

**Council Meeting**  
**Tuesday, November 1, 2011**  
**City Council Chambers**  
**7:30 p.m.**



**AGENDA**

Call to Order  
Pledge of Allegiance

1. Approval of Minutes
  - Council Minutes–October 18, 2011
2. Consent Agenda
  - Minutes
    - Street Committee – October 25, 2011
    - Utility Commission – October 26, 2011
  - Permit Application – Exempt Permit
    - Windom Fire Dept Relief Association
    - St. Francis Xavier Church
3. Department Heads
4. Street Dept. – Snow Plow & Ice Control Policy
5. Street and Underground Infrastructure Reconstruction Project
6. Non-Prime Ice Time Rate
7. 2003 General Obligation Bond – Refinance Pre-Sale Approval
8. Beer & Wine License Ordinance Revision – Second Reading
9. Call For Public Hearing – Proposed fee for the Authorization to Sell Intoxicating Malt Liquor
10. 4-M Fund – Minnesota Municipal Money Market Fund
11. Long Range Planning – Strategy I
12. New Business
13. Old Business
  - Reminder – Special Council Meeting – Bid Award Des Moines River Dam project  
Thursday, November 3<sup>rd</sup>, 2011
  - Special City Council Meeting - Budget Workshop Scheduled  
Tuesday, November 8<sup>th</sup>, 2011– Change Date or Time?
14. Regular Bills
15. Council Concerns
16. Adjourn



**Council Meeting  
Windom City Hall, Council Chamber  
October 18, 2011  
7:30 p.m.**

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

2. Roll Call: Mayor: Kirby Kruse

Council Members: Kelsey Fossing, Dominic Jones, Corey Maricle,  
Bradley Powers and JoAnn Ray

Council Members Absent: None

City Staff Present: Steve Nasby, City Administrator; Brigitte Olson,  
Assistant City Administrator; Marv Grunig, Electric  
Utility Manager; Dan Olsen, Telecom Manager; Al  
Baloun, Recreation Director and Terry Glidden,  
Telecom

3. Pledge of Allegiance

4. Approval of Minutes:

Maricle said that the minutes from October 11, 2011 should be revised to include the 40 hour reduction in the vacation carryover motion he made regarding Sergeant Patterson.

**Motion by Powers second by Ray, to approve the City Council minutes from October 4, 2011; October 5, 2011; October 10, 2011 and October 11, 2011 as revised. Motion carried 5 – 0.**

5. Consent Agenda:

Kruse said there were minutes from the following Boards\Commissions:

- Economic Development Authority – October 10, 2011
- Park & Recreation Commission – October 10, 2011
- Library Board – October 11, 2011
- Telecommunications Commission – October 12, 2011

Kruse noted an Exempt Permit request from Windom Youth Hockey Association for a raffle to be held at the Fraternal Order of the Eagles (FOE) on December 29, 2011.

Jones asked if this was the proper time to bring up items of interest from the minutes of the Boards and Commissions that the City Council should note. He had no changes to the

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minutes themselves, but there were items within the minutes he felt City Council should address.

Kruse asked for clarification of what Jones was requesting.

Jones said he had a question on the lease for the EDA farm property regarding the compensation to the renter should the park be developed and crops destroyed. The EDA minutes discuss what happens after crops are harvested. Nasby said that the EDA lease for the agricultural land is structured to address all of these issues and he would have the EDA Director forward a copy of the lease to him.

Jones noted he also had a question on the use of Witt Park for outdoor ice skating and whether this was an item that should come before the City Council for approval. Issues such as liability need to be addressed. Baloun said the Park & Recreation Commission had talked with the Windom Youth Hockey Association as they were requesting the outdoor rink. The rink is existing, but has not been flooded for about five years. The Windom Youth Hockey Association would be responsible for maintenance. The liability issue was checked out and the activity is covered, but additional signage may be needed. Signage would be provided by Windom Youth Hockey Association.

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

### 6. Department Heads:

None.

### 7. Early Warning Sirens Upgrade:

Marv Grunig, Electric Utility Manager, noted that the early warning sirens will fall under the federal mandate to switch to narrow bandwidths the same as the emergency radio communications to promote greater bandwidth efficiency. The deadline for compliance is January 1, 2013. Windom currently has 9 sirens. Of these, 7 are 38 years old and 2 are 14 years old. Only 2 of the 9 are connected to a back-up generator, so if the power to the community were lost due to a storm the coverage for emergency sirens is not very good. In addition, the current location of the 9 sirens leaves a gap in optimum coverage by the high school/middle school area. The existing sirens can be upgraded to the narrow bandwidth and repaired at a cost of \$32,500; however, the issues of age, lack of back-up power and gap in coverage would remain. New sirens are more robust and cover a larger area so only three new ones would be needed to cover the whole community. One of the new sirens could be hooked into a back-up generator and the two others should be backed up with batteries. Grunig said the three new sirens and upgrades to the two 14 year old sirens would be his recommendation and cost about \$65,000. A quote for both repair and replacement sirens were provided in the packet.

Jones asked about the life expectancy for the batteries on the new sirens. Grunig said it is 3-4 years and each has 4 batteries so 8 would need to be replaced each time and the cost may be \$500.

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Powers asked if the two 14 year old sirens are necessary as the coverage on the new ones would be much better. Grunig said he would like to keep both the 14 year old ones because one reaches the edge of town by the golf club and the other one could be redundancy, also the cost to upgrade these two is not as high as upgrading the 38 year old sirens.

Powers asked if generator power could be run to the new sirens. Grunig said the battery back-up is a more cost effective option.

Jones asked if the new sirens would be too loud for residential areas. Grunig responded that the sirens would be placed on non-residential property, but warning signs will be needed.

Fossing asked if there was any value in selling the old units. Grunig replied that the value would be as salvage.

Jones noted this was a federal mandate pushed onto cities. Grunig said he had spoken to the County Emergency Management Director and there were no grant funds currently available for this type of project.

Powers confirmed the 2013 compliance date and asked if the costs could be phased. Grunig said the work has to be done in 2012 as compliance is January 1, 2013.

Jones asked if there was any funding from the Utilities account as that department is in charge of the sirens and does maintenance. Grunig said the department does maintenance but costs come from the civil defense\emergency management budget. Grunig said he placed an item on the Utility Commission's October agenda regarding funding.

Fossing noted that there would be maintenance savings going from 9 sirens to 5. Grunig said there would be some savings, but the annual inspection, maintenance and occasional battery back-ups will still need to be done with new sirens.

Powers said he is in favor of putting in new sirens that are either connected to a generator or have battery back-ups.

Jones remarked that if at least partial funding could come from the Utilities account that would help the budget.

Consensus of the Council was to pursue the purchase of three new sirens, connect them to generators or battery back-ups and to upgrade the two 14 year old sirens to narrow band.

## 8. Water\Wastewater Project Bond Sale:

Todd Hagen, Ehlers & Associates, introduced himself and noted that Ehlers is the City's financial advisors. The upcoming bond sale of \$3.19 million and covers the expenses for the main lift station improvement project and several smaller water\wastewater main replacement projects. There are two resolutions for the Council to consider. One is for the authorization of the bond sale and the other is to authorize participation with the Minnesota Public Facilities Authority for credit enhancement. The State's credit enhancement

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program is essentially another security backing for the bonds, which results in lower interest costs. The bond sale is set for November 15, 2011 and the revenues used to repay the bonds will come from water and wastewater fees and special assessments. They are also backed by the State credit enhancement program and full faith and credit of the City. There is a 9 year pre-payment redemption on the bonds and the maturity schedule is wrapped around the existing debt service of the 1994 bond. By wrapping the maturity with the 1994 bond it will allow for a smoother debt service schedule as the payments for the two bonds will overlap. The bonds will be tax exempt from State and Federal taxes and the interest rate environment is at historic lows so this is a good time to borrow.

**Council member Maricle introduced the Resolution No. 2011-42, entitled “RESOLUTION PROVIDING FOR THE SALE OF \$3,190,000 GENERAL OBLIGATION WATER AND SEWER REVENUE BONDS, SERIES 2011A” and moved its adoption. The resolution was seconded by Jones and on roll call vote: Aye: Fossing, Jones, Maricle, Powers and Ray. Nay: None. Absent: None. Resolution passed 5 - 0.**

**Council member Ray introduced the Resolution No. 2011-43, entitled “RESOLUTION AUTHORIZING THE CITY TO ENTER INTO A CREDIT ENHANCEMENT PROGRAM AGREEMENT WITH THE MINNESOTA PUBLIC FACILITIES AUTHORITY” and moved its adoption. The resolution was seconded by Powers and on roll call vote: Aye: Jones, Maricle, Powers, Ray and Fossing. Nay: None. Absent: None. Resolution passed 5 - 0.**

### 9. Ambulance Service Billing Agreement:

Nasby said the Windom Ambulance Service will be engaging a private, third party vendor to perform their billing functions. Previously, the Windom Area Hospital did all of the billing for the Ambulance Service. Due to a change in financial management systems and federal medical coding changes affecting the Hospital's operations it was determined that the Ambulance Service would need to contract out this service. The Windom Area Hospital will continue to do data entry for the Ambulance Service related to State of Minnesota reporting. In the Council packet is an agreement for Ambulance Service billing between the City of Windom and Expert-T. Expert-T is the billing vendor for other area ambulance services and comes highly recommended. The proposed agreement calls for a fee of \$24.75 per billable account, with the contract starting on January 1, 2012 and running through December 31, 2013. The proposed agreement has been reviewed by the City Attorney.

**Motion by Jones second by Powers, to approve agreement for Ambulance Billing services between the City and Expert – T as presented. Motion carried 5 – 0.**

### 10. 2011-2012 Ice Rate – Windom Youth Hockey Association (WYHA):

Al Baloun, Recreation Director, said that he had worked with the WYHA and the Park & Recreation Commission on the development of a different method of use and payment for ice time. The proposed arrangement has the WYHA paying a base fee to the City of \$42,500 for the 2011-2012 ice season, the WYHA can then schedule their regular practices

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and schedule unused ice time for off-peak hours. The off-peak use is only applicable to ice time that has not been previously scheduled and will not interrupt figure skating, open skating or other rented ice times. The WYHA will be able to access the building for this use and has the responsibility for its access and any damages that may occur due to their use.

Jones asked if the WYHA had signed off on the terms and conditions of this arrangement. Baloun said that the Park & Recreation Commission, WYHA and staff had jointly worked this out and were in agreement of the terms. Nasby suggested that the WYHA sign off on the memorandum that highlighted the terms and conditions.

Powers asked if this was a one-year deal. Baloun said it is for one ice season and then it can be re-evaluated by both parties to see if it worked or what adjustments may need to be made.

Jones confirmed that this arrangement with WYHA would not be cutting into other programming or open skating. Baloun said the scheduled ice time from WYHA would be about the same, but they will have an ability to use the ice at other times unless it is unused.

**Council member Jones introduced the Resolution No. 2011-44, entitled “RESOLUTION ESTABLISHING RATES, CHARGES AND FEES FOR PARK AND RECREATION FACILITIES” and moved its adoption. The resolution was seconded by Fossing and on roll call vote: Aye: Maricle, Powers, Ray, Fossing and Jones. Nay: None. Absent: None. Resolution passed 5 - 0.**

### 11. Telecommunications – Assignment of Video Franchises and HBO Rate Change:

Dan Olsen, Telecom Manager, said that the proposed assignment of video franchises would allow Windomnet to sell programming to the members of the Southwest Minnesota Broadband Services (SMBS) group. The City of Windom would essentially accept portions of the video franchises passed by franchise ordinances in the SMBS communities. He said the City Attorney had reviewed the ordinance materials.

**Motion by Maricle, to approve joint application with Southwest Minnesota Broadband Services to accept the assignments of the cable television franchises by adopting the terms of this ordinance. Motion carried 5 – 0.**

Olsen said that the City has received its notice from HBO that they are increasing the cost of their programming on January 1, 2012 from \$12.52 to \$13.46 per subscriber per month. The City needs to increase its rate to compensate for the price increase by HBO as we currently only charge \$12.95 per subscriber per month.

**Council member Powers introduced the Resolution No. 2011-44, entitled “RESOLUTION ESTABLISHING RATES, CHARGES AND FEES FOR TELECOMMUNICATIONS ENTERPRISE FUND” and moved its adoption. The resolution was seconded by Jones and on roll call vote: Aye: Powers, Ray, Fossing, Jones and Maricle. Nay: None. Absent: None. Resolution passed 5 - 0.**

12. Cottonwood County All-Hazard Mitigation Plan:

Nasby said that the County, in conjunction with the Southwest Regional Development Commission and area communities, had met to revise and update this hazard mitigation plan. The plan is a requirement of FEMA for qualification for funds. The plan outlines potential hazards such as snow storms, drought, fire, tornados, etc. and lists possible threats and actions to mitigate these hazards. The City of Windom will be having its own Emergency Management Plan update completed and to the City Council for consideration in December.

**Council member Jones introduced the Resolution No. 2011-45, entitled “ADOPTION OF THE COTTONWOOD COUNTY ALL-HAZARD MITIGATION PLAN” and moved its adoption. The resolution was seconded by Fossing and on roll call vote: Aye: Ray, Fossing, Jones, Maricle and Powers. Nay: None. Absent: None. Resolution passed 5 - 0.**

13. Airport – MN DOT Grant Agreements:

Nasby said that the first grant agreement was for the repair of the hanger doors on the north hanger and the replacement of the fuel tank probe. These two projects qualified for a 50% grant from MN DOT and the City Council previously discussed these projects and fronted the funds from the 2012 capital budget.

**Council member Powers introduced the Resolution No. 2011-46, entitled “AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT OF TRANSPORTATION GRANT AGREEMENT FOR THE MUNICIPAL AIRPORT” and moved its adoption. The resolution was seconded by Ray and on roll call vote: Aye: Fossing, Jones, Maricle, Powers and Ray. Nay: None. Absent: None. Resolution passed 5 - 0.**

The second MN DOT resolution was for the airport maintenance reimbursement for the work the City does regarding snow plowing, mowing, etc. The MN DOT reimbursement only covers a portion of the costs. This year over \$40,000 in expenses was submitted and the reimbursement is for \$15,486, but the last year was high due to the volume of snow.

**Council member Maricle introduced the Resolution No. 2011-46, entitled “RESOLUTION AUTHORIZING EXECUTION OF MINNESOTA DEPARTMENT OF TRANSPORTATION GRANT AGREEMENT FOR AIRPORT MAINTENANCE AND OPERATION” and moved its adoption. The resolution was seconded by Jones and on roll call vote: Aye: Jones, Maricle, Powers, Ray and Fossing. Nay: None. Absent: None. Resolution passed 5 - 0.**

14. Beer and Wine Ordinance Revision – First Reading:

Nasby said that this revision of the City’s code would allow strong beer to be sold by license holders of wine licenses if they verified that at least 60% of their revenue was for food. If approved, this would be the same as state statute. Windom’s code needed two

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definition modifications and a paragraph added to the Wine section of the code. These changes are shown in the proposed ordinance. The authorization for strong beer would be on the wine license, but both beer and wine licenses need to be held to qualify for the strong beer authorization.

Powers asked about a fee. Nasby said that the fee for the authorization is planned to be added to the Charges and Fee Schedule the Council will get in January. Since the ordinance will only be effective after a second reading and publication, if passed by the Council, there would not be more than 5-6 weeks left in the year and it would be unlikely a business wants to incur the fee for such a short time so holding off until January should be okay.

**Motion by Powers second by Jones, to approve the first reading of Ordinance No. 136, 2<sup>nd</sup> Series, as presented. Motion carried 5 – 0.**

### 15. New Business:

Nasby asked the Council for their preference on scheduling the next budget workshop. Consensus was to set the workshop for November 8, 2011 at 7:00 p.m.

Nasby reminded the City Council about the Special City Council Meeting scheduled for November 3, 2011 at 5:00 p.m. to review the second round of bids on the Windom Dam Project.

### 16. Old Business:

None.

### 17. Regular Bills:

Jones asked about the Worthington Daily Globe subscription for the water\wastewater department and if it were needed to publish notices. Nasby said he was not aware of any requirement to publish in that newspaper. Brigitte Olson, Assistant City Administrator, said the cost is split between the two departments.

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

### 18. Council Concerns:

None.

### 19. Closed Session:

Mayor Kruse closed the meeting at 8:30 p.m. for the purposes of discussing labor negotiation strategies.

Maricle left the meeting 9:46 p.m.

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The closed session ended at 9:49 p.m.

20. Adjourn:

**Motion by Powers, seconded by Ray, to adjourn. Motion carried 4 – 0 (Maricle absent).**

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Kirby Kruse, Mayor

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

**STREET COMMITTEE  
MINUTES OCTOBER 25, 2011**

Call to Order: The meeting was called to order at 5:35 P.M. at Street Shop

Members Attending: Committee Members Attending - Brad Powers & JoAnn Ray

City Staff Present: Street Superintendent Bruce Caldwell

Public: Dennis Johnson representing Wenck Engineering

1. CSAH 6<sup>th</sup> Street & River Road surface improvements; Dennis Johnson: discussion was held on the county project concerning the storm sewer system. Johnson said a portion of the storm water catch basins and mains are the cities responsibility. Caldwell said he was under the impression the mains were the counties so we haven't had anything to do with the project to date. With that the committee agreed the mains need to be televised so that we know for sure if there could be any problems which we are not currently aware of. Johnson will follow through with this via the county engineers.  
The remainder of the discussion related to the assessments for the county project concerning the cities portion for the utilities. Johnson handed out a couple different concepts to review. The committee stated because the city has had three major street reconstruction projects the last ten years they didn't feel it would be appropriate or fair to the property owners to change our procedure for those assessments.
2. Street Shop Remodel Project Discussion: a question was raised on the penalty part of the contract during a recent council meeting. Johnson and the committee discussed the issue and they agreed not to move forward with any penalty and grant full payment to EverStrong Construction. Johnson said one year after the substantial completion order was submitted Wenck and EverStrong will meet and review any problems. Caldwell said the project is completed and he is satisfied.
3. Storm Water Retention 18<sup>th</sup> Avenue in North Windom: Johnson stated that the property owner just north of the city limits maybe interested in the construction of a levy on the west side of 18<sup>th</sup> Avenue and east of Kountry Acers. If this was constructed it could help slow down the amount of water running down the hill in the low land then into our storm sewers. No costs for the project as of yet but Johnson said the property owner asked if the city would be interested in a cost share for the construction. The committee told Johnson we would need more details and costs before any decision could be made. This would need to be discussed with SEH Engineering who is working on the 18<sup>th</sup> Avenue storm water issue for the city.
4. Future Street Reconstruction Project: Johnson said he attended a recent Utility Commission meeting and Mike Haugen Water/Waste Water Superintendent presented a list of streets that need utility repairs. Johnson asked the street committee if the city was going to move forward on a reconstruction project in 2012. Caldwell said he was under the impression that the next project wouldn't be until 2013 at the earliest due to the new sanitary main lift station and county street project in 2012. Committee members were concerned about the bad condition the streets and the underground infrastructure listed below; waiting another year may not be the best choice.  
List of Streets for reconstruction; 20<sup>th</sup> Street, 5<sup>th</sup> Street (trailer court), South Drake Avenue, 6<sup>th</sup> Avenue (10<sup>th</sup> Street north to Perkins Creek bridge) and 16<sup>th</sup> Street (4<sup>th</sup> Avenue to 6<sup>th</sup> Avenue) estimated cost for the above street recon is \$2.3 million according to Johnson.  
The committee asked Caldwell to speak to City Administrator Steve Nasby about this and put this question on the Nov 1<sup>st</sup> Council Meeting agenda for discussion with the whole council.

