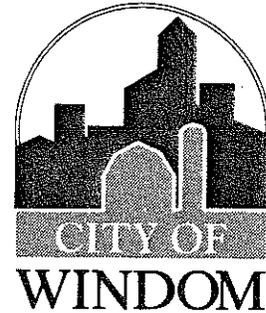


City Council Meeting
Tuesday, September 4, 2007
Windom City Council Chambers
7:30 p.m.
AGENDA



Call to Order
Pledge of Allegiance

1. Approval of Minutes
 - Council Minutes – August 21, 2007
2. Consent Agenda
 - Receipt of Board & Commission Minutes
 - Telecommunication Commission Minutes – August 15, 2007
 - Street Committee – August 21, 2007
 - Community Center – August 27, 2007
3. Department Heads
4. Annual Firefighters Relief Association Report
 - Presentation – Nestor Palm
 - Acceptance of Report
5. Midwest Data – Billing Services Agreement
6. Preliminary 2008 Budget Levy
7. Establish 2008 Budget Hearing Dates
 - Council Work Session Schedule
 - Truth in Taxation
8. Personnel Committee Recommendations
9. Regular Bills
10. Contractor Payment – 2007 Street Project – Hjerpe Inc.-\$104,740.97
11. Unfinished Business
12. New Business
13. Council Concerns
14. Adjourn



City Council Meeting
Windom City Hall, Council Chambers
August 21, 2007
7:30 p.m.

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

2. Roll Call: Mayor Pro Tem: Bradley Powers

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

Council Members Absent: Mayor Tom Riordan

City Staff Present: Steve Nasby, City Administrator; Dan McDonald, City Attorney; Marv Grunig, Electric Superintendent and Terry Gildden, Telecom

Public: Nestor Palm, Gerri Burmeister, Kim Armstrong, Mary Klosterbuer and Dirk Abraham

3. Pledge of Allegiance

4. Approval of Minutes:

Motion by Fast, second by Ray, to approve the Council minutes from July 31, 2007. Motion carried 4 - 0.

5. Consent Agenda:

- Receipt of Board & Commission Minutes
 - a. Economic Development Authority – August 13, 2007
 - b. Library Board – August 14, 2007
- Correspondence
 - a. Lutheran Social Service – Community Luncheon with Congressman Tim Walz and Windom Senior Dining

Motion by Kruse, second by Fast, to approve the Consent Agenda. Motion carried 4 - 0.

6. Department Heads:

Marv Grunig, Electric Superintendent, informed the Council that the Big Stone II transmission line and route had been recommended for approval by the Minnesota Administrative Law Judges (ALJ). Windom has a 3.5 megawatt stake in this plant.

The transmission project would include approximately 140 miles of lines and 6 substations. This transmission line would also accommodate renewable energy by picking up the energy produced by wind farms. Grunig said that the ALJ stated that the decision determined that demands for power could not be met through wind and/or conservation alone. Grunig noted that the Big Stone II power plant is technologically the most environmentally friendly coal plant designed to date and without additional generating capacity Minnesota could see a gap in generation vs. demand as early as 2011. The Minnesota Public Utilities Commission is now reviewing the transmission line proposal.

The CAPX project is another transmission project that is in the planning stages. This project would include three new transmission lines. Windom is an investor in one of the lines and a decision on this project from the State of Minnesota is expected in 2009.

Grunig informed the Council that a final decision to proceed with the Big Stone II power plant, in which Windom is an investor, would likely be this fall or winter.

Aaron Backman, EDA Executive Director, said that the EDA would be having another round of Small Cities Development Program (SCDP) applications for commercial rehabilitation as the EDA has program income that needs to be utilized. The commercial rehab program would be city-wide and target life and safety issues. The financial terms would be similar to the last round whereas one-third of the funding would be in the form of a grant, one-third as a low interest loan and the remaining third would be from the owner/applicant. Priority would be given to projects that have not previously participated in the program. In 2008 the EDA is anticipating making an application to the State of Minnesota for other SCDP funds for residential rehabilitation.

Backman said that pre-applications for the commercial rehab program are now available and he is working with Western Community Action on the program administration.

7. 2007 Hospital Audit:

Gerri Burmeister, Hospital Administrator, introduced herself and Kim Armstrong, CFO and Mary Klosterbuer, Board President.

Burmeister said that in 2007 the Hospital had 788 patients accounting for 2,129 patient days. There were 134 births and that the overall 2007 numbers were only slightly over the 2006 statistics. Surgeries were up by 70, there were 7,097 imaging procedures and 89,619 meals served. Payees were comprised of 40% Medicare, 23% public assistance and 36% other (which would include insurance and private payers).

Armstrong reviewed the audit numbers with the Council and noted that the combined balance sheet includes the Hospital Foundation. The Hospital had a good year

covering all expenses and continued to build its assets. She said the dietary project was approximately \$811,000 and the long-term financing shown in the audit is for this type of large capital project.

Klosterbuer said that the board is working on a five-year financial plan and is looking to complete the current master facilities plan, which includes the renovations and improvements to the surgical area. The goal of the board is to pay off the existing bonds early and the payoff is targeted for 2010.

Powers asked what phase of construction were they in currently. Burmeister said the dietary project.

Motion by Kruse, seconded by Ray, to accept the 2007 Windom Area Hospital Audit as presented. Motion carried 4 – 0.

8. Annual Firefighters Relief Association Report:

Nestor Palm said he was representing the Windom Firefighters' Relief Association and the annual financial report was in the Council packet. The fund is solvent and the Relief Association has voted to approve an increase in the annual amount. A resolution concerning this change is also in the packet.

Messer asked if the Relief Association had followed all the meeting procedures regarding participation by the Mayor and City Administrator. Palm said that a meeting notice had not been provided.

Motion by Messer, seconded by Fast, to delay action on this item until the procedures were followed. Motion carried 3 – 2 (Kruse and Ray).

Palm asked when the next Council meeting is to be held. Nasby said September 4.

9. River Bend Access Easement:

Backman reviewed the actions pertaining to the sale of this property and the language in the purchase agreement for a non-exclusive access for ingress and egress. The handout to the Council included the easement language, legal description and a map. This access easement will be used by River Bend to access Highways 60\71 across the City's Liquor Store property. The access easement includes cost-sharing language on the maintenance and improvements to this access. Backman said that the access easement had been drafted for the City by the City Attorney and that all of the parties for River Bend have agreed to this language. Backman recommended that the Council approve the access easement as presented as the closing on the property could occur as soon as August 30.

Messer said that the Council just got this document and it was not in the packet.

Motion by Kruse, seconded by Ray, to approve the access easement for River Bend as presented. Motion carried 4 – 0.

10. Midwest Data – Billing Agreement:

Nasby said that the contract with Midwest Data for billing services was not received prior to the Council packets being prepared, however, a draft copy was provided as a handout. He recommended that this item be tabled to the next meeting to allow for adequate review.

Motion by Fast, seconded by Kruse, to table action on the contract with Midwest Data until the September 4, 2007 Council meeting. Motion carried 4 – 0.

11. Regular Bills:

Fast inquired about the NSF charge in the electric fund. Nasby said that it was a returned customer check and the City would proceed with collecting the amount due from the customer.

Motion by Messer, seconded by Fast, to approve the regular bills. Motion carried 4 – 0.

12. Contractor Bill:

Powers asked if the bleed-through issues with the seal coating were resolved. Nasby said that the issues were with last year's project. Messer said the 2007 project went very well.

Motion by Messer, seconded by Fast, to approve a payment to Morris Sealcoat & Trucking Inc. for \$37,947.48. Motion carried 4 – 0.

13. Unfinished Business:

None

14. New Business:

Messer noted the memorandum from the Recreation Department regarding the closing date for the pool. He would like to see the pool open longer in the summer. Nasby said that he had talked to the Recreation Director and Pool Manager and the issue is finding adequate staffing at the end of August as the life guards go back to college or start high school athletic practices. Even if some staffing were available it would not be enough to cover all of the pool hours thus creating a potential issue with what hours or activities to cover. Messer suggested addressing the issue when staff is hired.

Messer also noted the letter from the County Assessor and the upcoming training. He would be interested in attending. Fast said that she too would be willing to go.

Fast said that she wanted to inform the Council about a project the CVB is working on which is a community information sign. This sign would help promote activities happening in the community. One of the ideas is to utilize the Liquor Store pole, but a Conditional Use Permit would be required.

15. Council Concerns:

None

16. Closed Session – Set Liquor Violation Hearing Date(s):

The City Council went into closed session at 8:10 pm. Closed session ended at 8:35 pm.

17. Adjourn:

Meeting was reconvened at 8:36 pm.

Motion by Fast, seconded by Ray, to adjourn. Motion carried 4 – 0.

Meeting adjourned at 8:36 p.m.

Bradley Powers, Mayor Pro Tem

Attest: _____
Steve Nasby, City Administrator

Telecommunication Commission Minutes
August 15, 2007

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

2. Roll Call:

Commission Members Present: Wendell Woodcock, Robert Messer, Forrest Fosheim and Jean Fast.

Commission Members Absent: Paul Voth, Jr.

City Staff Present: Dan Olsen, Telecom Operations Manager, Sally Oltmanns, Marketing Specialist, Steve Nasby, City Administrator.

Public Present: none

3. Approval of Minutes:

Motion made by Fosheim, seconded by Messer, to approve the July 10, 2007, Minutes as written. Motion carried 4-0.

4. Disney Contract

Disney contract renewal states that we can add the SOAP Channel and America Channel at little or no cost. These could launch in September or October.

Motion made by Messer, seconded by Fast, to add the SOAP and America Channels. Motion carried 4-0.

Olsen stated that he is still working on the Big 10 Network package. They have agreed to give us the equipment at no charge. This is tabled for the next meeting.

5. 2008 Budget:

Olsen reported that he is completing the 2008 Budget. He will present the budget to the commission at the next meeting.

6. UHF Tower:

Discussion on whether the UHF Tower should be repaired or dismantled. It was reported that a survey was sent out to the people in the community who might be using it. The response to the survey was that it isn't being used and they are not willing to pay for it. Olsen will check to see if there is someone who would like to lease the tower.

7. Director's Report:

Olsen reported that the internet and phone customer numbers have been steadily increasing each month.

8. Other Business:

Windomnet will have a booth at the fair. We will be working from the booth to show residents the services that we have to offer.

Promotional letters for Windomnet services continue to be sent out each week. We are picking up a few customers each week from the mailings.

Back to School Campaign to promote Windomnet services will be in the Citizen, on KDOM, on the website and also in the cable guide that Quick Print puts out.

The three new channels are up and running. They are KEYC FOX channel 21, National Geographic channel 64 and EWTN channel 65.

The EDA has requested fiber to be put in at the new site for the Sanford Center at the Liquor Store site.

9. Next Meeting Date:

The next meeting will be held on Wednesday September 12, 2007, 11:30 a.m.

Adjourn:

Motion made by Fast, seconded by Fosheim, to adjourn the meeting. Motion Carried 4-0.

Wendell Woodcock, Chairman

Attest:

Steven Nasby, City Administrator\Clerk

Community Center Commission Minutes
Monday August 27, 2007

1. Call to Order: The meeting was called to order by President Bruce Olson at 5:30 p.m

2. Roll Call: President: Bruce Olson
CC Director: Brad Bussa
Commission Members: Mark Stevens
Wayne Maras
La Vonne Swenson
Connie Knorr- absent
Commission Liaisons: Kirby Kruse
Bruce Caldwell - absent
Jo Ann Ray-absent
Public: Ron Becker

3. Approval of Minutes:

Motion by Maras, seconded by Stevens to approve the July 23, 2007 Community Center Commission Minutes. Motion carried 4-0

4. Additions to the agenda:

Mark and Kathy Nemitz showed a video in 3-D of what a Garden Patio at the Community Center could look like.

5. Correspondence:

Rental Surveys were reviewed and were all positive. People are pleased with the Community Center and it all starts with the C.C. Staff. "Doing Great"

6. President's Report:

Liquor & Catering Sub-Committee Meeting: Talked about wrist bands/swipe Machine.

7. Director's Report:

- a. Sheet Rock and Loft for the garage
- b. Purchasing another Big Screen for \$2000 and renting it for \$50.00 each time.



8. Resource Management:

Schedule of Events: Booking of Events still coming in "GOOD".

Income/Expenses: As Shown

9. Miscellaneous:

No New Business

10. Open Forum:

No New Business

11. Next Meeting:

Monday September 24, 2007 @ 5:30 pm

Sub Committee: 5:00 pm – Policies – Mark and Wayne

Adjourn:

**Motion by Swenson, seconded by Maras, to adjourn the meeting at 6:14 pm.
Motion carried 4-0.**

Bruce Olson, CCC President

Attest: _____
Brad Bussa, Community Center Director



Windom Fire Department
Relief Association

August 29, 2007

The Windom Fire Department Relief Association was misinformed by the State Auditor as to what the City Council had to approve. Due to the status of our Relief Association's Financial Position, the Windom City Council only has to be informed that the Windom Fire Department Relief Association is solvent in relief funds.

