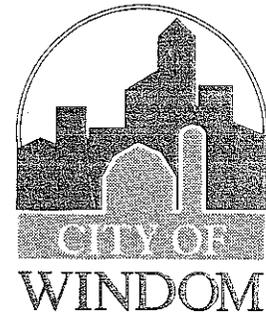


City Council Meeting  
Tuesday, November 4, 2008  
City Council Chambers  
8:05 p.m.  
AGENDA



Call to Order

Pledge of Allegiance

1. Approval of Minutes
  - Council Minutes – October 21, 2008
2. Consent Agenda
  - Receipt of Board & Commission Minutes
    - Park & Recreation Commission – October 20, 2008
    - Utility Commission – October 22, 2008
    - EDA Commission – October 27, 2008
    - Community Center Commission – October 27, 2008
3. Department Heads
4. Resolution of Appreciation – Fire Department
  - Jens Hansen
  - Jim Englehorn
5. Central Minnesota Municipal Power Agency
  - Market Participant Agreement
  - Additional Services Agreement
6. Call for Public Hearing – SCDP Application
7. Regular Bills
8. Unfinished Business
9. New Business
10. Council Concerns
11. Canvas Election Returns and Declare the Results of the Election
12. Recess – Until Election Results are Available to Canvas Election Returns



**Council Meeting  
Windom City Hall, Council Chamber  
October 21, 2008  
7:30 p.m.**

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

2. Roll Call: Mayor: Tom Riordan

Council Members: Jean Fast, Kirby Kruse, Robert Messer and JoAnn Ray

Council Members Absent: Bradley Powers

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

Public Present:

3. Pledge of Allegiance

4. Approval of Minutes:

**Motion by Ray, second by Fast, to approve the October 7, 2008 and October 13 & 14, 2008 minutes. Motion carried 4 – 0.**

5. Approval of the Consent Agenda:

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

- Utility Commission – October 7, 2008 and October 16, 2008
- Economic Development Authority – October 13, 2008
- Street Committee – October 14, 2008
- Library Board – October 14, 2008

Receipt of correspondence from Lutheran Social Services (LSS) noting the 35<sup>th</sup> Anniversary of the Meals on Wheels Program. A noon meal celebration will be held on October 28<sup>th</sup> and is open to the public. Reservations are requested and RSVP can be made to 831-6161.

**Motion by Messer, second by Ray, to approve the Consent Agenda. Motion carried 4 – 0.**

6. Department Heads:

None

7. 2009/2010 Street Project – Receipt of Feasibility Report & Set Public Hearing:

Bruce Caldwell, Street Superintendent; Dennis Johnson, Wenck Associates and Mike Haugen, Water\Wastewater Superintendent introduced themselves. Caldwell said that this project had been referred back to the Street Committee due to a concern about the cost and scope of the project. The Street Committee had met and prioritized the streets to be included in the proposed project. The new project scope would include north 4<sup>th</sup> Avenue, Langley Street, north 3<sup>rd</sup> Avenue and Pflughaupf Road. Haugen noted that the Utility Commission had also met to discuss this proposed project and recommended that the project move forward.

Riordan said that the reduced scope of the project lowered the estimated cost from about \$3.2 million to about \$1.9 million. He clarified that the Sykora Addition sanitary sewer project would also be included in this bid as an alternate.

**Council member Messer introduced the Resolution No. 2008-36, entitled “RESOLUTION RECEIVING FEASIBILITY REPORT AND CALLING FOR A PUBLIC HEARING FOR THE 2009-2010 STREET IMPROVEMENT PROJECT” and moved its adoption. The resolution was seconded by Ray and on roll call vote: Aye: Kruse, Messer, Ray and Fast. Nay: None. Absent: Powers. Resolution passed 4 - 0.**

Fast asked if 20<sup>th</sup> Street had been a priority by both the Street Department and utilities was it not included in the proposed project. Messer replied that 4<sup>th</sup> Avenue had been the Street Committee’s priority and then 20<sup>th</sup> Street came up. Caldwell acknowledged that 20<sup>th</sup> Street was a priority, but north 4<sup>th</sup> Avenue has been bad for a long period of time and he would have preferred to start the re-construction of 4<sup>th</sup> Avenue at the north end for that reason.

Riordan asked how much of 20<sup>th</sup> Street was to be re-constructed. Caldwell said about three blocks, from 9<sup>th</sup> Avenue to Abbey Park.

Riordan noted that traffic is lighter on 20<sup>th</sup> Street than on 4<sup>th</sup> Avenue. Caldwell concurred; and added that while patching has been taking place both roads need work.

Preliminary

Fast said that the City needs to keep up with the issue of funding for the bridge and she would like to see that issue be resolved before the final decision is made to go ahead with this project.

Kruse asked about the time table for the bridge funding. Johnson said that Cottonwood County has been trying to get in touch with the appropriate MN DOT officials, but no answers have been gotten yet. The Cottonwood County highway office thinks that the project may get ahead of some on the bridge funding list because our bridge is designed and ready to proceed.

Messer said the engineers have a work-around plan for the project in case the bridge funding is not immediately available.

8. Regular Bills:

**Motion by Messer, seconded by Fast, to approve the Regular Bills. Motion carried 4 -- 0.**

9. Unfinished Business:

None

10. New Business:

None

11. Council Concerns:

None

12. Adjourn:

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

Meeting adjourned at 7:40 p.m.

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Tom Riordan, Mayor

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

**PARK AND RECREATION COMMISSION MEETING  
MINUTES OCTOBER 20, 2008**

1. Call to Order: The meeting was called to order by Chairman Terry Fredin at 7:00 p.m. at City Hall.
2. Roll Call:

Commission Present:	Kay Clark, Steph Schwalbach, Jeff LaCanne, & Sherri Zimmerman
Commission Absent:	Brenda Muller, Angie Blanshan
City Staff Present:	Recreation Director Al Baloun & Park Director Bruce Caldwell
Council Liaisons:	Jean Fast & Brad Powers
Public:	None
3. Approve Agenda  
**Motion by Clark, seconded by Zimmerman**  
**Motion Carried 4-0**
4. Approve Minutes, September 8, 2008  
**Motion by Clark, seconded by LaCanne**  
**Motion Carried 4-0**
5. Park Directors Report – Bruce Caldwell
  - a. WRA- Park staff planted seven new trees around the ball fields, plans are to get more in the spring. The irrigation system and shelter/bathroom area has been winterized and closed for the winter months. We have had some tree vandalism near the soccer field and they will have to be replanted in the spring.
  - b. Dam Update

The commission members that are on the Dam Stakeholders Committee (Kay Clark, Brad Powers & Bruce Caldwell) gave a short presentation on what has been discussed from previous meetings. There were major concerns about where the city would get funding for any of the alternatives. The group is hearing mixed information on how much actual money the city will receive from the DNR. Clark stated that she will represent the Park Commission and her recommendation to the Stakeholders Committee is for the removal of the dam with other alternatives for park safety and river recreation. The Commission was asked to attend the next Dam Public Information Meeting scheduled for November 3, 2009 in the Council Chambers. Time of the event 7:00 pm.
  - c. Staffing Caldwell stated that the Summer Part Time Staff has been released until the spring. Street Department and Park Department Full Time Employee Tom Voth will take care of the fall mowing & winterizing all the bathroom facilities.

6. Recreation Director's Report- Al Baloun
  - a. Fall Programming- The fall program finished up on October 14<sup>th</sup>. The season was a success according to LaCanne who donated his time to help along with other parents.
  - b. Pool Update- The plumbing for the new safety drain in the kid's pool has been installed. The cement contractor will be in shortly to finish the project. It appears that the improvements will be under estimates. The corrections were made using state guidelines.
  - c. Horse Shows-
    1. A member of the Arena Booster Club made a requested to a commission member asking for the possibility of adding a roof over the outside ridding rink west of the Arena. Size of the structure & funding was the major item during the discussion. Because of the high demand from all the different horse show participants it was decided that Baloun & Clark should follow up and get some information on costs etc.
    2. Baloun Stated that he is working on getting the Royal Lipazzon Stallions back to the Arena on September 2, 2009. He will report at a later meeting.
7. Arena Ice Season Update- The main rink was officially open for skating today October 20<sup>th</sup>. All went as planned and the staff put their best foot forward to get the rink up and running. Baloun stated that the staff will be working on fall building maintenance items before getting the studio rink up and running. Baloun is hopeful to begin the set up of the studio rink in early November. Clark stated that the studio ice rink is extremely important and the sooner it is open the better. Figure Skaters will begin practice the week of October 21<sup>th</sup>.
8. Open Mike: None

Next Park & Recreation Meeting November 10<sup>th</sup>, 2008 7:00 p.m. Council Chambers

Adjourn at 7:53 p.m.