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5. New City of Windom Snow Removal & Ice Control Policy; Caldwell stated he attended a League of Minnesota Cities meeting on the importance of designating a Snow Removal and Ice Control Policy for the city. Following the training from the League Caldwell then used a few sample draft policies that worked best which also included procedures the street department has been using in the past.  
Even with this policy the department has the authorization to deviate depending on storm conditions, equipment availability and/or other conditions warranting changes. The adoption of this policy will provide efficient and timely removal of snow and ice control in order to best provide safe travel for the greatest number of persons. The policy outlines the responsibilities within the Street Department.  
The Street Committee moved to approve this policy for Snow Removal & Control of Ice; Note attachment.
6. Snow Emergency Ordinance Review; the committee was asked to review this ordinance prior to the snow season. The committee unanimously agreed the policy should remain as is but some discussion needs to be held with the new Police Chief concerning how citations are issued if or when the Snow Emergency is ordered in the future.
7. Retroreflectivity Sign Policy Discussion; Caldwell updated the committee concerning the new rules concerning sign reflectivity. The city must create a policy by January 22, 2015 in order to comply with state and federal laws. Caldwell has been working with the League of Minnesota Cities designing a new sign replacement policy.
8. Equipment; Caldwell said he has contacted a couple other manufactures concerning a new motor grader replacement and we should have some numbers within a week or so. Power's said it's possible due to the tight budget this purchase may have to be put on hold for a year or two.
9. Meeting was adjourned at 6:40 p.m.

**UTILITY COMMISSION MINUTES**  
**City Hall, Council Chamber**  
**October 26, 2011**

**Call Meeting to Order:** The Utility Commission meeting was called to order at 10:00 a.m., on October 26, 2011 in the City Hall Council Chamber.

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

Members Present: Tom Riordan and Glen Francis

Member Absent: None

City Council Liaison: Dominic Jones

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

Others Present: None

APPROVE MINUTES

**Motion by Riordan, seconded by Francis, to approve the September 21, 2011 and September 28, 2011 Utility Commission minutes as presented. Motion carried 3-0.**

WATER / WASTEWATER ITEMS

***Toxicity Testing Results*** – Haugen reviewed the results from Environmental Toxicity Control Inc. The scope of the services was limited to conducting a chronic toxicity test on the invertebrate for Ceriodaphnia dubia, and a 7-day chronic toxicity test on the fathead minnow. The results of the test showed that the effluent discharge by the City of Windom Wastewater Treatment Plant was not toxic to fathead minnow growth or it's survival. However, the effluent was toxic to Ceriodaphnia dubia reproduction.

Haugen said that the City of Windom had discontinued taking discharge from the PM Windom Plant three (3) days prior to the testing procedure. This resulted in the test results at a <1.10 TUc(Chronic Toxic Units) from a <1.16 TUc (Chronic Toxic Units) of the previous testing event. Haugen said that the next steps that will to be taken are to de-ionize the water and to split lab samples. Haugen also indicated that the next sampling event will be in November 2011.

***Fire Hydrant Maintenance*** – Hagen said that he received a quote from B & L Utility Maintenance, LLC to have the fire hydrants sand blasted and primed with two coats of

primer and two coats of paint. This quote was for \$85.00 per hydrant, the hydrants that have lead paint will cost an additional \$40.00 each, as these hydrants will need to be contained while the old paint is being removed. Haugen also said that he will get another quote from a local source.

***Waste Dumping Station*** – Haugen said that he spoke with Kevin Jackson from Country Pride, regarding the location of another dumping station on their property. They indicated to Haugen that they are interested in having a dumping station on their property, and were interested in knowing what costs the City of Windom would bear.

The Utility Commission was in general agreement that they would pick up the initial cost of installation if the dumping station were located near the sewer main, any maintenance items that would occur would be the cost of Country Pride. Jones requested that staff get design and specifications for this project.

***Bio-Solids*** – Haugen said that they were having bio-solids removed from the Wastewater Treatment Facility this week. Haugen said that they haul 300,000 to 400,000 gallons twice a year. Haugen also said that they keep records of the sludge hauled, and these records also need to be sent to the Minnesota Pollution Control Agency.

***Flushing Hydrants*** – Haugen said that they have started flushing hydrants in the City of Windom the week of October 24, 2011.

***Leak Detection*** – Haugen said that Westrum Leak Detection is providing the service again this year to detect water leaks within the City of Windom. Haugen said that two leaks were discovered, one on Western Avenue, and that service was removed from under the driveway, and the other leak was providing water to the fire hall on 9<sup>th</sup> Street. Both leaks have been repaired. Jones asked what the percentage of water loss is for the City of Windom. Haugen said that historically 5% - 10% is the loss, this includes the flushing of hydrants, and water used to fight fires and for training purposes.

***Sales Tax for Municipal Water Usage*** – Olson informed the Utility Commission that Municipal water usage will now be subject to sales tax. Olson said that at the present time the water treatment facility is not being billed for their water usage so water meters may need to be installed so that accurate usage can be determined for sales tax billing purposes.

***Wastewater Treatment Facility Project*** – Schwalbach asked if the Wastewater Treatment Facility project had started. Haugen said that they are waiting for a pre-construction meeting. Nasby directed staff to talk with Kelly Yahnke from Bolton & Menk to get a time line on the draws that will need to be taken for payment of the project, as funds will be invested from the Bond.

## ELECTRIC ITEMS

**Civil Defense Sirens** – Grunig directed the Utility Commission to the information in their packet regarding the “Upgrading to the New FCC Narrow Band” requirements. Grunig said that by January 1, 2013 all Public Safety and Industrial/Business licensees using 25 kHz VHF and UHF radio systems will need to upgrade to a minimum 12.5 kHz. Grunig has been preparing an audit/assessment on the nine (9) existing sirens that are located at the following locations:

- 108 9<sup>th</sup> Street (behind HCL in alley)
- 10 16<sup>th</sup> Street (Water Treatment Plant) - connected to generator
- 878 6<sup>th</sup> Street (Dick Vortherm’s residence)
- Cottonwood County Law Enforcement Center - connected to generator
- 1480 8<sup>th</sup> Avenue (west of City of Windom Arena)
- 2174 River Rd (west of residence)
- River Road and County Club Drive
- 111 1<sup>st</sup> Avenue (behind Sun Bowl)
- 420 County Road 26 (Jack Kelly’s Lot)

Grunig said that he has been working with Alpha Wireless to do a cost analysis to upgrade these nine (9) existing sirens. Grunig also said he contacted Federal Warning Systems in Rochester, MN about three (3) 2001-130 sirens. These sirens will be 130 db rotating mechanical sirens. Two (2) of these sirens will be AC/DC, and the other one will be connected to a generator. Grunig is recommending that two (2) existing sirens remain in place for both redundancy and the one on River Road will then cover the area by the Windom Golf Course. The sirens that will remain are only fourteen (14) years old, and will need to have the required updating done to make them compliant with the broad band mandate. Grunig provided the Utility Commission with costs to refurbish the existing sirens at an estimated cost of \$32,000, these sirens range from 14 years old to 38 years old. The cost of the new sirens outlined above is approximately \$65,000. The ongoing cost of maintenance for these sirens would be batteries every 3-5 years. The battery cost would be funded by the Civil Defense budget, and the Electric department would continue the in-kind maintenance.

Grunig said that he had outlined this project to the City Council at their last regular scheduled meeting, and the general consensus of the council was to replace the existing sirens as Grunig had outlined.

**Motion by Riordan, seconded by Francis, to fund ½ of the cost of the sirens up to \$32,500 from the Electric Fund. Motion carried 3-0.**

**Electric Budget Discussion** – Grunig informed the Utility Commission that the \$15,000 that was requested from Mark Hanson, EDA Director at the last meeting will not be needed in 2012 as the Remick Foundation Grant for a downtown improvement project was not funded. Hanson hopes to apply again next year. Grunig said that the \$14,400 that is

presently going to the WADC will not need to be re-allocated, unless the Utility Commission wishes to review that contribution.

Grunig said that at the present time the Utilities has a transfer of \$175,000 per year to the General Fund for payment in Lieu of Taxes. Grunig said that in their packet is a study presented by MMUA for 2009 payments in lieu of taxes, this study outlines what other cities in Minnesota are presently paying. Grunig indicated that the percentages are all over the board for these contributions.

Nasby said that he had called Cottonwood County to see what a private business would pay for taxes for either the Power Plant or Water and Wastewater Plants. This information was not readily available, however Nasby said that if the Commission wishes he would get that information for them.

**Motion by Riordan, seconded Francis, to do a transfer from the Electric Fund in 2012 for \$207,500, this includes the transfer for the sirens of \$32,500 and the transfer of \$175,000 to the General Fund. Motion carried 3-0.**

***Red Flag Policy for Municipal Utilities*** – Grunig said that on October 7, 2008, the City of Windom Utilities adopted a “Red Flags” policy to cover identity theft of customer information. In 2010 this policy was modified by the Federal Trade Commission (FTC) to follow the state guidelines which are as follows:

State Law (Minn. State. Sec. 13685) – Municipal Utility Customer Data, this law outlines times that are appropriate to give out Electric Utility customer information.

- A law enforcement agency that requests access to the data in connection with an investigation
- A school for purposes of compiling pupil census data
- The Metropolitan Council for use in studies or analyses required by law
- A public child support authority for purposes of establishing or enforcing child support
- A person where use of the data directly advances the general welfare, health, or safety of the public; the commissioner of administration may issue advisory opinions construing this clause pursuant to section 13.072

Grunig recommended to the Utility Commission that the Utility Commission rescind the “Red Flags Rule”.

**Motion by Francis, seconded by Riordan, to rescind the “Red Flags Rule” for the Electric, Water and Wastewater Utilities. Motion carried 3-0.**

***Fuel Tank Update*** – Grunig said that he has not had any results on the testing of the fuel in the storage tank, so at this time he does not have any further information for the Utility Commission on the quality of the 35,000 gallons of fuel in the storage tank.

REGULAR BILLS

**Motion by Francis, seconded by Riordan, to approve the bills to Bolton & Menk, Inc in the amount of \$55,000, Wenck Associates, Inc, in the amount of \$746.34, \$840.00 and \$1,511.00. Motion carried 3-0.**

OLD BUSINESS

None

NEW BUISNESS

**Nasby swore in Tom Riordan, as the new Utility Commissioner.**

**Tom Riordan nominated Glen Francis to be the secretary on the Utility Commission, and all members approved that nomination.**

**Tom Riordan volunteered to be the liaison from the Utility Commission to the Personnel Committee.**

The next meeting date was set for November 30, 2011 at 10:00 a.m.

On motion the meeting was adjourned at 12:08 p.m.

\_\_\_\_\_  
Mike Schwalbach, Utility Comm. Chairperson

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

# LG220 Application for Exempt Permit

An exempt permit may be issued to a nonprofit organization that:

- conducts lawful gambling on five or fewer days, and
- awards less than \$50,000 in prizes during a calendar year.

| Application fee                        |                                    |
|--|------------------------------------|
| If application postmarked or received: |                                    |
| less than 30 days before the event     | more than 30 days before the event |
| <b>\$100</b>                           | <b>\$50</b>                        |

| ORGANIZATION INFORMATION   |   | Check # _____ \$ _____                                   |
|--|---|--|
| Organization name<br><i>Winoom Fire Department Relief Assn</i>   |   | Previous gambling permit number<br><i>X-34764-11-001</i> |
| Minnesota tax ID number, if any  | Federal employer ID number, if any          |  |
| <b>Type of nonprofit organization.</b> Check one.<br><input type="checkbox"/> Fraternal <input type="checkbox"/> Religious <input type="checkbox"/> Veterans <input checked="" type="checkbox"/> Other nonprofit organization  |   |  |
| Mailing address<br><i>P.O. Box 189</i>   | City<br><i>Winoom</i>                       | State Zip Code County<br><i>MN 56101 Cottonwood</i>      |
| Name of chief executive officer (CEO)<br><i>Kevin Gotto</i>  | Daytime phone number<br><i>712-259-2098</i> | Email address<br><i>Kgotto@partnersadvantage.com</i>     |
| <b>Attach a copy of ONE of the following for proof of nonprofit status.</b><br><br>Do not attach a sales tax exempt status or federal employer ID number as they are not proof of nonprofit status.  |   |  |
| <input type="checkbox"/> <b>Nonprofit Articles of Incorporation OR a current Certificate of Good Standing .</b><br>Don't have a copy? This certificate must be obtained each year from:<br>Secretary of State, Business Services Div., 180 State Office Building, St. Paul, MN 55155<br>Phone: 651-296-2803  |   |  |
| <input type="checkbox"/> <b>IRS income tax exemption [501(c)] letter in your organization's name.</b><br>Don't have a copy? To obtain a copy of your federal income tax exempt letter, have an organization officer contact the IRS at 877-829-5500.   |   |  |
| <input checked="" type="checkbox"/> <b>IRS - Affiliate of national, statewide, or international parent nonprofit organization (charter)</b><br>If your organization falls under a parent organization, attach copies of <u>both</u> of the following:<br>a. IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling, and<br>b. the charter or letter from your parent organization recognizing your organization as a subordinate.            |   |  |
| <b>GAMBLING PREMISES INFORMATION</b>   |   |  |
| Name of premises where the gambling event will be conducted. For raffles, list the site where the drawing will take place.<br><i>Winoom Community Center</i>   |   |  |
| Address (do not use PO box)<br><i>1750 Cottonwood Lane DR.</i>   | City or township<br><i>Winoom</i>           | Zip Code County<br><i>56101 Cottonwood</i>               |
| Date(s) of activity (for raffles, indicate the date of the drawing)<br><i>April 29<sup>th</sup>, 2012</i>  |   |  |
| Check the box or boxes that indicate the type of gambling activity your organization will conduct:   |   |  |
| Bingo*   | <input checked="" type="checkbox"/> Raffles | Paddlewheels*      Pull-Tabs*      Tipboards*            |
| <p>* <b>Gambling equipment</b> for pull-tabs, bingo paper, tipboards, and paddlewheels must be obtained from a distributor licensed by the Gambling Control Board. EXCEPTION: Bingo hard cards and bingo number selection devices may be borrowed from another organization authorized to conduct bingo.</p> <p>To find a licensed distributor, go to <a href="http://www.gcb.state.mn.us">www.gcb.state.mn.us</a> and click on List of Licensed Distributors, or call 651-639-4000.</p> |   |  |

**LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT**

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

The application is acknowledged with no waiting period.

The application is acknowledged with a 30 day waiting period, and allows the Board to issue a permit after 30 days (60 days for a 1st class city).

The application is denied.

Print city name City of Winoom

*On behalf of the city, I acknowledge this application.*  
**Signature** of city personnel receiving application

---

Title \_\_\_\_\_ Date \_\_\_\_\_

**If the gambling premises is located in a township,** a county official must check the action that the county is taking on this application and sign the application. **A township official is not required to sign the application.**

The application is acknowledged with no waiting period.

The application is acknowledged with a 30 day waiting period, and allows the Board to issue a permit after 30 days.

The application is denied.

Print county name \_\_\_\_\_

*On behalf of the county, I acknowledge this application.*  
**Signature** of county personnel receiving application

---

Title \_\_\_\_\_ Date \_\_\_\_\_

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

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

**Signature** of township official acknowledging application

---

Title \_\_\_\_\_ Date \_\_\_\_\_

**CHIEF EXECUTIVE OFFICER'S SIGNATURE** Print form and have CEO sign

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

Chief executive officer's signature \_\_\_\_\_ Date \_\_\_\_\_

**Complete a separate application** for each gambling event:

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

**Send application with:**

- a copy of your proof of nonprofit status, and
- application fee for each event

Make check payable to "State of Minnesota."

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

**Financial report and recordkeeping required**

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

**Questions?**  
 Call the Licensing Section of the Gambling Control Board at 651-639-4000.

This form will be made available in alternative format (i.e. large print, Braille) upon request.

**Data privacy notice:** The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process your organization's application.

Your organization's name and address will be public information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public.

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

**Reset Form**

fa: d 25.00  
10/21/11  
OK 8290  
# 81767

**Minnesota Lawful Gambling**  
**LG220 Application for Exempt Permit**

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

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

**ORGANIZATION INFORMATION** Check# \_\_\_\_\_ \$ \_\_\_\_\_

Organization name: **St. Francis Xavier Church** Previous gambling permit number: **S-17001**

Minnesota tax ID number, if any: **8504415** Federal employer ID number, if any: **41-0762922**

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

Mailing address: **532 17th St., PO Box 39** City: **Windom** State: **MN** Zip Code: **56101** County: **Cottonwood**

Name of chief executive officer (CEO): **Rev. Russell Scepaniak** Daytime phone number: **507-831-3300** Email address: **stfxavier@windomnet.com**

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

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

- Nonprofit Articles of Incorporation OR a current Certificate of Good Standing .**  
 Don't have a copy? This certificate must be obtained each year from:  
 Secretary of State, Business Services Div., 180 State Office Building, St. Paul, MN 55155  
 Phone: 651-296-2803
- IRS income tax exemption [501(c)] letter in your organization's name.**  
 Don't have a copy? To obtain a copy of your federal income tax exempt letter, have an organization officer contact the IRS at 877-829-5500.
- IRS - Affiliate of national, statewide, or international parent nonprofit organization (charter)**  
 If your organization falls under a parent organization, attach copies of both of the following:  
 a. IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling, and  
 b. the charter or letter from your parent organization recognizing your organization as a subordinate.

