. Simply letting the governor unallot if the federal funds are not received is not acceptable.
- If the federal funds are not received and the governor unallots more aids and credits to cities, cities will have to further reduce their essential services and property taxes will increase in the future.

House Speaker Margaret Anderson Kelliher
rep.margaret.kelliher@house.mn
651-296-0171

Senate Majority Leader Larry Pogemiller
Use email form found at <http://bit.ly/9nb2QC>
651.296.7809



Marquart and Lenczewski dig in over local option sales tax moratorium extension

On Monday, Rep. Marquart introduced a bill to extend the current moratorium on local option sales taxes until May 31, 2012. The current moratorium is due to expire at the end of May this year. In addition to continuing the moratorium, the new proposal would also include extensions of current sales taxes, which were exempt from the previous law. At the fall conference last year, CGMC membership took the position that the state should allow the moratorium to expire.

On Tuesday, Rep. Marquart's Property and Local Sales Tax division held a hearing on the bill. During the discussion of the bill, Rep. Marquart cited concern that allowing some cities to have local option sales taxes created disparities amongst communities. Rep. Lenczewski noted that continuing local option sales taxes could undermine the argument for LGA and that the alternative might be all communities having a local option sales tax to fund operations. She cited the example of Bloomington, which would not need property taxes to fund government if they had a local option sales tax. Unfortunately, her line of argument misses the point entirely that there are some capital projects of a regional nature that need attention that would be difficult to fund without a local option sales tax. Despite testimony from CGMC, the League of Minnesota Cities, Metro Cities, and Hutchinson Mayor Steve Cook, the proposal was folded into the Property and Local Sales Tax division report and will likely be included in the full omnibus tax bill on Monday. It is possible that an amendment may be offered in committee to either remove the moratorium or modify it to address some of Rep. Marquart and Rep. Lenczewski's concerns.

If this is an issue that your city cares about, you should consider attending and testifying at the House Tax Committee hearing scheduled for Monday, May 3, at 9:00 a.m. in Room 10 of the State Office Building. Stay tuned over the next couple of days for updates and action alerts. Please contact Bradley Peterson at 651-259-1911 or bmpeterson@flaherty-hood.com with questions.

Join CGMC Board, Property Tax Committee for meetings with Dayton, Horner

The CGMC Board of Directors and Property Tax Committee will meet at Flaherty & Hood offices on Thursday, May 6 at 10:30 a.m. Members will continue their discussions with gubernatorial candidates and hear from Independence Party candidate Tom Horner at 10:30 a.m. and DFL candidate Mark Dayton at 1:00 p.m. As with all board meetings, all CGMC members are welcome to attend. **Due to a statewide city managers meeting, many of our board members will not be able to join us May 6, so if you are available on this date, please attend so that we can have a good showing with these highly viable candidates.** Please contact Colleen Millard at cfmillard@flaherty-hood.com if you plan to attend so that we have an accurate headcount.

House committee approves additional Heritage Amendment funding

The House Ways and Means committee recently approved a bill that allocates additional money brought in through the Heritage Amendment sales tax, a portion of which is used for clean water projects. The bill appropriates \$310,000 to the PCA for continued rulemaking for nitrogen water quality standards. \$645,000 is also appropriated for grants to local government units to pay up to 50% of the cost of implementing best practices to clean up storm water ponds. To be eligible for these funds, the local government unit must have adopted an ordinance addressing coal tar sealants.



Senate approves roads and interchange bond increases

Legislation appropriating an additional \$100 million in bond proceeds from the trunk highway fund for state road construction and interchanges passed the Senate on April 26. The appropriation is part of a larger transportation policy omnibus bill (S.F. 2540) slowly progressing through the legislature.

The \$100 million account would provide \$30 million for state road construction projects for highways, including for purchasing of rights-of-way. The remaining \$70 million would pay for the construction of interchanges involving a trunk highway “where the interchange will promote economic development, increase employment, relieve growing traffic congestion, and promote traffic safety.” Of this interchange amount, 50% is designated for greater Minnesota and the remaining 50% is for the metro.

This appropriation, if enacted, would supplement the nearly \$60 million in trunk highway bonds approved for interchanges since 2008. The House transportation policy omnibus bill (H.F. 2807) does not contain similar provisions. However, efforts are underway to add the road and interchange language to the House omnibus bill when it is considered on the floor.

Unallotment lawsuit still unresolved

Every Thursday, the Minnesota Supreme Court issues its opinions for the week. This morning’s release came and went without a decision on the unallotment lawsuit. It has now been more than a month since the oral arguments before the court, which took place March 15. A decision could be issued at any time. CGMC staff will keep you updated with the latest news.

Energy efficiency grant applications due May 24

Don’t forget that cities are eligible to apply for federal stimulus grants to make energy efficiency upgrades to local government buildings. The grants must be construction ready and require a 50% match. You can access the RFP at <http://bit.ly/9YvUET>.

REMINDER: CGMC Labor & Employee Relations Seminars

Registration materials are now available for CGMC’s annual labor and employee relations seminars. Seminars will be held **9:30 a.m. to 4:00 p.m. on May 27 in New Ulm and June 10 in the Park Rapids lakes area**. Sign up for the seminar closest to you! For registration materials, visit: www.greatermncities.org/labor-employee-relations.

Seminar topics include the following:

- Using non-regular employees to your advantage
- Effective performance evaluations
- Contracting local government services: Legal and union hurdles
- Personnel data practices and records retention
- Interactive panel of experts: Legislative update and handling employees and unions in tough times

Feel free to **send any management representatives from your unit of government** (e.g., managers and administrators, human resources personnel, elected officials) to this valuable program. Space is limited, so register your city today!





House Unveils Second Budget-Balancing Bill

The bill includes no city cuts, but if more federal Medicaid funding doesn't come through, adjustments will have to be made.

(Published Apr 28, 2010)

With only three weeks left in the session, the House **Health Care and Human Services Finance Division** ([Link to: http://www.house.leg.state.mn.us/comm/committee.asp?comm=86118](http://www.house.leg.state.mn.us/comm/committee.asp?comm=86118)) on April 26 finally unveiled its supplemental budget bill, **HF 2614** ([Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF2614&ssn=0&y=2009](https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF2614&ssn=0&y=2009)) (**Rep. Thomas Huntley** ([Link to: http://www.house.leg.state.mn.us/members/members.asp?id=10271](http://www.house.leg.state.mn.us/members/members.asp?id=10271)), DFL-Duluth). The bill is the second major supplemental budget component needed to balance the state's \$1 billion general fund deficit.