## UTILITY COMMISSION MINUTES

City Hall

October 22, 2008

**Call Meeting to Order:** The Utility Commission meeting was called to order at 10:00 a.m., on October 22, 2008 in the City Hall Council Chamber.

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

Members Present: Keith Bloomgren, Chris Johnson

City Council Liaison: Jean Fast

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

### APPROVAL OF MINUTES:

**Motion by Bloomgren, seconded by Johnson and carried to approve the minutes of the October 7, 2008 meeting with a correction on page 3, with a clarification that PM Windom is monitoring wells in the lagoon area. Motion carried 3-0.**

**Motion by Bloomgren, seconded by Schwalbach, and carried to approve the minutes of the Special Utility Commission meeting on October 16, 2008. Motion carried 3-0.**

### WATER/WASTEWATER ITEMS:

*Minnesota Water Agency Response Network (MnWARN) Mutual Aid Agreement* –Haugen said this is a mutual aid assistant agreement between Utilities and outside Governmental Units. The parties recognize that in an emergency, their Utilities may require assistance in the form of personnel, equipment and supplies from outside of the impacted area. The associated Utilities will be activated by the Duty Officer from the State of Minnesota.

Johnson asked how this will be funded. Haugen said that he thought there would not be a cost to the City of Windom Utilities to join MnWARN, and costs associated with a deployment of resources would be reimbursed.

Schwalbach requested that Haugen compile a list of other Utilities that belong to MnWARN. He said that if there are not cities in our area that we could provide aid to or that could help us in case of an emergency it would not be beneficial to the City of Windom. The Commission also directed Haugen to find out if there are associated costs related to this organization.

A decision on MnWARN will be tabled until further information is gathered by staff.

*Sykora Addition* – Haugen informed the Utility Commission that the bid from GM Contracting was rejected for the Sykora Addition project for the fall of 2008. He said that he spoke with Mike Hansen, Cottonwood County Zoning Officer, and he was in favor of re-bidding the project in the spring of 2009. Nasby said that he notified the property owners that the bid was rejected because of the cost.

*Leak Detection* – Haugen said that the leak detection is complete in the City of Windom, and that they only located one sink that was running in a vacant house. This procedure is done on a yearly basis.

### ELECTRIC ITEMS:

- **CMMPA / Participant: Market Participant Agreement** – Grunig said that this agreement is the framework for old and new practices and procedures for CMMPA and Windom Utilities and is required to be in place by “MISO” (Midwest Independent System Operator) “TEM” (Transmission and Energy Market Tariff) for Market Participants (CMMPA) to perform market functions for members of CMMPA including Windom, that allows the agency to continue to transact for Windom in the MISO Markets. CMMPA has designated Utilities Plus (“UP”), a joint powers municipal entity, as its agent to perform various functions in the MISO Markets on behalf of certain CMMPA members. Grunig also indicated that provisions for complete payment are in the agreement, and the length of the contract is four (4) years past the first year, and then is renewable yearly after that time period. If a participant wishes to terminate their contract, a five (5) year advance notice must be provided.
- **CMMPA / Participant: Agreement for Additional Services** – Grunig’s presentation included information for the agreement for additional services. He went on to say that General Agreements are needed for required and optional Additional Services beyond the Agency Agreement where CMMPA has the obligations to sell and each member who has contracted to “purchase electrical power and energy available to the Power Agency and for which the member contracts for the operation of its municipal electrical system” and has the obligation to take, receive and pay for such electrical power and energy.
  - **Service Schedule A – Generation Capacity Reserve Service:** This service allows the CMMPA Agency to take care of the Participant’s mandatory, regulatory reserve compliance requirements.
  - **Service Schedule B – Participant Sale of Excess Capacity, Energy or Renewable Energy Credits to CMMPA:** This service allows CMMPA Agency to Purchase member Excess Capacity, Energy and Renewable Energy Credits (REC’s) for resale to other members or the market.
  - **Service Schedule C – Participant Purchase of Excess Capacity, Energy or Renewable Energy Credits from CMMPA:** This service allows the CMMPA Agency to sell Excess Capacity, Energy or REC’s to Members or others needing to meet Regulatory requirements.
  - **Service Schedule W – Participant Renewable Energy Requirements:** This service is required/mandatory and allows Agency to ensure and help all Participants in meeting their own Renewable Compliance obligations.

Grunig informed the Utility Commission that the City Attorney has reviewed the contract and deems it legally sound, and it serves the purpose that it was intended to serve.

Grunig noted several discussion points that he would like to have a legal opinion, they are as follows:

- Discussion on the enforceability of that provision in the Additional Services Agreement that allows the attachments to be updated or modified without requiring formal amendment and new execution of the master agreement.
- Confirmation Spec Sheets – These are used to document transactions between the agency and the participant with terms greater than one year.

- Summary Sheets - These sheets are updated annually to reflect the participant's new capacity and energy forecast positions.

Schwalbach said that the way data is collected and entered should not skew data to benefit another participant, and may change the liability to the City of Windom Utilities. He also felt that actual contractual items should be approved by the City Council.

Grunig thought that the last item should fall under the duties of the Electric Utility Manager in his/her job duties.

At this time Grunig recommends the approval of the Resolution No. UT 2008-03.

**Utility Commission member Bloomgren introduced the Resolution 2008-03 entitled "MARKET PARTICIPANT AGREEMENT" and "AGREEMENT FOR ADDITIONAL SERVICES and MOVED its adoption. The resolution was seconded by Johnson, and on roll call vote: Aye: Bloomgren, Johnson and Schwalbach. Nay: None. Absent: None.**

*Alliant Energy Transmission Project:* Grunig informed the Utility Commission that the Transmission project was complete at a cost of \$164,000. This project provides the City Utilities with new Substation, Transmission and 69kv Circuit Breaker, which was the Windom Utilities financial responsibility.

REGULAR BILLS:

**Motion by Bloomgren, seconded by Johnson, to approve payment of the Wenck Associates invoice in the amount of \$4,270.00 for engineering on the Sykora Addition Project. Motion carried 3-0.**

OLD BUSINESS:

Fast questioned the engineering cost for the 2009 Street Project, as to who would be responsible for that invoice if the project is postponed until 2010. Nasby said that the invoice would be divided to the funds that services would be provided upon completion of the project.

Fast also asked the Utility Commission if the transfer of the \$175,000 to the General Fund from the Electric Fund would remain for 2009 Budget process. General consensus is that it would not be pulled from the Budget for 2009, but would be revisited for 2010

NEW BUISNESS:

On motion the meeting was adjourned at 11:25 a.m.

---

Mike Schwalbach, Chairperson

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

**ECONOMIC DEVELOPMENT AUTHORITY OF WINDOM  
MINUTES  
SPECIAL MEETING  
OCTOBER 27, 2008**

1. Call to Order: The meeting was called to order by President Erickson at 4:03 p.m.

2. Roll Call & Guest Introductions:

EDAWN Commissioners: Juhl Erickson, Trevor Slette, Nestor Palm, Kirby Kruse, and Bob Messer.

Also Present: EDA Staff – Aaron Backman, Executive Director, and Mary Hensen, Adm. Asst.; City Administrator Steve Nasby; Mayor Tom Riordan; and Neil Schmid from Cirrus Commercial in Sioux Falls.

3. Approval of Minutes:

**Motion by Commissioner Kruse, seconded by Commissioner Slette, to approve the Minutes of the EDA Meeting held on October 13, 2008. Motion carried 5-0.**

4. Proposed Lease – Lot 6, Block 2, Windom Industrial Park Subdivision – Closed Session:

Neil Schmid of Cirrus Commercial from Sioux Falls was present for the discussion concerning the proposed lease. Director Backman advised that the closed session pertains to a proposed lease of the EDA's spec building and a portion of Lot 6, Block 2, Windom Industrial Park Subdivision located at 1925 North Redding Avenue in the City of Windom. President Erickson closed the meeting to the public at 4:04 p.m. Director Backman updated the Board concerning the timeline on the negotiations and reviewed terms of the proposed lease. Following a discussion, the meeting was re-opened to the public at 4:45 p.m.

**Motion by Commissioner Slette, seconded by Commissioner Messer, to approve the proposed lease of Lot 6, Block 2, Windom Industrial Park Subdivision to The Toro Company on the terms set forth in the draft of the lease, and to authorize the EDA Executive Director to respond to potential revisions from the prospective tenant and continue negotiations to finalize the lease of this property in a timely manner. Motion carried 3-0. (Commissioners Kruse and Palm abstained from the vote.)**

5. Commercial Rehab Loan Program

A. Project Review: The Board had received a copy of the project recap for Project C-9. After review of the recap, the following action was taken.