**GAMBLING PREMISES INFORMATION**

Name of premises where the gambling event will be conducted. For raffles, list the site where the drawing will take place.  
**St. Francis Xavier Church Education Wing**

Address (do not use PO box): **532 17th St.** City or township: **Windom** Zip Code: **56101** County: **Cottonwood**

Date(s) of activity (for raffles, indicate the date of the drawing)  
**December 11, 2011**

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

\* **Gambling equipment** for pull-tabs, bingo paper, tipboards, and paddlewheels must be obtained from a distributor licensed by the Gambling Control Board. EXCEPTION: Bingo hard cards and bingo number selection devices may be borrowed from another organization authorized to conduct bingo.  
  
 To find a licensed distributor, go to [www.gcb.state.mn.us](http://www.gcb.state.mn.us) and click on List of Licensed Distributors, or call 651-639-4000.

**LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT**

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

Print city name \_\_\_\_\_

On behalf of the city, I acknowledge this application.  
**Signature** of city personnel receiving application

Title \_\_\_\_\_ Date \_\_\_\_\_

**If the gambling premises is located in a township,** a county official must check the action that the county is taking on this application and sign the application. **A township official is not required to sign the application.**

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

Print county name \_\_\_\_\_

On behalf of the county, I acknowledge this application.  
**Signature** of county personnel receiving application

Title \_\_\_\_\_ Date \_\_\_\_\_

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

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

**Signature** of township official acknowledging application

Title \_\_\_\_\_ Date \_\_\_\_\_

**CHIEF EXECUTIVE OFFICER'S SIGNATURE**

Print form and have GEO sign

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

Chief executive officer's signature *[Signature]* Date 10/20/11

**Complete a separate application** for each gambling event:

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

**Send application with:**

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

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

**Financial report and recordkeeping required**

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

**Questions?**

Call the Licensing Section of the Gambling Control Board at 651-639-4000.

This form will be made available in alternative format (i.e. large print, Braille) upon request.

**Data privacy notice:** The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process your organization's application.

Your organization's name and address will be public information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public.

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

**Reset Form**

**City of Windom**  
**SNOW PLOW & ICE CONTROL POLICY**

**I. PURPOSE AND NEED FOR POLICY**

The City of Windom, being a growing City, will periodically review and adopt a policy regarding efficient and timely removal of snow and control of ice in order to best provide for safe travel for the greatest number of persons. This policy outlines the responsibility within the Street Department in order to accomplish this goal.

**II. POLICY**

Each year the Street Department prepares a map of the City showing the public street system. This map clearly delineates thoroughfare and local residential streets. The map is then divided into Six (6) routes for purposes of snow and ice control.

**SNOW REMOVAL EQUIPMENT SCHEDULE:**

1. Front End Loader with Snow Plow & Pickup Truck with Snow Plow – All public parking lots & last all public alleys.
2. Plow Truck – North & northwest parts of Windom beginning at 17<sup>th</sup> street to Kountry Acers. 6<sup>th</sup> ave, 4<sup>th</sup> ave.
3. Plow Truck – East Windom from 1<sup>st</sup> ave to Lakeview ave, Cottonwood Lake Drive, 24<sup>th</sup> Street, 16<sup>th</sup> Street, Langley Avenue, 3<sup>rd</sup> ave from 16<sup>th</sup> Street to Langley Avenue, North Redding Avenue, Service Road east of 16<sup>th</sup> Street to 24<sup>th</sup> Street & Caldwell Drive
4. Plow Truck – West Windom from hwy 62 bridge, Rolling Green area, Sogge Good Samaritan compound entrance road off of hwy 62, South 6<sup>th</sup> Avenue, Fuller Drive, 5<sup>th</sup> Street Riverbluff Drive, Cindy Street south Windom beginning at 1<sup>st</sup> Street south to end of city limits.
5. Motor Grader – Downtown Business district then work out from there.
6. Unit 46A# Plow Truck - Airport

Within each area, the City has classified city streets based on the street function, relative traffic volume, and importance to the welfare of the community. Those streets classified as priority “A” streets will be plowed first. These are higher volume streets which connect major sections of the city and provide access for emergency fire, police and medical services. The second priority streets (priority “B”) are those streets providing access to schools and commercial businesses. The third priority streets (priority “C”) are low volume residential streets. The fourth priority area (priority “D”) is the municipal airport. (See Exhibit A).



### III. PROCEDURES

The Police Department assists the Street Department Superintendent in monitoring street conditions and notifies Street Department personnel of snow and ice conditions needing attention. Street Department personnel are notified in accordance with the Street Department Standby "On Call Person" that is Schedule for Emergency Calls. (See Exhibit B).

The Police Department and or the Street Department Superintendent is responsible for making the decision to call out Street Department Standby "On Call Person" for snow and ice control operations.

#### IV. RESPONSIBILITY

The Street Department Superintendent has the responsibility of determining plow routes and sequencing of operations in accordance with priorities as established in Exhibit A. The superintendent shall retain the latitude to adjust sequencing or route assignments based on storm conditions, equipment availability and/or other conditions warranting changes.

#### V. COMMENCEMENT OF OPERATIONS

Snow plowing and/or ice control operations shall commence under the direction of the Street Superintendent. In his absence the Police Department Officer that is on duty or designated Street Department Representative will consult and determine when and what operations will begin in accordance with provisions of Exhibit B attached.

In general, operations shall commence as follows:

- A. Snow accumulation of 2", with continual snow fall, warrants commencement of plowing operations.
- B. Drifting of snow may warrant commencement of partial or full operations depending upon conditions.
- C. Icing of pavements may warrant partial or full operation depending upon extent and conditions.

#### VI. HOW SNOW WILL BE PLOWED

Snow shall be plowed in a manner so as to minimize traffic obstructions. The center of the roadway will be plowed first. The snow shall then be pushed from left to right with the discharge going onto the boulevard area of the right-of-way. It is the Departmental goal to have the entire street system cleaned after a "typical" snowfall in approximately 10 hours, assuming a general plowing operation beginning at 3:00 A.M. and snowfall ending by 1:00 P.M. Depending on snowfall conditions and duration of the storm, cleanup operations can widely fluctuate.

#### VII. SNOW REMOVAL CITY OF WINDOM AIRPORT

The City of Windom's primary responsibility is to keep all streets clear of snow and ice in the event of a medical, fire or law enforcement emergencies within the city limits.

City of Windom Municipal Airport; the usage of deicing materials at the such as salt or salt/sand mixture on any runway, taxiways, hanger areas or any other areas where aircraft are driven or stored is forbidden due to the possibility of damage to aircraft and sensitive electronic equipment. Only the airport driveway from county road 44 to the arrival/departure building can be treated for icy conditions.

### AIRPORT MEDICAL EMERGENCY TRANSFER

In the event of a medical emergency during a snow storm where fixed wing type aircraft is needed at the municipal airport in order to transfer patients from the local hospital to another facility, the Street Department Superintendent or in his absence a designated City Staff person and or Airport Manager will assess the runway condition. Depending on current weather conditions and the amount of snow deposited on the runway it is possible snow removal may not be completed within a reasonable amount of time therefore the airport will be closed until weather conditions improve and snow removal operations can continue to insure safe operation of equipment and workers.

Depending on the severity of the medical emergency and the time factor to remove the snow from the runway according to the snow removal policy as directed by the Minnesota Department of Transportation Aviation Department, (Note Underline Area Below) it is possible the hospital will need to find other means to transfer their patients.

### Effective February 13, 2010 Snow Removal Policy as Directed by the Minnesota Department of Transportation Aviation Department to the City of Windom.

*Snow accumulation on the runway will need to be plowed off the runway including twenty (20) feet beyond the edge of the pavement and ten (10) feet beyond the runway lights. If snow can not be cleared in this manner then the Street Department Superintendent will contact the Airport Manager accordingly. The Airport Manager will decide due to weather and runway conditions if it warrants a NOTAM to the FAA that the runway can not be cleared for safe operations therefore closing the airport until the standards can be met.*

*Runway lights must be cleared so they are visible from overhead and beyond for night operations. Snow banks at the end of the runway must also be cleared to prevent damage to aircraft. This snow can be deposited to the sides of the runway or hauled away.*

### VIII. USAGE OF SAND/SALT ON STREETS FOR THE PURPOSE OF ICE REMOVAL

The City is concerned about the effect of sand and salt on the environment and will limit its use for that reason. Therefore, it is the policy of the City to utilize a sand and salt mixture in the ratio of approximately 70 percent sand and 30 percent salt. This provides for traction, but may not be intended to provide bare pavement during winter conditions depending on air temperatures. Application of the sand/salt mixture is generally limited to priority "A" routes, steep grades and high volume intersections. Application is limited on lower volume streets and cul-de-sacs. The City cannot be responsible for damage to grass caused by the sand/salt mixture and therefore will not make repairs or compensate residents for salt damage to turf areas in the street right-of-way.

### IX. SUSPENSION OF OPERATIONS

Generally, operations shall continue until all roads are passable. Widening and clean up operations may continue immediately or on the following working day depending upon conditions and circumstances. Safety of the plow operators and the public is important. Therefore, snow plowing/removal operations may be terminated after 10-12 hours to allow personnel adequate time for rest. There may be instances when this is not possible depending on storm conditions and other circumstances. Operations may also be suspended during periods of limited visibility. Any decision to suspend operations shall be made by the Street Department Superintendent and shall be based on the conditions of the storm. The City will still provide access for emergency fire, police and medical services during a major snow or ice storm.

## X. PROPERTY DAMAGE

Snow plowing and ice control operations can cause property damage even under the best of circumstances and care on the part of the operators. The major types of damage are to improvements in the City right-of-way which extends approximately 10' to 15' beyond the curb location. The intent of the right-of-way is to provide room for snow storage, utilities, sidewalks and other City uses.

### MAIL BOXES

Coming into contact with a mailbox is a common obstacle snowplow operators face during storm activities. The city will conduct a review of each mailbox incident to determine whether the city will replace or provide reimbursement for the mailbox. Only mailboxes actually hit by a snowplow will be the responsibility of the city. The city will not be responsible for damage to mailboxes or support posts caused by snow or ice coming into contact with the mailbox. At the mailbox owner's request, the city will replace the mailbox with a standard size, non-decorative metal mailbox and replace the support post as necessary with a 4" x 4", decay resistance wood support post, both installed by the city. Alternatively, the city will reimburse the mailbox owner \$50.00 for the replacement of the mailbox and post by others.

### DAMAGE TO FENCES, TREES OR OTHER STRUCTURES

Will be repaired or replaced by the City if they are on private property. The City is not responsible for damage to lawn ornamental items within the right-of-way. Lawns that are scraped or gouged by City equipment will be repaired by top dressing and seeding the following spring. Residents are requested to assist by watering the areas that are repaired.

## XI. SIDEWALKS

The city will maintain some of the sidewalks in the city. The list of those sidewalks is attached. As there are a limited number of personnel available, the city will only maintain these sidewalks after the streets have been plowed. It is the responsibility of the resident and/or property owner to remove all accumulated snow from all other sidewalks along public streets adjoining their property within twelve hours after said snow or ice ceased to be deposited. This includes any snow plowed from public streets onto the sidewalk. Cindy Street & Riverbluff Drive is exempt to this rule due to the proximity of the sidewalk in relationship to the street.

In instances where there is disagreement as to the source of the damage and the responsibility therefore, the Street Superintendent shall determine the responsibility.

#### List of Sidewalks to be cleared of snow and ice by the City as follows:

- 6<sup>th</sup> Street north side of street from 2<sup>nd</sup> Avenue to Plum avenue
- 6<sup>th</sup> Street south side of street from 4<sup>th</sup> Avenue to 2<sup>nd</sup> Avenue
- 9<sup>th</sup> Street from Hale Place to 1<sup>st</sup> Avenue North & South Sides
- 10<sup>th</sup> Street from Hale Place to 1<sup>st</sup> Avenue North & South Sides
- 10<sup>th</sup> Street south side of street from 5<sup>th</sup> Avenue west to end of Witt Park

## XII. DRIVEWAYS

One of the most frequent and most irritable problems in removal of snow from public streets is the snow deposited in driveways during plowing operations. Snow being accumulated on the plow blade has no place to go but in the driveway. The drivers make every attempt to minimize the amount of snow deposited in driveways, but the amount can still be significant. Based on priorities and staffing level, City personnel do not provide driveway cleaning. Possible exceptions are at the discretion of the Supervisor for emergency situations.

## XIII. MAIL DELIVERY

The snow plow operators make every effort to remove snow as close to the curb line as practical and to provide access to mailboxes for the Postal Department. However, it is not possible to provide perfect conditions and minimize damage to mailboxes with the size and type of equipment the City operates. Therefore, the final cleaning adjacent to mailboxes is the responsibility of each resident.

## XV. COMPLAINTS

Complaints regarding snow and ice control or damage shall be taken during normal working hours and handled in accordance with the City's complaint procedures. Complaints involving access to property or problems requiring immediate attention shall be handled on a priority basis. Response time should not exceed twenty-four (24) hours for any complaint. It should be understood that complaint responses are to ensure that the provisions of this policy have been fulfilled and that all residents of the City have been treated uniformly. It is the City's intention to log all complaints and upgrade this policy as necessary in consideration of the constraints of our resources.

## XVI. DEVIATION FROM POLICY

The Streets Superintendent may deviate from this policy when in his or her judgment it is in the best interest of the city or is necessary because of budget needs or other circumstances. Changes in priorities (lasting more than 4 hours) will be documented as to what caused such actions, why the change was necessary, and for how long the change is to be in effect. Those city employees and/or contractors affected will be notified immediately by radio or cell phone of such changes with all communications logged. Information logged will include the time and date of the communication, name of employee contacted, and how they were contacted. Any changes of priorities lasting more than 24 hours should be made in a written record and the public should be informed of such changes through normal methods used by the city for emergency notifications.

### EXHIBIT A

#### PLOWING/SANDING PRIORITIES

##### PRIORITY "A"      Streets with greatest priority

Fire Hall and Ambulance Garage on 5<sup>th</sup> Avenue at City Hall - from 9<sup>th</sup> street to 10<sup>th</sup> street

Hospital Entrance Road (Only if Hospital Staff has not completed Snow Removal)

9<sup>th</sup> Street – from Law Enforcement Center to Lakeview Avenue

10<sup>th</sup> Street – from 6<sup>th</sup> Avenue to Lakeview Avenue

4<sup>th</sup> Avenue – from 6<sup>th</sup> Street to Pflughaupt Road Drive

3<sup>rd</sup> Avenue – from 6<sup>th</sup> Street to 12<sup>th</sup> Street

River Road – from 13<sup>th</sup> Street to 6<sup>th</sup> Avenue

6<sup>th</sup> Avenue – from 10<sup>th</sup> Street to 19<sup>th</sup> Street

Fuller Drive – Good Samaritan Communities Campus Area

South 6<sup>th</sup> Avenue - from 6<sup>th</sup> Street to Fuller Drive

PRIORITY "B"      Streets providing access to schools and commercial property  
 Caldwell Drive  
 North Redding Avenue  
 15<sup>th</sup> Avenue  
 17<sup>th</sup> Street - from 15<sup>th</sup> Avenue to 6<sup>th</sup> Avenue  
 16<sup>th</sup> Street  
 Langley Avenue  
 3<sup>rd</sup> Avenue – from 12<sup>th</sup> Street to Langley Avenue  
 Collins Avenue  
 Lakeview Avenue  
 1<sup>st</sup> Avenue  
 3<sup>rd</sup> Avenue – from 1<sup>st</sup> Street to Hwy 60 (south Windom)  
 Service Road South Windom east of Hwy 60/71 (bowling alley, Praxair, Lamperts & Co-op)  
 South Drake Avenue – from 6<sup>th</sup> Street to WWTP Plant  
 11<sup>th</sup> Street – from hwy 60/71 to 6<sup>th</sup> Avenue

PRIORITY "C"      Residential streets all remaining Streets and Avenues within the Community  
 City Parking Lots and City Government Facility Lots

PRIORITY "D"      Windom Municipal Airport Lowest Priority

#### EXHIBIT B

#### SNOW AND ICE REMOVAL AND SNOWBIRDS - CITY ORDINANCES

#### SANDING -- EMERGENCY NOTIFICATION OF PUBLIC WORKS

A standby "On Call Person" position has been created within the Street Department. Commencing on October 1 –March 31 of a given year, one Street Department Standby "On Call Person" will be on duty each week for the specific purpose of sanding localized hazardous icy conditions in the City. A list of the scheduled Standby "On Call Person" for the Street Department will be at the Law Enforcement Center and at City Hall. The Police Department shall assess the conditions to determine if the problem is localized and if a response is necessary, shall contact the Standby "On Call Person". The Standby "On Call Person" shall respond and upon completion will notify the Police Department. A decision from the following choices shall be made:

- A. Finish assignment and secure for the day/night.
- B. Snow accumulation of 2", with continual snowfall -- call Street Superintendent at 2:00 A.M. for commencement of plowing operations by 3:00 A.M.
- C. Drifting of snow warranting commencement of partial or full operation -- call Street Superintendent by 2:00 A.M. to advise.
- D. Icing of pavements warranting a partial or full operation – call Street Superintendent by 3:00 A.M. to advise.

For each option, except "A", the Street Superintendent or the Street Department Foreman in his absence shall finally determine the time to start operations and the extent of the operations.