The Windom Fire Department Relief Association is solvent as evidenced by the Treasurer report. The State Auditor has verified this against the annual reports that we have submitted. The reports were prepared and submitted by Dennis Rick.

We are asking you to accept the report in your packet.

Nestor Palm

President
Windom Fire Department Relief Association

Calculation of Normal Cost

	2007	2008
Total Active Member Liabilities	821,900	899,650
Total Deferred Member Liabilities	0	0
Total Unpaid Installments	0	0
Grand Total Special Fund Liability	A. 821,900	B. 899,650
Normal Cost (Cell B minus Cell A)		C. 77,750

Projection of Net Assets for Year Ending December 31, 2007

Special Fund Assets at December 31, 2006 (RF-06 ending assets) 1 870,044

Projected Income for 2007

State Fire Aid (2006 aid may be increased by up to 3.5%)	D. 38,384
Municipal / Independent Fire Dept. Contributions	E. 5,000
Interest / Dividends	F. 39,000
Appreciation / (Depreciation)	G. 50,000
Member Dues	H.
Other Revenues	I.

Total Projected Income for 2007 (Add Lines D through I) 2 132,384

Projected Expenses for 2007

Service Pensions	J.
Other Benefits	K.
Administrative Expenses	L. 1,600

Total Projected Expenses for 2007 (Add Lines J through L) 3 1,600

Projected Net Assets at December 31, 2007 (Add Lines 1 and 2, subtract Line 3) 4 1,000,828

Projection of Surplus or (Deficit) as of December 31, 2007

Projected Assets (Line 4)	5 1,000,828
2007 Accrued Liability (Page 3, cell A)	6 821,900
Surplus or (Deficit) (Line 5 minus Line 6)	7 178,928

Calculation of Required Contribution

Year Incurred	Deficit Information - Original		Deficit Information - Adjusted		
	Original Amount	Amount Retired as of 12/31/06	Original Amount	Amount Retired as of 12/31/07	Amount Left to Retire 1/1/08
1998					
1999					
2000					
2001					
2002					
2003					
2004					
2005					
2006					
2007					
Totals	0				

Normal Cost (Page 3, cell C)

Projected Administrative Expense

Amortization of Deficit (Total of Original Amount column x 0.10)

10% of Surplus (Line 7 x 0.10)

State Fire Aid

Member Dues

5% of Projected Assets at December 31, 2007 (Line 4 x 0.05)

Required Contribution (Add Lines 15, 16 and 17, subtract Lines 18, 19 and 20)

No required contribution due in 2008.

Enter 2006 Admin Exp here:	8	77,750
	9	1,735
	10	0
	11	17,893
	12	38,384
	13	0
	14	50,041
	15	(26,833)

This Schedule must be fully completed, certified by the relief association officers, forwarded to the municipal clerk/independent secretary on or before August 1, 2007 and submitted to the Office of the State Auditor to be eligible for state fire aid.

Officer Certification

We, the officers of the Windom Fire Relief Association Fire Relief Association, certify that this Schedule was prepared under Minn. Stat. § 69.772 and that the annual benefit level was established according to the average amount of available financing.

We further certify that based on the financial requirements of the Relief Association's Special Fund for the 2007 calendar year, the required 2008 contribution is \$0. If the bylaws of the Relief Association changed in 2007, we have attached a copy of the amendment or updated bylaws. We have also enclosed a copy of the municipal/board ratification of this amendment if required under Minn. Stat. § 69.772, subd. 6.

Signature of President: Nestor E. Palm
Signature of Secretary: Wayne Mans
Signature of Treasurer: Mike Hauge

Print Name: Nestor E. Palm, Wayne Mans, Mike Hauge
Date: 7-31-07, 8-1-07, 8-1-07

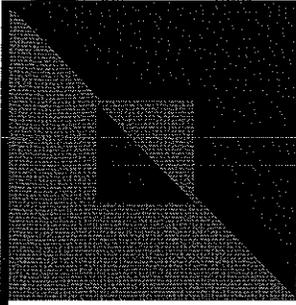
Municipal Clerk / Independent Secretary Certification

I am the municipal clerk of City of Windom / secretary of the Windom Fire Relief Association independent nonprofit firefighting corporation. I received on 8/3/07, the completed Schedule from the Windom Fire Relief Association Relief Association.

I have reviewed Line 15 of the Schedule. If Line 15 shows a required contribution, I certify that I will advise the governing municipal body or the independent nonprofit firefighting corporation of any required contribution at its next regularly scheduled meeting.

Signature of Municipal Clerk/Secretary of independent nonprofit firefighting corporation: B. Sigurdson
Print Name: B. Sigurdson
Date: 8/3/07

Business Telephone: 507-831-6129



Midwest Data, LLC.

Telecommunications Office Efficiency System

Contract

For

Windom Municipal Utilities

July 20, 2007

1711 18th St NE
PO Box 840
Willmar MN 56201

Phone: 320-235-8880
Fax: 320-235-8889
www.mwd-inc.com

Your Partner In Billing



SECTION I. BASIC AGREEMENT

Beginning September 5, 2007, and continuing until terminated pursuant to the terms of this agreement, Midwest Data, LLC. (hereinafter "Midwest Data") agrees to provide to Windom Municipal Utilities (hereinafter "Customer") software usage, data processing services and supplies as specified in the Midwest Data price list, as set forth in Enclosure A. Customer agrees to pay Midwest Data the amounts set forth in the current price lists for services and supplies.

The parties agree that they are bound by Sections I through VI of this agreement.

Accepted by:

Midwest Data, LLC.

Accepted

By:

Glenn Miller, General Manager

City of Windom Municipal Utilities

Accepted

By:

Date:

Date:

SECTION I (A) TERM

This Agreement shall begin on the date hereof and shall remain in effect for a period of three (3) years (the "Term") following the first full calendar month in which any Services commonly known as monthly processing services are provided by Midwest Data to Customer, as evidenced by the billing records of Midwest Data. A proposed schedule and contract dates are included at the end of this document based on contract execution date. This Agreement shall automatically renew for one additional full year unless written notice of termination or revision is delivered by either party to the other at least ninety (90) days prior to the original expiration date.

SECTION II. CHARGES FOR SERVICES

Charges for services are due and payable within 25 days of statement date.

Non-recurring charges for installation, conversion, training, and the monthly recurring charges for specified services and software are identified in Enclosure A.

SECTION III. CANCELLATION BY MIDWEST DATA

This agreement may be canceled by Midwest Data:

- (A) Without notice, if Customer fails to pay any charges for services within 60 days after they are due.
- (B) By giving 120 days of written notice of cancellation to Customer prior to expiration date of contract.

SECTION IV. CANCELLATION BY CUSTOMER

This agreement may be canceled by Customer:

- (A) By written notice, providing a minimum of 90 days written notice prior to contract end date of cancellation to Midwest Data.
- (B) By 30 day written notice to Midwest Data if Midwest Data fails to provide Customer the services and/or supplies covered in this agreement. Customer agrees to provide Midwest Data written notice of failure of providing services and/or supplies covered in this agreement and a reasonable amount of time (minimum of 30 days) to address these concerns in good faith prior to issuing a contract termination notice to Midwest Data.

SECTION V. PRICE REVIEW

- (A) All pricing (other than contracted Monthly Recurring Pricing shown in Enclosure A) for data processing services and supplies for Customer will be reviewed periodically by Midwest Data and be subject to adjustment. Any adjustments will be communicated to Customer with a minimum of 30 days advance notice of the price increase.
- (B) All pricing for new application and/or changes to new or existing applications will be reviewed by Midwest Data six months after implementation. Notification of any change in pricing by Midwest Data from the original agreement due to a change in volume or processing procedures will be communicated to Customer in writing a minimum of 30 days in advance.

SECTION VI. RESPONSIBILITY

- (A) The sole responsibility of Midwest Data shall be to process data as furnished by customer. Customer shall be responsible for furnishing data in such manner and format as to permit processing under the applicable programs.
- (B) While Midwest Data believes that the processing services performed hereunder will produce accurate and correct results, Midwest Data does not warrant the accuracy or correctness of any processing services, records, or data. There are no warranties, express or implied, including, but not limited to, any warranties or merchantability or fitness for any particular purpose.
- (C) In no event shall Midwest Data be liable to customer for any indirect, special or consequential damages or lost profits arising out of or related to this agreement or the performance or breach thereof, even if Midwest Data has been advised of the possibility thereof. Midwest Data's liability to customer hereunder, if any, shall in no event exceed the total amount paid to Midwest Data hereunder.
- (D) In no event shall Midwest Data be liable to customer for any damages resulting from or related to any failure or delay of Midwest Data in the performance of processing services under this agreement if such failure or delay results from or is caused by (1) customer not furnishing data in a timely fashion, (2) improper or incorrectly furnished data, or (3) fire, damage to equipment, acts of God, strikes, or other causes beyond the control of Midwest Data.

Credit Agreement

WHEREAS, Windom Municipal Utilities (hereinafter "Customer") is a customer of Midwest Data, LLC. (hereinafter "Midwest Data") and

WHEREAS, Customer purchases products and services from Midwest Data on credit, and

WHEREAS, Midwest Data has established the following credit policy:

CREDIT POLICY

Statements for items purchased on account shall be mailed out once a month on or before the fifth working day following the end of the month. Payment is due on the last business day of that month.

A finance charge of 1.333% (16% per annum) will be added to all accounts for which payment has not been received by the due date.

Customer hereby states he has read and understands Midwest Data Credit Policy and in consideration of the right to make purchases on credit from Midwest Data, customer hereby accepts the terms of said policy.

It is understood by and between the parties hereto that Midwest Data has the right at any time to change the rate of interest or any other terms of the Credit Policy by written notice to Customer. Midwest Data hereby reserves the right in its sole discretion and without liability, among other remedies, to terminate the right of Customer to purchase on credit, to suspend further deliveries, and to require Customer to pay in full all unpaid balances immediately should Customer's financial strength become unsatisfactory to Midwest Data. Midwest Data may proceed to enforce payment of same and to exercise any and all right afforded by law in the event Customer fails to pay as required.

Midwest Data, LLC.

Accepted

By: _____

Glenn Miller, General Manager

City of Windom Municipal Utilities

Accepted

By: _____

Date: _____

Date: _____

Service Bureau Pricing

Installation and Set-up Fees – Telephone

Conversion of Telephone ONLY **\$3,500.00**

Included:

- Setup of your company and users in Midwest Data system
- Setup of all Program Files
- Conversion of existing data and verify record formats
- Verify record formats for billing from other vendors
- Installation of your converted data
- Setup of Electronic Bill Presentation and Payment System
- One day on-site for pre-conversion meeting at client office
 - Time not billable
 - Travel expenses billable only

Training Requirements

- Each installer providing installation and/or training will be billable at a rate of \$400 per day, plus expenses
- Your company will have six (6) days of on-site training provided by Midwest Data, billable at \$400/day, plus expenses, (per Midwest Data installer/trainer employee) **\$2,400.00**

Midwest Data, LLC.

Accepted

By: _____

Glenn Miller, General Manager

Date: _____

City of Windom Municipal Utilities

Accepted

By: _____

Date: _____

Service Bureau Pricing

Installation and Set-up Fees – Utility Converged Statements

Conversion of Utility into telecom statements **\$2,000.00**

Included:

- Review, program, and test utility data files
- Setup of all program statement files for converged structure
- Conversion of existing data and verify record formats
- Verify record formats for billing from other software file
- Installation of your converted data

Monthly Recurring Pricing

Account Fee: any telephone account with or without Internet and/or CATV services and utility information charged as a recurring fee on that telephone account. If Internet and/or CATV are provided on a separate bill, the fee will be on a per bill created basis. Utility Statements, separate of telephone statements are billed as separate accounts. The monthly fee will be based on the actual count for telephone accounts, non-telephone accounts, and utility accounts.

This proposal pricing includes the services for the signed Midwest Data CABS contract that is currently for Windom Municipal Utilities.

Telephone accounts: Internet and/or CATV included **\$2.10 each**
 Non-telephone accounts: Internet and/or CATV included **\$.50 each**
 Non-telephone accounts: Internet and/or CATV included (no utility) **\$.40 each**

Midwest Data, LLC.