**Motion by Commissioner Kruse, seconded by Commissioner Messer, to approve Commercial Rehab Project C-9; to approve the release of SCDP repayment funds totaling \$5,748.00 for contractor payments in this project upon Western Community Action's submission to the EDA of appropriate documentation verifying the owner's approval of the work completed; and to approve payment from the SCDP repayment funds of administration fees to Western Community Action of up to \$1,600.00 upon submission of appropriate invoice(s). Motion carried 5-0.**

6. Unfinished/New Business: Director Backman advised the Board concerning preliminary discussions with prospects regarding Tract A of Lot 5, Block 2 of the Windom Industrial Park Subdivision.
7. Adjourn: On motion, President Erickson adjourned the meeting at 5:00 p.m.

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Nestor Palm, Secretary-Treasurer

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

Community Center Commission Minutes  
Monday October 27, 2008

1. **Call to Order:** The meeting was called to order by President Wayne Maras at 5:45 p.m.

2. **Roll Call:** President: Wayne Maras  
CC Director: Brad Bussa  
Commission Members: Kelly Woizeschke  
La Vonne Swenson  
Connie Knorr  
  
Commission Liaisons: Kirby Kruse  
Bruce Caldwell  
Jo Ann Ray-Absent  
  
Public: None

3. **Approval of Minutes:**

**Motion by C. Knorr, seconded by K. Woizeschke to approve the August 25, 2008 Community Center Commission Minutes. Motion passed 3-0**

4. **Additions to the agenda:**

Nothing New to Report

5. **Correspondence:**

Recent surveys enclosed- All with good reports, Commission questioned 1 survey wanting separate prices for liquor events and non liquor events , prices will stay as is.

6. **President's Report:**

- a. Senior Issues- Nothing new to report
- b. Short Term goals-
  - 1. Keep Community Center full of events and to promote new events
  - 2. Outside patio to be upgraded slowly if cost allows and profitable to WCC

7. **Director's Report:**

- a. Wedding Decorations- Commission decided on price for rental of ceiling swag decoration. **Motion made by K. Woizeschke to charge \$325.00 . Motion was defeated for lack of a second. Motion by W. Maras and seconded by C. Knorr to charge \$300.00 for rental of ceiling decorations. Motion passed 3-0.** Commission also discussed not to let outside groups use the swag mechanics and

if outside swags do come in, they have to be put up on Wednesday before set-up and be charged room rental rate.

- b. G and K Rental Items- CC Director had been approached to rent out linens for this company, Commission decided not to pursue this.
- c. Winter Storm Policies- Reviewed current policy of when the schools have late start or closed due to inclement weather, Senior Center and Senior Dining are to follow those hours, Commission agreed to leave as it is. Commission discussed if inclement weather comes and there is someone renting a room, it is up to the renter to reschedule or cancel.
- d. Cottonwood County Sheriff Department upcoming meeting- Commission discussed rental rate

**8. Resource Management:**

Schedule of Events: Report looks good, many events scheduled

Income/Expenses: Report enclosed. No questions.

**9. Miscellaneous:**

**10. Open Forum:**

**11. Next Meeting:**

Monday November 24, 2008 @ 5:30 pm

**Adjourn:**

**Motion by W. Maras, seconded by L. Swenson, to adjourn the meeting at 6:45 pm.**

**Motion passed 3-0.**

\_\_\_\_\_  
Wayne Maras, CCC President

\_\_\_\_\_  
Connie Knorr, CCC Secretary

Attest: \_\_\_\_\_  
Brad Bussa, Community Center Director

## RESOLUTION #2008-

**INTRODUCED:**

**SECONDED:**

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

**A RESOLUTION EXPRESSING SINCERE APPRECIATION  
FOR HONORABLE AND DEVOTED PUBLIC SERVICE AS A VOLUNTEER FIREMAN  
FOR THE CITY OF WINDOM, MINNESOTA**

---

**WHEREAS,** Mr. Jens Hansen served as a member of the Windom Volunteer Fire Department for 27 years giving generously of his time and efforts; and

**WHEREAS,** it was voted at the meeting of the City Council held on November 4, 2008, that the City Administrator be authorized and instructed to prepare a suitable resolution expressing commendation and appreciation for the untiring and valuable service rendered to the City of Windom by

**MR. JENS HANSEN**

as a member of the Windom Volunteer Fire Department, and that the City Administrator be further authorized and instructed to spread a copy of such resolution upon the official records of the City of Windom and to transmit a copy thereof to Mr. Hansen.

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

1. That the City of Windom extends to Mr. Hansen its humble expressions of esteem for serving the City well, and its best wishes for good health, success and prosperity for many years to come.
2. That a copy of this resolution be spread on the official minutes of the City Council of the City of Windom and a copy sent to Mr. Hansen.

Adopted this 4<sup>th</sup> day of November, 2008.

\_\_\_\_\_  
Tom Riordan, Mayor

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

**RESOLUTION #2008-**

**INTRODUCED:**

**SECONDED:**

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

**A RESOLUTION EXPRESSING SINCERE APPRECIATION  
FOR HONORABLE AND DEVOTED PUBLIC SERVICE AS A VOLUNTEER FIREMAN  
FOR THE CITY OF WINDOM, MINNESOTA**

---

**WHEREAS,** Mr. Jim Englehorn served as a member of the Windom Volunteer Fire Department for 20 years giving generously of his time and efforts; and

**WHEREAS,** it was voted at the meeting of the City Council held on November 4, 2008 that the City Administrator be authorized and instructed to prepare a suitable resolution expressing commendation and appreciation for the untiring and valuable service rendered to the City of Windom by

**MR. JIM ENGLEHORN**

as a member of the Windom Volunteer Fire Department, and that the City Administrator be further authorized and instructed to spread a copy of such resolution upon the official records of the City of Windom and to transmit a copy thereof to Mr. Englehorn and

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

1. That the City of Windom extends to Mr. Englehorn its humble expressions of esteem for serving the City well, and its best wishes for good health, success and prosperity for many years to come.
2. That a copy of this resolution be spread on the official minutes of the City Council of the City of Windom and a copy sent to Mr. Englehorn.

Adopted this 4<sup>th</sup> day of November, 2008.

---

Tom Riordan, Mayor

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

## RESOLUTION #2008-

**INTRODUCED:**

**SECONDED:**

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

**A RESOLUTION APPROVING CMMPA/PARTICIPANT MARKET PARTICIPATION  
AND ADDITIONAL SERVICES AGREEMENTS WITH CENTRAL  
MINNESOTA MUNICIPAL POWER AGENCY**

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

**Section 1:** It is hereby determined that it is in the best interest of the City to enter into the CMMPA/Participant Market Participation and Additional Services Agreements with the Central Minnesota Municipal Power Agency (hereinafter "CMMPA") and authorize the City's participation in the transactions covered by the Agreements.

**Section 2:** The City hereby approves the CMMPA/Participant Market Participation and Additional Services Agreements, its participation in the transactions covered by these two agreements and the financing thereof, if any.

**Section 3:** The Resolution of the Windom Utility Commission approving the CMMPA/Participant Market Participation and Additional Services Agreements is hereby approved and the City shall, as applicable, continue or begin its participation in the transactions covered by said agreements. The Mayor is hereby authorized and directed to execute the Agreements on behalf of the City, the same to be exclusively evidenced by such execution and the City Administrator is hereby authorized and directed to affix thereon the seal of the City and to attest thereto.

Adopted by the Council this 4th day of November, 2008.

\_\_\_\_\_  
Tom Riordan, Mayor

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

**CERTIFICATE**

I, Steve Nasby, the City Administrator of the City of Windom, do hereby certify that attached hereto is a true and correct copy of a supplemental resolution (other than the exhibits thereto) duly adopted by the City Council at a meeting duly held on the 4th day of November, 2008, notice of such meeting having been given in accordance with law and at which meeting a quorum was present and acting throughout.

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

**IN WITNESS WHEREOF** I have hereunto set my hand this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

\_\_\_\_\_  
City Administrator

## New CMMPA Agreements

CMMPA – Central Minnesota Municipal Power Agency  
PARTICIPANT – City of Windom

### **CMMPA/PARTICIPANT: MARKET PARTICIPANT AGREEMENT**

The agreement that is required to be in place by the “MISO” (Midwest Independent System Operator) “TEMT” (Transmission and Energy Market Tariff) for Market Participants (CMMPA) to perform market functions for members of CMMPA including Windom. Allows the Agency to continue to transact for Windom in the MISO Markets.