SNOW PLOWING/WIDE-SPREAD HAZARDOUS ROAD CONDITIONS -  
EMERGENCY NOTIFICATION OF PUBLIC WORKS

In the event of snowfall in excess of 2" or wide-spread hazardous road conditions where plowing or sanding throughout the community is necessary, the Street Department Standby "On Call Person" shall call the Street Superintendent as follows:

- A. For snowfall accumulation exceeding 2", by 2:00 A.M. for a 3:00 A.M. commencement of snow plowing operation.
- B. By 3:00 A.M. for a 4:00 A.M. commencement of city-wide sanding operations.

This will allow the Street Department to prepare the streets for morning rush hour traffic.

The Street Department will attempt to have the streets in good winter driving condition when they go out of service at the end of the days shift.

Adopted by the City Council of the City of \_\_\_\_\_ on \_\_\_\_\_, 2011.

\_\_\_\_\_  
City Clerk



Wenck Associates, Inc.  
440 10<sup>th</sup> St  
P.O. Box 453  
Windom, 56101  
  
(507)831-5969  
Fax (507) 831-5271  
E-mail: wenckwin@wenck.com

October 24, 2011

City of Windom  
444 9<sup>th</sup> Street  
Windom, Minnesota 56101

Re: Preliminary Report  
Street Improvements on River  
Road and 6<sup>th</sup> Street  
Wenck Project No. 0045-32

Honorable Mayor and Council:

This letter presents our preliminary finding on the proposed replacement of the sanitary sewer, watermain, storm sewer and street on River Road from 13<sup>th</sup> Street to the Perkins Creek bridge and 6<sup>th</sup> Street from the Railroad tracks to Lakeview Avenue in the City of Windom, MN. These two sections of roadways are part of the County State Aid Highway (CSAH) system. This project was initiated by the Cottonwood County Highway Department due to the severely deteriorated condition of the road surfaces. This will be a joint project with the Cottonwood County Highway Department.

The City of Windom Utility Commission has given there support for the replacement of the utilities that are located in these streets.

#### Field Observations and Measurements -

The streets considered in the improvements are as follows:

- 1) River Road from 13<sup>th</sup> Street to the Perkins Creek bridge
- 2) 6<sup>th</sup> Street from the Railroad tracks to Lakeview Avenue

Our work consisted of measurements of the length and width, length and number of drives, depth and type of sanitary sewers, condition of curb and number of settled or poor sections of curb. We also determined the depth of bituminous and gravel base on each street. This work is summarized in the table attached.

#### Proposed Improvements -

The cross section of the proposed streets will meet the MN/DOT standard for a 9 ton road. The section for bituminous will be 14" of aggregate base (salvaged and virgin) and 4 ½" of bituminous base and wear courses. The proposed section for concrete will have a 7" thick pavement with 4" of aggregate base.

The following improvements should be considered for each street:

River Road-

- 1) Mill the existing bituminous surface and reuse it for the bottom layer of aggregate base.
- 2) Remove the existing gravel
- 3) Remove the curb and gutter and sidewalks and drives to a minimum of 3 feet behind the curb(as needed for sewer and water services)
- 4) Remove and replace the existing sanitary sewer mains and services.
- 5) Replace the existing cast iron watermain , hydrants, and services
- 6) Remove and replace the existing storm sewer as needed
- 7) Reshape the sub-grade, and relay the gravel (14" depth).
- 8) Replace the curb and gutter and sidewalks and drives where removed
- 9) Pave the street with 4 ½ " of bituminous wear and base courses.

6<sup>th</sup> Street-

- 1) Mill the existing bituminous surface and reuse it for the bottom layer of aggregate base.
- 2) Remove the existing gravel
- 3) Remove the curb and gutter and sidewalks and drives to a minimum of 3 feet behind the curb(as needed for sewer and water services)
- 4) Replace the existing cast iron watermain , hydrants, and services
- 5) Remove and replace the existing storm sewer as needed
- 6) Reshape the sub-grade, and relay the gravel (14" depth).
- 7) Replace the curb and gutter and sidewalks and drives where removed
- 8) Pave the street with 4 ½ " of bituminous wear and base courses.

The concrete alternate would be similar except the street would be paved with 7" of concrete and 4" of aggregate base.

Cost Estimate –

The cost estimates were discussed with representatives of the Cottonwood County Highway Department as to the participation of MN/DOT with County State Aid Highway (CSAH) funds. It has been proposed that CSAH funds will be available for the entire bituminous surface and removal of all existing materials to the sub-grade.

The proposed assessment amounts shown on the attached cost estimates are based on the present assessment policy. The present policy includes:

- 1) 50% of the residential equivalent cost per assessable foot
- 2) Assessable foot is 100% of the front yard and 50% of a side yard
- 3) 100% of the service cost of both sewer and water

A summary of the costs for each section of the street is listed below:

| <u>Street</u>          | <u>Total Cost</u> | <u>Sewer Cost</u> | <u>Water Cost</u> | <u>Street Cost</u> | <u>Sewer Cost</u> | <u>Water Cost</u> |
|------------------------|-------------------|-------------------|-------------------|--------------------|-------------------|-------------------|
| River Road             | \$ 666,240        | \$146,937         | \$176,375         | \$110,217          | \$38,388          | \$46,550          |
| 6 <sup>th</sup> Street | \$ 616,329        | \$0               | \$223,938         | \$111,737          | \$0               | \$51,450          |
| Total                  | \$1,282,569       | \$146,937         | \$400,313         | \$221,954          | \$38,388          | \$98,000          |

We have attached a complete cost estimate for each street for your reference.

Conclusion and Recommendations–

Based on our field observations and measurements, our comments are as follows:

- 1) The street projects are feasible as outlined. The estimated cost of the entire improvement is \$1,282,569. The assessable amount for the streets based on the present assessment policy is \$221,954 or approximately \$36.20/assessable foot. The assessable portion of the sewer and water is \$136,387 or an estimated cost of \$1250 for water services and \$1037 for sewer services.
- 2) The proposed schedule for the improvement is as follows:

Honorable Mayor and Council  
City of Windom  
10/25/2011  
Page 4

|   |                         |
|---|-------------------------|
| Council approves preliminary report and calls for hearing | November 1, 2011        |
| Preliminary hearing advertise in paper                    | November 9, 2011        |
|   | November 16, 2011       |
| Preliminary hearing notices sent to property owners       | November 16, 2011       |
| Preliminary Hearing                                       | December 6, 2011        |
| Council resolution to proceed with project                | December 6, 2011        |
| Complete plans and specifications                         | February 21, 2011       |
| Council approves plans and specifications                 | February 21, 2011       |
| Advertise in Construction Bulletin                        | March 5, 12, & 19, 2012 |
| Advertise in Cottonwood County Citizen                    | March 7, 14, & 21, 2012 |
| Bid letting   | March 27, 2012          |
| Council approval  | April 3, 2012           |
| Construction through Summer-Fall 2012                     |                         |

We would be available to discuss this report at your convenience.

WENCK ASSOCIATES, INC.

Dennis Johnson, P.E.

Enclosures:           Summary Table  
                          Cost Summary  
                          Cost Estimate – River Road  
                          Cost Estimate – 6<sup>th</sup> Street  
                          Proposed River Road Improvement Maps  
                          Proposed 6<sup>th</sup> Street Improvement Maps

**CITY OF WINDOM  
SUMMARY OF MEASUREMENTS AND CONDITION**

| STREET     | FROM      | TO            | LENGTH | WIDTH | EXISTING GRAVEL DEPTH | EXISTING BIT. DEPTH | CURB CONDITION | WATERMAIN CONDITION | SEWER CONDITION |
|------------|-----------|---------------|--------|-------|-----------------------|---------------------|----------------|---------------------|-----------------|
| RIVER ROAD | 13TH ST   | PERKINS CREEK | 1665   | 44    | 10                    | 3                   | GOOD           | CI, FAIR-POOR       | CLAY, POOR      |
| 6TH STREET | RR TRACKS | LAKEVIEW AVE  | 2350   | 36    | 10                    | 3                   | GOOD           | CI, FAIR-POOR       | PVC             |

CITY OF WINDOM  
SUMMARY OF COSTS

| STREET     | FROM      | TO            | TOTAL COST     | STREET COST  | ASSESSABLE STREET COST | TOTAL SEWER COST | ASSESSABLE SEWER COST | TOTAL WATER COST | ASSESSABLE WATER COST |
|------------|-----------|---------------|----------------|--------------|------------------------|------------------|-----------------------|------------------|-----------------------|
| RIVER ROAD | 13TH ST   | PERKINS CREEK | \$666,240.50   | \$342,928.00 | \$110,217.00           | \$146,937.50     | \$38,387.50           | \$176,375.00     | \$46,550.00           |
| 6TH STREET | RR TRACKS | LAKEVIEW AVE  | \$616,329.00   | \$392,391.00 | \$111,737.23           | \$0.00           | \$0.00                | \$223,938.00     | \$51,450.00           |
|            |           |               | \$1,282,569.50 | \$735,319.00 | \$221,954.23           | \$146,937.50     | \$38,387.50           | \$400,313.00     | \$98,000.00           |



October 28, 2011

Memo: Non Prime Hours Ice Rates

To: Windom City Council  
CC: Windom Parks and Recreation Commission

From: Al Baloun  
Recreation Director

In the past the Windom Arena has offered nonprime (11:00 PM- 7:00 AM Monday-Sunday) hours of ice rentals to users of the Windom Arena and there was no interest in utilizing these hours. With an Arena in the area having mechanical problems there may be the opportunity to rent the nonprime hours for practice. In addition, there may also be others interested in non-prime ice time. I am proposing to offer ice rentals during these non-prime times for \$85 per hour. As our regular rate for non-contracted ice time is \$110 per hour, this is a reduced rate of \$25 less per hour.

I am asking for your approval of this new rate so that it can be offered when ice is being sold during nonprime hours.



**RESOLUTION #2011-**

**INTRODUCED:**

**SECONDED:**

**VOTED: Aye:**

**Nay:**

**Absent:**

**CITY OF WINDOM**

**RESOLUTION ESTABLISHING  
RATES, CHARGES AND FEES FOR  
PARK AND RECREATION FACILITIES**

**WHEREAS**, the City Council has the authority to establish rates and fees for municipal services, admissions and rentals; and

**WHEREAS**, the City Council periodically establishes rates and fees for municipal special revenue funds; and

**WHEREAS**, the Recreation Director recommends that the Windom City Council establish a rate for non-prime time ice rental; and

**WHEREAS**, non-prime time ice rental will be defined as after 11:00 p.m. through 7:00 a.m.; and

**WHEREAS**, it is in the best interests of the City of Windom and its citizens to operate the city special revenue funds in a cost-effective manner.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of Windom, Minnesota, that fees be amended as follows:

|  |                  |
|--|------------------|
| Non-Prime Time Ice Rental Rate                                 | \$85.00 per hour |
| (Non-Prime Time is defined as after 11:00 p.m until 7:00 a.m.) |                  |

Adopted this 1st day of November, 2011.

---

Kirby G. Kruse, Mayor

ATTEST:

---

Steven Nasby, City Administrator

# RESOLUTION #2011-

**INTRODUCED:**

**SECONDED:**

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

Council Member \_\_\_\_\_ introduced the following resolution and moved its adoption:

## Resolution Providing for the Sale of \$800,000 General Obligation Improvement Refunding Bonds, Series 2011B

---

- A. **WHEREAS**, the City Council of the City of Windom, Minnesota, has heretofore determined that it is necessary and expedient to issue the City's \$800,000 General Obligation Improvement Refunding Bonds, Series 2011B (the "Bonds"), to provide for a current refunding of the City's outstanding General Obligation Improvement Bonds, Series 2003 to reduce interest expenses; and
- B. **WHEREAS**, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent financial advisor for the Bonds and is therefore authorized to solicit proposals in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9).

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

1. Authorization; Findings. The City Council hereby authorizes Ehlers to solicit proposals for the sale of the Bonds.
2. Meeting; Proposal Opening. The City Council shall meet at 7:30 p.m. on November 15, 2011, for the purpose of considering proposals for and awarding the sale of the Bonds.
3. Official Statement. In connection with said sale, the officers or employees of the City are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

The motion for the adoption of the foregoing resolution was duly seconded by Council Member \_\_\_\_\_ and, after full discussion thereof and upon a vote being taken thereon, the following Council Members voted in favor thereof:

and the following voted against the same:

Adopted by the Council this 1<sup>st</sup> day of November, 2011.

\_\_\_\_\_  
Kirby G. Kruse, Mayor

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

**CERTIFICATION**

STATE OF MINNESOTA     }  
COUNTY OF COTTONWOOD}

I certify that the above Resolution is a true and correct copy of the Resolution adopted by the Windom City Council at an authorized meeting held on the 1st day of November, 2011, as shown by the records in my possession.

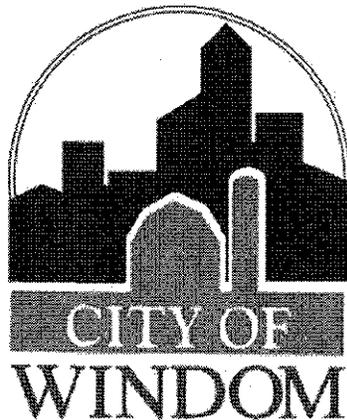
\_\_\_\_\_  
Steve Nasby, City Administrator

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

November 1, 2011

## Pre-Sale Report for

\$800,000 General Obligation Improvement  
Refunding Bonds, Series 2011B  
City of Windom, Minnesota



**Prepared and Presented by:**

Todd Hagen  
Financial Advisor

And

Rebecca Kurtz  
Financial Advisor

## Executive Summary of Proposed Debt

|                           |   |
|---------------------------|---|
| Proposed Issue:           | \$800,000 General Obligation Improvement Refunding Bonds, Series 2011B  |
| Authority:                | <p>The Bonds are being issued pursuant to Minnesota Statutes, Chapters 429 and 475. Because this issue refinances a prior general obligation bond that was previously authorized, the Bonds can also be a general obligation, issued without a referendum, and will not count against the City's debt limit.</p> <p>The Bonds will be general obligations of the City, for which its full faith, credit and taxing powers are pledged. This security helps reduce interest costs.</p>   |
| Purposes/Funding Sources: | <p>The proposed issue includes financing for a current refunding of the City's outstanding General Obligation Improvement Bonds, Series 2003.</p> <p>It is expected that the same source of payment originally pledged to the old bonds, will pay for the new Bonds.</p> <p>Interest rates on the obligations proposed to be refunded are 3.65% to 4.20%. The refunding is expected to reduce interest expense by approximately \$33,000 over the next 7 years. The net present value benefit of the refunding is estimated to be \$31,000, equal to 4.02% of the refunded principal. The minimum threshold for savings is 3.00% of the refunded principal.</p> <p>This refunding is considered to be a current refunding as the obligations being refunded are either callable (pre-payable) now, or will be within 90 days of the date of issue of the new Bonds.</p> |
| Term/Call Feature         | <p>The Bonds are being issued for a 7 year term. Principal on the Bonds will be due on February 1 in the years 2013 through 2019. Interest is payable every six months beginning August 1, 2012.</p> <p>The Bonds will <u>not</u> be subject to prepayment prior to their maturity.</p>   |
| Bank Qualification        | <p>Because the City is issuing less than \$10,000,000 in the calendar year, the City will be able to designate the Bonds as "bank qualified" obligations. Bank qualified status broadens the market for the Bonds, which can result in lower interest rates.</p>  |



|                                  |   |
|----------------------------------|---|
| <p>Rating:</p>                   | <p>The City's most recent bond issues were rated A+ by Standard &amp; Poor's. The City will request a new rating for the Bonds.</p> <p>If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the City's bond rating if the bond rating of the insurer is higher than that of the City.</p>  |
| <p>Method of Sale/Placement:</p> | <p>In order to obtain the lowest interest cost to the City, we will solicit competitive bids for purchase of the Bonds from local banks in your area and regional underwriters.</p> <p>We have included an allowance for discount bidding equal to 1.20% of the principal amount of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of its compensation in the transaction.</p> <p>If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to lower your borrowing amount.</p>             |
| <p>Review of Existing Debt:</p>  | <p>We have reviewed all outstanding indebtedness for the City and find that there are no additional refunding opportunities at this time. However, Ehlers is working with City Staff and Bank of America Public Capital Corp., New York, NY, to refinance the Series 2004 and Series 2009 Telecom bonds to achieve a lower interest rate and level payback structure. The reserve requirement will also be negotiated out of the new bonds.</p> <p>We will continue to monitor the market and the call dates for the City's outstanding debt and will alert you to any other future refunding opportunities.</p>            |
| <p>Continuing Disclosure:</p>    | <p>Because the City has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually as well as providing notices of the occurrence of certain "material events" to the Municipal Securities Rulemaking Board (the "MSRB"), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.</p> |
| <p>Arbitrage Monitoring:</p>     | <p>Interest on the Bonds is exempt from federal income tax to the extent the City complies with both the arbitrage rebate and yield restriction requirements of the Internal Revenue Code. To comply, the City must either remit profits from investing Bond proceeds at a yield in excess of the Bond yield to the Treasury or satisfy an exception. The City reasonably expects to qualify for the small issue exception to the rebate requirements. However, additional measures must be taken to comply with the yield restriction requirements.</p>  |



## Proposed Debt Issuance Schedule

|  |                                |
|--|--------------------------------|
| Pre-Sale Review by Council:                      | November 1, 2011               |
| Distribute Official Statement:                   | November 1, 2011               |
| Conference with Rating Agency:                   | Week of November 7, 2011       |
| City Council Meeting to Award Sale of the Bonds: | November 15, 2011              |
| Estimated Closing Date:                          | Approximately December 1, 2011 |

## Attachments

Sources and Uses of Funds  
 Proposed Debt Service Schedule  
 Bond Buyer Index  
 Resolution Authorizing Ehlers to Proceed with Bond Sale

## Ehlers Contacts:

|                        |                             |                                  |
|------------------------|-----------------------------|----------------------------------|
| Financial Advisors:    | Todd Hagen<br>Rebecca Kurtz | (651) 697-8508<br>(651) 697-8508 |
| Bond Analyst:          | Melissa Johnson             | (651) 697-8547                   |
| Bond Sale Coordinator: | Alicia Aulwes               | (651) 697-8523                   |
| Financial Analyst:     | Alicia Gage                 | (651) 697-8551                   |

The Official Statement for this financing will be mailed to the City Council at their home address or e-mailed for review prior to the sale date.