The bill includes total general fund savings of \$154.7 million, which is extremely close to the initial budget target of \$154.8 million adopted by the Ways and Means Committee on March 17.

If enacted, the Legislature will have addressed roughly \$600 million of the state's \$1 billion deficit for the remainder of the current 2010-2011 biennium. The remaining \$400 million of the planned budget solution is contingent on action by Congress.

Of interest to cities

The bill contains few provisions of direct interest to city operations. However, one item of interest is language that would allow volunteer firefighters who have passed their probationary period and volunteer ambulance attendants to purchase MinnesotaCare coverage.

The proposal states that a qualified volunteer firefighter or volunteer ambulance attendant, who documents to the satisfaction of the commissioner of Human Services that he or she is eligible, can enroll in MinnesotaCare without meeting other eligibility requirements. However, eligible volunteer firefighters and ambulance attendants must pay premiums equal to the average expected capitation rate for adults with no children and the benefit set is limited to that of an adult with no children.

Congressional action needed

The other major component of the Legislature's supplemental budget-balancing package is contingent on action by Congress. In President Obama's original federal budget proposal, he offered an extension of a provision in the federal stimulus package that temporarily increased the federal government's share of the cost of Medicaid. Both the governor and Legislature's budget-balancing plans include an assumption that Congress will act on the legislation, which will save the state an estimated \$400 million this biennium.

Although the extension of federal participation in the cost of Medicaid would benefit the vast majority of states, Congress has not yet acted on the extension of Medicaid funding. Last week, the National Conference of State Legislatures issued an action alert warning state legislatures that the extension of the Medicaid funding was in jeopardy. The action alert suggests that congressional concern about the extension of Medicaid participation is focused on how the cost of the extension will be covered. Many in

Congress believe that rather than increasing the federal deficit, Congress should pay for the extension through spending reductions in other areas of the federal budget or through revenue increases.

Other options

If Congress fails to act on the Medicaid extension before the state legislative session ends on May 17, the Legislature and governor will have to decide on an alternative budget-balancing strategy. They could adjourn and leave a \$400 million gap in the state's budget under the assumption that Congress will ultimately approve the Medicaid funding extension. If Congress fails to act, the governor could call a special session or alternatively, he could possibly balance that deficit through unallotment.

Another option is for the Legislature to develop and adopt a contingent budget bill that would include \$400 million in additional spending reductions—possibly including additional city cuts—that would only take effect if the Medicaid extension is not approved by Congress. This strategy would require an agreement with the governor.

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

Your LMC Resource

Contact Gary Carlson

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House Makes Progress on Omnibus Tax Bill

The property and sales tax articles do not include additional cuts to LGA or MVHC, but the bill calls for the use of MVHC to pay for a Local Results and Accountability Council.

(Published Apr 28, 2010)

Rep. Paul Marquart (*Link to: <http://www.house.leg.state.mn.us/members/members.asp?id=10401>*) (DFL-Dilworth), chair of the House **Property and Local Sales Tax Division** (*Link to: <http://www.house.leg.state.mn.us/comm/committee.asp?comm=86104>*), on April 26 released his draft amendment of the property tax and sales tax articles, which was presented as a delete-all amendment to HF 3408. The bill will be added to the House omnibus tax bill.

View the delete-all amendment to HF3408 division report (pdf) (*Link to:*

<http://www.house.leg.state.mn.us/comm/docs/0A10-2516.pdf>)

HF 3408 includes a number of provisions affecting local governments, including the following:

Levy limits—prevents the inflation adjustment, which is defined as the implicit price deflator (IPD) for government purchases, from going below zero. Under current law, the inflation adjustment has a cap of 3.9 percent but the statute is not clear about how the levy limit adjustment is computed if the IPD is negative. This provision would set a floor of 0 percent.

Truth in taxation (TNT)—clarifies that cities with populations under 500 are not required to hold a specifically designated budget discussion hearing. In the 2009 law that repealed the specific TNT hearing requirement, the law inadvertently eliminated an exemption for cities with populations under 500. The TNT changes also clarify that a city over 500 in population only needs to specify one public budget discussion hearing on the TNT notice.

Housing improvement areas (HIA)—increases the threshold for bringing a petition for an HIA, from 25 percent of the homeowners to 50 percent. Additionally, this provision increases the veto threshold from 35 percent to 45 percent. (**See related article.** (*Link to: <http://www.lmc.org/page/1/hia-bill.jsp>*))

Local government aid (LGA) base change—includes a specific LGA base change for the city of St. Charles as a result of the tax base loss due to a fire in a large processing facility.

Fiscal disparities study—would analyze how economic growth is shared throughout the metropolitan region, the impact of the program on tax rates across jurisdictions, the impact on the distribution of property tax burdens, and the relationship between impacts of the program and overburden on jurisdictions providing regional benefits. The study would be paid for by an add-on fiscal disparities levy.

Council on Local Results and Accountability—includes a bill from the 2009 session, which was proposed by Rep. Marquart. The council is made up of 11 members, including legislators and two representatives appointed by the League of Minnesota Cities and the Association of Minnesota Counties. The council would develop a standard set of around 10 performance measures by Feb. 15, 2011, for counties and cities. The Office of the State Auditor would be involved, participating local governments

would be required to report their results on the jurisdiction's web site or public hearing, and there would be some financial incentives for cities and counties that participate—such as an exemption from levy limits, and a per capita reimbursement. The provision is paid for by using market value homestead credit (MVHC) funding—almost \$1 million a year from the city and county aids. The League testified on this provision specifically with the concern that all MVHC and LGA could be used to fund even more of the streamlining and collaboration council bills moving through the process.

Property Tax System Benchmarks and Critical Indicators—includes a 2009 bill authored by **Rep. Denise Dittrich** ([Link to: http://www.house.leg.state.mn.us/members/members.asp?id=12259](http://www.house.leg.state.mn.us/members/members.asp?id=12259)) (DFL-Champlin), revived from the 2009 House property tax bill and the Property Tax Reform Working Group. The provision establishes seven property tax principles, and spells out major indicators—all designed to help evaluate tax legislation. This section also establishes a property tax working group, consisting of 12 members with both legislators and members of the public, some of whom are appointed by the major statewide associations like the League.