### **CMMPA/PARTICIPANT: AGREEMENT for ADDITIONAL SERVICES**

General Agreement for required and optional Additional Services beyond the Agency Agreement where CMMPA has the obligation to sell and each member who has contracted to “purchase electrical power and energy available to the Power Agency and for which the member contracts for the operation of its municipal electrical system” and has the obligation to take, receive and pay for such electrical power and energy.

#### **A. SERVICE SCHEDULE A: Generation Capacity Reserve Service**

This service allows the CMMPA Agency to take care of the Participant’s mandatory, regulatory reserve compliance requirements.

#### **B. SERVICE SCHEDULE B: Participant Sale of Excess Capacity, Energy or Renewable Energy Credits to CMMPA**

This service allows the CMMPA Agency to purchase member Excess Capacity, Energy and REC’s for resale to other members or the market.

**C. SERVICE SCHEDULE C: Participant Purchase of  
Excess Capacity, Energy or Renewable Energy Credits from  
CMMPA**

This service allows the CMMPA Agency to sell Excess Capacity, Energy or REC's to Members or others needing to meet Regulatory requirements.

**D. SERVICE SCHEDULE W: Participant Renewable Energy  
Requirements.**

This service is required/mandatory and allows Agency to ensure and help all Participants in meeting their own Renewable Compliance obligations.



## City of Windom Staff Report

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**To:** Mayor and Windom City Council  
**From:** Aaron Backman, EDA Executive Director  
**Date:** October 31, 2008  
**Council Meeting Date:** November 4, 2008  
**Item Title/Subject:** **SCDP GRANT APPLICATION – PUBLIC HEARING**

### **Background:**

As you know, the City previously authorized the Southwest Minnesota Housing Partnership to submit a pre-application to the Minnesota Department of Employment and Economic Development (DEED). This was a joint pre-application between the Cities of Windom and Mountain Lake requesting assistance through the Small Cities Development Program. By letter dated October 17, 2008, notification was received from DEED that the City has now been invited to submit an SCDP full application. A copy of the letter from DEED is attached for your reference.

As a part of the application process, a public hearing is required. Because Windom is the lead applicant, this public hearing is required to be held at a Windom City Council Meeting and is open to interested citizens from both Windom and Mountain Lake. A copy of the proposed Resolution setting the public hearing is attached for your review.

Requested Action: Adopt the Resolution calling for a public hearing on the proposed SCDP application.

Respectfully submitted,

*Aaron A. Backman*

---

Aaron A. Backman, EDA Executive Director

AAB:mah

Attachments

Date: October 17<sup>th</sup>, 2008

To: The Honorable Thomas Riordan  
Mayor, City of Windom

From: Reed Erickson  
Director, Small Cities Programs  
Office of Business and Community Development

RE: **Requesting Submission of a 2009 Small Cities Development Program  
Full Application for: Cities of Windom/Mountain Lake**

This letter serves to inform you that the Minnesota Department of Employment and Economic Development (DEED), Business and Community Development Division, has recently completed our review of the seventy-two (72) pre-applications submitted for potential funding from our Small Cities Development Program (SCDP) and DEED is pleased to inform you that based on the information provided, the above mentioned Applicant is invited to submit an SCDP Full Application with the following revisions:

- Owner-Occupied Rehab: 20 units
- SF Rental Rehab: not funded
- Temporary Relocation: not funded

The Full Application is located at: [www.deed.state.mn.us/SCDP/SCDP\\_ApplicationProcess.htm](http://www.deed.state.mn.us/SCDP/SCDP_ApplicationProcess.htm)

*Submission of the SCDP Full Application does not guarantee funding from the SCDP Program.*

Please complete and submit *one original and one copy* of your SCDP Full Application, including any necessary attachments to:

Minnesota Department of Employment and Economic Development  
1<sup>st</sup> National Bank Building  
332 Minnesota Street, Suite E200  
St. Paul, MN 55101-1351  
Attn. Gloria Stiehl, Business and Community Finance Division

*SCDP Full Applications must be received by DEED on or before 4:30 pm on Thursday, January 15<sup>th</sup>, 2009, to be considered for funding. Proposals received after that date will not be accepted. Faxed or e-mailed proposals are not allowed and will not be accepted. In the interest of fairness to all competing Applicants, the above stated application deadline is firm.*

If you have any questions, please feel free to contact me @ 651/259-7456 or [reed.erickson@state.mn.us](mailto:reed.erickson@state.mn.us).

C: Lisa Graphenteen, Southwest Minnesota Housing Partnership  
Jeff Gladis, Western Community Action Agency

**Business and Community Development Division**

# RESOLUTION #2008-

**INTRODUCED:**

**SECONDED:**

**VOTED:     AYE:**

**NAY:**

**ABSENT:**

**RESOLUTION CALLING FOR A PUBLIC HEARING BY THE CITY COUNCIL  
ON THE PROPOSED APPLICATION WITH THE  
MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC  
DEVELOPMENT (DEED)**

---

**WHEREAS**, the Cities of Windom/Mountain Lake have been invited by Minnesota Department of Employment and Economic Development (DEED) to submit an application to the Small Cities Development Program (SCDP) for grant dollars to be used for rehabilitation activities for single-family owner-occupied housing; and

**WHEREAS**, the City of Windom has been designated as the lead applicant to file the application; and

**WHEREAS**, a public hearing is required prior to the submission of the application.

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

1. A public hearing will be held during the regularly scheduled City Council meeting on Tuesday, November 18, 2008. The Council meeting will begin at approximately 7:30 p.m. with the public hearing to be held at approximately 7:35 p.m. The purpose of the public hearing is to consider the filing of an application to the Minnesota Department of Employment and Economic Development for funding assistance through the Small Cities Development Grant Program.
2. City Staff is authorized and directed to cause notice of the hearing to be published in the official newspaper of the City of Windom.

Adopted this 4th day of November, 2008.

\_\_\_\_\_  
Tom Riordan, Mayor

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

CITY OF WINDOM  
 FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
MAYOR & COUNCIL	CONVENT. & VISTOR BU	LODGING TAX	2,847.16
MAYOR & COUNCIL	GODFATHER'S PIZZA	EXPENSE	27.67
	Total for Department 101		2,874.83*
CITY OFFICE	FOX LAWSON & ASSOCIA	COMP & CLASS STUDY	2,127.37
CITY OFFICE	LEAGUE OF MN. CITIES	REGISTRATION	15.00
CITY OFFICE	SELECTACCOUNT	ADM FEE	86.01
	Total for Department 103		2,228.38*
P & Z / BUILDING OFF	FOX LAWSON & ASSOCIA	COMP & CLASS STUDY	640.50
P & Z / BUILDING OFF	MIDWEST WIRELESS	TELEPHONE	21.50
	Total for Department 106		662.00*
CITY HALL	MN ENERGY RESOURCES	HEATING	16.28
	Total for Department 115		16.28*
POLICE	DONNA MARCY	CLOTHING ALLOWANCE	325.00
POLICE	FOX LAWSON & ASSOCIA	COMP & CLASS STUDY	3,797.25
POLICE	SHAWN HAKEN	CLOTHING ALLOWANCE	325.00
POLICE	TODD HYATT	CLOTHING ALLOWANCE	325.00
POLICE	KENT F. KELLY	CLOTHING ALLOWANCE	325.00
POLICE	MN D.A.R.E INC.	REGISTRATION	85.00
POLICE	KEVIN L. PATTERSON	CLOTHING ALLOWANCE	325.00
POLICE	JEFFREY SHIRKEY	CLOTHING ALLOWANCE	325.00
POLICE	THE STAG CLOTHIERS	CLOTHING	48.99
POLICE	BRUCE TONINATO	CLOTHING ALLOWANCE	325.00
POLICE	FLEET SERVICES DIVIS	LEASE CAR	2,497.80
POLICE	UNICEL	TELEPHONE	282.36
POLICE	DANA WALLACE	CLOTHING ALLOWANCE	325.00
POLICE	DANA WALLACE	EXPENSE	183.95
	Total for Department 120		9,495.35*
ANIMALS	J P COOKE CO	PET LICENSES	59.92
	Total for Department 135		59.92*
STREET	FOX LAWSON & ASSOCIA	COMP & CLASS STUDY	2,562.00
STREET	LEAGUE OF MN. CITIES	REGISTRATION	15.00
STREET	MN ENERGY RESOURCES	HEATING	30.13
	Total for Department 140		2,607.13*
HEALTH & SANITATION	NEAL GRUNEWALD	COMPOST SITE MANAGER	128.00
	Total for Department 145		128.00*
PARKS	FOX LAWSON & ASSOCIA	COMP & CLASS STUDY	434.62
	Total for Department 165		434.62*
	Total for Fund 01		18,506.51*
LIBRARY	GE MONEY BANK/AMAZON	SUBSCRIPTION	11.81
LIBRARY	FOX LAWSON & ASSOCIA	COMP & CLASS STUDY	800.62
LIBRARY	MN ENERGY RESOURCES	HEATING	48.29