# City of Windom, Minnesota

Proposed Currency Refunding of  
\$1,445,000 G.O. Improvement Bonds, Series 2003

## Sources & Uses

Dated 12/15/2011 | Delivered 12/15/2011

### Sources Of Funds

|                      |                     |
|----------------------|---------------------|
| Par Amount of Bonds  | \$800,000.00        |
| <b>Total Sources</b> | <b>\$800,000.00</b> |

### Uses Of Funds

|                                       |                     |
|---------------------------------------|---------------------|
| Total Underwriter's Discount (1.200%) | 9,600.00            |
| Costs of Issuance                     | 20,000.00           |
| Deposit to Current Refunding Fund     | 769,989.91          |
| Rounding Amount                       | 410.09              |
| <b>Total Uses</b>                     | <b>\$800,000.00</b> |



# City of Windom, Minnesota

Proposed Currency Refunding of  
\$1,445,000 G.O. Improvement Bonds, Series 2003

## Debt Service Schedule

| Date         | Principal           | Coupon   | Interest           | Total P+I           | Fiscal Total |
|--------------|---------------------|----------|--------------------|---------------------|--------------|
| 12/15/2011   | -                   | -        | -                  | -                   | -            |
| 08/01/2012   | -                   | -        | 8,487.56           | 8,487.56            | -            |
| 02/01/2013   | 105,000.00          | 0.750%   | 6,760.00           | 111,760.00          | 120,247.56   |
| 08/01/2013   | -                   | -        | 6,366.25           | 6,366.25            | -            |
| 02/01/2014   | 110,000.00          | 1.000%   | 6,366.25           | 116,366.25          | 122,732.50   |
| 08/01/2014   | -                   | -        | 5,816.25           | 5,816.25            | -            |
| 02/01/2015   | 110,000.00          | 1.400%   | 5,816.25           | 115,816.25          | 121,632.50   |
| 08/01/2015   | -                   | -        | 5,046.25           | 5,046.25            | -            |
| 02/01/2016   | 115,000.00          | 1.650%   | 5,046.25           | 120,046.25          | 125,092.50   |
| 08/01/2016   | -                   | -        | 4,097.50           | 4,097.50            | -            |
| 02/01/2017   | 115,000.00          | 1.900%   | 4,097.50           | 119,097.50          | 123,195.00   |
| 08/01/2017   | -                   | -        | 3,005.00           | 3,005.00            | -            |
| 02/01/2018   | 120,000.00          | 2.300%   | 3,005.00           | 123,005.00          | 126,010.00   |
| 08/01/2018   | -                   | -        | 1,625.00           | 1,625.00            | -            |
| 02/01/2019   | 125,000.00          | 2.600%   | 1,625.00           | 126,625.00          | 128,250.00   |
| <b>Total</b> | <b>\$800,000.00</b> | <b>-</b> | <b>\$67,160.06</b> | <b>\$867,160.06</b> | <b>-</b>     |

## Yield Statistics

|                                   |             |
|-----------------------------------|-------------|
| Bond Year Dollars                 | \$3,387.22  |
| Average Life                      | 4.234 Years |
| Average Coupon                    | 1.9827474%  |
| Net Interest Cost (NIC)           | 2.2661655%  |
| True Interest Cost (TIC)          | 2.2738947%  |
| Bond Yield for Arbitrage Purposes | 1.9733359%  |
| All Inclusive Cost (AIC)          | 2.9164363%  |

## IRS Form 8038

|                           |             |
|---------------------------|-------------|
| Net Interest Cost         | 1.9827474%  |
| Weighted Average Maturity | 4.234 Years |



# City of Windom, Minnesota

\$1,445,000 G.O. Improvement Bonds, Series 2003

## Prior Original Debt Service

| Date         | Principal           | Coupon   | Interest            | Total P+I           | Fiscal Total |
|--------------|---------------------|----------|---------------------|---------------------|--------------|
| 02/01/2012   | -                   | -        | -                   | -                   | -            |
| 08/01/2012   | -                   | -        | 15,187.50           | 15,187.50           | -            |
| 02/01/2013   | 95,000.00           | 3.650%   | 15,187.50           | 110,187.50          | 125,375.00   |
| 08/01/2013   | -                   | -        | 13,453.75           | 13,453.75           | -            |
| 02/01/2014   | 100,000.00          | 3.750%   | 13,453.75           | 113,453.75          | 126,907.50   |
| 08/01/2014   | -                   | -        | 11,578.75           | 11,578.75           | -            |
| 02/01/2015   | 105,000.00          | 3.850%   | 11,578.75           | 116,578.75          | 128,157.50   |
| 08/01/2015   | -                   | -        | 9,557.50            | 9,557.50            | -            |
| 02/01/2016   | 110,000.00          | 3.950%   | 9,557.50            | 119,557.50          | 129,115.00   |
| 08/01/2016   | -                   | -        | 7,385.00            | 7,385.00            | -            |
| 02/01/2017   | 115,000.00          | 4.000%   | 7,385.00            | 122,385.00          | 129,770.00   |
| 08/01/2017   | -                   | -        | 5,085.00            | 5,085.00            | -            |
| 02/01/2018   | 120,000.00          | 4.100%   | 5,085.00            | 125,085.00          | 130,170.00   |
| 08/01/2018   | -                   | -        | 2,625.00            | 2,625.00            | -            |
| 02/01/2019   | 125,000.00          | 4.200%   | 2,625.00            | 127,625.00          | 130,250.00   |
| <b>Total</b> | <b>\$770,000.00</b> | <b>-</b> | <b>\$129,745.00</b> | <b>\$899,745.00</b> | <b>-</b>     |

## Yield Statistics

|   |             |
|---|-------------|
| Base date for Avg. Life & Avg. Coupon Calculation | 12/15/2011  |
| Average Life                                      | 4.310 Years |
| Average Coupon                                    | 3.9098793%  |
| Weighted Average Maturity (Par Basis)             | 4.310 Years |

## Refunding Bond Information

|                         |            |
|-------------------------|------------|
| Refunding Dated Date    | 12/15/2011 |
| Refunding Delivery Date | 12/15/2011 |



# City of Windom, Minnesota

Proposed Currency Refunding of  
\$1,445,000 G.O. Improvement Bonds, Series 2003

## Debt Service Comparison

| Date         | Total P+I           | Net New D/S         | Old Net D/S         | Savings            |
|--------------|---------------------|---------------------|---------------------|--------------------|
| 02/01/2012   | -                   | (410.09)            | -                   | 410.09             |
| 02/01/2013   | 120,247.56          | 120,247.56          | 125,375.00          | 5,127.44           |
| 02/01/2014   | 122,732.50          | 122,732.50          | 126,907.50          | 4,175.00           |
| 02/01/2015   | 121,632.50          | 121,632.50          | 128,157.50          | 6,525.00           |
| 02/01/2016   | 125,092.50          | 125,092.50          | 129,115.00          | 4,022.50           |
| 02/01/2017   | 123,195.00          | 123,195.00          | 129,770.00          | 6,575.00           |
| 02/01/2018   | 126,010.00          | 126,010.00          | 130,170.00          | 4,160.00           |
| 02/01/2019   | 128,250.00          | 128,250.00          | 130,250.00          | 2,000.00           |
| <b>Total</b> | <b>\$867,160.06</b> | <b>\$866,749.97</b> | <b>\$899,745.00</b> | <b>\$32,995.03</b> |

## PV Analysis Summary (Net to Net)

|  |             |
|--|-------------|
| Gross PV Debt Service Savings.....                     | 30,519.59   |
| Net PV Cashflow Savings @ 1.973%(Bond Yield)....       | 30,519.59   |
| Contingency or Rounding Amount.....                    | 410.09      |
| Net Present Value Benefit                              | \$30,929.68 |
| Net PV Benefit / \$830,519.59 PV Refunded Debt Service | 3.724%      |
| Net PV Benefit / \$770,000 Refunded Principal...       | 4.017%      |
| Net PV Benefit / \$800,000 Refunding Principal..       | 3.866%      |

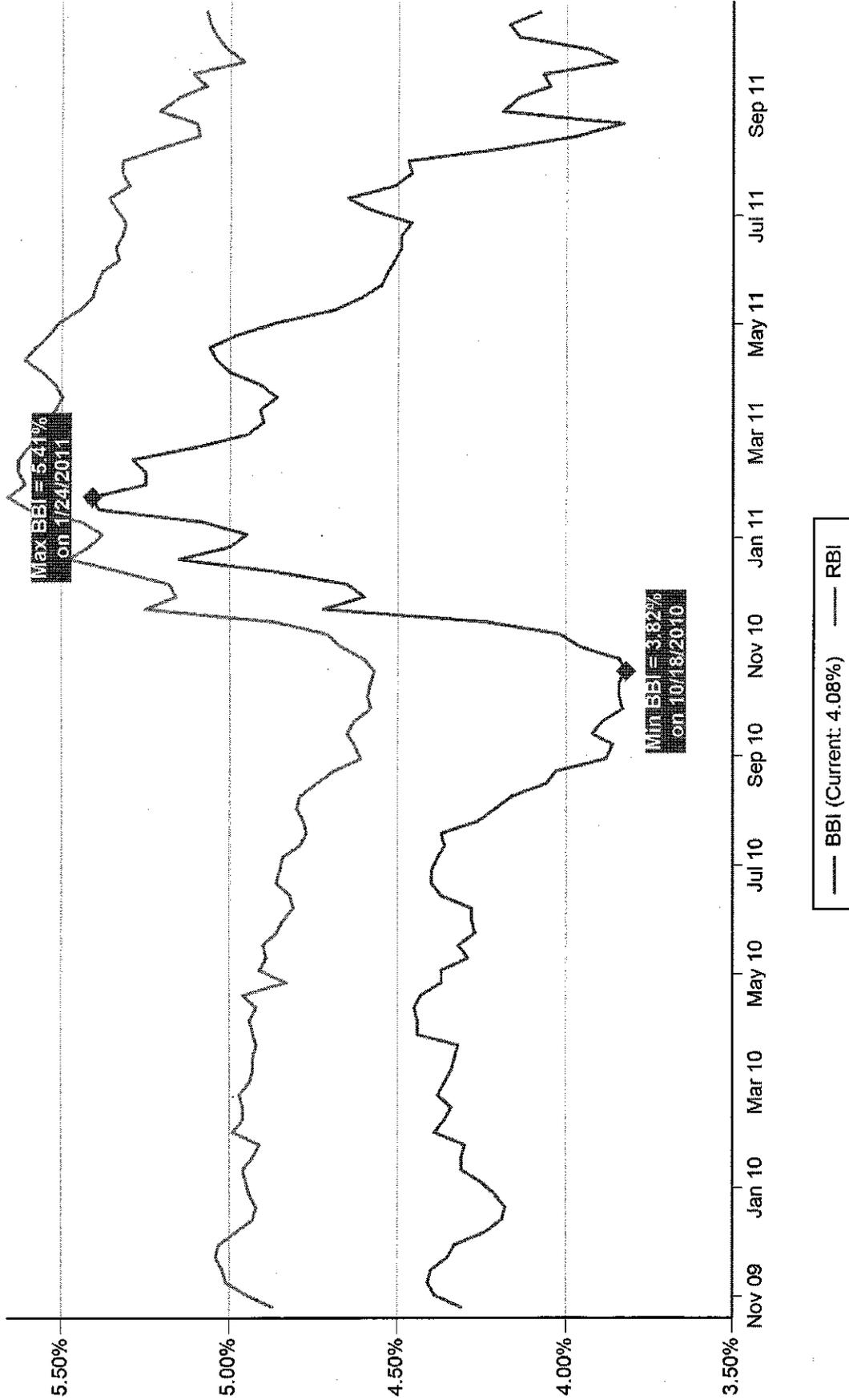
## Refunding Bond Information

|                         |            |
|-------------------------|------------|
| Refunding Dated Date    | 12/15/2011 |
| Refunding Delivery Date | 12/15/2011 |



# 2 YEAR TREND IN MUNICIPAL BOND INDICES

Weekly Rates October, 2009 - October, 2011



The Bond Buyer "20 Bond Index" (BBI) shows average yields on a group of municipal bonds that mature in 20 years and have an average rating equivalent to Moody's Aa2 and S&P's AA.

The Revenue Bond Index (RBI) shows the average yield on a group of revenue bonds that mature in 30 years and have an average rating equivalent to Moody's A1 and S&P's A+.

Source: The Bond Buyer



**ORDINANCE NO. 136, 2<sup>ND</sup> SERIES**

**AN ORDINANCE OF THE CITY OF WINDOM, MINNESOTA  
AMENDING CITY CODE CHAPTER 5,  
ENTITLED "ALCOHOLIC BEVERAGES LICENSING AND  
REGULATION"**

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

**SECTION 5.01 "DEFINITIONS" IS HEREBY AMENDED AS FOLLOWS:**

**A. Definition No. 4 is amended to read:**

4. "3.2 Malt Liquor – Beer" – Malt liquor containing not less than one-half of one percent alcohol by volume nor more than 3.2 percent alcohol by weight. (This definition includes so-called "malt coolers" with the alcoholic content limits stated herein.)

**B. A new definition is added and shall be number "9" and existing Definitions No. 9 through No. 22 shall be renumbered as No. 10 through No. 23.**

9. "Intoxicating Liquor" – "Intoxicating liquor" is ethyl alcohol, distilled, fermented, spirituous, vinous, and malt beverages containing more than 3.2 percent of alcohol by weight.

**SECTION 5.60 "ON-SALE WINE LICENSE REQUIRED" IS HEREBY AMENDED TO READ:**

Subd. 1. It is unlawful for any person, directly or indirectly, on any pretense or by any device, to sell, barter, keep for sale, or otherwise dispose of wine on-sale, as part of a commercial transaction, without a license therefor from the City. This Section shall not apply (1) to sales by manufacturers to wholesalers duly licensed as such by the Commissioner, (2) to sales by wholesalers to persons holding on-sale or off-sale liquor licenses from the City, (3) to sales by wholesalers to persons holding on-sale wine licenses from the City, or (4) to sales by on-sale liquor licensees on days and during hours when on-sale liquor sales are permitted.

Subd. 2. A holder of an on-sale wine license issued pursuant to Subd. 1. who is also licensed to sell 3.2 percent malt liquors at on-sale, and whose verified gross receipts are at least 60 percent attributable to the sale of food, is authorized to sell intoxicating malt liquors at on-sale without an additional license.

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

Adopted by the City Council of the City of Windom, Minnesota, this 1st day of November, 2011.

\_\_\_\_\_  
Kirby G. Kruse, Mayor

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

1<sup>st</sup> Reading: October 18, 2011  
2<sup>nd</sup> Reading: November 1, 2011  
Adoption: November 1, 2011  
Published: November 9, 2011



# Memo

**To:** Mayor and Council Members

**From:** Denise Nichols

**CC:** Steve Nasby

**Date:** 10/28/2011

**Re:** Call for Public Hearing on Proposed Fee

---

The agenda includes the Second Reading of the Beer & Wine License Ordinance Revision. This revision allows a holder of an On-Sale Wine and 3.2% Malt Liquor - beer license, whose verified gross receipts are at least 60 percent attributable to the sale of food, authorization to sell intoxicating malt liquors without an additional license.

Per City Code Chapter 5, Section 5.17, if the Council determines that an additional fee will be assessed for the authorization, investigation and/or administrative verification of receipts, a public hearing must be held and the fee adopted by resolution.

Attached is a copy of a resolution calling for a public hearing on a proposed fee for the authorization of a holder of an "On-Sale Wine and Beer License to Sell Intoxicating Malt Liquors". The hearing would be held during the regularly scheduled City Council meeting on Tuesday, December 6, 2011.

RESOLUTION # 2011-

INTRODUCED:

SECONDED:

VOTED: Aye:

Nay:

Absent:

CITY OF WINDOM

**RESOLUTION CALLING FOR A PUBLIC HEARING ON A PROPOSED FEE  
FOR THE AUTHORIZATION OF A HOLDER OF AN ON-SALE WINE AND  
BEER LICENSE TO SELL INTOXICATING MALT LIQUORS**

---

**WHEREAS**, the City of Windom has amended City Code Chapter 5, Section 5.60 "On-Sale Wine License Required" to authorize a holder of an On-Sale Wine and 3.2% liquor license to sell intoxicating malt liquors without an additional license; and

**WHEREAS**, it is necessary, as required by City Code Chapter 5, Section 5.17, if an additional fee for license, investigation or administration is adopted, a public hearing must be held; and

**WHEREAS**, it is necessary to hold a public hearing for the consideration of a proposed fee for the authorization to sell intoxicating malt liquors at on-sale; and

**WHEREAS**, a 30-day notice must also be mailed to all affected licensees.

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

1. Public Hearing. A public hearing to consider a proposed fee to permit the holder of an On-Sale Wine and 3.2% liquor license the authorization to sell intoxicating malt liquors shall be held on Tuesday, December 6, 2011, in the Windom City Hall Council Chambers during the regular City Council Meeting which begins at 7:30 p.m.

2. Notice of Public Hearing. The City Administrator is authorized and directed to cause notice of the hearing to be mailed to all affected licensees and to be published once each week for two consecutive weeks in the official newspaper of the City. The first publication shall appear not more than 30 days prior to the date of the public hearing.

Adopted this 1st day of November, 2011.

---

Kirby G. Kruse, Mayor

ATTEST:

\_\_\_\_\_  
Steven Nasby, City Clerk/City Administrator

## RESOLUTION #2011-

**INTRODUCED:**

**SECONDED:**

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

**RESOLUTION TO BECOME A PARTICIPANT OF THE  
MINNESOTA MUNICIPAL MONEY MARKET FUND (4M FUND)  
AND DECLARATION OF TRUST**

---

**WHEREAS**, Minnesota Statutes (the Joint Powers Act) provides that governmental units may jointly exercise any power common to the contracting parties; and

**WHEREAS**, the Minnesota Municipal Money Market Fund (the 4M Fund) was formed in 1987, pursuant to the Joint Powers Act and in accordance with Minnesota Investment Statutes, by the adoption of a joint powers agreement in the form of a Declaration of Trust; and

**WHEREAS**, the Declaration of Trust, which has been presented to this Council, authorizes municipalities of the State of Minnesota to become Participants of the Fund and make use from time to time including the 4M Liquid Asset Fund, the 4M Plus Fund, the Fixed Rate Program, and other Fund services offered by the Fund; and

**WHEREAS**, this Council deems it to be in the best interest for the municipality to make use of, from time to time, the approved services provided by the 4M Fund's service providers including the Investment Advisor and Administrator, RBC Global Asset Management, the Sub Administrator, PMA Financial Network, Inc. or the Fixed Rate Investment Program Administrators, PMA Financial Network, Inc. and PMA Securities, Inc., and the Custodian, U.S. Bancorp N.A., ("Service Providers") and/or their successors.