City of Windom Municipal Utilities

Accepted

Accepted

By: _____

By: _____

Glenn Miller, General Manager

Date: _____

Date: _____

Service Bureau Pricing

Included in Monthly Fee

- All Midwest Data Software will be accessed via VPN or terminal server into our data center in Willmar, Minnesota
- Midwest Data is responsible for server and maintenance of server platform
- Midwest Data is responsible for nightly backups of client software and data. Additional backups during a business day can be initiated as well.
- All bill processing for the subscribers (fee based on Utility requirements)
- Printing of statements, folding, and inserting of statements into envelopes
- Send and return envelopes and additional statement paper
- Month end functions which provides reports and rolls billing over to next month
- Electric, Gas and Sewer rating
- Standard (or existing) monthly reports for all services
- Existing Monthly GL reports
- Provide support during normal business hours of 8:00 a.m. - 5:00 p.m. (CST)
- Basic software enhancements and updates are provided with documentation
- Ability to print or view most reports at your office
- No annual support agreement is required for Utility MD Customer Care

Service Bureau Pricing

Excluded in Monthly Fee

- First statement pages. Midwest Data will order your statements with company logo and both outgoing and return envelopes.
- Set up fee for color logo
- Postage charges associated with your billing
- Shipping charges for ordered paper products
- Shipping charges for statements sent to your office
- Hardware cost of equipment in your office for software to operate is not included in this proposal. (Server, printers, modems, PC's, etc.) Midwest Data will provide a list of hardware recommendations and an actual configuration for your review. You will work directly with the hardware company for your order

Additional Charges May Apply

- ACH (Pre-Authorized Payment) capabilities, billable per subscriber usage at \$.10 per transaction. Monthly recurring and transaction charges to the bank, merchant accounts, etc is not included.
- Special programming requests that Midwest Data, LLC. will provide a time and cost estimate for City of Windom Municipal Utilities's approval. Current hourly rate is at \$95.00 per hour, and Customer is notified prior to rate changes.
- Each insert included with a statement is an additional \$.01 per insert

Hardware Requirements

City of Windom Municipal Utilities is responsible for purchasing or having in place, the appropriate hardware and network to be installed into your system to run the software. Midwest Data, LLC. is providing the following suggestions for **minimum** specifications needed by the City of Windom Municipal Utilities to ensure that the hardware and network will be compatible with our software.

GUI Hardware Requirements

Workstation/Server

- | | | |
|--|--|--|
| <ul style="list-style-type: none"> • End Users Work Station PC(Hardware) <ul style="list-style-type: none"> ○ 1024 X 768 Monitor Resolution ○ CPU ○ Memory ○ Available Hard Dive Space | <p style="text-align: center;"><u>Minimum</u></p> <p>1. GHz
512 MB Ram
150 MB</p> | <p style="text-align: center;"><u>Optimum</u></p> <p>2. GHz or
1 GB Ram
200 MB</p> |
| <ul style="list-style-type: none"> • End Users Work Station PC (Software) <ul style="list-style-type: none"> ○ Operating System ○ .Net Framework 1.1 ○ Internet Access ○ Internet Explore ○ Adobe Reader 6.0 (only for view bill) | <p style="text-align: center;"><u>Minimum</u></p> <p>XP, Windows 2000 or greater
6.0</p> | |

Internet Connection (Web Browser Connection)

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> • Internet Access From Telco to Midwest Data <ul style="list-style-type: none"> ○ Internet Access (no Satellite) | <p style="text-align: center;"><u>Minimum</u></p> <p>Cable or DSL</p> | <p style="text-align: center;"><u>Optimum</u></p> <p>T1</p> |
|--|---|---|

WAN Connections (optional) (via Cisco VPN connection)

- Cisco Router 1700 series or above
- With IOS supporting Firewall, VPN and IPSec technologies
- Firewall feature possibly not needed if an existing Firewall is in place
- If a firewall is currently in place, the ability to reconfigure the firewall will be needed to allow the new Cisco Router to be put in place after your existing Firewall but still be connected to a public IP address
- Ability of routing TCP/IP to Midwest Data, LLC. for GLINK emulation connectivity thru VPN

Printers

- Any printer is an option
 - Printer must have PostScript capabilities

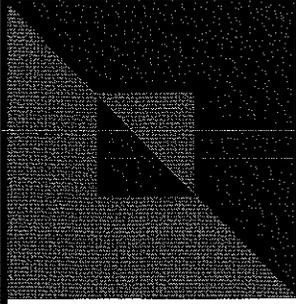
Proposed Conversion Schedule*

Contract Execution Date..... Prior to August 24, 2007

First Month Live processing on System..... December 1, 2007

Contract end date November 30, 2010

* If first live date changes from this, contract end date will move accordingly to end 36 months after first processing month.



Midwest Data, LLC.

Utility MD System

Contract

For

City of Windom Municipal Utilities

July 31, 2007

1711 18th St NE
PO Box 840
Willmar MN 56201

Phone: 320-235-8880
Fax: 320-235-8889
www.mwd-inc.com

Your Partner In Billing



SECTION I. BASIC AGREEMENT

Beginning September 5, 2007, and continuing until terminated pursuant to the terms of this agreement, Midwest Data, LLC. (hereinafter "Midwest Data") agrees to provide to City of Windom Municipal Utilities (hereinafter "Customer") software usage, data processing services and supplies as specified in the Midwest Data price list as set forth in Enclosure A. Customer agrees to pay Midwest Data the amounts set forth in the current price lists for services and supplies.

The parties agree that they are bound by Sections I through VI of this agreement.

Accepted by:

Midwest Data, LLC.

Accepted

By: _____

Glenn Miller, General Manager

City of Windom Municipal Utilities

Accepted

By: _____

Date: _____

Date: _____

SECTION I (A) TERM

This Agreement shall begin on the date hereof and shall remain in effect for a period of three (3) years (the "Term") following the first full calendar month in which any Services commonly known as monthly processing services are provided by Midwest Data to Customer, as evidenced by the billing records of Midwest Data. A proposed Schedule and contract dates are included at the end of this document based on contract execution date. This Agreement shall automatically renew for one additional full year unless written notice of termination or revision is delivered by either party to the other at least ninety (90) days prior to the original expiration date.

SECTION II. CHARGES FOR SERVICES

Charges for services are due and payable within 25 days of statement date.

Non-recurring charges for installation, conversion, training, and the monthly recurring charges for specified services and software are identified in Enclosure A.

SECTION III. CANCELLATION BY MIDWEST DATA

This agreement may be canceled by Midwest Data:

- (A) Without notice, if Customer fails to pay any charges for services within 60 days after they are due.
- (B) By giving 120 days of written notice of cancellation to Customer prior to expiration date of contract.

SECTION IV. CANCELLATION BY CUSTOMER

This agreement may be canceled by Customer:

- (A) By written notice, providing a minimum of 90 days written notice prior to contract end date of cancellation to Midwest Data.
- (B) By 30 day written notice to Midwest Data if Midwest Data fails to provide Customer the services and/or supplies covered in this agreement. Customer agrees to provide Midwest Data written notice of failure of providing services and/or supplies covered in this agreement and a reasonable amount of time (minimum of 30 days) to address these concerns in good faith prior to issuing a contract termination notice to Midwest Data.

SECTION V. PRICE REVIEW

- (A) All pricing (other than contracted Monthly Recurring Pricing shown in Enclosure A) for data processing services and supplies for Customer will be reviewed periodically by Midwest Data and be subject to adjustment. Any adjustments will be communicated to Customer with a minimum of 30 days advance notice of the price increase.
- (B) All pricing for new application and/or changes to new or existing applications will be reviewed by Midwest Data six months after implementation. Notification of any change in pricing by Midwest Data from the original agreement due to a change in volume or processing procedures will be communicated to Customer in writing a minimum of 30 days in advance.

SECTION VI. RESPONSIBILITY

- (A) The sole responsibility of Midwest Data shall be to process data as furnished by customer. Customer shall be responsible for furnishing data in such manner and format as to permit processing under the applicable programs.
- (B) While Midwest Data believes that the processing services performed hereunder will produce accurate and correct results, Midwest Data does not warrant the accuracy or correctness of any processing services, records, or data. There are no warranties, express or implied, including, but not limited to, any warranties or merchantability or fitness for any particular purpose.
- (C) In no event shall Midwest Data be liable to customer for any indirect, special or consequential damages or lost profits arising out of or related to this agreement or the performance or breach thereof, even if Midwest Data has been advised of the possibility thereof. Midwest Data's liability to customer hereunder, if any, shall in no event exceed the total amount paid to Midwest Data hereunder.
- (D) In no event shall Midwest Data be liable to customer for any damages resulting from or related to any failure or delay of Midwest Data in the performance of processing services under this agreement if such failure or delay results from or is caused by (1) customer not furnishing data in a timely fashion, (2) improper or incorrectly furnished data, or (3) fire, damage to equipment, acts of God, strikes, or other causes beyond the control of Midwest Data.

Credit Agreement

WHEREAS, City of Windom Municipal Utilities (hereinafter "Customer") is a customer of Midwest Data, LLC. (hereinafter "Midwest Data") and

WHEREAS, Customer purchases products and services from Midwest Data on credit, and

WHEREAS, Midwest Data has established the following credit policy:

CREDIT POLICY

Statements for items purchased on account shall be mailed out once a month on or before the fifth working day following the end of the month. Payment is due on the last business day of that month.

A finance charge of 1.333% (16% per annum) will be added to all accounts for which payment has not been received by the due date.

Customer hereby states he has read and understands Midwest Data Credit Policy and in consideration of the right to make purchases on credit from Midwest Data, customer hereby accepts the terms of said policy.

It is understood by and between the parties hereto that Midwest Data has the right at any time to change the rate of interest or any other terms of the Credit Policy by written notice to Customer. Midwest Data hereby reserves the right in its sole discretion and without liability, among other remedies, to terminate the right of Customer to purchase on credit, to suspend further deliveries, and to require Customer to pay in full all unpaid balances immediately should Customer's financial strength become unsatisfactory to Midwest Data. Midwest Data may proceed to enforce payment of same and to exercise any and all right afforded by law in the event Customer fails to pay as required.

Midwest Data, LLC.

Accepted

By: _____

Glenn Miller, General Manager

City of Windom Municipal Utilities

Accepted

By: _____

Date: _____

Date: _____

Service Bureau Pricing

Utility Hosting and Support

Conversion and Set up **\$2,500.00**

Included:

- Use of Utility MD software for billing of electric, water, and sewer
- Setup of your company and users in Midwest Data system
- Setup of all Program Files
- Conversion of existing data and verify record formats
- Verify record formats for billing from other vendors
- Installation of your converted data
- One day on-site for pre-conversion meeting at client office
 - Time not billable
 - Travel expenses billable only

Training Requirements

- Each installer providing installation and/or training will be billable at a rate of \$400 per day, plus expenses, not to exceed the \$2,000.00 below.
- Your company will have 5 days of on-site training provided by Midwest Data, billable at \$400/day, plus expenses, (per Midwest Data installer/trainer employee) **\$2,000.00**

Monthly Recurring Pricing

Monthly billing is per account, not meter. Any Utility subscriber account, no matter how many meters, or services, is charged as one account. The monthly fee will be based on the total separate accounts.

Monthly Recurring Customer Care and billing fee is based on:

Utility Accounts **\$1.00 each**

Midwest Data, LLC.

Accepted

By: _____

Glenn Miller, General Manager

Date: _____

City of Windom Municipal Utilities

Accepted

By: _____

Date: _____

Service Bureau Pricing

Included in Monthly Fee

- All Midwest Data Software will be accessed via VPN or terminal server into our data center in Willmar, Minnesota
- Midwest Data is responsible for server and maintenance of server platform
- Midwest Data is responsible for nightly backups of client software and data. Additional backups during a business day can be initiated as well.
- All bill processing for the subscribers (fee based on Utility requirements)
- Printing of statements, folding, and inserting of statements into envelopes
- Send and return envelopes and additional statement paper
- Month end functions which provides reports and rolls billing over to next month
- Electric, Gas and Sewer rating
- Standard (or existing) monthly reports for all services
- Existing Monthly GL reports
- Provide support during normal business hours of 8:00 a.m. - 5:00 p.m. (CST)
- Basic software enhancements and updates are provided with documentation
- Ability to print or view most reports at your office
- No annual support agreement is required for Utility MD Customer Care

Service Bureau Pricing

Excluded in Monthly Fee

- First statement pages. Midwest Data will order your statements with company logo and both outgoing and return envelopes.
- Set up fee for color logo
- Postage charges associated with your billing
- Shipping charges for ordered paper products
- Shipping charges for statements sent to your office
- Hardware cost of equipment in your office for software to operate is not included in this proposal. (Server, printers, modems, PC's, etc.) Midwest Data will provide a list of hardware recommendations and an actual configuration for your review. You will work directly with the hardware company for your order

Additional Charges May Apply

- ACH (Pre-Authorized Payment) capabilities, billable per subscriber usage at \$.10 per transaction. Monthly recurring and transaction charges to the bank, merchant accounts, etc is not included.
- Special programming requests that Midwest Data, LLC. will provide a time and cost estimate for City of Windom Municipal Utilities's approval. Current hourly rate is at \$95.00 per hour, and Customer is notified prior to rate changes.
- Each insert included with a statement is an additional \$.01 per insert

Hardware Requirements

City of Windom Municipal Utilities is responsible for purchasing or having in place, the appropriate hardware and network to be installed into your system to run the software. Midwest Data, LLC. is providing the following suggestions for **minimum** specifications needed by the City of Windom Municipal Utilities to ensure that the hardware and network will be compatible with our software.