CITY OF WINDOM  
 FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
		Total for Department 171	860.72*
		Total for Fund 03	860.72*
	JOYCE NIELSEN	HWY EASEMENT-4TH AVE PRO	400.00
		Total for Department	400.00*
		Total for Fund 09	400.00*
AIRPORT	MN DEPT OF ADMINISTR TELEPHONE		21.05
		Total for Department 174	21.05*
		Total for Fund 11	21.05*
POOL	MN DEPT OF LABOR & I LICENSE		55.00
POOL	MN RECREATION & PARK REGISTRATION		187.50
		Total for Department 175	242.50*
		Total for Fund 12	242.50*
AMBULANCE	CREATIVE DESIGN	CLOTHING	172.00
AMBULANCE	KRIS JANSSEN	EXPENSE	210.41
AMBULANCE	JOLYNN NERHUS	EXPENSE	48.80
AMBULANCE	ROBIN PAPLOW	EXPENSE	208.84
AMBULANCE	KIM POWERS	EXPENSE	6.20
AMBULANCE	ALLAN REMPEL	EXPENSE	254.04
		Total for Department 176	900.29*
		Total for Fund 13	900.29*
MULTI-PURPOSE BUILDI	FOX LAWSON & ASSOCIA	COMP & CLASS STUDY	1,555.50
MULTI-PURPOSE BUILDI	LEAGUE OF MN. CITIES	REGISTRATION	15.00
MULTI-PURPOSE BUILDI	MN DEPT OF ADMINISTR	TELEPHONE	21.05
MULTI-PURPOSE BUILDI	MN ENERGY RESOURCES	HEATING	151.52
		Total for Department 177	1,743.07*
		Total for Fund 14	1,743.07*
LIQUOR	BELLBOY CORP	MERCHANDISE	146.00
LIQUOR	BEVERAGE WHOLESALERS	MERCHANDISE	4,928.40
LIQUOR	FOX LAWSON & ASSOCIA	COMP & CLASS STUDY	1,692.75
LIQUOR	HAGEN DISTRIBUTING	MERCHANDISE	3,263.20
LIQUOR	HOLINKA DISTR. CO.	MERCHANDISE	71.50
LIQUOR	JOHNSON BROS.	MERCHANDISE	1,534.79
LIQUOR	GENE LENNING	PETTY CASH	250.00
LIQUOR	PHILLIPS WINE & SPIR	MERCHANDISE	1,326.44
LIQUOR	QUALITY WINE SPIRITS	MERCHANDISE	5,429.81
		Total for Department 180	18,642.89*
		Total for Fund 60	18,642.89*

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
	SVOBODA EXCAVATING,	MAINTENANCE	6,515.00
	Total for Department		6,515.00*
WATER	FOX LAWSON & ASSOCIA	COMP & CLASS STUDY	1,281.00
WATER	H P SUDS	BILLING CONTRACT SERVICE	133.33
WATER	LEAGUE OF MN. CITIES	REGISTRATION	7.50
WATER	MN ENERGY RESOURCES	HEATING	514.54
WATER	WORTHINGTON DAILY GL	ADVERTISING	74.35
	Total for Department 181		2,010.72*
	Total for Fund 61		8,525.72*
	TAMARA ANDERSON	REFUND-UTILITY PREPAYMEN	125.00
	PAT FLEMING	REFUND - UTILITY PREPAYM	125.00
	TAMMY JOHNSON & ROBE	REFUND - UTILITY PREPAYM	125.00
	Total for Department		375.00*
ELECTRIC	FOX LAWSON & ASSOCIA	COMP & CLASS STUDY	2,562.02
ELECTRIC	H P SUDS	BILLING CONTRACT SERVICE	133.33
ELECTRIC	LEAGUE OF MN. CITIES	REGISTRATION	15.00
ELECTRIC	MIDWEST WIRELESS	TELEPHONE	89.37
ELECTRIC	HSBC BUSINESS SOLUTI	SUPPLIES	152.81
ELECTRIC	MN ENERGY RESOURCES	HEATING	16.56
ELECTRIC	BETTY HARVEY	REFUND-STATEMENT CREDIT-	86.55
	Total for Department 182		3,055.64*
	Total for Fund 62		3,430.64*
SEWER	FOX LAWSON & ASSOCIA	COMP & CLASS STUDY	1,692.75
SEWER	H P SUDS	BILLING CONTRACT SERVICE	133.34
SEWER	LEAGUE OF MN. CITIES	REGISTRATION	7.50
SEWER	MN ENERGY RESOURCES	HEATING	48.10
SEWER	WORTHINGTON DAILY GL	ADVERTISING	74.35
	Total for Department 183		1,956.04*
	Total for Fund 63		1,956.04*
ARENA	FOX LAWSON & ASSOCIA	COMP & CLASS STUDY	960.75
ARENA	JERRY'S REPAIR	MAINTENANCE	1,162.98
ARENA	LEAGUE OF MN. CITIES	REGISTRATION	15.00
ARENA	MIDWEST WIRELESS	TELEPHONE	52.74
ARENA	MN RECREATION & PARK	REGISTRATION	187.50
	Total for Department 184		2,378.97*
	Total for Fund 64		2,378.97*
ECONOMIC DEVELOPMENT	AARON BACKMAN	EXPENSE	39.78
ECONOMIC DEVELOPMENT	BRADLEY & DEIKE, P.A	PROFESSIOINAL SERVICE	45.00
ECONOMIC DEVELOPMENT	FOX LAWSON & ASSOCIA	COMP & CLASS STUDY	640.50
ECONOMIC DEVELOPMENT	MIDWEST WIRELESS	TELEPHONE	47.03

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
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ECONOMIC DEVELOPMENT	MN ENERGY RESOURCES	HEATING	17.13
ECONOMIC DEVELOPMENT	SIJAMBO CAFE	EXPENSE	50.48
	Total for Department 187		839.92*
	Total for Fund 67		839.92*
TELECOMMUNICATIONS	FOX LAWSON & ASSOCIA	COMP & CLASS STUDY	2,127.37
TELECOMMUNICATIONS	H P SUDS	BILLING CONTRACT SERVICE	400.00
TELECOMMUNICATIONS	MN ENERGY RESOURCES	HEATING	10.32
	Total for Department 199		2,537.69*
	Total for Fund 69		2,537.69*
	AFLAC	INSURANCE	444.78
	MN BENEFIT ASSOCIATI	INSURANCE	114.18
	Total for Department		558.96*
	Total for Fund 70		558.96*
	Grand Total		61,544.97*

CITY OF WINDOM  
 FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
CITY OFFICE	STEVE NASBY	EXPENSE	47.69
	Total for Department 103		47.69*
POLICE	DONNA MARCY	EXPENSE	227.80
	Total for Department 120		227.80*
FIRE DEPARTMENT	MIDWEST WIRELESS	TELEPHONE	27.06
FIRE DEPARTMENT	QUEST	TELEPHONE	58.66
	Total for Department 125		85.72*
STREET	QUEST	TELEPHONE	58.66
STREET	PRAXAIR DISTRIBUTION	LEASE RENEWAL	247.29
	Total for Department 140		305.95*
PARKS	SEH	DAM ENGINEERING	26,175.78
PARKS	THOMAS SANDBLASTING	COMPRESSOR RENTAL	300.00
	Total for Department 165		26,475.78*
	Total for Fund 01		27,142.94*
	WENCK ASSOCIATES, IN SYKORA ADDITION ENGINEER		4,270.00
	Total for Department		4,270.00*
	Total for Fund 02		4,270.00*
	GAUB CONSTRUCTION	2003 STREET IMPR PROJECT	42,309.85
	Total for Department		42,309.85*
	Total for Fund 05		42,309.85*
AIRPORT	TREASURER, STATE OF	ANNUAL RENEWAL PUBLIC US	15.00
	Total for Department 174		15.00*
	Total for Fund 11		15.00*
AMBULANCE	BLUE CROSS/BLUE SHIE	REFUND	71.91
AMBULANCE	QUEST	TELEPHONE	58.66
	Total for Department 176		130.57*
	Total for Fund 13		130.57*
LIQUOR	MN ENERGY RESOURCES	HEATING	37.59
	Total for Department 180		37.59*
	Total for Fund 60		37.59*
	GAUB CONSTRUCTION	2003 STREET IMPR PROJECT	7,555.32
	Total for Department		7,555.32*
WATER	AMERICAN PAYMENT CEN	SERVICE	16.50
WATER	H P SUDS	BILLING CONTRACT SERVICE	133.33