**WHEREAS**, this Council deems it advisable for this municipality to enter into the Declaration of Trust and become a Participant of the Fund for the purpose of joint investment with other municipalities so as to enhance the investment earnings accruing to each.

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

**Section 1.** This municipality shall become (or renew its membership as) a Participant of the Fund and adopt and enter into the Declaration of Trust, a copy of which shall be filed in the minutes of this meeting. The appropriate officials are hereby authorized to execute those documents necessary to effectuate entry into the Declaration of Trust and the participation in all Fund programs.

**Section 2.** This municipality is authorized to invest monies from time to time and to withdraw such monies from time to time in accordance with the provisions of the Declaration of Trust. The following officers of the municipality or their successors are designated as "Authorized Officials" with authority to effectuate investments and withdrawals in accordance with the Declaration of Trust:

BRIGITTE OLSON/ASSISTANT CITY ADMINISTRATOR  
Print Name/Title Signature

STEVE NASBY/CITY ADMINISTRATOR  
Print Name/Title Signature

Print Name/Title Signature

(Additional names may be added on a separate list. The treasurer shall advise the Fund of any changes in Authorized Officials in accordance with Fund procedures.)

**Section 3.** The Trustees of the Fund are designated as having official custody of those monies invested in accordance with the Declaration of Trust.

**Section 4.** The municipality may open depository accounts, enter into wire transfer agreements, safekeeping agreements, third party surety agreements securing deposits, collateral agreements, letters of credit, lockbox agreements, or other applicable or related documents with institutions participating in Fund programs including U.S. Bancorp N.A. or its successor, or programs of PMA Financial Network, Inc. or PMA Securities, Inc. for the purpose of transaction clearing and safekeeping, or the purchase of certificates of deposit ("CDs") and that these institutions shall be deemed eligible depositories for the municipality. PMA Financial Network, Inc. and PMA Securities, Inc. and their successors are authorized to act on behalf of this municipality as its agent with respect to such accounts and agreements. Monies of this entity may be deposited in such depositories, from time to time in the discretion of the Authorized Officials, pursuant to the Fund's Programs available through its Services Providers.

Adopted by the Council this 1<sup>st</sup> day of November, 2011.

Kirby G. Kruse, Mayor

Attest: Steve Nasby, City Administrator

**CERTIFICATION**

STATE OF MINNESOTA     }  
COUNTY OF COTTONWOOD}

I certify that the above Resolution is a true and correct copy of the Resolution adopted by the Windom City Council at an authorized meeting held on the 1st day of November, 2011, as shown by the records in my possession.

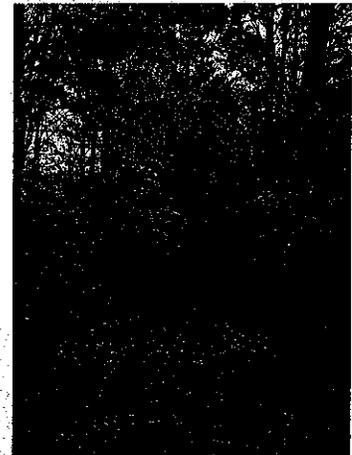
Steve Nasby, City Administrator

Notary Public  
My Commission Expires: \_\_\_\_\_



# 4M FUND

MINNESOTA MUNICIPAL MONEY MARKET FUND



## ABOUT THE 4M FUND

### FOR QUESTIONS AT ANY TIME, PLEASE CONTACT:

Pat Harris  
4M Fund Representative  
612-376-7017 direct  
800-553-2143 toll free  
pat.harris@rbc.com

Kent Johnson  
(4M Fund - GPS)  
(763) 497-1490  
kjohnson@pmanetwork.com

### PARTICIPANT TRANSACTIONS: 866-922-2849

The Minnesota Municipal Money Market Fund ("the 4M Fund") is a customized cash management program created in 1987 by the League of Minnesota Cities to provide a unique set of benefits and enhancements for public funds.

The 4M Fund currently offers professional investment management through two distinct funds—the 4M Liquid Asset Fund and the 4M PLUS Fund. Each fund offers a competitive money market rate, with the Liquid Asset Fund providing additional cash management services such as unlimited checkwriting. The 4M Fund also provides a wide range of fixed term investments to meet the specific needs of Minnesota Communities.

The 4M Fund is sponsored by the League of Minnesota Cities and governed by the League's Board of Directors. With a governing Board of both elected officials and city staff, the 4M Fund is accountable to local officials who work with Minnesota cities every day.

Safety. Service. Performance. This is the philosophy of the 4M Fund. This is the philosophy that goes the extra mile for your community.

### **Our Investment Strategy**

As an allowable investment under Minnesota Statutes 118A, the 4M Fund is comprised of top quality, rated investments. Our professional investment team adheres to a conservative strategy emphasizing safety of principal, daily liquidity, and a competitive investment yield. Using a team process of investing, securities in the 4M Fund are carefully and professionally selected with safety at the forefront of all decisions.

In addition to using only top rated securities, our nationally recognized investment team employs an additional credit review process that can enhance the safety of important public dollars. For the protection of public dollars, our communities should expect no less.

#### **4M BOARD OF TRUSTEES:**

Jim Miller, Executive Director  
145 University Avenue West  
Saint Paul, Minnesota 55103  
(651) 281-1200

#### **LMC BOARD PRESIDENT:**

H. Dan Ness, Mayor  
City of Alexandria

#### **FIRST VICE PRESIDENT:**

Betsy Hodges, Councilmember  
City of Minneapolis

#### **SECOND VICE PRESIDENT:**

Shaunna Johnson, City Administrator  
City of Waite Park

#### **DIRECTORS:**

Shawn Gillen, City Administrator  
City of Grand Rapids

Lee Helgen, Councilmember  
City of St. Paul

Matthew Hysten, City Administrator  
City of St. Francis

Susan Larson, Councilmember  
City of Isanti

Mike Maguire, Mayor  
City of Eagan

Steve Nasby, City Administrator  
City of Windom

Heidi Omerza, Councilmember  
City of Ely

Dave Osberg, Administrator  
City of Hastings

Rodney Otterness, City Administrator  
City of International Falls

Rhonda Pownell, Councilmember  
City of Northfield

Tina Rennemo, Clerk-Treasurer  
City of Baudette

Scott Schulte, Councilmember  
City of Coon Rapids

#### **4M Fund Features**

- Governed by a Board of local City officials
- Full online access
- Multiple transaction and reporting options – including online
- Purchasing card and credit processing products
- Direct wire of State Aid
- Unlimited checking in the Liquid Asset Fund
- No minimum balances
- Flexibility to establish multiple accounts
- Separate accounting for sub-accounts
- Wide range of fixed rate investment options

#### **Technology for Tomorrow...4M Online Access**

The 4M Fund is ready to meet the challenge of staying efficient in today's fast paced environment. Using cutting-edge technology, the optional 4M online access system -GPS- offers a host of options for the busy finance official. Instant reporting, transactions, and sub-accounting are just a handful of the services our web systems can offer participants. In the changing world of technology, GPS is truly paving the way.



*To learn more about the 4M Program and how it can go the extra mile for your community in today's challenging environment, please feel free to contact the Fund at any time. Our experienced team stands ready to serve.*



# 4M FUND

MINNESOTA MUNICIPAL MONEY MARKET FUND



# ABOUT PMA FINANCIAL NETWORK, INC.

Leading the Public Sector with Sound Investment Solutions

## **PMA FINANCIAL NETWORK, INC.**

PMA Financial Network, Inc. is a full service public finance company with over 25 years of experience providing clients long-term financial solutions that work.

- Competitive investment execution and statute and policy allowable investments
- Cash flow management
- Bond proceeds management
- Financial planning
- Bank credit analysis
- Online trading and reporting
- Investment banking and financial advisory services

## **PMA SECURITIES, INC.**

PMA Securities, Inc. provides fixed income institutional brokerage, debt issuance services, registered money fund products, and is the distributor for several intergovernmental investment pools.

- Full service investment banking
- Competitive bond sales
- Negotiated bond sales
- Private placements
- Long-range financial analysis
- Project finance services

## **FIXED RATE INVESTMENTS**

- FDIC CDs
- Collateralized CDs
- U.S. Government Agency Investments
- U.S. T-Bills and Notes

## Fundamental Approach to Long-Term Success

For a quarter-century, government entities have turned to PMA Financial Network, Inc. and PMA Securities, Inc. (collectively "PMA") as a trusted partner and integral component of their long-term financial success. With billions of dollars invested annually, PMA provides over 1,300 clients with a diverse lineup of customized financial solutions through a team of experienced professionals and some of the most innovative technology available.

PMA has earned a reputation in the public sector for developing financial solutions that work. In fact, in 2009 PMA Securities, Inc. was the number one ranked financial advisor for K-12 and community college districts in Illinois.<sup>1</sup>

<sup>1</sup> Based on the par amount advised upon for K-12 districts for the 12 month period ending June 30, 2009. Includes Financial Advisors on negotiated and competitive sales as well as Co-Managers and Senior Managers on negotiated sales. Source: Thomson Financial Services and Bloomberg. Note that past performance does not indicate future results.

## The Power of the Network

Relationships with experienced institutional trading partners and an extensive network of more than 1,800 local and national banks enable PMA to provide its clients statute-compliant fixed income opportunities, including FDIC CDs, Collateralized CDs, U.S. Government Agency Investments and U.S. T-Bills and Notes. This network inherently provides PMA clients a competitive advantage because it allows for an innovative bidding process that helps secure the best possible rates on our clients' investments, saving a great deal of time and energy.

## Fixed Rate Investments

Institutional relationships with some of Wall Street's most experienced professionals and an extensive local and national bank network enable PMA to provide its clients world-class fixed income opportunities. PMA offers clients direct access to multiple durations of Certificates of Deposit and government securities.

## Fixed Rate Opportunities

### CASH FLOW ANALYSIS

- Ensure all liabilities are met with a maturity.
- Invest longer to take advantage of higher rates.
- Plan for cash shortfalls.
- Identify long-term investment potential.
- Maximize interest income.

### FIXED RATE INVESTMENT BID PROCESS

- Prior to the investment date, PMA will contact government-identified local banks to solicit rates.
- PMA will solicit top State rates for a client's investments.
- Client makes the final decision on placement of investments.
- PMA will handle all paperwork related to investments.
- PMA provides one monthly investment statement for all of a client's investments.

### BOND PROCEEDS MANAGEMENT

- Reap benefits in investment, arbitrage and reporting.
- Establish a reliable flow of funds.
- Maximize earnings through an asset-liability matching investment schedule.
- Help comply with all applicable IRS arbitrage regulations.

### DEBT ISSUANCE SERVICES

- Financial analysis of proposed projects/needs.
- Traditional negotiated or competitive investment banking services.
- Debt structuring and issuance.
- Review of available debt capacity and long range debt management.
- Facilitation of debt issuance process.
- Insurance and rating agency presentation.
- Levy assistance.
- Ongoing client support.

### CASH FLOW ANALYSIS

There is more to money management than simply shopping for investments. An accurate cash flow plan allows a client to intelligently build an investment schedule that capitalizes on the yield curve benefits of longer-term investing. PMA's cash flow analysis helps a client ensure that all liabilities are met with a maturity, invest longer to take advantage of higher rates, plan for cash shortfalls, identify long-term investment potential and maximize interest income. PMA's cash flow analysis is free of charge for its investment clients.

### FIXED RATE INVESTMENT BID PROCESS

PMA's investment bidding services are set in place to provide its clients the opportunity to secure the best possible rates on their investments. Additionally, PMA obtains these rates by contacting multiple banks, saving its clients time and energy. For added convenience, clients receive a single consolidated monthly report encompassing all of the client's Fixed Rate Account investments and local government investment pool activity.

### BOND PROCEEDS MANAGEMENT PROGRAM

PMA's Bond Proceeds Management Program provides the ability to reap significant benefits in the critical areas of investment, arbitrage and reporting. Specifically, this program helps a client establish a reliable and sufficient flow of funds, maximize earnings through an asset-liability matching investment schedule, adequately cover expenses, comply with all applicable IRS arbitrage regulations and save administrative time. Additionally, each client will have a single contact for all of its investment needs.

### DEBT ISSUANCE PROCESS

PMA's professionals are experienced and knowledgeable in municipal finance, debt issuance, cash management and investing, sales and trading and underwriting. PMA Securities, Inc. is a debt advisor for public entities, integrating debt issuance with its clients' operating objectives. Our knowledgeable staff has experience in school management, municipal government, business and accounting. PMA's Public Finance Team utilizes this experience to perform a number of services for our clients, ranging from financial analysis and capital planning to facilitating the debt issuance process.

800.783.4273 | [www.pmanetwork.com](http://www.pmanetwork.com)



Integrity. Commitment. Performance.™

Government securities are offered through PMA Securities Inc., a registered member of the SEC, FINRA and SIPC. All other products and services are provided by PMA Financial Network, Inc. Services offered through PMA Securities, Inc. are available in IL, WI, MN, MI, OK, SD and CA. Investment banking and institutional brokerage services are offered through PMA Securities, Inc.

This brochure is not an advertisement of services available in any state other than those listed above, has been prepared for informational and educational purposes and does not constitute a solicitation to purchase or sell securities, which may be done only after client suitability is reviewed and determined. All investments mentioned herein contain varying levels of risk, and may not be suitable for every investor.

Prudent Man Advisors, Inc. is a Registered Investment Advisor. Additional information on insurance products is available upon request. PMA Financial Network, Inc., PMA Securities, Inc., Prudent Man Advisors, Inc. and its employees do not offer tax or legal advice. Individuals and organizations should consult their personal tax and/or legal advisors before making any tax- or legal-related investment decisions.



# 4M FUND

MINNESOTA MUNICIPAL MONEY MARKET FUND

Integrity. Commitment. Performance.™

## TERM SERIES POOLS

### Product Information

#### KEY FEATURES OF TERM SERIES

- Comprised of statute allowable investments
- Fixed rate of return
- Fixed maturity date

#### UNIQUE CHOICES TO MEET INVESTMENT NEEDS

As a 4M Fund Participant, you can benefit from a full range of cash management and investment services designed specifically for cities. These include:

-  CASH FLOW MANAGEMENT
-  BOND PROCEEDS MANAGEMENT
-  FIXED INCOME TRADING
-  CREDIT RISK ANALYSIS

#### FOR MORE INFORMATION

Contact the Minnesota office of PMA Financial Network, Inc. for information about the rates and availability of the Term Series Investment Pools:

**Kent Johnson**, Senior Vice President

**Laura Hamacher**, Portfolio Advisor

(866) 922-2849 or (763) 497-1490

PMA Financial Network, Inc., sub-administrator for the 4M Fund, serves as Investment Advisor to the term series investment pools.

More information about the 4M Fund and the Term Series Investment Pools (including the Information Statement) is available at [www.4mfund.com](http://www.4mfund.com).

#### ABOUT THE TERM SERIES PRODUCT

The 4M Fund's Term Series Investment Pools are a short-term investment option that allows cities to lock into a fixed rate and a specific date to meet investment needs.

**Fixed Rates:** Each term series is comprised of statute-allowable investments with a fixed rate of return.

**Fixed Dates:** Each term series has a fixed maturity date between 30 and 397 days. For example, you can place your future bond payments for 3 months, or invest reserves for a year—convenient maturity dates meet your city's specific needs.

**Higher Yields.** Investments may earn more because each term series seeks to provide attractive rates that are typically higher than what a local bank account or other investment options might offer.

#### PORTFOLIO COMPOSITION OF A TERM SERIES POOL

Investment shares in a term series represent a beneficial interest in the underlying instruments in the pool. The eligible investments in each pool may include bank deposit products, government securities, repurchase agreements and municipal securities. With respect to bank deposits that may be included in a term series pool, the deposit amounts will be collateralized or insured. Each term series is unique and independent of all other term series, thus Participants should make sure that the specific term series they are considering meets their individual investment criteria and objectives.

#### MAKING INVESTMENTS IN TERM SERIES POOLS

These term series pools are available only to 4M Fund participants. There is no minimum to buy in to the pools, and shares can be purchased at any dollar amount. New pools with varying rates and maturity dates will be offered on a regular basis, with a limited time frame of approximately 2-4 days to buy into each new series. Participants may purchase term series pool shares by redeeming shares in their 4M Fund accounts or by depositing additional funds.

## EXCERPTS FROM THE 4M FUND INFORMATION STATEMENT

Each Term Series is a separate series of shares of beneficial interest in a fixed term investment with a maturity of no less than 30 days and no more than 397 days. A Term Series' portfolio may consist of CDs, obligations of the U.S. government or its agencies and instrumentalities, municipal obligations, repurchase agreements and other investments described under the "Fund Investments" section for the Term Series. Participants who have invested in the 4M Funds and who wish to invest in a Term Series may do so by transferring funds from their 4M Funds account to the Term Series of their choice. When that particular Term Series matures, the Participant's funds in that Series will then be transferred back to the Participant's 4M Funds account.

Term Series are designed for each investment to be held for the full term of that Series. If an investment made in a Term Series is withdrawn prior to the maturity date of that Series, seven days' notice of redemption is required and a penalty will likely be assessed. The penalty, which may be substantial, could include the amount necessary to recoup for the Series any penalty charges, losses and other costs attributable to the early redemption. Each Term Series may have a weighted average maturity equal to the term of that Series. Normally, the Term Series will have a higher yield than the 4M Liquid Asset Fund and the 4M PLUS Fund. However, there can be no assurance that this result will occur. Term Series are expected to have fewer holdings than the 4M Funds, and will therefore be less diversified.

Each Term Series is independent from all other Term Series. This means that any assets, expenses, profits or losses are attributable solely to that particular Term Series portfolio and does not impact any other Term Series portfolio.