Local sales tax moratorium extended—takes the existing prohibition on local sales tax authorizations, which is set to expire in May 2010 and delays that another two years to 2012. It also prohibits cities with existing sales taxes from seeking changes or extensions. (**See related article.** ([Link to: http://www.lmc.org/page/1/taxmoratorium.jsp](http://www.lmc.org/page/1/taxmoratorium.jsp))

Local sales taxes—authorizations or changes for the cities of Biwabik, Detroit Lakes, Marshall and Rochester. These taxes are limited to entertainment, food/beverage, and lodging, and do not include general sales tax provisions.

Use deeds reform—includes the use deed reform legislation carried by Sen. Mee Moua (DFL-St. Paul) and Rep. Joe Mullery (DFL-Minneapolis). The use deed reforms include changes to the conveyance of tax-forfeit property to public entities, changes to the reversion of use-deeded property for failure to comply with the conditional use restrictions, and an authorization to release a property from the conditional use restrictions after a period of years.

Next steps

Next, the House **Taxes Committee** ([Link to: http://www.house.leg.state.mn.us/comm/committee.asp?comm=86103](http://www.house.leg.state.mn.us/comm/committee.asp?comm=86103)) will consider the full draft of the omnibus tax bill, which will include the Property and Local Sales Tax Division's amendment to HF 3408. According to **Rep. Ann Lenczewski** ([Link to: http://www.house.leg.state.mn.us/members/members.asp?id=10369](http://www.house.leg.state.mn.us/members/members.asp?id=10369)) (DFL-Bloomington), chair of the Taxes Committee, **HF**

3729 ([Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF3729&ssn=0&y=2009](https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF3729&ssn=0&y=2009)) will become the omnibus tax bill. The committee's hearing on the bill is scheduled for 9 a.m. on May 3 in room 10 of the State Office Building.

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

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Senate Approves Omnibus Transportation Policy Bill

Among the bill's many provisions are a "Complete Streets" measure and a funding boost for railroad crossing safety.

(Published Apr 28, 2010)

The full Senate on April 26 passed its version of the omnibus transportation policy bill, **SF 2540** (*Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=Senate&f=SF2540&ssn=0&y=2010*) (**Sen. Steve Murphy** (*Link to: http://www.senate.leg.state.mn.us/members/member_bio.php?mem_id=1040&ls=*), DFL-Red Wing). Most of the provisions in the package were initially introduced as stand-alone bills that were heard and discussed in the policy committee.

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

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

The League is also following a provision in the bill that requires MnDOT to develop a Complete Streets policy in the agency's biennial budget submission. According to the language in the bill, Complete Streets is defined as follows:

"Complete Streets is the planning, scoping, design, implementation, operation, and maintenance of roads in order to reasonably address the safety and accessibility needs of users of all ages and abilities. Complete Streets considers the needs of motorists, pedestrians, transit users and vehicles, bicyclists, and commercial and emergency vehicles moving along and across roads, intersections, and crossings in a manner that is sensitive to the local context and recognizes that the needs vary in urban, suburban and rural settings."

The Complete Streets provision makes it clear that local units of government are encouraged, but not required, to consider Complete Streets policies at the local level.

The League is monitoring numerous other provisions in the legislation. Watch for updates after the House passes its omnibus transportation policy companion bill, **HF 2807** (*Link to:*

https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF2807&ssn=0&y=0&ls=86) (**Rep. Frank Hornstein** (*Link to: <http://www.house.leg.state.mn.us/members/members.asp?id=10767>*), DFL-Minneapolis).

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

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Bill to Extend Local Sales Tax Moratorium

The League, as well as other city groups and city officials, testified against the bill.

(Published May 28, 2010)

Reps. **Paul Marquart** (*Link to: <http://www.house.leg.state.mn.us/members/members.asp?id=10401>*) (DFL-Dilworth) and **Ann Lenczewski** (*Link to: <http://www.house.leg.state.mn.us/members/members.asp?id=10369>*) (DFL-Bloomington) on April 26 introduced **HF 3807** (*Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF3807&ssn=0&y=2009*), a bill that extends the current moratorium on activities related to securing legislative authority for a general local sales tax.

The prohibited activities include advertising, promoting, expending funds, or holding a referendum to support imposing or extending a local option sales tax through May 31, 2012.

The bill was heard on April 27 in the **Property and Local Sales Tax Division** (*Link to: <http://www.house.leg.state.mn.us/comm/committee.asp?comm=86104>*). Hutchinson Mayor Steve Cook of Hutchinson testified in opposition to the bill, explaining that his city has been seeking a local sales tax to provide the city with additional funding to finance a new water treatment facility and renovations to the existing wastewater treatment facility. The League of Minnesota Cities, the Coalition of Greater Minnesota Cities, and MetroCities also testified in opposition to the moratorium extension.

The moratorium was first enacted in 2008 and was set to expire on May 31, 2010. Although the original moratorium only applied to activities related to seeking authorization for new general sales taxes, the extension of the moratorium now also prohibits a city from seeking to extend a local sales tax to cover additional projects, or increasing the amount of revenue allowed to be spent on projects authorized under current law.

Despite the moratorium, legislators this year have introduced bills that would authorize the cities of Ely, Hutchinson, Detroit Lakes, Marshall, Owatonna, Cloquet, Biwabik, and Rochester to impose or extend a variety of local taxes, including general local sales taxes, food and beverage taxes, lodging taxes, admissions taxes, and recreation and entertainment taxes.

The local sales tax moratorium language has already been included in the draft property tax and local sales tax article of HF 3408, which was also unveiled by Rep. Marquart on April 26. Marquart says he remains concerned about the city-to-city equity of broadly authorizing local option sales taxes. He indicated that many cities have little or no sales tax base and would not be able to enact a meaningful local sales tax while other cities have strong local sales tax bases.

Rep. Lenczewski stated that she understands that local officials are frustrated because of the severe budget cuts that have been imposed over the past two years. But, she added, the existing sales tax authority in some cities appears to have been granted for mostly political reasons, and she believes that the state should decide whether to provide local sales tax authority to all cities or to no cities. She then reiterated her support for the moratorium due to the immense sales tax base disparities among cities across the state.