GUI Hardware Requirements

Workstation/Server

- | <ul style="list-style-type: none"> • End Users Work Station PC(Hardware) <ul style="list-style-type: none"> ○ 1024 X 768 Monitor Resolution ○ CPU ○ Memory ○ Available Hard Dive Space | <table border="0"> <thead> <tr> <th style="text-align: left;"><u>Minimum</u></th> <th style="text-align: left;"><u>Optimum</u></th> </tr> </thead> <tbody> <tr> <td>1. GHz</td> <td>2. GHz or greater</td> </tr> <tr> <td>512 MB Ram</td> <td>1 GB Ram</td> </tr> <tr> <td>150 MB</td> <td>200 MB</td> </tr> </tbody> </table> | <u>Minimum</u> | <u>Optimum</u> | 1. GHz | 2. GHz or greater | 512 MB Ram | 1 GB Ram | 150 MB | 200 MB |
|--|--|----------------|-----------------------------|--------|-------------------|------------|----------|--------|--------|
| <u>Minimum</u> | <u>Optimum</u> | | | | | | | | |
| 1. GHz | 2. GHz or greater | | | | | | | | |
| 512 MB Ram | 1 GB Ram | | | | | | | | |
| 150 MB | 200 MB | | | | | | | | |
| <ul style="list-style-type: none"> • End Users Work Station PC (Software) <ul style="list-style-type: none"> ○ Operating System ○ .Net Framework 1.1 ○ Internet Access ○ Internet Explore ○ Adobe Reader 6.0 (only for view bill) | <table border="0"> <thead> <tr> <th style="text-align: left;"><u>Minimum</u></th> </tr> </thead> <tbody> <tr> <td>XP, Windows 2000 or greater</td> </tr> <tr> <td>6.0</td> </tr> </tbody> </table> | <u>Minimum</u> | XP, Windows 2000 or greater | 6.0 | | | | | |
| <u>Minimum</u> | | | | | | | | | |
| XP, Windows 2000 or greater | | | | | | | | | |
| 6.0 | | | | | | | | | |

Internet Connection (Web Browser Connection)

- | <ul style="list-style-type: none"> • Internet Access From Telco to Midwest Data <ul style="list-style-type: none"> ○ Internet Access (no Satellite) | <table border="0"> <thead> <tr> <th style="text-align: left;"><u>Minimum</u></th> <th style="text-align: left;"><u>Optimum</u></th> </tr> </thead> <tbody> <tr> <td>Cable or DSL</td> <td>T1</td> </tr> </tbody> </table> | <u>Minimum</u> | <u>Optimum</u> | Cable or DSL | T1 |
|--|---|----------------|----------------|--------------|----|
| <u>Minimum</u> | <u>Optimum</u> | | | | |
| Cable or DSL | T1 | | | | |

WAN Connections (optional) (via Cisco VPN connection)

- Cisco Router 1700 series or above
- With IOS supporting Firewall, VPN and IPSec technologies
- Firewall feature possibly not needed if an existing Firewall is in place
- If a firewall is currently in place, the ability to reconfigure the firewall will be needed to allow the new Cisco Router to be put in place after your existing Firewall but still be connected to a public IP address
- Ability of routing TCP/IP to Midwest Data, LLC. for GLINK emulation connectivity thru VPN

Printers

- Any printer is an option
 - Printer must have PostScript capabilities

Proposed Conversion Schedule*

Contract Execution Date Prior to August 24, 2007

First Month Live processing on System December 1, 2007

Contract end date November 30, 2010

* If first live date changes from this, contract end date will move accordingly to end 36 months after first processing month.

RESOLUTION #2007-

INTRODUCED:

SECONDED:

VOTED: Aye:

Nay:

Absent:

A RESOLUTION ADOPTING PROPOSED PROPERTY TAX LEVY

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WINDOM,
COTTONWOOD COUNTY, MINNESOTA, AS FOLLOWS:**

1. That the following sums of money are hereby proposed to be levied for the current year, collectible in 2008, upon the taxable property in said City of Windom for the following purposes:

Levy Purpose	Levy After all Aids and Reserves
General	
Arena Capital Outlay	
Pool Fund	
Pool Capital Outlay	
Library	
Library Capital Outlay	
EDA	
Debt Service	
PERA Rate Increase	
TOTALS	\$1,535,000.00

BE IT FURTHER RESOLVED AS FOLLOWS:

1. The City Clerk is hereby instructed to transmit a certified copy of this resolution to the County Auditor of Cottonwood County, Minnesota.

Adopted this 4th day of September, 2007.

Tom Riordan, Mayor

Attest:

Steven Nasby, City Administrator

OFFICE OF
JAN JOHNSON
COTTONWOOD COUNTY AUDITOR/TREASURER

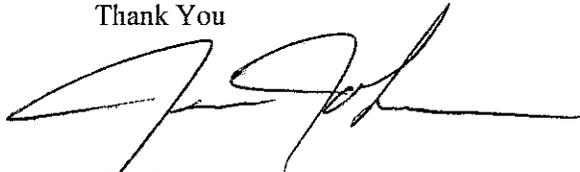
900 THIRD AVENUE
WINDOM MN 56101
AUDITOR (507) 831-1905
PROPERTY TAX (507) 831-1342
FAX (507) 831-4553

DATE: August 21, 2007
TO: City Clerks
FROM: Jan Johnson
RE: Truth in Taxation Hearing (TNT)

Enclosed is a calendar with the county and school district dates for their TNT meetings and continuation hearings. Please have your council set a date and time for your hearing and continuation . This must be certified by September 17th, 2007. Do not set your hearing at the same time as the school district that your city is located in or on December 6th, as that is when the county has their TNT meeting.

If you have any questions , please contact me.

Thank You



Jan Johnson
Cottonwood County Auditor/Treasurer

SCHOOL DISTRICTS		HEARING DATE & TIMES	CONTINUATION DATE
S/D # 81	Comfrey	December 3rd-7:30 P.M.	December 12 th - 7:30 P.M.
S/D # 173	Mountain Lake	December 3rd-5:30 P.M.	December 10 TH -6:00 P.M.
S/D # 2898	Westbrook/Walnut Grove	December 3rd-7:00 P.M.	December 10 TH -7:00 P.M.
S/D # 177	Windom	December 3rd-7:00 P.M.	December 10 th -6:00 P.M.
S/D # 330	Heron Lake/Okabena	November 29-5:00 P.M.	December 12 th -5:00 P.M.
S/D # 505	Fulda	December 10 th -5:00 P.M.	December 17 th -5.00 P.M.
S/D # 2884	Red Rock Central	November 29 th -7:00 P.M.	December 17 th -6:30 P.M.
SD # 836	Butterfield/Odin	December 3rd-6:00 P.M.	December 4 th -6:00 P.M.

RESOLUTION #2007-

INTRODUCED:

SECONDED:

VOTED: Aye:
 Nay:
 Absent:

A RESOLUTION CALLING FOR A PUBLIC HEARING ON THE CITY OF WINDOM 2008 BUDGET

WHEREAS, the City Council of the City of Windom will be establishing the 2008 City of Windom Budget; and

WHEREAS, Minnesota statutes require that a public hearing be held.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF WINDOM, MINNESOTA, AS FOLLOWS: That a public hearing will be held regarding the 2008 City of Windom Budget on December 4, 2007, at 7:00 p.m. at the Windom City Hall in the City Council Chambers.

BE IT FURTHER RESOLVED, that if necessary, a continuation hearing will be held on December 11, 2007, at 7:00 p.m. at the Windom City Hall in the City Council Chambers.

Adopted by the City Council this 4th day of September, 2007.

Tom Riordan, Mayor

Attest: _____
Steven Nasby, City Administrator

MEMORANDUM



CITY OF WINDOM
444 9th Street
P. O. Box 38
Windom, MN 56101
Phone: 507-831-6129
Fax: 507-831-6127

TO: City Council
FROM: Personnel Committee
DATE: August 30, 2007
RE: Recommendations

The Personnel Committee met on August 29, 2007 to discuss several personnel issues. The following are the affirmative recommendations of the Personnel Committee.

- Adjust the Water\Wastewater Superintendent's compensation from Grade 21, Step 9 to Grade 21, Step 10 effective the next full pay period.
- Proceed with hiring a Utility Billing Clerk at Grade 7 to fill a vacant position.
- Adjust the Assistant City Administrator's compensation from Grade 22, Step 2 to Grade 22, Step 4 effective the next full pay period. Position will be reviewed again in six months.
- Approve the continuation of a part-time, seasonal position at the Arena for 2008.

If you have any questions please contact Steve Nasby or Brigitte Olson at 831-6129.

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
CITY OFFICE	CMRS - TMS	POSTAGE	357.40
CITY OFFICE	SELECTACCOUNT	ADM FEE	115.15
	Total for Department 103		472.55*
P & Z / BUILDING OFF	CMRS - TMS	POSTAGE	11.62
P & Z / BUILDING OFF	MIDWEST WIRELESS	TELEPHONE	21.37
	Total for Department 106		32.99*
FIRE DEPARTMENT	CMRS - TMS	POSTAGE	16.85
FIRE DEPARTMENT	QUEST	TELEPHONE	57.51
	Total for Department 125		74.36*
STREET	CMRS - TMS	POSTAGE	4.94
STREET	QUEST	TELEPHONE	57.51
STREET	MN ENERGY RESOURCES	HEATING	32.21
STREET	POWERPLAN	MAINTENANCE	1,273.74
	Total for Department 140		1,368.40*
RECREATION	CMRS - TMS	POSTAGE	9.75
RECREATION	A H HERMEL CANDY & T	MERCHANDISE	105.21
	Total for Department 150		114.96*
PARKS	CMRS - TMS	POSTAGE	.50
PARKS	STAN LARSON	REFUND-DAMAGE DEPOSIT SH	50.00
PARKS	MARK WOJAHN	CANCELED SHELTER RESERVA	130.00
	Total for Department 165		180.50*
	Total for Fund 01		2,243.76*
	WENCK ASSOCIATES, IN 07 STREET IMPR (4TH)		7,141.30
	Total for Department		7,141.30*
	Total for Fund 07		7,141.30*
AIRPORT	CMRS - TMS	POSTAGE	16.07
AIRPORT	MN DEPT OF ADMINISTR	TELEPHONE	20.80
	Total for Department 174		36.87*
	Total for Fund 11		36.87*
POOL	CMRS - TMS	POSTAGE	21.84
POOL	MN ENERGY RESOURCES	HEATING	321.97
	Total for Department 175		343.81*
	Total for Fund 12		343.81*
AMBULANCE	CMRS - TMS	POSTAGE	7.30
AMBULANCE	KRUEGER BODY SHOP	MAINTENANCE	221.70
AMBULANCE	QUEST	TELEPHONE	57.51
	Total for Department 176		286.51*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
Total for Fund 13			286.51*
MULTI-PURPOSE BUILDI	CMRS - TMS	POSTAGE	14.16
MULTI-PURPOSE BUILDI	MN DEPT OF ADMINISTR	TELEPHONE	20.27
MULTI-PURPOSE BUILDI	MN ENERGY RESOURCES	HEATING	100.83
Total for Department 177			135.26*
Total for Fund 14			135.26*
LIQUOR	BEVERAGE WHOLESALERS	MERCHANDISE	5,452.00
LIQUOR	CMRS - TMS	POSTAGE	6.20
LIQUOR	LOCHER BROTHERS INC	MERCHANDISE	5,227.05
LIQUOR	GRIGGS COOPER	MERCHANDISE	6,613.59
LIQUOR	HAGEN DISTRIBUTING	MERCHANDISE	11,203.20
LIQUOR	JOHNSON BROS.	MERCHANDISE	484.99
LIQUOR	MN ENERGY RESOURCES	HEATING	35.54
LIQUOR	PHILLIPS WINE & SPIR	MERCHANDISE	627.13
LIQUOR	QUALITY WINE SPIRITS	MERCHANDISE	5,452.17
LIQUOR	SUPERIOR PRODUCTS	MERCHANDISE	218.01
Total for Department 180			35,319.88*
Total for Fund 60			35,319.88*
WATER	CMRS - TMS	POSTAGE	345.19
WATER	H P SUDS	BILLING CONTRACT SERVICE	262.33
WATER	QUEST	TELEPHONE	57.51
WATER	MN ENERGY RESOURCES	HEATING	381.26
Total for Department 181			1,046.29*
Total for Fund 61			1,046.29*
SECR REV FUND/CITY O REFUNDS-UTILITY & CONVER			270.00
Total for Department			270.00*
ELECTRIC	CMRS - TMS	POSTAGE	482.96
ELECTRIC	H P SUDS	BILLING CONTRACT SERVICE	262.35
ELECTRIC	MIDWEST WIRELESS	TELEPHONE	89.10
ELECTRIC	QUEST	TELEPHONE	57.51
ELECTRIC	HSBC BUSINESS SOLUTI	SUPPLIES	425.18
ELECTRIC	MN ENERGY RESOURCES	HEATING	14.91
ELECTRIC	BANK MIDWEST	NSF CHECK	267.65
ELECTRIC	JOHN BITTNER	ENERGY REBATE	100.00
ELECTRIC	DONALD BORER	ENERGY REBATE	75.00
ELECTRIC	KAREN BOYSEN	ENERGY REBATE	200.00
ELECTRIC	LOREN DEFRIES	ENERGY REBATE	100.00
ELECTRIC	PEGGY GRAN	ENERGY REBATE	75.00
ELECTRIC	ERIC HANSON	ENERGY REBATE	100.00
ELECTRIC	DENISE MOEDE	ENERGY REBATE	100.00
ELECTRIC	SHIRLEY SCHOENENBERG	ENERGY REBATE	75.00
ELECTRIC	RANDY SELLNER	ENERGY REBATE	100.00