The CDs held by any Term Series will either be insured by the FDIC up to the maximum amount of such insurance or fully collateralized by pledged securities or letters of credit provided by Federal Home Loan Banks for amounts in excess of FDIC insurance. The U.S. government obligations held by a Term Series will be backed by the full faith and credit of the U.S. government or by the agency or instrumentality issuing or guaranteeing the obligation. The municipal obligations held by a Term Series may be backed only by the taxing power of the issuer of such securities or may be secured by specific revenues received by the issuer. Information regarding a Term Series' portfolio will be provided to the Participants in that Series by the Term Series Investment Advisor.

While securities purchased by a Term Series are generally intended to be held to maturity, the Investment Advisor maintains discretion to dispose of, or substitute, a security held by a Term Series if doing so is in the best interests of the Participants. In that event, a disposition or substitution of portfolio securities may affect a Term Series' net rate of return.

Dividends from net investment income are declared daily and paid at maturity.

Participants who wish to invest in a Term Series may do so by transferring funds from their 4M Funds account to any available Term Series. To invest in a Term Series, contact the Term Series Investment Advisor at (763) 497-1490 or toll free at (800) 783-4273.

Prudent Man Advisors, Inc. (the "Term Series Investment Advisor"), a corporation organized under the laws of the State of Illinois and an investment advisor registered with the Securities and Exchange Commission, serves as the Investment Advisor of the Term Series. The Investment Advisor is an affiliate of PMA Financial Network, Inc., the Term Series' Administrator, the 4M Funds' sub-administrator and a Fixed Rate Program Provider, and PMA Securities, Inc., a registered securities broker-dealer serving as the Term Series' Distributor and a Fixed Rate Program Provider. PMA Financial Network, Inc. and PMA Securities, Inc. are collectively referred to as "PMA".

The Investment Advisor's primary responsibility is to manage the assets of the Term Series in accordance with the Term Series' investment objective and policies.

In connection with investments in a Term Series, Participants pay to the Term Series Investment Advisor an annualized advisory and management fee of up to 0.25%. An additional fee, not to exceed 0.10% on an annualized basis, is charged for assets that require management and administration of collateral, letters of credit or other third-party guarantees. PMA has agreed to pay a royalty in an amount of between .01% and .02% to the League of Minnesota Cities of the investment balances in the Term Series. The fee shall be accrued daily and paid monthly.

763.497.1490 | [www.4mfund.com](http://www.4mfund.com)

# CREDIT ANALYSIS

Analyzing bank credit and collateral

## CREDIT ANALYSIS

PMA's Credit Analysis Team employs a proprietary five-step quarterly process for analyzing each bank in PMA's system.

### GATHER DATA

Balance sheet and income statement data, including non-performing loans, reserves, capital obtained from call and thrift financial reports.

### QUANTITATIVE ANALYSIS

Ratio, trend and peer analysis of bank data utilizing a proprietary model and analysis of audited financials. Compare ratios to historical trends, peers and pre-established performance benchmarks.

### QUALITATIVE ANALYSIS

Analyze holding company and systemic support, balance sheet and loan composition (e.g., concentrations, trends, quality), ratings and stock price performance.

### RECENT DEVELOPMENTS

Review recent enforcement actions and other developments such as management changes, acquisitions and new market entries.

### DETERMINE CONDITION

Perform credit assessment and impose any necessary restrictions.

*The Credit Analysis Team is responsible for analyzing the creditworthiness of banks as well as the surveillance of collateral positions.*

Discerning the creditworthiness of banks has become difficult for public entities as subprime related assets, write-downs, tightening credit standards, over concentrated balance sheets and increased regulatory scrutiny have all been contributing factors to the strength or weakness of banks across the country. As such, we believe it is more important than ever to perform quality analysis of every bank in PMA's vast institutional network.

## Overview

Detailed credit analysis is a fundamental component of PMA's investment process. PMA's Credit Analysis Team utilizes ratio and fundamental analysis on every bank in PMA's network on a quarterly basis, and continuously monitors the regional and national economic environment.

PMA produces a monthly report for its clients detailing the collateral held for deposits with its current market value. When a client engages PMA to manage its assets, this consolidated report produces administrative efficiency and peace of mind.

## Closer Look

### CREDIT ANALYSIS TEAM



**Brian Hextell**  
*Vice President  
Chief Credit Officer*



**Tammy Schmidt**  
*Financial Analyst*



**Geet N. Palkhiwala**  
*Financial Analyst*



**Rose Mueller**  
*Financial Analyst*

### INVESTMENTS

PMA's Credit Analysis Team monitors the creditworthiness of each bank on behalf of its clients. PMA's clients are limited by state statute and investment policy to investments generally including U.S. Treasuries, U.S. Government Agencies, top rated Commercial Paper and deposits at FDIC insured banks. Each of these investments contains a level of credit risk, though bank credit is the focus of the department's resources. The department closely follows the capital markets and regulatory environment for issues that may affect any of PMA's clients' investments.

### BANKING INDUSTRY

Specific to the banking industry, the department performs quarterly analysis of each bank where deposits are placed. This analysis is conducted by a combination of ratio analysis and qualitative factors. Internal credit ratings are assigned to each bank analyzed by the department and a term limit, which relates directly to the quality of the credit, is also placed on each bank.

### COLLATERAL, LETTER OF CREDIT AND INSURANCE PROGRAMS

The Credit Analysis Department is additionally responsible for administering PMA's Collateral, Letter of Credit and Insurance programs. For the Collateral Program, this includes reviewing all collateral paperwork prior to opening client deposits, maintaining a database of client investment policy requirements with respect to acceptable forms of collateral and collecting and documenting monthly collateral statements from custodian banks. Using this data, PMA sends all clients holding collateralized CDs a collateral statement every month.

## Over 25 Years of Trusted Analysis

PMA was founded 25 years ago as a credit rating firm focused on the banking sector. The firm's initial product, the Prudent Man Analysis, was the first report of its kind. It focused on the credit quality of financial institutions from a public depositor's perspective and made a determination of whether the institution was worthy of public deposits as well as creating guidelines for collateral to cover the deposit amount.

This "prudent man" report and process remains an essential element of the firm's portfolio management process. The firm employs a full-time, four-person team that performs extensive quantitative and qualitative analysis on each bank holding client deposits. The PMA process parallels the FDIC's CAMELS ratings paradigm and focuses heavily on a bank's capital position and the quality of their loan and investment portfolio.

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# FIXED INCOME TRADING

FOCUSED INSTITUTIONAL TRADING FOR THE PUBLIC SECTOR

## BENEFITS

- Vast market coverage built from over 20 years of developed relationships.
- Multiple primary dealers and sources.
- Variety of products including U.S. Treasuries, Government Agencies and Municipals.
- Advanced technological platforms.
- Market transparency and best execution (buy and/or bid requests).
- Auto-execution capabilities.
- Access to institutional buyer benefits such as wholesale pricing.

## Overview

Through years of commitment, PMA has built an extensive institutional network of local and national investment providers that give PMA the ability to provide innovative investment solutions, highly competitive fixed income products and liquidity through many business cycles.

The Fixed Income Sales and Trading Team provides sales, trading and other institutional services to governmental units and is committed solely to the fixed income marketplace. This includes:

- All major government and agency securities
- Municipal securities
- Certificates of deposit
- Money market funds

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**Integrity. Commitment. Performance.™**

# BOND PROCEEDS MANAGEMENT PROGRAM

Establish a reliable and sufficient flow of funds and optimize earnings

Bringing your project to life with a comprehensive arbitrage management program for bond proceeds.

## BENEFITS

- Establishes a scheduled flow of funds.
- Optimizes investment opportunities.
- Covers projected expenses.
- Improves compliance.
- Creates administrative efficiency.
- Competitively bids client investments.
- Offers local bank participation option.
- Provides specialized monthly reporting.
- Establishes reliable interest earnings projections.
- Calculates arbitrage spend down status.
- Provides monthly updates on potential arbitrage payments.
- Assists in complying with existing policies, federal and state statutes, district policy and arbitrage and IRS regulations.
- Coordinates formal arbitrage calculation for presentation to the IRS, if necessary.

## Overview

PMA's Bond Proceeds Management Program (PMA BPM) is a comprehensive service that helps you establish a reliable and sufficient flow of funds, optimize your investment earning and adequately cover projected expenses. Additionally, PMA BPM helps public entities reap significant benefits in the critical areas of investment, arbitrage and reporting.

Tax exempt debt issuers are subject to a long list of Internal Revenue Service (IRS) requirements that dictate how and when they can use their bond proceeds. Through PMA BPM these obligations can be fulfilled with minimal hassle.

## Investment, Arbitrage and Reporting

With PMA BPM, public entities can reap significant benefits in the critical areas of investment, arbitrage and reporting.

1. PMA competitively bids client investments across its expansive network of banks and dealers to obtain optimal pricing on client investments.
2. PMA's local bank participation program allows local institutions to participate in the process if desired.

PMA helps bring a public entity's construction project to life through a comprehensive investment and arbitrage management program that maximizes interest earnings while complying with arbitrage and IRS regulations, existing policies, as well as state and federal statutes.

PMA's specialized monthly reports provides:

- reliable interest earnings projections.
- arbitrage spend down status.
- spending exception tests.
- monthly updates on potential arbitrage payments.
- comprehensive portfolio reporting.

# BOND PROCEEDS MANAGEMENT PROGRAM

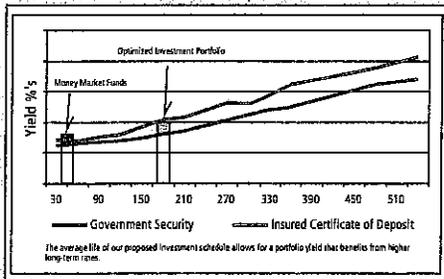
## The Process

### BOND PROCEEDS ILLUSTRATIONS

#### DRAW SCHEDULE

| Date     | Bond Proceeds / Project Revenue | Optimal                           |                                | Poor                           |                |
|----------|---------------------------------|-----------------------------------|--------------------------------|--------------------------------|----------------|
|          |                                 | Estimated Monthly Project Expense | Actual Monthly Project Expense | Actual Monthly Project Expense | Deviation      |
| 3/1/96   | \$11,200,000.00                 | \$0.00                            | \$0.00                         | \$15,000.00                    | \$219,658.18   |
| 3/27/96  |                                 | \$254,658.18                      | \$254,658.18                   | \$100,000.00                   | (\$54,658.18)  |
| 4/19/96  |                                 | \$45,341.82                       | \$45,341.82                    | \$100,000.00                   | \$59,353.98    |
| 5/17/96  |                                 | \$371,491.68                      | \$371,491.68                   | \$300,000.00                   | \$71,491.68    |
| 6/21/96  |                                 | \$471,169.03                      | \$471,169.03                   | \$335,000.00                   | \$136,169.03   |
| 7/19/96  |                                 | \$574,870.14                      | \$574,870.14                   | \$450,000.00                   | \$124,870.14   |
| 8/14/96  |                                 | \$705,869.95                      | \$705,869.95                   | \$574,000.00                   | \$132,869.95   |
| 9/06/96  |                                 | \$930,814.53                      | \$930,814.53                   | \$725,000.00                   | \$205,814.53   |
| 10/18/96 |                                 | \$799,926.42                      | \$799,926.42                   | \$815,000.00                   | (\$35,072.58)  |
| 11/15/96 |                                 | \$651,403.84                      | \$651,403.84                   | \$975,000.00                   | (\$323,596.16) |
| 12/20/96 |                                 | \$563,058.61                      | \$563,058.61                   | \$902,000.00                   | (\$338,941.39) |
| 1/17/97  |                                 | \$601,082.14                      | \$601,082.14                   | \$650,000.00                   | (\$48,917.86)  |
| 2/20/97  |                                 | \$497,770.74                      | \$497,770.74                   | \$602,000.00                   | (\$104,229.26) |
| 3/21/97  |                                 | \$491,375.57                      | \$491,375.57                   | \$685,000.00                   | (\$193,624.43) |
| 4/19/97  |                                 | \$808,838.04                      | \$808,838.04                   | \$923,000.00                   | (\$114,161.96) |
| 5/16/97  |                                 | \$948,092.64                      | \$948,092.64                   | \$1,032,000.00                 | (\$83,907.36)  |
| 6/19/97  |                                 | \$1,016,046.38                    | \$1,016,046.38                 | \$780,000.00                   | \$236,046.38   |
| 7/18/97  |                                 | \$687,850.92                      | \$687,850.92                   | \$635,000.00                   | \$52,850.92    |
| 8/22/97  |                                 | \$199,337.00                      | \$199,337.00                   | \$375,000.00                   | (\$175,663.00) |
| 9/18/97  |                                 | \$275,186.00                      | \$275,186.00                   | \$150,000.00                   | \$125,186.00   |

#### OPTIMIZATION



### MONTHLY REPORTING

PMA provides each of its clients with a monthly report detailing interest earnings projections, arbitrage spend down status, potential payments and comprehensive portfolio information.

### 1. PRE-EXECUTION

Before the bond closing date, PMA analyzes all relevant aspects of a public entity's project and bond issue process to an optimal investment strategy. Understanding an entity's cash flow and drafting an accurate draw schedule is critical, allowing the entity to extend the maturity of its investments in conjunction with projected expenditures. PMA also identifies potential arbitrage issues and concerns in an effort to determine a disbursement process that best meets the client's needs. Some of the preliminary considerations include:

- Will the entity qualify for a spend-down exception and the three-year temporary period?
- When will the project be started and completed?
- When will the bonds close?
- Are multiple funding sources available?
- What is the entity's investment policy?

### 2. EXECUTION

In this stage, PMA implements the approved plan. PMA's extensive network of banks and dealers allows for highly competitive bidding of your investments. PMA has a network of:

- > 1,800 banks.
- > 20 securities dealers.
- > 20 corporate securities dealers.
- > 10 municipal securities dealers.

### 3. ONGOING MANAGEMENT

Each month, PMA facilitates disbursement of proceeds to fund current expenses and furnishes reports on investments, arbitrage, and bookkeeping. PMA continually monitors an entity's investments and project status to determine if we can enhance interest earnings along the way.

### 4. PROJECT COMPLETION

At the end of a project, PMA prepares final documentation and reporting. PMA also provides the public entity with a final arbitrage calculation for presentation to the IRS.



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# CASH FLOW MANAGEMENT PROGRAM

Your Money Working Sooner and Longer

Gain a complete  
and accurate cash  
flow picture to put your  
money to work sooner  
and longer.

## BENEFITS

- Provides the potential for optimized interest income.
- Helps achieve optimal pricing on investments through PMA's competitive bidding process.
- Increases efficiency of investment and cash flow process.
- Seeks to:
  - Keep assets invested 100% of the time.
  - Provide greater accuracy and timeliness in funding expenses.
  - Allow for increased precision in financial planning.
  - Become a valuable tool for cash flow borrowing needs.
  - Increase accuracy in cash balance projections, letting you invest confidently knowing your liquidity needs are covered.
- Provides continuity.
- Serves as a communication tool with your community.

## Overview

Money management goes beyond picking investment products. We believe improving our clients' overall investment plan is the smartest way to impact and improve returns. At PMA, this process begins with a thorough understanding of our clients' cash flow and is carried out through PMA's Cash Flow Management Program, which analyzes large fields of data, draws reliable conclusions and capitalizes on the newfound insight.

PMA's Cash Flow Management Program gives public entities a complete and accurate picture of their cash flow so they can put their money to work sooner and longer.

## The Power of a Good Plan

The result of PMA's comprehensive historical analysis of a client's financial statements is a daily cash flow plan. This plan maps out such items as payroll dates and amounts, debt schedules and state payments, to name a few. PMA then builds an optimized investment schedule that:

1. covers expenses
2. extends maturity lengths
3. captures the yield curve benefits of long-term investing

## Added Value of Competitive Bidding

Not only does PMA put a public entity's money to work for the long-term, its competitive bid program seeks to secure the best rate possible. This is accomplished by competitively bidding investments across our expansive network of banks and securities dealers on behalf of each public entity. A single call to PMA gives investors efficient access to a robust institutional network of financial institutions.

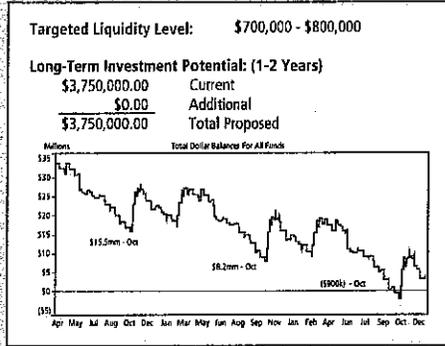
# CASH FLOW MANAGEMENT PROGRAM

## The Process

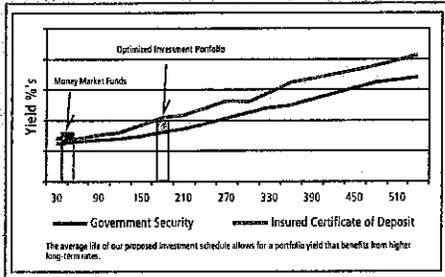
PMA's Cash Flow Management Program gives finance officers the ability to steer things from the top while leaving the analysis and time consuming details to a professional portfolio advisor. This analysis is based on proprietary methods that review historical data, determine trends and project future needs.

### CASH FLOW ILLUSTRATIONS

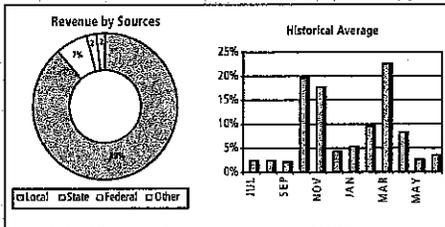
#### LONG-TERM INVESTMENT POTENTIAL



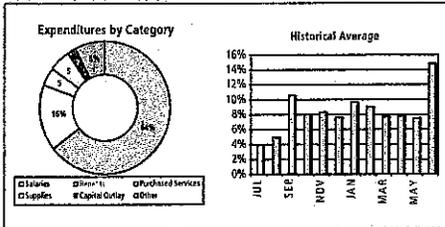
#### OPTIMIZATION



#### REVENUE ANALYSIS



#### EXPENDITURE ANALYSIS



### 1. HISTORICAL DATA ANALYSIS

PMA's detailed investigation of a public entity's historic cash flow data ultimately provides a complete and reliable picture from which investment decisions are based. This historical analysis includes:

- Reviewing three-years of cash-based historical monthly data by fund.
- Determining trends.
- Isolating anomalies.
- Incorporating public entity-specific information (e.g., A/P cycle, payroll cycle, debt schedules, calendar, etc.) to ensure the plan is as accurate as possible.