Although HF 3408 includes the general sales tax moratorium, the bill also includes local food, beverage, entertainment, lodging and/or admissions taxes for the cities of Marshall, Detroit Lakes, Biwabik, and Rochester.

In the Senate, the omnibus tax bill includes most of the requested local taxes, including several general local sales taxes. However, the Senate did not extend the moratorium in its version of the omnibus tax bill.

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

Your LMC Resource

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Governor Signs Legislation Adopting State Broadband Goals

The new law includes reporting requirements, but does not provide for an advisory council to carry out those requirements.

(Published Apr 28, 2010)

Gov. Pawlenty on April 26 signed **Chapter 277** ([Link to: https://www.revisor.mn.gov/laws/?id=277&doctype=chapter&year=2010&type=0](https://www.revisor.mn.gov/laws/?id=277&doctype=chapter&year=2010&type=0)) (HF 2907, **Rep. Sheldon Johnson** ([Link to: http://www.house.leg.state.mn.us/members/members.asp?id=10294](http://www.house.leg.state.mn.us/members/members.asp?id=10294)), DFL-St. Paul), adopting goals recommended by the **Minnesota Ultra High-Speed Broadband Task Force** ([Link to: http://www.ultra-high-speed-mn.org/](http://www.ultra-high-speed-mn.org/)).

The goals declare that no later than 2015, all state residents and businesses will have access to high-speed broadband with minimum download speeds of 10-20 megabits per second (Mbps) and minimum upload speeds of 5-10 Mbps.

Additional goals state that by 2015 and into the future, the state of Minnesota will be:

- In the top five states for universally accessible broadband speeds for both residents and businesses.
- In the top five states for broadband access.
- In the top 15 in broadband penetration in comparison with nations throughout the world.

Chapter 277 of the 2010 Session Laws establishes new state law, Chapter 237, which also requires the Minnesota commissioner of Commerce to report annually to the state Legislature on the achievement of those goals, but provisions do not call for appointment of an advisory group to carry out the reporting requirements.

As introduced, HF 2907 also included a provision that required that the report identify barriers to achieving the goals, strategies for achieving goals, an estimate of the cost of implementing such strategies, and a requirement for the commissioner to appoint and convene a broadband advisory group of no more than 15 members representing suppliers and users of broadband goods and services. Public input to the advisory group was also required as well as a sunset for the advisory group process on June 30, 2015.

As introduced, the companion bill, **SF 2254** ([Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=Senate&f=SF2254&ssn=0&y=2010](https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=Senate&f=SF2254&ssn=0&y=2010)) (**Sen. Yvonne Prettner-Solon** ([Link to: http://www.senate.leg.state.mn.us/members/member_bio.php?mem_id=1061&ls=](http://www.senate.leg.state.mn.us/members/member_bio.php?mem_id=1061&ls=)), DFL-Duluth), directed the commissioner to consult with the public and private sector to assist in achieving the goals listed above and authorized the appointment of an advisory group for that purpose. In the end, the final wording in Chapter 277 requires that annual reports on the achievement of universal access to high speed broadband throughout the state must be made through 2015, five months longer than required by the original provision found in HF 2907.

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

Your LMC Resource

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Publishing Bid Requests Just Got a Little Trickier

A construction trade publication has folded, leaving many cities wondering how to meet legal requirements for publishing bid requests.

(Published Apr 28, 2010)

The League has learned that the trade journal *Construction Bulletin* has recently closed its business. The *Construction Bulletin* was used by many cities to notify construction professionals of a business opportunity in the city, and to satisfy legal or contractual requirements of publication of bid requests in a “trade paper” or “trade journal.”

The two circumstances when advertisement in a trade paper might be legally required are projects over \$200,000 that are paid for at least in part by special assessments (*Minnesota Statutes* *(Link to: <https://www.revisor.mn.gov/statutes/?id=429.041>)* , section 429.041, subdivision 1), and/or when an explicit term or condition of receiving outside funding is advertisement in a trade paper.

For projects over \$200,000 funded even partially by special assessments, without a trade paper available, cities could be required to advertise for bids in “a newspaper published in a city of the first class.” This can be very expensive and yet ineffective at reaching the target audience in the construction business. Please be aware that there are less expensive alternatives to the *Star Tribune* and *Pioneer Press* available that meet the description “newspaper published in a first class city.”

The League is attempting to quickly address the statutory side of this issue so that instead of publication in a trade paper or a newspaper published in a first class city, cities may use their own website to advertise for bids on those large special assessment projects. If trade paper publication is required by a contract or rule as a term of accepting state or federal funds, the city must talk with the party providing the funds about how to comply with that.

As for the more practical issue of reaching the intended audience of professionals, the League is exploring the options. There are many web-based services followed by the construction community. While online periodicals or blogs are not clearly “trade papers” within the meaning of the statute, they would be beneficial as additional means of notifying potential interested parties. If you have other ideas about ways to advertise for construction bids, please share them with the League.

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

Your LMC Resource

Do you have questions or ideas about publishing bid requests?

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No early adjournment?

Despite its best efforts to complete the session work well before the May 17 Constitutional deadline for adjournment, the Minnesota Legislature is in a bit of a holding pattern as it waits for further information on the impacts of the federal health care reform and possible action on the extension of enhanced federal participation in the cost of Medicaid.

Since the spring recess, the House Health Care and Human Services Finance Division has cancelled several meetings that were originally supposed to include the release of its supplemental budget balancing bill. As of Thursday, April 22, the committee has again scheduled a hearing to release the bill for Monday, April 26 at 1:00 p.m. The current budget savings target for the committee's supplemental budget bill is \$155 million.

The other major component of the supplemental budget balancing package is in the hands of Congress. In his budget recommendations, President Obama proposed an extension of a provision in the federal stimulus package that temporarily increased the federal government's share of the cost of Medicaid. Both the governor's and the Legislature's budget balancing plans include an assumption that Congress will act on the legislation, which will save the state an estimated \$400 million this biennium.

Unfortunately, Congress has not yet acted on the extension of Medicaid funding. On Wednesday, the National Conference of State Legislatures issued an Action Alert warning state legislatures that the extension of the Medicaid funding was in jeopardy. The Action Alert suggests that congressional concern about

the extension of Medicaid participation is focused on how the cost of the extension will be covered. Many in Congress believe that rather than increasing the federal deficit, Congress should pay for the extension through spending reductions in other areas of the federal budget or through revenue increases.