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
		Total for Department 182	2,524.66*
		Total for Fund 62	2,794.66*
SEWER	CMRS - TMS	POSTAGE	466.86
SEWER	H P SUDS	BILLING CONTRACT SERVICE	262.33
SEWER	QUEST	TELEPHONE	261.99
SEWER	MN ENERGY RESOURCES	HEATING	63.79
		Total for Department 183	1,054.97*
		Total for Fund 63	1,054.97*
ARENA	CMRS - TMS	POSTAGE	16.30
ARENA	A H HERMEL CANDY & T	MERCHANDISE	96.95
ARENA	MIDWEST WIRELESS	TELEPHONE	42.84
ARENA	MN ENERGY RESOURCES	HEATING	120.64
		Total for Department 184	276.73*
		Total for Fund 64	276.73*
		SECR REV FUND/CITY O REFUNDS-UTILITY & CONVER	460.00
		Total for Department	460.00*
		Total for Fund 65	460.00*
ECONOMIC DEVELOPMENT	CMRS - TMS	POSTAGE	33.72
ECONOMIC DEVELOPMENT	MIDWEST WIRELESS	TELEPHONE	46.90
ECONOMIC DEVELOPMENT	MN ENERGY RESOURCES	HEATING	23.43
		Total for Department 187	104.05*
		Total for Fund 67	104.05*
TELECOMMUNICATIONS	CMRS - TMS	POSTAGE	536.34
TELECOMMUNICATIONS	H P SUDS	BILLING CONTRACT SERVICE	786.99
TELECOMMUNICATIONS	KARE 11 TELEVISION	SUBSCRIBER	876.80
TELECOMMUNICATIONS	LIFETIME	SUBSCRIBER	619.96
TELECOMMUNICATIONS	LIFETIME MOVIE NETWO	SUBSCRIBER	5.40
TELECOMMUNICATIONS	QUEST	TELEPHONE	98.25
TELECOMMUNICATIONS	MN ENERGY RESOURCES	HEATING	9.72
		Total for Department 199	2,933.46*
		Total for Fund 69	2,933.46*
	AFSCME	UNION DUES	214.50
	AFLAC	INSURANCE	457.38
	LOCAL UNION #949	UNION DUES	1,479.90
	MN BENEFIT ASSOCIATI	INSURANCE	96.18
		Total for Department	2,247.96*
		Total for Fund 70	2,247.96*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount

		Grand Total	56,425.51*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
MAYOR & COUNCIL	CONVENT. & VISTOR BU	LODGING TAX	2,840.38
	Total for Department 101		2,840.38*
CITY OFFICE	MN NCPERS LIFE INSUR	INSURANCE	80.00
CITY OFFICE	SECR REV FUND/CITY O	EXPENSE	7.80
	Total for Department 103		87.80*
P & Z / BUILDING OFF	MN NCPERS LIFE INSUR	INSURANCE	24.00
	Total for Department 106		24.00*
POLICE	MN NCPERS LIFE INSUR	INSURANCE	144.00
POLICE	TRAVEL MANAGEMENT	LEASE CAR	2,511.00
POLICE	L 3 COMMUNICATIONS	SUPPLIES	92.55
	Total for Department 120		2,747.55*
FIRE DEPARTMENT	MIDWEST WIRELESS	TELEPHONE	26.92
	Total for Department 125		26.92*
STREET	LEAGUE OF MN CITIES	REGISTRATION	40.00
STREET	MORRIS SEALCOAT & TR	SEAL COAT	37,947.48
STREET	MN NCPERS LIFE INSUR	INSURANCE	89.00
	Total for Department 140		38,076.48*
HEALTH & SANITATION	NEAL GRUNEWALD	COMPOST SITE MANAGER	128.00
	Total for Department 145		128.00*
PARKS	MN NCPERS LIFE INSUR	INSURANCE	16.00
	Total for Department 165		16.00*
	Total for Fund 01		43,947.13*
LIBRARY	MN ENERGY RESOURCES	HEATING	45.41
	Total for Department 171		45.41*
	Total for Fund 03		45.41*
AMBULANCE	JIM SKARPHOL	EXPENSE	86.30
AMBULANCE	STATE FARM INSURANCE	REFUND	18.00
	Total for Department 176		104.30*
	Total for Fund 13		104.30*
MULTI-PURPOSE BUILDI	MN NCPERS LIFE INSUR	INSURANCE	48.00
MULTI-PURPOSE BUILDI	WINDOM AREA CHAMBER	ICE CREAM SOCIAL TICKETS	15.00
	Total for Department 177		63.00*
	Total for Fund 14		63.00*
PM REVOLVING LOAN FU	BANK MIDWEST	LOAN PAYMENT	3,830.79
	Total for Department 172		3,830.79*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
Total for Fund 15			3,830.79*
LIQUOR	BELLBOY CORP	MERCHANDISE	660.00
LIQUOR	BEVERAGE WHOLESALERS	MERCHANDISE	1,637.75
LIQUOR	LOCHER BROTHERS INC	MERCHANDISE	2,199.75
LIQUOR	HAGEN DISTRIBUTING	MERCHANDISE	5,702.55
LIQUOR	HOLINKA DISTR. CO.	MERCHANDISE	67.00
LIQUOR	JOHNSON BROS.	MERCHANDISE	1,851.00
LIQUOR	MN NCPERS LIFE INSUR	INSURANCE	28.00
LIQUOR	PHILLIPS WINE & SPIR	MERCHANDISE	5,190.68
Total for Department 180			17,336.73*
Total for Fund 60			17,336.73*
WATER	H P SUDS	BILLING CONTRACT SERVICE	168.67
WATER	MN NCPERS LIFE INSUR	INSURANCE	40.00
WATER	SECR REV FUND/CITY O	POSTAGE	.49
Total for Department 181			209.16*
Total for Fund 61			209.16*
SECR REV FUND/CITY O REFUND - UTILITY PREPAYM			125.00
Total for Department			125.00*
ELECTRIC	H P SUDS	BILLING CONTRACT SERVICE	168.67
ELECTRIC	MN NCPERS LIFE INSUR	INSURANCE	89.00
Total for Department 182			257.67*
Total for Fund 62			382.67*
SEWER	H P SUDS	BILLING CONTRACT SERVICE	168.67
SEWER	MN NCPERS LIFE INSUR	INSURANCE	72.00
Total for Department 183			240.67*
Total for Fund 63			240.67*
ARENA	CENTER STOP	SUPPLIES	37.00
ARENA	MN NCPERS LIFE INSUR	INSURANCE	25.00
Total for Department 184			62.00*
Total for Fund 64			62.00*
SECR REV FUND/CITY O REFUND - CONVERTER DEPOS			620.00
Total for Department			620.00*
Total for Fund 65			620.00*
BANK MIDWEST		LOAN PAYMENT	4,585.50
Total for Department			4,585.50*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
ECONOMIC DEVELOPMENT	AARON BACKMAN	EXPENSE	157.63
ECONOMIC DEVELOPMENT	COTTONWOOD CO TREASU	DEED TAX	803.36
ECONOMIC DEVELOPMENT	MINN-KOTA PROPERTIES	REIMBURSEMENT	2,332.30
ECONOMIC DEVELOPMENT	MN NCPERS LIFE INSUR	INSURANCE	24.00
ECONOMIC DEVELOPMENT	DENNIS L. RICK LTD	AUDIT SERVICE	600.00
ECONOMIC DEVELOPMENT	SECR REV FUND/CITY O	EXPENSE	4.00
	Total for Department 187		3,921.29*
	Total for Fund 67		8,506.79*
RIVERBLUFF ESTATES	BRADY POWERS	MOWING	349.04
RIVERBLUFF ESTATES	BANK MIDWEST	LOAN PAYMENT	1,873.78
	Total for Department 166		2,222.82*
	Total for Fund 68		2,222.82*
	INTERNAL REVENUE SER EXCISE TAX -MAY 2007		550.02
	Total for Department		550.02*
TELECOMMUNICATIONS	H P SUDS	BILLING CONTRACT SERVICE	505.99
TELECOMMUNICATIONS	MIDWEST WIRELESS	TELEPHONE	203.45
TELECOMMUNICATIONS	MN NCPERS LIFE INSUR	INSURANCE	80.00
TELECOMMUNICATIONS	QUEST	TELEPHONE	196.92
TELECOMMUNICATIONS	SECR REV FUND/CITY O	EXPENSE	3.50
	Total for Department 199		989.86*
	Total for Fund 69		1,539.88*
	JOHNSON COUNTY COURT PAYROLL DEDUCTION CDDM01		1,302.00
	MN NCPERS LIFE INSUR INSURANCE		32.00
	Total for Department		1,334.00*
	Total for Fund 70		1,334.00*
	Grand Total		80,445.35*

USDA-FmHA Form FmHA 1924-18 <p style="text-align: center;">PARTIAL PAYMENT ESTIMATE</p>	CONTRACT NO. 0045-15 PARTIAL PAYMENT ESTIMATE #4 PAGE 1 OF 4
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OWNER: CITY OF WINDOM 2007 STREETS	CONTRACTOR: HJERPE, INC HUTCHINSON, MN 55350	PERIOD OF ESTIMATE FROM 7/26/2007 TO 8/29/2007
---------------------------------------	--	---

CONTRACT CHANGE ORDER SUMMARY				ESTIMATE
NO.	FmHA Approval Date	Amount		
		Additions	Deductions	
1				1. Original Contract..... \$1,203,383.90
2				2. Change Orders..... \$0.00
3				3. Revised Contract (1+2)..... \$1,203,383.90
4				4. Work Completed*..... \$984,601.05
5				5. Stored Materials*..... \$0.00
6				6. Subtotal (4+5)..... \$984,601.05
7				7. Retainage*..... \$49,230.05
8				8. Previous Payments..... \$830,630.03
9				9. Amount Due (6-7-8)..... \$104,740.97
10				
TOTALS		\$0.00	\$0.00	
NET CHANGE		\$0.00		

* Detailed breakdown attachment

CONTRACT TIME	
Original (days) 50 Revised Remaining 7.75	On Schedule <input type="checkbox"/> Yes <input type="checkbox"/> No Starting Date <u>5/8/2007</u> Projected Completion

CONTRACTOR'S CERTIFICATION:

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

HJERPE, INC
 HUTCHINSON, MN
 By: [Signature]
 Date: 8/30/07

ARCHITECT OR ENGINEER'S CERTIFICATION:

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

Architect or Engineer: WENCK ASSOCIATES
 By: [Signature]
 Date: 8/30/07

APPROVED BY OWNER

Owner: CITY OF WINDOM
 By: _____
 Date: _____

ACCEPTED BY FmHA:

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

By: _____
 Date: _____

2007 STREET IMPROVEMENTS WINDOW, MINNESOTA 56101		PAY REQUEST #4		CONTRACT		This Period		Payment #3		Payment #2		Payment #1		TOTAL TO DATE	
ITEM	APPROX. QUANTITY	UNIT	UNIT COST	AMOUNT	QUANTITY	AMOUNT	QUANTITY	AMOUNT	QUANTITY	AMOUNT	QUANTITY	AMOUNT	QUANTITY	AMOUNT	
WATERMAIN															
F & 16" PVC WATERMAIN	3100	L.F.	\$ 20.00	\$ 62,000.00	0	\$ -	1431	\$ 28,620.00	456	\$ 9,120.00	1145	\$ 22,900.00	3032	\$ 60,640.00	
F & 16" VALVE & BOX	23	EACH	\$ 900.00	\$ 20,700.00	0	\$ -	7	\$ 6,300.00	3	\$ 2,700.00	11	\$ 9,900.00	21	\$ 18,900.00	
F & 14" CAP	4	EACH	\$ 100.00	\$ 400.00	0	\$ -	1	\$ 100.00	0	\$ -	1	\$ 100.00	2	\$ 200.00	
F & 16" CROSS	1	EACH	\$ 300.00	\$ 300.00	0	\$ -	0	\$ -	0	\$ -	1	\$ 300.00	1	\$ 300.00	
F & 12" X 6" TEE	2	EACH	\$ 300.00	\$ 600.00	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	
F & 16" TEE	12	EACH	\$ 200.00	\$ 2,400.00	0	\$ -	5	\$ 1,000.00	2	\$ 400.00	5	\$ 1,000.00	12	\$ 2,400.00	
F & 16" ELBOW	2	EACH	\$ 150.00	\$ 300.00	0	\$ -	0	\$ -	0	\$ -	1	\$ 150.00	1	\$ 150.00	
F & 16" 45 BEND	2	EACH	\$ 150.00	\$ 300.00	0	\$ -	4	\$ 600.00	0	\$ -	2	\$ 300.00	6	\$ 900.00	
F & 16" CAP	4	EACH	\$ 100.00	\$ 400.00	0	\$ -	4	\$ 400.00	0	\$ -	0	\$ -	4	\$ 400.00	
F & 16" X 4" REDUCER	8	EACH	\$ 100.00	\$ 800.00	0	\$ -	3	\$ 300.00	0	\$ -	0	\$ -	3	\$ 300.00	
F & 16" X 1" REDUCER	2	EACH	\$ 100.00	\$ 200.00	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	
F & 14" SLEEVE	8	EACH	\$ 50.00	\$ 400.00	0	\$ -	2	\$ 100.00	0	\$ -	0	\$ -	2	\$ 100.00	
F & 16" SLEEVE	2	EACH	\$ 600.00	\$ 1,200.00	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	
F & 11" CORP STOP	64	EACH	\$ 250.00	\$ 16,000.00	0	\$ -	0	\$ -	42	\$ 10,500.00	0	\$ -	42	\$ 15,000.00	
F & 12" CORP STOP	4	EACH	\$ 400.00	\$ 1,600.00	0	\$ -	20	\$ 8,000.00	2	\$ 800.00	0	\$ -	22	\$ 18,800.00	
F & 12" CURB STOP	4	EACH	\$ 250.00	\$ 1,000.00	0	\$ -	0	\$ -	42	\$ 10,500.00	0	\$ -	42	\$ 15,500.00	
F & 12" CURB STOP	4	EACH	\$ 400.00	\$ 1,600.00	0	\$ -	0	\$ -	2	\$ 800.00	0	\$ -	2	\$ 800.00	
F & 1 HYDRANT	5	EACH	\$ 2,500.00	\$ 12,500.00	0	\$ -	2	\$ 5,000.00	1	\$ 2,500.00	2	\$ 5,000.00	5	\$ 12,500.00	
F & 11" COPPER SERVICE	2400	L.F.	\$ 14.00	\$ 33,600.00	0	\$ -	555	\$ 7,770.00	1315	\$ 18,410.00	0	\$ -	1870	\$ 26,180.00	
F & 12" COPPER SERVICE	180	L.F.	\$ 30.00	\$ 5,400.00	0	\$ -	0	\$ -	75	\$ 2,250.00	0	\$ -	75	\$ 2,250.00	
ROCK SUBFOUNDATION	300	C.Y.	\$ 0.01	\$ 3.00	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	
F & 12" X 6" LIVE TAP	2	EACH	\$ 3,000.00	\$ 6,000.00	0	\$ -	0	\$ -	2	\$ 6,000.00	0	\$ -	2	\$ 6,000.00	
WATERMAIN SUBTOTAL				\$ 186,703.00		\$ -		\$ 61,190.00		\$ 63,960.00		\$ 39,650.00		\$ 164,820.00	
SANITARY SEWER															
F & 8" SEWER PIPE	2500	L.F.	\$ 24.00	\$ 60,000.00	0	\$ -	564	\$ 13,536.00	708	\$ 16,992.00	1141	\$ 27,384.00	2413	\$ 57,912.00	
8-10" DEEP	500	L.F.	\$ 26.00	\$ 13,000.00	0	\$ -	470	\$ 12,220.00	0	\$ -	0	\$ -	470	\$ 12,220.00	
F & 12" FORCEMAIN	40	L.F.	\$ 40.00	\$ 1,600.00	0	\$ -	0	\$ -	0	\$ -	37	\$ 1,480.00	37	\$ 1,480.00	
F & 12" CAP	1	EACH	\$ 200.00	\$ 200.00	0	\$ -	0	\$ -	0	\$ -	1	\$ 200.00	1	\$ 200.00	
F & 1 MANHOLE	110	L.F.	\$ 200.00	\$ 22,000.00	0	\$ -	69.8	\$ 13,968.00	0	\$ -	35	\$ 7,000.00	104.8	\$ 20,968.00	
F & 18" X 4" WYE	76	EACH	\$ 500.00	\$ 38,000.00	0	\$ -	11	\$ 5,500.00	0	\$ -	0	\$ -	11	\$ 5,500.00	
F & 18" X 4" WYE	76	EACH	\$ 250.00	\$ 19,000.00	0	\$ -	21	\$ 5,250.00	20	\$ 5,000.00	26	\$ 6,500.00	67	\$ 16,750.00	
F & 14" SERVICE	2500	L.F.	\$ 17.00	\$ 42,500.00	0	\$ -	513	\$ 8,721.00	1374	\$ 23,358.00	215	\$ 3,655.00	2102	\$ 35,734.00	
ROCK SUBFOUNDATION	300	C.Y.	\$ 0.01	\$ 3.00	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	
REMOVE SEWER PIPE	3000	L.F.	\$ 2.00	\$ 6,000.00	0	\$ -	1034	\$ 2,068.00	708	\$ 1,416.00	1141	\$ 2,282.00	2883	\$ 5,766.00	
REMOVE SERVICE	2500	L.F.	\$ 1.00	\$ 2,500.00	0	\$ -	513	\$ 513.00	1374	\$ 1,374.00	215	\$ 215.00	2102	\$ 2,102.00	
REMOVE MANHOLE	11	EACH	\$ 250.00	\$ 2,750.00	0	\$ -	11	\$ 2,750.00	0	\$ -	35	\$ 8,750.00	46	\$ 11,500.00	

FY 2007 ANNUAL REPORT

SEPTEMBER 1, 2007



"Providing professional expertise and leadership to enhance regional opportunities"

INSIDE THIS ISSUE:

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WATER PLANNING	3
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SPECIAL POINTS OF INTEREST:

- Maddy Forsberg**
Named Outstanding Gerontologist
- Cottonwood County**
Commissioner Gary Sorenson elected Chair at Annual Meeting
- SRDC develops new**
mission statement

OUT-MIGRATION AS AN ECONOMIC INDICATOR: A CASE STUDY OF SOUTHWEST MINNESOTA

The majority of counties in Southwest Minnesota have experienced continuous, ongoing population loss over the last thirty years. A large component of this population loss is out-migration, which distorts traditional indicators of regional economic vitality. This year, SRDC with help from bordering RDCs, took a closer look at the issue of out-migration in Southwestern Minnesota.

Typically, outside agencies such as the US Dept. of Commerce Economic Development Administration (EDA) use strictly defined unemployment and income indicators of economic distress when making investment decisions. However, in our region people tend to leave (out-migration) rather than stay on the unemployment roles. The cyclical nature of agriculture also tends to disguise the effects of economic distress on our local economies.

For example, Cottonwood County is the only county in the region that met the EDA unemployment distress criteria during the study period. While this indicator seems to show that everything is better now, the situation we know is considerably more complicated. Using this one statistic as a basis for investment decisions does not do justice to the

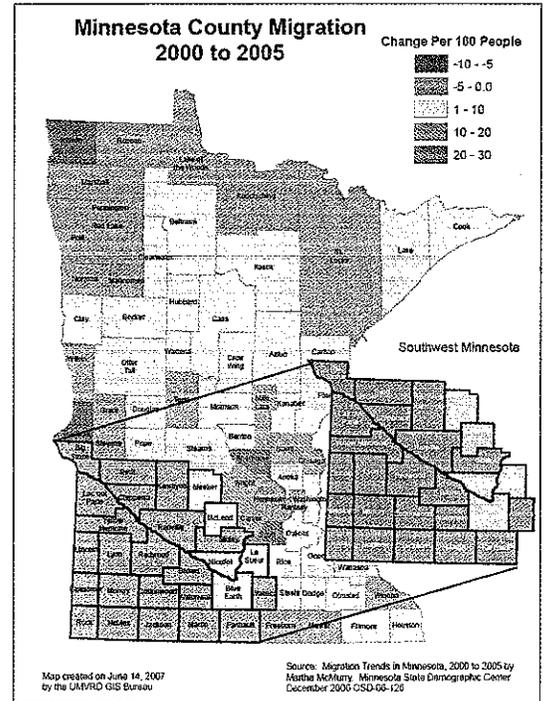
needs of Southwest Minnesota.

Out-migration statistics, on the other hand, indicate many opportunities for investment in our region. More people are leaving Lyon County than moving in, even as the population as a whole continues to increase. All of the counties in Region 8, and most of the others in south western Minnesota, are experiencing similar trends. This out-migration represents lost opportunities for new jobs and improved incomes here at home.

Considering out-migration as an indicator of distress would create a more complete picture of regional

economic dynamics in areas where unemployment and income figures fail to provide paths to future prosperity. A full copy of the report (9MB PDF) will be posted on the SRDC website, <http://www.swrdc.org>

John C. Shepard, AICP;
Development Planner



EXECUTIVE DIRECTOR TRUSTY RE-ELECTED TO NADO BOARD OF DIRECTORS

SRDC Executive Director Jay Trusty has been re-elected to the Board of Directors of the National Association of Development Organizations (NADO) representing the Midwest Region. NADO provides advocacy, education, research and training for

the nation's regional development organizations. Building on nearly four decades of experience, the association offers its members exclusive access to a variety of services and benefits – all of which are

designed to enhance the ability of regional development organizations to foster "regional solutions" to local government, business and community needs.

SRDC ASSISTS IN LINCOLN COUNTY TRANSIT SURVEY

In early 2007, the FCCLA Chapter at Lincoln High - Family, Career, and Community Leaders of America, volunteered to survey residents to identify needed access to acute health care and those who would be willing to volunteer as drivers or volunteer companions.

Based on past SRDC work with transit and coordination, the survey was developed to address two goals: access and volunteers.

During March-April 2007 a

survey tool was developed by the SRDC for use by the FCCLA Chapter to identify people who were willing to volunteer their time (as a driver and or a rider companion); it asked if people needed assistance getting to their appointments, and asked about current use of the County Public Transit System. During May 2007, the Lincoln High School students conducted a telephone survey of residents in Lincoln County.

Of those surveyed:

132 contacts had disconnected phone service

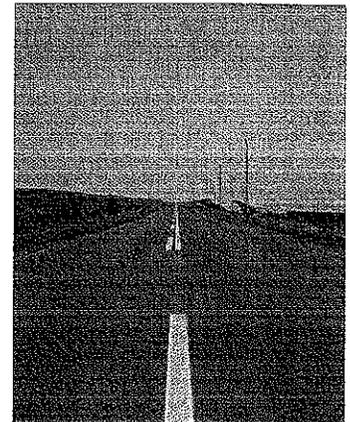
114 contacts either hung up or indicated they were not interested in participating in the survey

74 contacts did not answer their phones

97 were not interested in volunteering

46 were willing to volunteer; and

11 needed help getting to appointments.



SRDC TRANSITIONS TO 3 YEAR EDA GRANT CYCLE

The SRDC was invited to apply and was subsequently approved for the opportunity to switch over to a 3-year grant award this year from the Economic Development Administration (EDA). Only organizations with thorough compliance, acceptable audits, and positive performance reports can be upgraded to the plan.

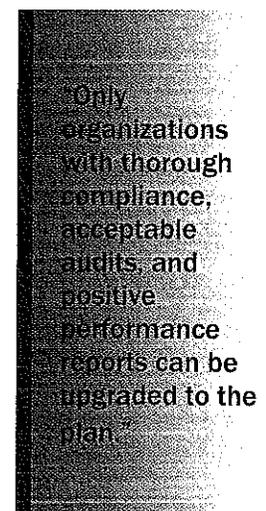
Ramifications of the 3-year plan include not having to reapply every year, less reporting requirements, and preparing our complete

regional Comprehensive Economic Development Strategy (CEDS) document by the spring of 2010.