CITY OF WINDOM  
 FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
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WATER	ITRON	SOFTWARE MAINTENANCE	953.06
WATER	QUEST	TELEPHONE	58.67
		Total for Department 181	1,161.56*
		Total for Fund 61	8,716.88*
	ALLIANT ENERGY	FINAL PAY-SUBSTATION BRE	57,334.05
	CLAYTON KRENEK	REFUND - UTILITY PREPAYM	125.00
	JAMES PAINTER	REFUND - UTILITY PREPAYM	125.00
		Total for Department	57,584.05*
ELECTRIC	AMERICAN PAYMENT CEN SERVICE		16.50
ELECTRIC	H P SUDS	BILLING CONTRACT SERVICE	133.33
ELECTRIC	ITRON	SOFTWARE MAINTENANCE	953.07
ELECTRIC	QUEST	TELEPHONE	55.21
ELECTRIC	BANK MIDWEST	NSF CHECK	284.66
		Total for Department 182	1,442.77*
		Total for Fund 62	59,026.82*
	GAUB CONSTRUCTION	2003 STREET IMPR PROJECT	503.68
		Total for Department	503.68*
SEWER	AMERICAN PAYMENT CEN SERVICE		16.50
SEWER	H P SUDS	BILLING CONTRACT SERVICE	133.34
SEWER	ITRON	SOFTWARE MAINTENANCE	953.06
SEWER	QUEST	TELEPHONE	55.20
		Total for Department 183	1,158.10*
		Total for Fund 63	1,661.78*
ARENA	MN ENERGY RESOURCES	HEATING	187.89
		Total for Department 184	187.89*
		Total for Fund 64	187.89*
ECONOMIC DEVELOPMENT	BOB YSKER	MOWING	55.00
		Total for Department 187	55.00*
		Total for Fund 67	55.00*
RIVERBLUFF ESTATES	BRADY POWERS	MOWING	226.00
		Total for Department 166	226.00*
		Total for Fund 68	226.00*
TELECOMMUNICATIONS	AMERICAN PAYMENT CEN SERVICE		49.50
TELECOMMUNICATIONS	H P SUDS	BILLING CONTRACT SERVICE	400.00
TELECOMMUNICATIONS	LIFETIME	SUBSCRIBER	636.85
TELECOMMUNICATIONS	LIFETIME MOVIE NETWO	SUBSCRIBER	30.00

CITY OF WINDOM  
 FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
TELECOMMUNICATIONS	MIDWEST WIRELESS	TELEPHONE	369.19
TELECOMMUNICATIONS	QUEST	TELEPHONE	98.15
	Total for Department 199		1,583.69*
	Total for Fund 69		1,583.69*
AFSCME		UNION DUES	225.96
JOHNSON COUNTY COURT		PAYROLL DEDUCTION CDDMO1	1,202.00
LOCAL UNION #949		UNION DUES	1,463.62
	Total for Department		2,891.58*
	Total for Fund 70		2,891.58*
	Grand Total		148,255.59*

# RESOLUTION #2008-

**INTRODUCED:**

**SECONDED:**

**VOTED:**

**Aye:**

**Nay:**

**Absent:**

## A RESOLUTION CANVASSING THE ELECTION RETURNS FOR THE CITY ELECTION AND DECLARING THE RESULTS OF THE ELECTION

**WHEREAS**, the general election for the City of Windom was held on November 4, 2008, in accordance with provisions of the Windom City Charter; and

**WHEREAS**, the following results were tabulated by the election judges following the closing of the polls.

	<u>Ward I</u> <u>Prec. I</u>	<u>Ward I</u> <u>Prec. II</u>	<u>Ward II</u> <u>Prec. I</u>	<u>Ward II</u> <u>Prec. II</u>	<u>Totals</u>
<b><u>Mayor</u></b> Kirby Kruse Dominic A. Jones Bradley Lynn Olson Misc.					

### **Council Member Ward I**

Corey Maricle  
Misc.

### **Council Member Ward II**

JoAnn Ray  
Misc.

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

1. That \_\_\_\_\_ be declared elected to the Office of Mayor for a four-year term ending December 31, 2012.
2. That \_\_\_\_\_ be declared elected to the Office of Council Member Ward I for a four-year term ending December 31, 2012.
3. That \_\_\_\_\_ be declared elected to the Office of Council Member Ward II for a four-year term ending December 31, 2012.

Adopted this \_\_\_\_ day of November, 2008.

\_\_\_\_\_  
**Tom Riordan, Mayor**

**Attest:**

\_\_\_\_\_  
**Steven Nasby, City Administrator**

## **Main Identity**

---

**From:** "Todd Hagen" <THagen@ehlers-inc.com>  
**To:** "Todd Hagen" <THagen@ehlers-inc.com>  
**Sent:** Wednesday, October 29, 2008 12:56 PM  
**Attach:** sales report weekly revised.pdf; 25 Year Graph.pdf  
**Subject:** 10/24/08 Market Commentary

The municipal bond market experienced another volatile week but this time with dramatic improvements in the broad market indices (meaning lower interest rates for governmental borrowers), particularly in the second half of the week. Municipal Market Data's (MMD) "AAA" scale, the benchmark by which market players track the tax-exempt bond market, saw decreases of from 40 to 70 basis points (1 basis point = .01 percent) across the maturity spectrum. Actual sale results in the Midwest also showed similar, but less dramatic improvement, mainly because the MMD scale apparently greatly overstated a rise in general municipal bond rates as compared to actual "on the ground" results in our part of the country. Nonetheless, good news is good news here too.

### **RESULTS FROM THIS WEEK**

The attached table details regional competitive sales (and some other noteworthy sales) for the week of October 20 - October 24. Three things to highlight: 1) the calendar continues to be light although some issues earlier in the week were postponed, 2) issuers are still seeing historically attractive long-term interest rates with 10 year issues in the 4.0% - 4.25% range and 20 year issues in the 4.5% - 4.75% range, and 3) single "A"-rated issuers were beginning to join their higher rated "AAA/AA"-rated brethren in selling bonds at more reasonable rates. Bidders for competitive offerings are limited, but underwriting desks continue to be active, albeit selectively. We hear that underwriters are less reluctant to purchase bonds where they do not have 100% of the offering pre-sold - as long as there is a good credit story and strong demand by retail bond buyers and their proxies (muni bond funds and trust departments).

### **MISSING THE MARKET?**

With this last week's major improvement in rates, have issuers who have cancelled or postponed sales "missed the market"? With the recent volatility in all markets, it is hard to say for sure. However we believe that if you have clear and realistic interest rate targets, it is prudent to lock those rates in when you are able to reach those targets. The risk of missing much lower rates is more than outweighed by the risks of higher, perhaps unaffordable, long-term rates since we are much closer to historic lows than highs as shown in the attached graph of the commonly-used Bond Buyer Index.

### **POTENTIAL POSITIVE FACTORS**

Investors that are fleeing the stock market are beginning to rediscover municipal bonds. The highest rated municipal bonds normally yielded 5 to 10% less than comparable maturity US Treasury bonds. About September 15 that situation was reversed with the munis yielding about 25% more than the Treasuries, due to the "flight to safety" concerns. If investor demand continues to improve and that ratio continues returns to a more normal situation, that would bode well for relatively lower municipal bond rates.

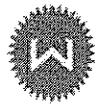
**IN SUMMARY**, the market will continue to change, sometimes very quickly. Access to timely, credible, independent information is as important as ever to be flexible and responsible in your financing plans, and as we at Ehlers stand ready to assist.