If Congress fails to act on the Medicaid extension before the end of the 2010 legislative session, the Legislature and governor will have to decide on an alternative budget balancing strategy. They could simply adjourn leaving a \$400 million gap in the state's budget under the assumption that Congress will ultimately approve the Medicaid funding extension. If Congress fails to act, the governor could call a special session or he could possibly balance that deficit through the power of unallotment.

Alternatively, the Legislature could develop and adopt a contingent budget bill that would include \$400 million in additional spending reductions, possibly including additional city cuts, which would only take effect if the Medicaid extension is not approved by Congress. Of course, that contingency bill would need the governor's signature.

On a more positive note, discussions between the governor and legislators appear to be far less confrontational than last year. Gov. Pawlenty has indicated that the circumstances surrounding the Medicaid funding extension are unique and that he would be flexible in addressing the uncertainty of the timing of final Congressional action. Stay tuned.

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



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Senate Finance Committee to hear pension bill

After several weeks of inactivity the omnibus pension bill, which includes the pension sustainability legislation, is now scheduled for a hearing next Wednesday, April 28, in the Senate Finance Committee. The bill, SF 2918, is authored by Sen. Don Betzold (DFL-Fridley).

The omnibus pension bill includes the pension sustainability provisions for the PERA General Plan and the PERA Police and Fire Plan, and are based on recommendations from the state's three largest public employee pension plans—the Public Employees Retirement Association (PERA) Board, the Teachers Retirement Association (TRA) Board and the Board of the Minnesota State Retirement System (MSRS). The sustainability legislation is also contained in a separate bill, SF 2573, which will be considered at the same hearing.

Both bills attempt to ensure stability of benefits for retirees, as well as active employees, through a series of shared sacrifices that will impact employers, employees and retirees. The core of the PERA Board sustainability recommendations include a general plan contribution increase of 0.25 percent from the employer and 0.25 percent from the employee, and a reduction in the annual pension benefit adjustment to General Plan retirees to one percent from the current 2.5 percent. In the Police and Fire plan, the bills include a contribution increase of 0.3 percent from the employer and 0.2 percent from the employee while the annual pension benefit adjustment is limited to one percent for two years and then is adjusted according to the consumer price index,

with a limit of no more than 1.5 percent per year.

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

The omnibus pension bill includes a set of changes to administratively consolidate the Minneapolis Employees Retirement Fund (MERF) with the PERA General Plan. The consolidation will not impact the funding of the PERA General Plan and would be accomplished with increased contributions from Minneapolis, other employers with MERF participants and the state.

The House version of the bill, HF 3281, authored by Rep. Mary Murphy (DFL-Hermantown) is awaiting action in the House Finance Committee. We expect that hearing will occur the week of May 3.

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

Bill would make it harder to start, and veto Housing Improvement Areas

On Wednesday afternoon, the House Property and Local Sales Tax Division took up HF 2617 (Rep. Bev. Scalze, DFL-Little Canada), a bill that would essentially tighten up part of the processes that occur during the set up of a housing improvement area (HIA), allowed



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under Minn. Stat. 428A. The bill makes two changes.

The first change deals with the original petition where the threshold is raised from 25 percent of the homeowners to 50 percent of the homeowners who must sign a petition requesting a public hearing on the use of the housing improvement area. Joel Hanson, city administrator for Little Canada, testified along with some condo owners that the higher threshold would help solidify support among the property owners on the need for the improvement. Their example was new windows. We have been told that most building associations and cities aim for 50 percent, as taking on the HIA can be a big expense for the association if the support is not there for a project.

The second proposed change deals with the requirements for a veto under 428A.18, subd. 2. This would increase the necessary threshold from 35 percent to 45 percent of the housing units needed to veto the project.

Members of the committee asked a few questions of testifiers. Chair, Rep. Paul Marquart (DFL-Dilworth) was interested that the petition portion dealt with votes from individual property owners, but the veto changes in section 2 of the bill referred to tax capacity and not so much individual votes. Rep. Joe Mullery (DFL-Minneapolis) voiced concern over whether the Minnesota Bar Association had weighed in on the legislation, since they are usually consulted regarding cooperative housing issues.

The House Property and Local Sales Tax Division ultimately laid the bill over for possible inclusion in an omnibus bill. A Senate

companion bill, SF 3381, was recently introduced by Sen. John Marty (DFL-Roseville). It will not likely get a hearing this year as the Senate Taxes Committee has said it is finished hearing bills and have already put together its omnibus bill.

There is little time to work with the authors before the House puts together their omnibus bill in early May.

For additional House information on housing improvement areas go to:
<http://www.house.leg.state.mn.us/hrd/pubs/ss/shia.pdf>

Questions? Contact Jennifer O'Rourke at 651-281-1261 or jorourke@lmc.org.

New law allows on-duty firefighters to solicit charitable donations

On April 10, Gov. Tim Pawlenty (R) signed Chapter 227, a bill that legally authorizes the familiar practice of firefighters soliciting monetary donations from motorists for charities. The bill, authored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Ann Rest (DFL-New Hope), was initiated by the Minnesota Professional Firefighters Association. Representatives of the group testified that firefighters have a long history of raising funds for foundations that promote medical research and assist victims of serious illnesses such as cystic fibrosis and muscular dystrophy. The fundraisers are typically called "Fill the Boot" campaigns. Advocates said the legislation is necessary because some employers are not sure whether they have authority to allow the practice.



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Under the new law, cities may permit full-time permanent firefighters employed by the city while on duty, or volunteer firefighters serving the municipality while not on duty, to solicit charitable contributions from motorists if the following conditions are met:

- the solicitation is for only one charitable organization annually and that organization is qualified as a 501(c)(3) organization under the Internal Revenue Code;
- the solicitation does not occur for more than three days whether or not consecutively; and
- the charitable organization provides to the municipality proof of commercial general liability insurance.

No city is required to authorize the fundraising campaigns; however, those cities that want to permit the event should do so by resolution. The city is entitled to be more restrictive than the law. The League of Minnesota Cities did not take a position on the legislation, but watched its progress to ensure that it remained permissive for cities.

Questions? Contact Anne Finn at 651-281-1263 or afinn@lmc.org.