The 3-year grant helps the SRDC to offer economic development-related services and activities to Region 8. For example, the CEDS development, providing business assistance, and project/grant development for local units of government with businesses locating or expanding that need additional infrastructure. Past EDA- funded special

projects include the Out-migration Study, Pipestone pre-treatment facility for Ellison Meats, and wastewater ponds for the City of Brewster in conjunction with the MN Soybean Processors project.

Contact Deputy Director Nan Larson for further information.



FY 2007 CALL CENTER STATISTICS

SRDC continues to provide services to the elderly in the region through a number of programs. As the Call-Center for the twenty-seven county SW Planning and Service Area, SRDC staff provides information, assistance and referrals to area

seniors through the Senior LinkAge Line™.

The Senior LinkAge Line™ is an information and assistance service which makes it easy for older adults and their families to find community based services and help with Medicare and insurance

issues.

In the past year, the Slayton Call Center had 21,718 contacts and served 11,209 people. 67,791 problems were identified, with the #1 reason for calling being Health Insurance Counseling at 26%.



1-800-333-2433

SRDC RECEIVES NADO INNOVATION AWARD

The Slayton Office of the Minnesota River AAA, a Program of the Southwest Regional Development Commission received a 2007 Innovation Award from the National Association of Development Organizations (NADO) for their Discharge Planners of Southwest Minnesota.

The association's Innovation Awards program recognizes regional development organizations and partnering organizations for improving the economic and community

competitiveness of our nation's regions and local communities. Award winners will be showcased during NADO's 2007 Annual Training Conference, August 25-28 in Austin, Texas.

According to NADO President Dan Bollinger, Executive Director of Southwest Georgia Regional Development Center in Camilla, Georgia, "Each year, Innovation Awards showcase the creativity and significant, long-term impact of numerous regional programs and projects like the Discharge

Planners of Southwest Minnesota, that are key to sustaining and preserving the environmental, economic and cultural heritage of our nation's regions and local communities."



SRDC WATER PLANNING

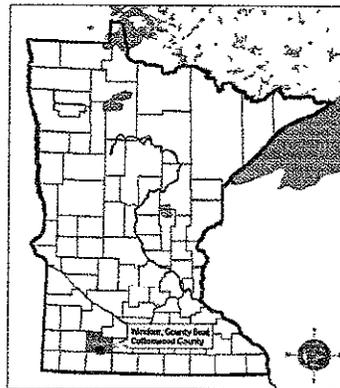
Counties in Minnesota participate in the state Board of Water and Soil Resources (BWSR) local water management plan process to protect local water resources. BWSR provides base grant funding to counties who complete and update local water plans at least every five years. Additional challenge grant funds are offered through the Legislative-Citizen Commission on Minnesota Resources (LCCMR) and other sources.

SRDC has successfully worked with Rock County, Murray County and Cottonwood County to update their plans. We are currently working in Jackson County and Nobles County to complete plan updates to meet BWSR's rules and reflect local priorities and concerns.

COTTONWOOD COUNTY LOCAL WATER MANAGEMENT PLAN 2007-2017

A 10-year plan with a 5-year implementation schedule March 2007

Prepared for the Cottonwood County Local Water Management Plan Task Force
By Cottonwood County Environmental Office and Southwest Regional Development Commission



"SRDC has successfully worked with Rock County, Murray County and Cottonwood County to update their plans."

REVOLVING LOAN FUND UPDATE

The SRDC's revolving loan fund (RLF) program has been in operation since 1994. The purpose of the loan fund is to provide gap financing assistance to for-profit businesses in Region 8. The RLF works in tandem with bank and public financing sources. Businesses may be manufacturing, service, or retail. Businesses may be start-up or already in operation. Interest rates are slightly below market, and set

for a fixed term over the life of the loan. The loan fund typically subordinates to the primary lender on collateral. SRDC also collaborates with other financiers to make a project happen, such as the Southwest Initiative Foundation, PrairieLand Economic Development Corporation, DEED, and county or city loan pools.

Since its inception, the RLF has done 92 loans totaling

\$5 million, with total project costs of \$38 million.

The average size loan is \$55,000. Over 1200 jobs have been created or retained. Our loss ratio is currently at 4.4% over the life of the loan fund.

Applications are accepted on an on-going basis. Please contact Nan Larson for further information.



SRDC STRATEGIC PLANNING

This winter, the SRDC Board of Directors and senior staff participated in a Strategic Planning Retreat. Board members and staff participated in a process facilitated by U of M Extension staff to better understand the organization and its history, their shared vision for the future impact of SRDC, and the current environment which can affect the organization's work.

Board members and staff also participated in a planning session to develop the key strategic actions and activities needed in order to accomplish the organization's goals. Five goals were developed for the agency: 1. Train a new generation of governmental leaders. 2. Develop and implement a marketing plan. 3. Identify necessary resources to provide core programs.

4. Provide leadership in bringing together stakeholders to make the region energy independent. 5. Explore and identify programs/services that expand or enhance current core functions. A new mission statement was then developed that better reflects the direction of the Commission:

"Providing professional expertise to enhance regional opportunities"



FORSBERG NAMED OUTSTANDING GERONTOLOGIST



SRDC's own Maddy Forsberg was named the recipient of the Dutch Kastenbaum Outstanding Gerontologist Award by the Minnesota Gerontological Society at their annual conference in April.

Maddy embodies what it means to be an outstanding gerontologist. Her distinguished career as the Director of Aging Programs at

the SRDC, centered on her dedication to developing services, has broad implications for older adults residing in rural areas across Minnesota. She is known in the Aging Network for her strong advocacy as both a collaborator and coalition builder. Through her community development initiatives she set the bar by creating a network of rural health insurance counseling

advocates for seniors, testifying before the Legislature as an expert on rural health care systems, providing educational opportunities for discharge planners, and leading policy and practice initiatives through a long list of coalitions. Above all else she draws upon her personal experiences to serve as the voice of older persons living in rural Minnesota.

2007 PROJECTS OF THE YEAR

Every year at our annual meeting SRDC acknowledges projects of regional importance as our projects of the year.

This year's award winners were:

Suzlon Rotor Corporation for their blade manufacturing facility in Pipestone. Suzlon, an Indian company, located a manufacturing facility in Pipestone that employs

approximately 275 people utilizing the JOBZ program and further identifying the Southwest Region as the renewable energy heart of Minnesota.

John Biren, Lyon County Planning and Zoning; Annette Bair, SRDC; and Mark Lindquist from the Minnesota Project for their work in developing a model wind ordinance that can be used by counties throughout

the state seeking to integrate emerging wind production into their existing planning and zoning ordinances.



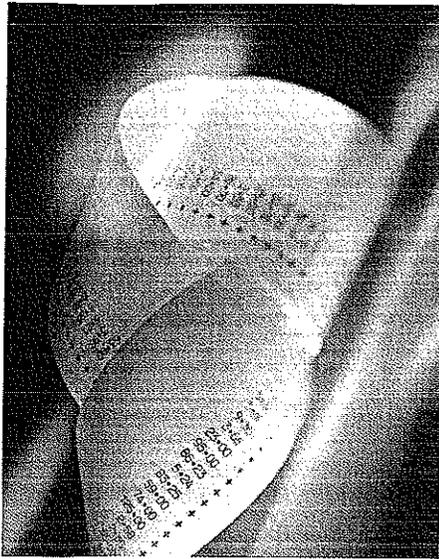
Annette Bair and John Biren receive their awards from Chairman Gene Short.

	FY07 Final Budget	FY07 Yearend Projections
Revenues		
Tax Levy	258,000.00	266,999.22
Contract for Services	230,129.00	223,450.24
MN/DOT	51,580.00	51,579.95
Federal Transit	15,387.00	15,386.70
Economic Development Adm	77,628.00	77,628.00
MNRAAA-Federal-Adm/Pdc	56,893.00	55,103.00
MNRAAA-Federal-I&A	187,536.00	175,666.00
MNRAAA-State-I&A	155,202.00	148,435.00
Eldercare Dev. Partnership	27,185.00	27,185.00
CERTS Funds	23,775.00	23,934.64
Dept.Public Safety-Hazard	7,140.00	2,942.00
SW MN Foundation	0.00	0.00
Commission Vehicle Receipts	21,000.00	19,750.65
Interest & Miscellaneous	25,770.00	33,027.35
Designated-Human Service Prjs	0.00	0.00
Reserves-Capital Equipment	25,400.00	2,550.49
Total Revenues	1,162,625.00	1,123,638.24
Expenditures		
Committee Expenses	41,574.00	47,986.89
Salaries & Fringe	845,882.00	829,179.96
Travel	68,000.00	72,327.31
Office Space Costs	46,035.00	46,586.84
Postage	9,700.00	9,899.58
Communications	13,966.00	11,568.41
Printing/Publication	10,249.00	6,728.51
Supplies	14,255.00	12,977.17
Insurance	3,676.00	3,641.48
Depreciation-Equipment	20,700.00	19,631.65
Computer Expenses	12,685.00	10,554.76
Professional Services	23,800.00	24,336.40
Other	11,940.00	12,977.79
Equipment	25,400.00	3,300.49
Debt Service-Principal & Interest	11,800.00	11,800.00
Building Lease Payment	9,646.00	9,011.26
Total Expenditures	1,169,308.00	1,132,508.50
Revenues Over (Under) Expenditures	-6,683.00	-8,870.26
Reserve Changes		
Equipment Reserves	-4,700.00	17,081.16
Building Reserves	14,302.00	14,302.00
General Reserves	-16,285.00	-40,253.42
Net Change in Reserves	-6,683.00	-8,870.26
Tax Revenue (Bond)	232,080.00	232,080.00
Allowance for delinquencies -2.5%	-5,802.00	1,254.00
Present reserve for FY07 bond payments	36,690.00	126,148.00
Bond Payment -August, 2006	-20,629.00	-20,629.00
Bond Payment-February, 2007	-200,629.00	-200,629.00
Interest on Reserves	0.00	4,280.00
Reserve for Future Bond Payments	41,710.00	142,504.00

SOUTHWEST REGIONAL DEVELOPMENT COMMISSION

FY 2007 Budget

July 1, 2007 - June 30, 2008



Audited Governmental Activities for
the Year Ended June 30, 2006

Revenues

Program Revenues	
Charges for Services & Other	341,369
Operating Grants	579,613
General Revenues	
Property Taxes—General	267,738
Property Taxes—Debt Service	230,596
Interest Revenues	<u>27,477</u>
Total Revenues	<u>1,446,793</u>
<u>Expenses</u>	
Government Activities	<u>1,175,468</u>
Total Expenses	<u>1,175,468</u>
Change in Net Assets	271,325
Beginning Net Assets	1,090,374
Ending Net Assets	<u><u>1,361,699</u></u>

The FY 2006 Audit was conducted by Minehart, McKee & Associates, Certified Public Accountants, Marshall, Minnesota. The auditor's report expresses an unqualified opinion on the General Purpose Financial Statements of the Southwest Regional Development Commission.

Revenues

Tax Levy	266,000
MNRAAA-Adm/Pdc Funds-CY2007	27,989
MNRAAA-Adm/Pdc Funds-CY2008	21,482
MNRAAA-Information & Assistance Funds-CY2007	114,645
MNRAAA-Information & Assistance Funds-CY2008	123,411
State CSC Funds	146,459
MNRAAA-Eldercare Development Partnership	27,185
Economic Development Administration	54,628
MN Department of Transportation	50,000
Current Contracts	170,285
Dept. Public Safety-Hazard Mitigation	28,900
CERTS Funds-LCMR & MN Project-Blandin	6,349
Interest Earned & Miscellaneous	46,020
Inkind Match for Programs	36,695
Reserves used for Equipment Purchases	27,700
Total Revenues	<u>1,147,748</u>

Expenditures

Committee Expense	42,215
Salaries & Fringe	888,503
Staff Travel	71,319
Office Space	45,500
Postage	10,800
Communications	14,482
Print/Publication	10,775
Supplies-Mtg/Wkshp Expenses	14,086
Insurance	4,404
Depreciation (Non-building)	19,335
Audits	6,400
Computer	12,150
Equipment	27,700
Other	11,370
Consultant/Contracted Services/Legal	3,250
Program Inkind Match	36,695
Debt Service-Principal & Interest	11,800
Office Building Principal Payment	9,118
Total Expenditures	<u>1,239,902</u>
Balance	<u><u>-92,154</u></u>
Incr/(Decr) in Equipment Reserve	-8,365
Incr/(Decr) in Building Reserve	14,302
Incr/(Decr) in Human Service Project Dedication	0
Incr/(Decr) in Unrestricted Reserve	<u><u>-98,091</u></u>