Todd Hagen, CIPFA



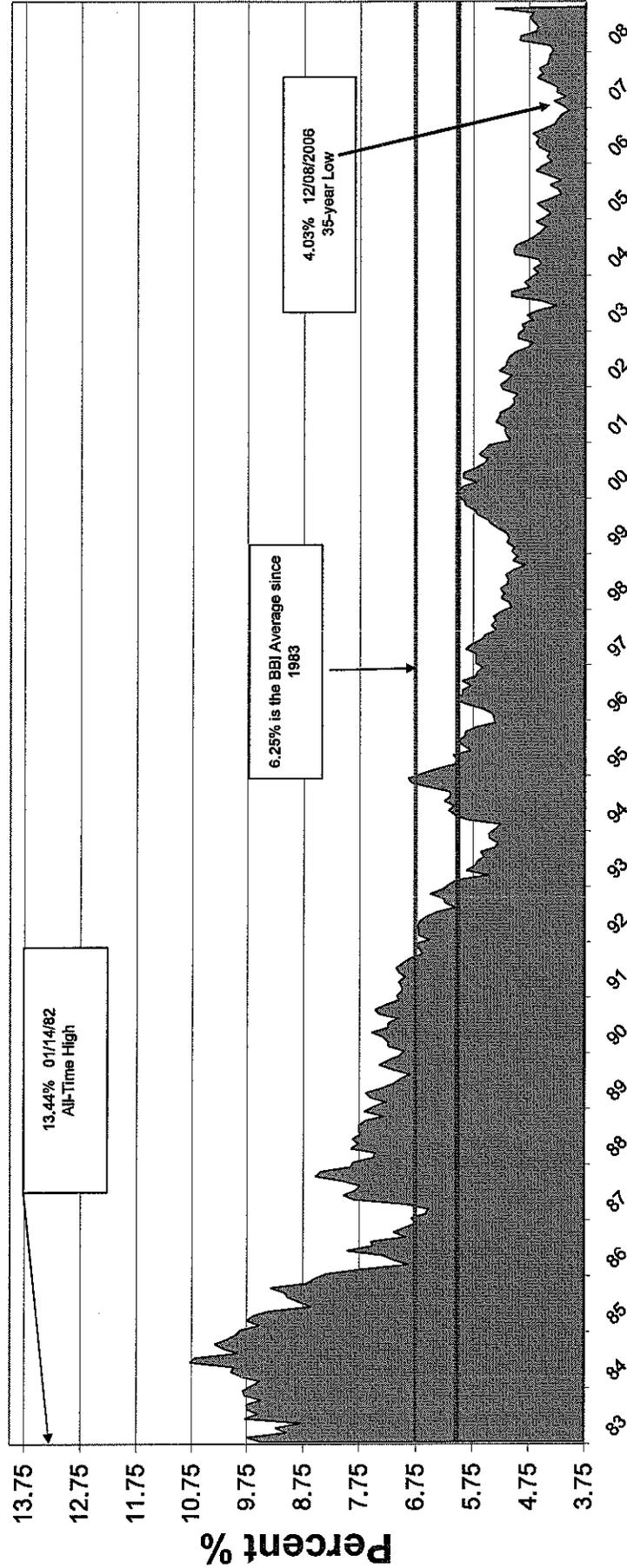
Competitive Sales for the Week of October 20 - 24, 2008

Sale Date	Issuer	State	Par Amt	Issue	Rating	Credit Enhanced Rating	TIC	Principal	# of Bidders	Winning Bidder
10/20/2008	Alexandria Sch Dist	MN	7.91M	Taxable GO OPEB Bonds	A3	Aa2	6.877%	2010 - 29	4	BMO Capital Markets
10/20/2008	Cologne	MN	3.27M	GO Bonds	Not Rated	AAA	4.975%	2010 - 29	4	BMO Capital Markets
10/20/2008	Louisburg	KS	1.80M	GO Improvement Bds	Not Rated		4.058%	2009 - 18	6	UMB Bank
10/20/2008	Mandan Sch Dist	ND	520K	GO Building Fund Bds	A2		4.795%	2009 - 23	3	Wells Fargo
10/20/2008	Kasson-Mantorville Sch Dist	MN	5.49M	GO Current Refunding Bds	A3	Aa2				Postponed
10/20/2008	Menasha Sch Dist	MN	1.955M	GO Alternative Facilities Bds	NR	AAA	4.485%	2018 - 22	6	Northland Securities
10/20/2008	Menasha Sch Dist	MN	315K	GO Capital Facilities Bds	NR	AAA	4.509%	2010 - 19	2	Northland Securities
10/20/2008	Staples-Moffley Sch Dist	MN	1.07M	Taxable GO OPEB Bonds	Not Rated	AAA	6.434%	2011 - 20	4	BMO Capital Markets
10/20/2008	St. Croix County	WI	3.18M	GO Prom Notes	Aa3		4.024%	2010 - 16	6	Robert W. Baird
10/21/2008	Coon Rapids	MN	4.33M	GO Imp. and Utility Bds	Aa2		4.244%	2010 - 24	11	Wells Fargo
10/21/2008	Delano	MN	865K	GO State-Aid Street Bds	A2		4.387%	2009 - 18	5	Cronin
10/21/2008	Glenview Park Dist	IL	5.04M	GO Park Current Refunding Bds						Postponed
10/21/2008	Mason City	IA	3.50M	GO Bonds	A1		4.095%	2010 - 19	8	Bankers Bank
10/21/2008	Minnewaska Sch Dist	MN	3.76M	GO Current Refunding Bds	Not Rated	AAA				Postponed
10/21/2008	Osseo Sch Dist	MN	16.00M	Taxable GO OPEB Bds	Aa2	Aa2				Postponed
10/21/2008	Sun Prairie	WI	5.50M	GO Prom Notes	Aa3	AAA	4.256%	2009 - 18	4	Sterne Agee
10/22/2008	Dixon Unit Sch Dist	IL	3.195M	GO Sch Bds		Aaa	4.367%	2010 - 22	5	Robert W. Baird
10/22/2008	Mount Prospect Park Dist	IL	2.50M	GO Limited Tax Park Bds	AA		3.194%	2009 - 12	5	Robert W. Baird
10/22/2008	Osakis	MN	1.43M	GO Pub Imp. Revolving Fund Bds	NR		5.091%	2010 - 24	3	Northland
10/22/2008	Johnson County	KS	10.425M	GO Internal Improvement Bds	Aaa/AAA		4.906%	2013 - 28	7	Morgan Keegan
10/22/2008	Johnson County Public Bldg	KS	10.75M	Lease Purchase Revenue Bds	Aaa/AAA		4.875%	2009 - 28	5	Robert W. Baird
10/22/2008	Victoria	MN	2.16M	GO Perm Imp. Revolving Fnd Bds	AA		4.367%	2010 - 25	6	Northland Securities



**EHLERS**  
LEADERS IN PUBLIC FINANCE

# TWENTY-FIVE YEAR BOND BUYER INDEX



**1983 - 2008**

■ October 2008 Bond Buyer Index 5.36%



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

October 30, 2008

Contact: Tim Flaherty  
651-225-8840

**STATE SPENDING  
CUTS ON THE  
HORIZON?**

On Wednesday, the policy group Minnesota 2020 published a leaked memo authored by Governor Pawlenty's state budget director, directing every state agency to plan for a 5% spending cut in the next fiscal biennium. According to the Minnesota Budget Project, a 5% spending cut "would produce reductions in state payrolls and other expenditures of at least \$1.8 billion." The full story can be found [here](#).

With the state having spent down its reserves and the overall economic picture worsening, the state is likely to confront a ballooning deficit in 2009. CGMC will continue working toward a long-term solution to the state's economic problems without shifting the burden onto local property tax payers and cities.

**CONGRESS  
EXAMINES  
INFRASTRUCTURE  
STIMULUS PACKAGE**

The U.S. House Transportation & Infrastructure Committee met in Washington, D.C. on Wednesday to discuss a potential second economic stimulus package, emphasizing a renewed investment in transportation and infrastructure projects. The Committee is exploring opportunities to infuse new federal money into state coffers for the completion of "ready to build" transportation projects. Estimates note Minnesota's potential share of this new federal money could be \$218 million. Congress is expected to consider a second economic stimulus package following the November 4 elections.

**REMINDER:  
REGISTER FOR THE  
CGMC FALL  
CONFERENCE**

Space is filling up quickly for the 2008 CGMC Fall Conference in Willmar, November 20-21. **Don't forget** to send the attached registration form to Erin Flaherty via [email](#) or fax (651-225-9088). CGMC reduced hotel room rates are guaranteed through 11/6, so **reserve your room today** by contacting the Holiday Inn, Willmar, at 877-405-4466.

Each year, CGMC conducts important business at the fall conference, such as strategizing for the upcoming legislative session. Be sure to attend and have your city's voice heard at these critical work sessions!