House Property and Local Sales Tax Division to unveil omnibus bill on Tuesday, April 27

House Property and Local Sales Tax Division Chair Paul Marquart (DFL-Dilworth) will hold a meeting Tuesday, April 27 at 1 p.m. in room 10 of the State Office Building to process his committee's property tax bill recommendations. This means the bill will be amended and passed out of committee that

day. A delete-all amendment to HF 3408 will be available on-line, sometime on April 26. The bill is likely to contain a number of local provisions and policy requests, and most likely will not contain additional cuts to local government aid (LGA) and market value homestead credit (MVHC).

The full House Tax Committee has scheduled Monday May 3 at 9 a.m. for the release of its omnibus tax bill. As is usually the case, the property tax recommendations will likely be included in the larger tax omnibus bill. The Senate released its version Tuesday and marked it up with a few amendments Wednesday as SF 3227 (Sen. Tom Bakk, DFL-Cook).

Questions? Contact Jennifer O'Rourke at 651-281-1261 or jorourke@lmc.org; or Gary Carlson at 651-281-1255 or gcarlson@lmc.org.

Liquor lobby cautions against new liquor taxes

In an interesting move on Wednesday in the House Property and Local Sales Tax Division, the lobbyist for the restaurant/bar industry testified on a bill, HF 3241 (Rep. Lyle Koenen, DFL-Clara City), that would have allowed the city of Marshall to have a local option sales tax, a lodging tax, and a 1.5 percent food and beverage tax.

Limiting his testimony to the food and beverage tax, he started that he wasn't there to speak against the Marshall request but rather caution the committee against raising liquor taxes in the future. He referenced pressure that policymakers are likely to feel next year, after the fall 2010 elections, when the state budget is in even worse shape.



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He went on to cite examples of what the current liquor taxes are nationally in several big cities (Los Angeles, New York, Boston) and explained that the Marshall bill brought forward by Rep. Lyle Koenen would be higher than all of these at 10.87 percent. These numbers were probably news to committee members who took up several other local requests from cities, including Biwabik ([HF 3377](#), Rep. Tom Rukayina, DFL-Virginia); Owatonna ([HF 3752](#), Rep. Kory Kath, DFL-Owatonna); Detroit Lakes (Rep. Paul Marquart, DFL-Dilworth); and Rochester (Rep. Tina Liebling, DFL-Rochester).

Questions? Contact Jennifer O'Rourke at 651-281-1261 or jorourke@lmc.org.

Proposed coal tar sealant ban to get hearing next week

A bill that would ban the use and sale of coal tar products will be heard next Tuesday at 1:30 p.m. in the House [Environment Policy and Oversight](#) (Room 5, State Office Building). The bill, [HF 3456](#) (Rep. Bev Scalze, DFL-Little Canada), is supported by the League and is aimed at regulating a product that is commonly used to seal pavement, but that has been found to be toxic to groundwater.

According to the [Minnesota Pollution Control Agency](#):

Coal tar, a byproduct of coal processing, contains high levels of chemicals called polycyclic aromatic hydrocarbons (PAHs). Some PAHs are known human carcinogens. It is commonly used in asphalt sealers. Studies have shown when coal tar-based sealants are applied on parking lots and

driveways, PAHs can be released into nearby surface waters, where they can accumulate to potentially harmful levels in sediments. This also is a concern for local governments responsible for managing stormwater ponds and disposing of sediments dredged from them. Alternatives to coal tar-based sealer formulations are available that have far lower levels of PAHs.

To view an [MPCA fact sheet](#) with more information on the environmental concerns related to coal tar-based sealant, go to www.pca.state.mn.us/publications/wq-strm4-12.pdf.

Questions? Contact Anne Finn at 651-281-1263 or afinn@lmc.org.

Rail crossing upgrade funding bill passes full House

A League-initiated bill aimed at helping local units of government improve safety at railroad crossings has passed the full House without opposition. [HF 2848](#) (Rep. Melissa Hortman, DFL-Brooklyn Park) boosts the Minnesota Grade Rail Crossing Safety Account administered by the [Minnesota Department of Transportation](#) (MnDOT) from \$600,000 to \$1 million. The funds are from traffic fine and forfeiture revenues collected by the State Patrol. The Senate version of the bill, [SF 2548](#) (Sen. Steve Murphy, DFL-Red Wing), has been rolled into the omnibus transportation policy bill, [SF 2540](#).

Questions? Contact Anne Finn at 651-281-1263 or afinn@lmc.org.



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Change in date of state primary home rule charter cities to comply

The League and the Office of the Secretary of State have received inquiries from some cities in which home rule charters currently direct the city to hold its primary on September 14, the first Tuesday after the second Monday in September. Cities raised concerns about the apparent conflict with the charter provision as well as the lack of sufficient time to amend the charter prior to the deadline to comply with notification of the change in the date of the primary and for the candidate filing period.

Chapter 184, the 2010 session law that moves the state primary to the second Tuesday in August, requires home rule charter cities as well as statutory cities that plan to conduct local primaries in 2010 to hold the city primary on August 10, the date on which the state primary will be held regardless of current charter provisions to the contrary.

Chapter 184 amends Minn. Stat § 205.065, subd. 1, with which home rule charter cities are required to comply regardless of provisions in the current home rule charter. In those circumstances, the city must follow provisions in Chapter 184 and may take action to amend the home rule charter this year to conform to new state law. In the meantime, cities with local primaries must provide a filing period for candidates for city elective office to coincide with the filing period for state candidates and conduct the city primary on Tuesday, August 10. For cities holding primaries in 2010, the filing period for local candidates is May 18-June 1.

Questions? Contact Ann Higgins at 651-281-1257 or ahiggins@lmc.org.

MS429 Publication Development

The League has learned that the trade journal *Construction Bulletin* has recently ceased publication. The *Bulletin* was used by many cities to notify construction professionals of a business opportunity in the city, and to satisfy legal or contractual requirements of publication of bid requests in a "trade paper" or "trade journal (e.g., Minn. Stat. Sect. 429.041 subd. 1)." The demise of the *Construction Bulletin* may affect cities needing to publish bid requests for upcoming projects. For some projects, without a trade paper available, cities could be required to advertise for bids in "a newspaper published in a city of the first class." This can be very expensive and ineffective for reaching a target audience in the construction business.