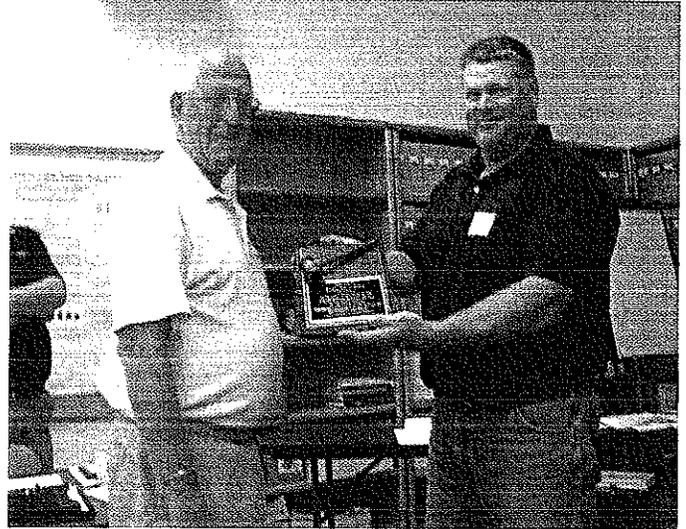
Tax Revenue (Bond)	232,080
Allowance for delinquencies-2.5%	-5,802
Present reserve for FY07 bond payments	52,240
Bond Payment -August, 2007	-17,929
Bond Payment-February, 2008	-202,929
Reserve for Future Bond Payments	<u>57,660</u>

FISCAL YEAR 2007 SOUTHWEST REGIONAL DEVELOPMENT COMMISSION MEMBERS

- Rocky Kolar _____ Cottonwood County Municipalities
- Darrell Holmberg _____ Cottonwood County Town Boards
- Gary Sorenson** _____ Cottonwood Co Commissioners
- Darrel Hage _____ Jackson County Municipalities
- Richard Peterson _____ Jackson County Town Boards
- Craig Rubis* _____ Jackson County Commissioners
- Mary Meneely _____ Lincoln County Municipalities
- Eloise Hauschild _____ Lincoln County Town Boards
- Larry Hansen** _____ Lincoln County Commissioners
- Joanne Myrvik _____ Lyon County Municipalities
- Lori Grant _____ Lyon County Town Boards
- Bob Fenske* _____ Lyon Co Commissioners
- Miron Carney _____ Murray County Municipalities
- Charles V. Swan _____ Murray County Town Boards
- Bill Sauer** _____ Murray County Commissioners
- John Faber _____ Nobles County Municipalities
- Paul Langseth _____ Nobles County Town Boards
- David Benson** _____ Nobles County Commissioners
- Harry L. Hansen _____ Pipestone County Municipalities
- Wally Bucher _____ Pipestone County Town Boards
- Marv Tinklenberg* _____ Pipestone County Commissioners
- Marlo Sander _____ Redwood County Municipalities
- Werner Fischer* _____ Redwood County Town Boards
- Gene Short** _____ Redwood Co Commissioners
- Fabian Deutsch _____ Rock County Municipalities
- Vern Vander Pol _____ Rock County Town Boards
- Robert Jarchow** _____ Rock County Commissioners
- Bob Byrnes** _____ City of Marshall
- Lyle TenHaken* _____ City of Worthington
- Dan Zimansky* _____ Region Eight School Boards
- Dick Gewerth _____ Region Eight School Boards
- Vacant _____ Region Eight Cultural Diversity
- Steve Thovson _____ SW Center for Independent Living
- Sandy Demuth _____ SW MN Private Industry Council
- Liz Struve _____ Southwest MN State University
- Jack Keers _____ Health & Human Services

** Indicates Current & FY2007 Executive Comm. Members

*Indicates Current SRDC Board Members



Newly elected Chair, Cottonwood County Commissioner Gary Sorenson, (right) presents Redwood County Commissioner Gene Short with a plaque for his outstanding service to the region as Chair of the SRDC.

Thank You to the following SRDC Commissioners whose terms expired in FY2007:
Patricia Jansen,
Connie Knorr,
Mary Mulder,
Abdullahi Noor
and Jim Schneider.

FY2007 PROJECT REVIEWS

During Fiscal Year 2007 the Southwest Regional Development Commission reviewed 18 projects from within the Region to avoid duplication and insure wise use of public funds. If you are interested in receiving a complete listing of the project reviews for FY06, please contact the SRDC office.

On the web: www.swrdc.org



**PROVIDING PROFESSIONAL EXPERTISE AND LEADERSHIP TO
ENHANCE REGIONAL OPPORTUNITIES**

**SOUTHWEST REGIONAL
DEVELOPMENT COMMISSION**

101 Broadway Avenue
St. Cloud, MN 56172
Phone: 507-836-8547
Fax: 507-836-8866
E-mail: srdc@swrdc.org

CURRENT SRDC STAFF MEMBERS

<u>Name</u>	<u>Title</u>	<u>Email</u>	<u>Extension</u>
Jay Trusty -----	Executive Director	execdir@swrdc.org	106
Nan Larson -----	Deputy Director	nanlarson@swrdc.org	108
Maddy Forsberg -----	Aging Program Director	swaaa@swrdc.org	201
Annette Bair -----	Physical Development Director	phydev@swrdc.org	101
Dianne Crowley -----	Finance Director	dcrowley@swrdc.org	104
Robin Weis -----	Program Development Specialist	srlinkage@swrdc.org	112
John Shepard, AICP -----	Development Planner	jshepard@swrdc.org	103
Rhonda Wynia -----	Administrative Specialist	rwynia@swrdc.org	114
Helen Brinks -----	Account Specialist	hbrinks@swrdc.org	116
Linda Tobias -----	Information & Referral Specialist III	lindat@swrdc.org	109
Gail Radke -----	Information & Referral Specialist III	gailr@swrdc.org	202
Kathy Schreiber -----	Administrative Assistant II	srdc@swrdc.org	110
Julie Stewart -----	Information & Referral Specialist II	julies@swrdc.org	203
Darcey Doeden -----	Information & Referral Specialist II	darceyd@swrdc.org	113
Lila Anderson -----	Information & Referral Specialist I	lila@swrdc.org	204
Doreen Veenhuis -----	Administrative Assistant I	doreenv@swrdc.org	115

SRDC COMPLETES 5 YEAR PERFORMANCE ASSESSMENT

During the summer and fall of 2006, the SRDC conducted a performance assessment to determine how well it had performed during the past five years. This assessment was performed as required by Minnesota Statute 462.393 Subd. 2, which states, "in 2001 and every five years thereafter, the commission shall review its activities and issue a report assessing its performance in fulfilling the purposes of the Regional Development Act. The report shall address whether the

existence of the commission is in the public welfare and interest."

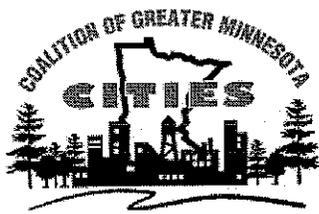
Respondents were asked to rate the SRDC on a number of issues, with the respondents either being very satisfied, satisfied, somewhat satisfied, somewhat dissatisfied or not satisfied.

64% of survey respondents felt that they were either satisfied or very satisfied that the Commission is currently fulfilling its role.

69% percent of respondents felt that they were very satisfied or satisfied with the quality of assistance provided to local units of government.

Respondents were also asked to rate the relative importance of SRDC program areas, with the Area Agency on Aging being perceived as having a high level of importance by 73%, and both Economic Development and Environmental Quality being seen as having high levels of importance by 60% of respondents.





Coalition of Greater Minnesota Cities
CGMC in Brief

August 30, 2007

Contact: Sarah Kleppe
651.225.8840

Special Session Update

Despite all of the discussion in the news media, a special legislative session is still very much in doubt and the possible scope of a special session has yet to be determined. There appears to be consensus that a special session needs to address flood relief for southeastern Minnesota and bonding for bridge replacement and maintenance.

Other possible agenda items that have been discussed include a comprehensive transportation bill that will finally make long-term investments in our transportation system and property tax relief that was left on the table with the governor's veto of the tax bill at the end of the regular session.

CGMC Board of Directors Takes Action

The CGMC Board of Directors held a conference call August 24 to discuss the coalition's position on what a special session should accomplish. The Board decided the coalition should push for:

- A bonding bill that addresses flood relief and bridge bonding;
- Re-passage of the tax bill minus the inflation language the governor objects to; and
- Re-passage of the vetoed transportation bill.

While flood relief and bridge bonding need to be the priorities, there is no reason this modest agenda couldn't be acted upon in special session, especially when the tax and transportation bills passed the Legislature with large bi-partisan majorities.

Now is the Time for Cities to Take Action

The ten days after Labor Day will be crucial for the determination of a special session agenda. A lengthy memo was sent on August 27 to CGMC mayors and city administrators outlining action items for cities.

Now is the time for you to contact your legislators and ask them to urge their respective caucus leaders to include the CGMC's three point agenda in a plan for a special session.

Keeping up pressure in the media is also important. Please meet with the editors of your local papers to ensure that they know how important the Local Government Aid in the tax bill is to your city.



What's the Hold-Up?

As stated above, there seems to be consensus that a special session should be called to address flood relief and bonding for bridge replacement and maintenance. As you can see from the attached letter from the governor to legislative leaders, it appears that the will to do something on transportation—so pressing only a couple of weeks ago—seems to have slowed.

The sticking point seems to be about the half-cent metro area sales tax for transit, rather than the gas tax (the governor has moved on that). The governor does not want a half-cent sales tax, but the DFL feels they probably cannot have a truly comprehensive bill without it. The State has been in gridlock over these issues for many years and it seems unlikely that an agreement would be reached for a special session.

Other correspondence between the governor and legislative leaders is available at www.greatermncities.org/2007_special_session.htm.

Simple Solution on Taxes/LGA

It seems unnecessary for the governor and Legislature to negotiate a new tax bill from scratch. The tax bill that was vetoed by the governor received 82 out of 134 votes in the House and 53 out of 67 votes in the Senate.

It seems an easy, simple, and fair solution for the Legislature to remove the inflation language that prompted the governor's veto, and re-pass the rest of tax bill.

Save the date – Fall Conference in Alexandria

Mark your calendars! The CGMC's Fall Conference will be held **Wednesday, November 7 – Friday, November 9 at Arrowwood Conference Center in Alexandria**. An agenda will be finalized and distributed to CGMC members in the near future.

The CGMC will be finalizing our policy positions for the 2008 session, so it is extremely important that each member city send at least one representative to attend the conference.

Please call Arrowwood (1.866.386.5263) to book your hotel room at the special CGMC rate (starting at \$84 plus tax).





STATE OF MINNESOTA

Office of Governor Tim Pawlenty

130 State Capitol ♦ 75 Rev. Dr. Martin Luther King Jr. Boulevard ♦ Saint Paul, MN 55155

August 28, 2007

Senate Majority Leader Larry Pogemiller
235 State Capitol
Saint Paul, Minnesota 55155

Speaker Margaret Anderson Kelliher
463 State Office Building
Saint Paul, Minnesota 55155

Dear Majority Leader Pogemiller and Speaker Kelliher:

I read with interest the attached article by Don Davis published in the West Central Tribune yesterday (Monday, August 27, 2007). It underscores the need to agree upon the issues to be addressed during a potential special session.

The article includes comments by Senator Langseth that he intends to bring forward the entire vetoed bonding bill from last session during a special session and perhaps add additional road and bridge projects. The article also suggests the DFL majority's intent is to simply repass or recreate the vetoed transportation bill from the regular session.

Neither strategy is constructive, nor do they advance our goal of promptly addressing the emergency needs before us. The sentiments expressed in the attached article and discussions with legislators since our meeting last week raise questions about the DFL majority's willingness to keep a potential special session properly focused.

A special session must focus on immediate emergency needs arising from the recent flooding in southeastern Minnesota and the I-35W bridge tragedy. As we have discussed, I am also willing to consider a limited number of other consensus items such as property tax relief.

Again, the four separate bills that should pass during a special session are:

- A bonding bill of up to \$200 million focused on capital projects needed as a result of the flood and priority road and bridge projects. No general fund money should be used in the bonding bill.

- Funding for near-term flood relief needed in southeastern Minnesota.
- Property tax relief.
- A comprehensive transportation package that follows the principles outlined in my August 10 letter.

As I have previously stated, it would be beneficial to pass a comprehensive transportation package at this time. However, if agreement cannot be reached on such a bill soon, it should be set aside until the next regular session so we can promptly secure funding for immediate needs related to the flooding and the bridge reconstruction.

Beyond these issues, no other matters should be considered or voted upon during the special session. I expect detailed agreement regarding the topics to be considered before a session is called. Such agreement should come quickly given the consensus nature of these issues and I am prepared to call a special session as soon as such agreements can be reached

Reaching an agreement prior to a special session is necessary so we can stay focused on emergency needs.

I hope we can keep our efforts focused on these important issues so we can best help our fellow Minnesotans in need.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tim Pawlenty', with a stylized flourish at the end.

Tim Pawlenty
Governor

cc: Senator David Senjem
Representative Marty Seifert