# 2008 CGMC Fall Conference Registration

## Willmar Conference Center, Willmar



City: \_\_\_\_\_ Phone: \_\_\_\_\_

Name/Title: \_\_\_\_\_ Guest(s): \_\_\_\_\_

Name/Title: \_\_\_\_\_ Guest(s): \_\_\_\_\_

Name/Title: \_\_\_\_\_ Guest(s): \_\_\_\_\_

**Please indicate the number of people attending each event in the spaces provided.**

### Thursday, November 20

- \_\_\_\_ 1:30 p.m. Labor & Employee Relations Report and Discussion
- \_\_\_\_ 2:45 p.m. CGMC's Land Use Reform Proposal
- \_\_\_\_ 4:00 p.m. Overview of CGMC's Proposed Legislative Positions, Strategy, and Budget
- \_\_\_\_ 5:00 p.m. Board of Directors Meeting
- # 6:00 p.m. Reception
- # 7:00 p.m. Dinner & Program  
Please indicate # of entrées below:  
\* 8 oz. Sirloin  
# Walleye  
# Vegetarian Meal
- # 9:00 p.m. Hospitality Room

### Friday, November 21

- # 7:30 a.m. Breakfast
- \_\_\_\_ 8:30 a.m. Membership Meeting

### Registration Fees:

The registration fee includes conference materials, Thursday dinner, hospitality room beverages and food, and Friday deluxe continental breakfast. Beverages at Thursday's reception hour and dinner are not included.

\$ \_\_\_\_\_ \$115 per member

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\$ \_\_\_\_\_ **Total**

Please make checks payable to CGMC.

- Bill me
- Payment enclosed
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**Mail:** 525 Park Street, Suite 470, St. Paul, MN 55103 **Fax:** 651-225-9088

**Email:** enflaherty@flaherty-hood.com

**Phone:** 651-225-8840



## CGMC Committee Sign-Up Form

Become an active member of the Coalition by joining one of our committees! Each CGMC program area has a committee to enhance and guide the work of Flaherty & Hood, P.A. and occasionally lobby at the Capitol. The descriptions and goals of each committee are highlighted below. Time commitment is minimal; most meetings are held via conference call.

1. **Property Tax/LGA.** Maintain the 2% and 4% increases built into law during the previous session and prevent cuts to LGA funding.
2. **Land Use & Infrastructure Management.**
  - a. *Annexation & Land Use:* Generate support for and pass CGMC's Land Use Reform and Annexation bills.
  - b. *Transportation:* Ensure fair allocation of state transportation money.
  - c. *Environment & Energy:* Monitor energy and environment legislation to ensure pollutant standards are based on sound science, prevent unnecessary mandates, and assess legislation relating to cities' carbon footprints.
3. **Economic Development.** Monitor economic development legislation.
4. **Labor & Employee Relations.** This year, all CGMC members can participate in the Labor & Employee Relations Committee. The Committee coordinates efforts to help greater Minnesota local units of government manage personnel issues and negotiate labor contracts. Additionally, the Committee gives cities access to consultation services on labor relations and public employment issues impacting their individual city on a reduced fee-for-service basis.

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To join a committee, please complete this form and return to Erin Flaherty via:

Email: [enflaherty@flaherty-hood.com](mailto:enflaherty@flaherty-hood.com) Phone: 651-259-1913 Fax: 651-225-9088

**Yes!** I would like to join: (please circle)

Property Tax/LGA Committee

Land Use & Infrastructure Management Committee

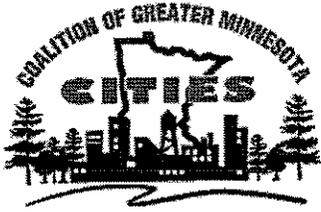
Economic Development Committee

Labor & Employee Relations Committee

Name \_\_\_\_\_ Title \_\_\_\_\_

Mailing Address \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_ Email \_\_\_\_\_



Coalition of Greater Minnesota Cities

# CGMC in Brief

October 23, 2008

Contact: Tim Flaherty  
651- 225-8840

## TELL US YOUR ANNEXATION OR LAND USE STORY

In preparation for next session, the CGMC will produce several video vignettes on the topic of annexation and land use reform, including a 30-second TV ad and several 2-3 minute in-depth, educational pieces. **Presenting real-life examples of annexation and land use “gone wrong” is critical to the success of these videos and our lobbying efforts.** If your city has had negative experiences with annexation and county or township land use planning, we would like to hear from you! Please contact Bradley Peterson via [email](#) or call 651-225-8840 for more information.

## DON'T MISS OUT! JOIN A CGMC COMMITTEE TODAY

*The CGMC is still accepting members for the 2009 CGMC policy committees: Property Tax/LGA, Land Use and Infrastructure (annexation, transportation, energy/environment), Economic Development, and Labor & Employee Relations.*

### Join a committee and participate in our upcoming planning sessions (via conference call):

- Property Tax/LGA: 11/6 @ 10:00 am
- Annexation and Land Use: 11/10 @ 10:30 am
- Economic Development: 11/7 @ 10:30 am
- Transportation: 11/6 @ 1:00 pm
- Environment and Energy: 11/6 @ 2:00 pm

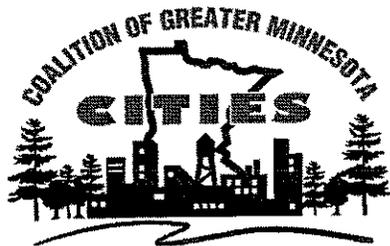
Don't miss this great opportunity to play a critical role in the upcoming legislative session. If interested, please complete the attached form and send it to Erin Flaherty via [email](#) or fax (651-225-9088). Sign up today!

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Mailing Address \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_ Email \_\_\_\_\_

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# 2008 CGMC Fall Conference Agenda

Thursday, November 20 – Friday, November 21, 2008 • Willmar, Minnesota  
 Tentative agenda as of 9/25/08



## Thursday, November 20

- 12:00 – 3:00 p.m. **Conference Registration**  
Holiday Inn
- 1:30 – 2:30 p.m. **Welcome, Preview of Conference, and Labor & Employee Relations Report and Discussion**
- 2:30 – 2:45 p.m. **BREAK**
- 2:45 – 3:45 p.m. **CGMC's Land Use Reform Proposal**
- 3:45 – 4:00 p.m. **BREAK**
- 4:00 – 4:45 p.m. **Overview of CGMC's Proposed Legislative Positions, Strategy, and Budget**
- 5:00 – 6:00 p.m. **Board of Directors Meeting**
- 6:00 – 7:00 p.m. **Reception**
- 7:00 – 9:00 p.m. **Dinner & Program**  
Keynote Speaker: Prof. David Schultz, Hamline University, 2008 State & Federal Election Results: What Do They Mean?
- 9:00 – 10:30 p.m. **Hospitality Room**

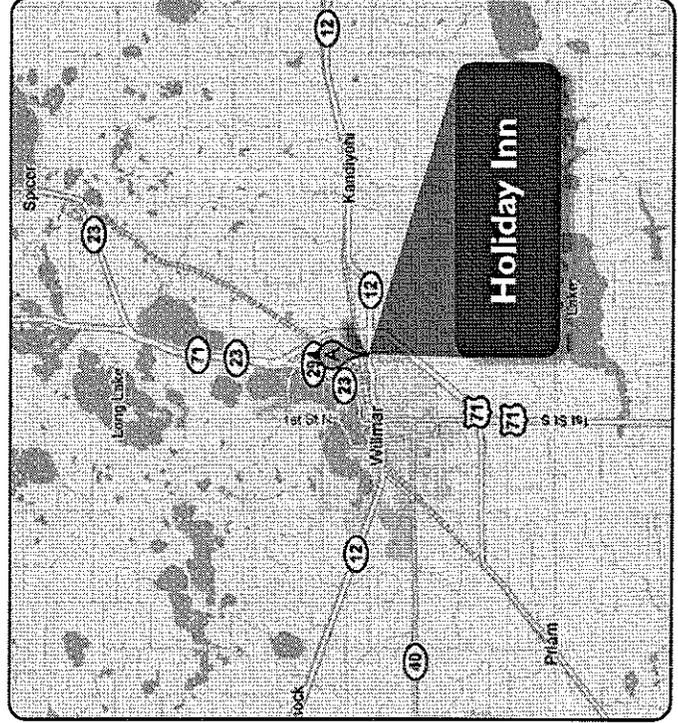
## Friday, November 21

- 7:30 – 8:30 a.m. **Breakfast**
- 8:30 – 11:30 a.m. **Membership Meeting**
  - Consideration and Adoption of 2009 Positions, Strategy, and Budget
  - Action Needed and Message for Legislators
  - Other Business
- 11:30 a.m. **Adjourn**

## Conference Hotel Information

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 Willmar, MN 56201

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## Directions to Willmar

- From the East or West:**  
Follow Hwy 12 toward Willmar.
- From the South:**  
Follow Hwy 71 North. Take the exit ramp for Hwy 12. Turn Left onto Hwy 12.
- From the North:**  
Follow Hwy 71 South. Take the Hwy 12 ramp toward Willmar/Litchfield. Turn Right at Hwy 12.

## Questions?

Contact Erin Flaherty at [erinflaherty@flaherty-hood.com](mailto:erinflaherty@flaherty-hood.com) or 651-225-8840.