The League is attempting to quickly address the statutory side of this so that publication in a first class city newspaper is not required. Arguably, a city could already meet the publication requirements by complying with the web posting provisions of Minn. Stat. Sec. 331A.03 subd. 3. As for the more practical issue of reaching the intended audience of professionals, we are exploring options and encourage you to share your ideas with us.

The League will provide further information on how the two statutes might practically work together in the coming days.

Questions? Contact LMC Research Attorney Edward Cadman at 651-281-1229/toll-free at 800-925-1122 or ecadman@lmc.org.



Senate Omnibus Tax Bill Unveiled

The bill contains a number of local city-specific provisions ranging from sales taxes to TIF modifications.

(Published Apr 21, 2010)

The Senate omnibus tax bill (SF 3327 [Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=Senate&f=SF3327&ssn=0&y=2010](https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=Senate&f=SF3327&ssn=0&y=2010)), Sen. Thomas Bakk [Link to: http://www.senate.leg.state.mn.us/members/member_bio.php?mem_id=1003&ts=](http://www.senate.leg.state.mn.us/members/member_bio.php?mem_id=1003&ts=)), DFL-Cook), unveiled on April 20, contains a number of local city-specific provisions ranging from sales taxes to tax increment financing (TIF) modifications. The Senate Taxes Committee [Link to: http://www.senate.leg.state.mn.us/committees/committee_bio.php?cmte_id=1019&ts=86](http://www.senate.leg.state.mn.us/committees/committee_bio.php?cmte_id=1019&ts=86)) approved the bill on April 21, and it will now go to the full Senate.

Items of interest to cities include:

- **Region-wide public safety radio sales tax exemption**—extends the sales tax exemption to the purchases of all areas of the state and is retroactive to purchases by local governments made after June 30, 2006, and for purchases by the state occurring after June 30, 2010. Refunds for purchases made before July 1, 2010, can be filed with the state on or after July 1, 2010. The general fund impact of this exemption is expected to be \$3.3 million for the remainder of the current 2010-2011 biennium.
- **Low-income housing sales tax exemption**—extends the current sales tax exemption for construction of low-income housing projects to include a limited liability company when the sole member is a non-profit. This extension is expected to cost \$400,000 for this biennium.
- **Special local taxes other than local sales taxes**—requires any new or amended special local sales tax, such as a food and beverage tax, that is administered by the Department of Revenue (DOR) to use definitions found in the state's sales tax statutes (Minnesota Statutes, section 297A). The DOR sought this change to create administrative consistency.
- **Local sales taxes**—authorizes the cities of Hutchinson, Marshall, Cloquet, Biwabik (for Giant's Ridge area), Detroit Lakes, and Ely to impose up to a one-half-cent sales tax for specified non-operating capital improvements within each city if approved by the voters. The cities of Rochester, Owatonna, and Proctor have existing sales taxes or food, beverage, and lodging tax authorizations modified to include additional uses.
- **Assessor duties**—clarifies that assessors can perform appraisals of property; conduct reviews of original assessments to determine accuracy; prepare appraisals; and testify before any court or other body as an expert. This clarification is needed due to a court opinion that would otherwise restrict the functions of assessors.
- **Class rate reduction for certain commercial seasonal recreational properties**—reduces the property class rate for property with 20 or fewer units located in a jurisdiction with a population of less than 2,500, located outside the Twin Cities that contains a portion of a state trail. The class rate is

reduced from 1.5 percent on the first \$150,000 of value and 2 percent on the balance of the property's value to 1 percent on the first \$500,000 of value and 1.25 percent on the remainder.

- **Truth-in-taxation (TNT)**—clarifies the 2009 TNT changes to specify that a local unit of government only needs to specific a single budget discussion meeting and clarifies that cities under 500 in population are exempt from this budget discussion meeting requirement.
- **Levy limits**—makes a number of technical changes to levy limits to clarify the treatment of unallotment cuts and also places a floor on the implicit price deflator inflationary adjustment (IPD) at 1.17 percent.
- **Fiscal disparities study**—requires the commissioner of Revenue to conduct a study of the metropolitan fiscal disparities program. The study will review shared regional benefits, the program's impact on tax rates across jurisdictions, the impact on homestead property taxes, and the impact of overburdens of host jurisdictions. The study is funded through a \$100,000 increase in the area-wide property tax levy, which is spread to all metropolitan businesses.
- **Economic development authority (EDA) powers**—eliminates a restriction on the ability of EDAs to create economic development districts. Currently, these districts must meet the requirements of a redevelopment district under the tax increment financing statutes, which requires a finding of blight.
- **TIF pooling for housing**—adds a new category of permitted pooling expenditures that allows funds to be used for housing that does not exceed 150 percent of the average market value for single family homes in the municipality, but only if the parcel currently contains one to four family dwelling units that have been vacant for at least three months, it is structurally substandard, or it is in foreclosure. This authority generally expires after Dec. 31, 2015.
- **Job Opportunity Business Zones (JOBZ) program changes**—requires that businesses no longer eligible to receive JOBZ benefits must request a waiver of repayment within 60 days of being assessed by the commissioner of Revenue. The bill also changes the due date of the annual compliance certification by qualified businesses from Dec. 1 to Oct. 1.
- **Transit bond authorization**—authorizes the Metropolitan Council to issue up to \$34.6 million in bonds for capital expenditures prescribed in the transit capital improvement program.
- **Energy conservation improvement implementing agencies**—allows local units of government to designate a housing and redevelopment authority or an economic development authority to be the implementing entity for the new energy conservation improvement authority contained in the jobs bill (Chapter 216).
- **Special TIF provisions**—includes special TIF provisions for the cities of Landfall, Ramsey, and Wayzata.
- **Use deeds reform**—includes the use deed reform legislation carried by Sen. Mee Moua (DFL-Saint Paul) and Rep. Joe Mullery (DFL-Minneapolis). The use deed reforms include changes to the conveyance of tax-forfeit property to public entities, changes to the reversion of use-deeded property for failure to comply with the conditional use restrictions, and an authorization to release a property from the conditional use restrictions after a period of years.

On the House side, the **House Taxes Committee** (*Link to: <http://www.house.leg.state.mn.us/comm/committee.asp?comm=86103>*) scheduled a hearing for May 3 to release its version of the omnibus tax bill. The House Taxes Committee continues to hear individual bills in preparation for the release of its omnibus bill.

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

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Ice Arena Air Quality Mandate Amended, Laid Over

The bill, which the League has worked to moderate, has been scaled back.

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A bill that, as introduced, would mandate installation of an electronic air monitoring device in every indoor ice arena has been amended in response to concerns raised by cities, school districts, and the Amateur Sports Commission. The bill is aimed at reducing the risk of carbon monoxide poisoning that the bill's proponents say may be caused by exposure to fumes generated by non-electric ice resurfacers and edgers.

In the Senate, **SF 3175** ([Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=Senate&f=SF3175&ssn=0&y=2010](https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=Senate&f=SF3175&ssn=0&y=2010)) (**Sen. Ellen Anderson** ([Link to: http://www.senate.leg.state.mn.us/members/member_bio.php?mem_id=1001&ls=](http://www.senate.leg.state.mn.us/members/member_bio.php?mem_id=1001&ls=)), DFL-St. Paul) was amended in the **Finance Committee** ([Link to: http://www.senate.leg.state.mn.us/committees/committee_bio.php?cmte_id=1007&ls=86](http://www.senate.leg.state.mn.us/committees/committee_bio.php?cmte_id=1007&ls=86)) to exempt facilities that have electric ice resurfacers and edgers and to require facilities that have non-electric equipment to have the machines retrofitted with catalytic converters. As the bill stands currently, facilities would have more time to comply than was provided in the original bill, and the continuous air quality monitors would be required only if other requirements are not met. The bill was laid over because the Finance Committee did not have an updated fiscal note.

In the House, a new version of **HF 3512** ([Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF3512&ssn=0&y=0&ls=86](https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF3512&ssn=0&y=0&ls=86)) (**Rep. Rick Hansen** ([Link to: http://www.house.leg.state.mn.us/members/members.asp?id=12282](http://www.house.leg.state.mn.us/members/members.asp?id=12282)), DFL-South St. Paul) is expected to be introduced before a hearing in the House **Cultural and Outdoor Resources Finance Division** ([Link to: http://www.house.leg.state.mn.us/comm/committee.asp?comm=86121](http://www.house.leg.state.mn.us/comm/committee.asp?comm=86121)) scheduled for April 21. Rep. Hansen convened a meeting of stakeholders, and the group expects that the next version of the bill will be significantly different from the earlier versions. It will likely contain language that requires certification for rink operators, and directs the Department of Health to develop more stringent rules pertaining to indoor ice arena air quality management. The rulemaking process is presently underway.

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New Law Permits On-Duty Firefighters to Solicit Donations

A bill signed into law on April 10 grants explicit authority for cities to permit on-duty firefighters to solicit charitable contributions from motorists.

(Published Apr 21, 2010)

On April 10, Gov. Pawlenty signed **Chapter 227** ([Link to: https://www.revisor.mn.gov/laws/?id=227&doctype=chapter&year=2010&type=0](https://www.revisor.mn.gov/laws/?id=227&doctype=chapter&year=2010&type=0)), a bill that legally authorizes the familiar practice of firefighters soliciting monetary donations from motorists for charities.

The bill, authored by **Rep. Joe Atkins** ([Link to: http://www.house.leg.state.mn.us/members/members.asp?id=10753](http://www.house.leg.state.mn.us/members/members.asp?id=10753)) (DFL-Inver Grove Heights) and **Sen. Ann Rest** ([Link to: http://www.senate.leg.state.mn.us/members/member_bio.php?mem_id=1051&ls=](http://www.senate.leg.state.mn.us/members/member_bio.php?mem_id=1051&ls=)) (DFL-New Hope), was initiated by the Minnesota Professional Firefighters Association. Representatives of the group testified that firefighters have a long history of raising funds for foundations that promote medical research and assist victims of serious illnesses such as cystic fibrosis and muscular dystrophy. The fundraisers are typically called “Fill the Boot” campaigns. Advocates said the legislation is necessary because some employers are not sure whether they have authority to allow the practice.

Under the new law, cities may permit full-time permanent firefighters employed by the city while on duty, or volunteer firefighters serving the municipality while not on duty, to solicit charitable contributions from motorists if all of the following conditions are met:

- The solicitation is for only one charitable organization annually and that organization is qualified as a 501©(3) organization under the Internal Revenue Code.
- The solicitation does not occur for more than three days whether or not consecutively.
- The charitable organization provides to the municipality proof of commercial general liability insurance.

No city is required to authorize the fundraising campaigns; however, those cities that want to permit the event should do so by resolution. The city is entitled to be more restrictive than the law. The League did not take a position on the legislation, but watched its progress to ensure that it remained permissive for cities.

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New Law Allows Bicyclists to Proceed Through Red Lights

A bill signed into law on April 15 establishes an affirmative defense for a bicyclist who enters or crosses an intersection against a red light.

(Published Apr 21, 2010)

On April 15, Gov. Pawlenty signed **Chapter 232** ([Link to: https://www.revisor.mn.gov/laws/?id=232&doctype=chapter&year=2010&type=0](https://www.revisor.mn.gov/laws/?id=232&doctype=chapter&year=2010&type=0)), a bill that authorizes bicyclists to proceed through a red light when all of the following conditions exist:

- The bicycle has been brought to a complete stop.
- The signal shows red for an unreasonable time.
- The signal is apparently malfunctioning or, if vehicle-activated, has not detected the bicycle.
- No other vehicle or person is approaching on the street or is near enough to pose a hazard.

The bill is crafted to specify that a police officer can still ticket a bicyclist for going through a red light, but that the circumstances listed provide an affirmative defense. The defense applies only to a charge of going through a red light, and does not apply in any other civil or criminal action. The Legislature created the related affirmative defense for motorcyclists in 2002.

The bill's authors are **Rep. Phyllis Kahn** ([Link to: http://www.house.leg.state.mn.us/members/members.asp?id=10302](http://www.house.leg.state.mn.us/members/members.asp?id=10302)) (DFL-Minneapolis) and **Sen. Jim Carlson** ([Link to: http://www.senate.leg.state.mn.us/members/member_bio.php?mem_id=1140&ls=](http://www.senate.leg.state.mn.us/members/member_bio.php?mem_id=1140&ls=)) (DFL-Eagan). The new law went into effect on April 16.

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