### 2. DAILY CASH FLOW CONSTRUCTION

Once the historical data analysis has been performed, monthly revenue and expenditure (r/e) percentages are applied to your current fiscal year budget to project monthly r/e figures for the current and future years. Finally, specific dates and amounts (e.g., accounts payable, debt schedules, sales tax receipts, property tax dates) are identified, placed on the calendar and included in the final daily cash flow plan.

### 3. INVESTMENT SCHEDULE CREATION

Once the cash flow plan has been constructed, PMA builds an investment schedule (right) that optimizes your public entity's returns beginning with the next fiscal year. This investment schedule allows for efficient execution of investments and helps extend maturity lengths in order to capitalize on the longer end of the yield curve.

| Month | Year | Investment Type | Amount    | Start Date | End Date | Yield % |
|-------|------|-----------------|-----------|------------|----------|---------|
| Jan   | 2010 | Money Market    | \$100,000 | 1/15/10    | 1/31/10  | 1.50%   |
| Feb   | 2010 | Money Market    | \$100,000 | 2/15/10    | 2/28/10  | 1.50%   |
| Mar   | 2010 | Money Market    | \$100,000 | 3/15/10    | 3/31/10  | 1.50%   |
| Apr   | 2010 | Money Market    | \$100,000 | 4/15/10    | 4/30/10  | 1.50%   |
| May   | 2010 | Money Market    | \$100,000 | 5/15/10    | 5/31/10  | 1.50%   |
| Jun   | 2010 | Money Market    | \$100,000 | 6/15/10    | 6/30/10  | 1.50%   |
| Jul   | 2010 | Money Market    | \$100,000 | 7/15/10    | 7/31/10  | 1.50%   |
| Aug   | 2010 | Money Market    | \$100,000 | 8/15/10    | 8/31/10  | 1.50%   |
| Sep   | 2010 | Money Market    | \$100,000 | 9/15/10    | 9/30/10  | 1.50%   |
| Oct   | 2010 | Money Market    | \$100,000 | 10/15/10   | 10/31/10 | 1.50%   |
| Nov   | 2010 | Money Market    | \$100,000 | 11/15/10   | 11/30/10 | 1.50%   |
| Dec   | 2010 | Money Market    | \$100,000 | 12/15/10   | 12/31/10 | 1.50%   |

### 4. COMPETITIVE BIDDING

PMA's portfolio advisors work closely with a public entity to competitively bid investments across PMA's extensive network of over 1,800 financial institutions. This ensures that a public entity obtains the most competitive rates in the country without the hassle of shopping around.

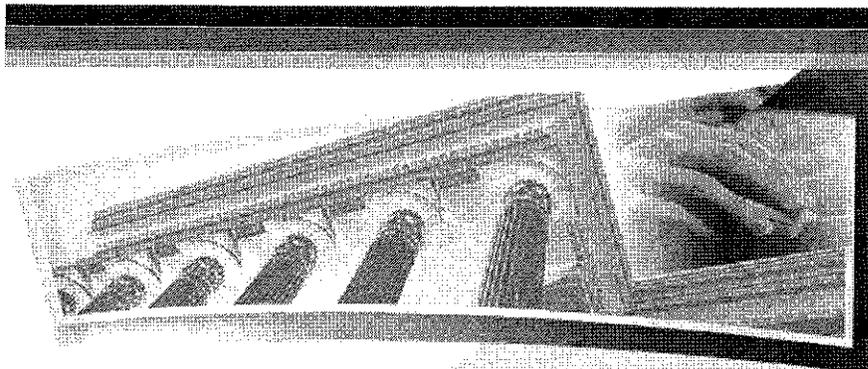
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Sponsored and governed by the **League of Minnesota Cities**, the 4M Fund is a cash management and investment program for Minnesota public funds.

Managed in accordance with Minnesota Statutes and customized specifically for public entities, the 4M Fund provides safety, daily liquidity, and highly competitive yields as well as:

- Customized accounting
- Web transactions and reporting
- Direct wire of state aid
- Checking
- A wide range of fixed term investments through its Fixed Rate Program

**New investment options**

The 4M Fund is now offering:

- **Term series investment pools**, a short-term investment option that seeks higher yields and provides a fixed rate and a specific date to meet investment needs.
- 3 new fixed rate investment services:
  - Cash flow management
  - Fixed income trading
  - Bond proceeds management

These new investment options are offered by PMA Financial Network, Inc. (sub-administrator for the 4M Fund).

|  |   |
|--|---|
| <b>4M Fund</b><br>As of October 12, 2011<br>Ending Rate: 0.02%<br>7-Day Yield: 0.02% | <b>4M Plus Fund</b><br>As of October 12, 2011<br>Ending Rate: 0.05%<br>7-Day Yield: 0.05% |
|--|---|

| CD Rates as of 10/12/2011     |       |          |        |
|-------------------------------|-------|----------|--------|
| 3 months                      | 0.25% | 2 year   | 1.05%  |
| 6 months                      | 0.45% | 3 year   | 1.40%  |
| 1 year                        | 0.50% | 5 year   | 2.05%  |
| Agency Rates as of 10/12/2011 |       |          |        |
| 2 year                        | 0.55% | 2.5 year | 0.625% |
| 5 year                        | 1.65% |          |        |

As cities and other public entities look to sensible options for the investment of public funds, the 4M Fund is a trusted and common sense investment choice. Over 300 Minnesota Cities currently participate in the 4M Fund. For

- Home**
- About The 4M Fund
  - Join the Fund
  - Why 4M?
  - Contacts
  - The 4M Fund Team
  - Online Access Information
  - 4M Fund Forms
  - MN Investment Guidelines

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ONLINE ACCOUNT ACCESS

**4M Fund Online Access - GPS**

NEWS

As many Participants know, recent news reports have publicized that some money market funds have experienced issues. Neither the 4M Liquid Asset Fund nor the 4M PLUS Fund have experienced these problems. [Read more...](#)

# Investment Guidelines for Minnesota Cities

*(MN Statutes Section 118A)*

*Compliments of the*



*Yields for Today.  
Protection for Tomorrow.  
The 4M Fund.*



The 4M Fund is committed to serving the investment needs of Minnesota's cities and their instrumentalities. With both the 4M and 4M Plus Fund, communities have a range of investment options to meet their operating. The following are just a few of the benefits of joining the 4M fund:

- Web account access
- Free checking
- Lock box services
- ACH payment option
- No minimum balance requirements
- Phone or fax transactions
- Multiple account options

For more information, please contact  
Pat Harris at (800) 553-2143 or by e-mail at  
[pharris@voyageur.net](mailto:pharris@voyageur.net)

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## Deposit and Investment of Local Government Funds

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### Section 118A.01 Definitions.

**Subdivision 1.** Application. The definitions in this section apply to sections 118A.01 to 118A.06.

**Subd. 2.** Government entity. "Government entity" means a county, city, town, school district, hospital district, public authority, public corporation, public commission, special district, any other political subdivision, except an entity whose investment authority is specified under chapter 11A or 356A. For the purposes of sections 118A.02 and 118A.03 only, the term includes an American Indian tribal government entity located within a federally recognized American Indian reservation.

**Subd. 3.** Financial institution. "Financial institution" means a savings association, commercial bank, trust company, credit union, or industrial loan and thrift company.

**Subd. 4.** Public funds. "Public funds" means all general, special, permanent, trust, and other funds, regardless of source or purpose, held or administered by a government entity, unless otherwise restricted.

HIST: 1996 c 399 art 1 s 2;

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### Section 118A.02 Depository named; investment requirements; liability.

**Subdivision 1.** Designation; delegation. The governing body of each government entity shall designate, as a depository of its funds, one or more financial institutions. The governing body may authorize the treasurer or chief financial officer to:

- (1) designate depositories of the funds;
- (2) make investments of funds under sections 118A.01 to 118A.06 or other applicable law; or
- (3) both designate depositories and make investments as provided in this subdivision.

**Subd. 2.** Sale; proceeds; no personal liability. The treasurer or chief financial officer of a government entity may at any time sell obligations purchased pursuant to this section and the money received from such sale, and the interest and profits or loss on such investment shall be credited or charged, as the case may be, to the fund from which the investment was made. Neither such official nor government entity, nor any other official responsible for the custody of such funds, shall be personally liable for any loss sustained from the deposit or investment of funds in accordance with the provisions of sections 118A.04 and 118A.05. HIST: 1996 c 399 art 1 s 3

## **Section 118A.03 When and what collateral required.**

**Subdivision 1.** To the extent that funds deposited are in excess of available federal deposit insurance, the government entity shall require the financial institution to furnish collateral security or a corporate surety bond executed by a company authorized to do business in the state.

**Subd. 2.** In lieu of surety bond. The following are the allowable forms of collateral in lieu of a corporate surety bond:

- (1) United States government treasury bills, treasury notes, treasury bonds;
- (2) issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- (3) general obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- (4) irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- (5) time deposits that are fully insured by the Federal Deposit Insurance Corporation.

**Subd. 3.** Amount. The total amount of the collateral computed at its market value shall be at least ten percent more than the amount on deposit plus accrued interest at the close of the business day. The financial institution may furnish both a surety bond and collateral aggregating the required amount.

**Subd. 4.** Assignment. Any collateral pledged shall be accompanied by a written assignment to the government entity from the financial institution. The written assignment shall recite that, upon default, the financial institution shall release to the government entity on demand, free of exchange or any other charges, the collateral pledged. Interest earned on assigned collateral will be remitted to the financial institution so long as it is not in default. The government entity may sell the collateral to recover the amount due. Any surplus from the sale of the collateral shall be payable to the financial institution, its assigns, or both.

**Subd. 5.** Withdrawal of excess collateral. A financial institution may withdraw excess collateral or substitute other collateral after giving written notice to the governmental entity and receiving confirmation. The authority to return any delivered and assigned collateral rests with the government entity.

**Subd. 6.** Default. For purposes of this section, default on the part of the financial institution includes, but is not limited to, failure to make interest payments when due, failure to promptly deliver upon demand all money on deposit, less any early withdrawal penalty that may be required in connection with the withdrawal of a time deposit, or

closure of the depository. If a financial institution closes, all deposits shall be immediately due and payable. It shall not be a default under this subdivision to require prior notice of withdrawal if such notice is required as a condition of withdrawal by applicable federal law or regulation.

**Subd. 7. Safekeeping.** All collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection shall be approved by the government entity. HIST: 1996 c 399 art 1 s 4

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## Section 118A.04 Investments.

**Subdivision 1.** Any public funds, not presently needed for other purposes or restricted for other purposes, may be invested in the manner and subject to the conditions provided for in this section.

**Subd. 2. United States securities.** Public funds may be invested in governmental bonds, notes, bills, mortgages (excluding high-risk mortgage-backed securities), and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress.

**Subd. 3. State and local securities.** Funds may be invested in the following:

- (1) any security which is a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service;
- (2) any security which is a revenue obligation of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service; and
- (3) a general obligation of the Minnesota housing finance agency which is a moral obligation of the state of Minnesota and is rated "A" or better by a national bond rating agency.

**Subd. 4. Commercial papers.** Funds may be invested in commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by at least two nationally recognized rating agencies and matures in 270 days or less.

**Subd. 5. Time deposits.** Funds may be invested in time deposits that are fully insured by the Federal Deposit Insurance Corporation or bankers acceptances of United States banks.

**Subd. 6. High-risk mortgage-backed securities.** For the purposes of this section and section 118A.05, "high-risk mortgage-backed securities" are:

- (a) interest-only or principal-only mortgage-backed securities; and
- (b) any mortgage derivative security that:
  - (1) has an expected average life greater than ten years;

(2) has an expected average life that:

(i) will extend by more than four years as the result of an immediate and sustained parallel shift in the yield curve of plus 300 basis points; or

(ii) will shorten by more than six years as the result of an immediate and sustained parallel shift in the yield curve of minus 300 basis points; or

(3) will have an estimated change in price of more than 17 percent as the result of an immediate and sustained parallel shift in the yield curve of plus or minus 300 basis points.

**Subd. 7.** Temporary general obligation bonds. Funds may be invested in general obligation temporary bonds of the same governmental entity issued under section 429.091, subdivision 7, 469.178, subdivision 5, or 475.61, subdivision 6.

**Subd. 8.** Debt service funds. Funds held in a debt service fund may be used to purchase any obligation, whether general or special, of an issue which is payable from the fund, at such price, which may include a premium, as shall be agreed to by the holder, or may be used to redeem any obligation of such an issue prior to maturity in accordance with its terms. The securities representing any such investment may be sold by the governmental entity at any time, but the money so received remains part of the fund until used for the purpose for which the fund was created. Any obligation held in a debt service fund from which it is payable may be canceled at any time unless otherwise provided in a resolution or other instrument securing obligations payable from the fund.

**Subd. 9.** Broker; statement and receipt.

(a) For the purpose of this section and section 118A.05, the term "broker" means a broker-dealer, broker, or agent of a government entity, who transfers, purchases, sells, or obtains securities for, or on behalf of, a government entity.

(b) Prior to completing an initial transaction with a broker, a government entity shall provide annually to the broker a written statement of investment restrictions which shall include a provision that all future investments are to be made in accordance with Minnesota Statutes governing the investment of public funds.

(c) A broker must acknowledge annually receipt of the statement of investment restrictions in writing and agree to handle the government entity's account in accordance with these restrictions. A government entity may not enter into a transaction with a broker until the broker has provided this written agreement to the government entity.

(d) The state auditor shall prepare uniform notification forms which shall be used by the government entities and the brokers to meet the requirements of this subdivision.

HIST: 1996 c 399 art 1 s 5

## Section 118A.05 Contracts and agreements.

**Subdivision 1.** In addition to other authority granted in sections 118A.01 to 118A.06, government entities may enter into contracts and agreements as follows.

**Subd. 2.** Repurchase agreements. Repurchase agreements consisting of collateral allowable in section 118A.04, and reverse repurchase agreements may be entered into with any of the following entities:

- (1) a financial institution qualified as a "depository" of public funds of the government entity;
- (2) any other financial institution which is a member of the Federal Reserve System and whose combined capital and surplus equals or exceeds \$10,000,000;
- (3) a primary reporting dealer in United States government securities to the Federal Reserve Bank of New York; or
- (4) a securities broker-dealer licensed pursuant to chapter 80A, or an affiliate of it, regulated by the securities and exchange commission and maintaining a combined capital and surplus of \$40,000,000 or more, exclusive of subordinated debt. Reverse agreements may only be entered into for a period of 90 days or less and only to meet short-term cash flow needs. In no event may reverse repurchase agreements be entered into for the purpose of generating cash for investments, except as stated in subdivision 3.

**Subd. 3.** Securities lending agreements. Securities lending agreements, including custody agreements, may be entered into with a financial institution meeting the qualifications of subdivision 2, clause (1) or (2), and having its principal executive office in Minnesota. Securities lending transactions may be entered into with entities meeting the qualifications of subdivision 2 and the collateral for such transactions shall be restricted to the securities described in this section and section 118A.04.

**Subd. 4.** Minnesota joint powers investment trust. Government entities may enter into agreements or contracts for:

- (1) shares of a Minnesota joint powers investment trust whose investments are restricted to securities described in this subdivision, subdivision 2, and section 118A.04;
- (2) units of a short-term investment fund established and administered pursuant to regulation 9 of the Office of the Comptroller of the Currency, in which investments are restricted to securities described in this section and section 118A.04;
- (3) shares of an investment company which is registered under the Federal Investment Company Act of 1940 and which holds itself out as a money market fund meeting the conditions of rule 2a-7 of the Securities and Exchange Commission and is rated in one of the two highest rating categories for money market funds by at least one nationally recognized statistical rating organization; or

(4) shares of an investment company which is registered under the Federal Investment Company Act of 1940, and whose shares are registered under the Federal Securities Act of 1933, as long as the investment company's fund receives the highest credit rating and is rated in one of the two highest risk rating categories by at least one nationally recognized statistical rating organization and is invested in financial instruments with a final maturity no longer than 13 months.

**Subd. 5.** Guaranteed investment contracts. Agreements or contracts for guaranteed investment contracts may be entered into if they are issued or guaranteed by United States commercial banks, domestic branches of foreign banks, United States insurance companies, or their Canadian subsidiaries. The credit quality of the issuer's or guarantor's short- and long-term unsecured debt must be rated in one of the two highest categories by a nationally recognized rating agency. Should the issuer's or guarantor's credit quality be downgraded below "A", the government entity must have withdrawal rights.

HIST: 1996 c 399 art 1 s 6; 1997 c 219 s 1

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### **Section 118A.06 Safekeeping; acknowledgements.**

Investments, contracts, and agreements may be held in safekeeping with:

- (1) any Federal Reserve Bank;
- (2) any bank authorized under the laws of the United States or any state to exercise corporate trust powers, including, but not limited to, the bank from which the investment is purchased;
- (3) a primary reporting dealer in United States government securities to the Federal Reserve Bank of New York; or
- (4) a securities broker-dealer having its principal executive office in Minnesota, licensed under chapter 80A, or an affiliate of it, and regulated by the Securities and Exchange Commission; provided that the government entity's ownership of all securities is evidenced by written acknowledgments identifying the securities by the names of the issuers, maturity dates, interest rates, CUSIP number, or other distinguishing marks.

HIST: 1996 c 399 art 1 s 7

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### **Section 118A.07 Additional investment authority.**

**Subdivision 1.** Authority provided. As used in this section, "governmental entity" means a city with a population in excess of 200,000 or a county that contains a city of that size. If a governmental entity meets the requirements of subdivisions 2 and 3, it may exercise additional investment authority under subdivisions 4, 5, and 6.

**Subd. 2.** Written policies and procedures. Prior to exercising any additional authority under subdivisions 4, 5, and 6, the governmental entity must have written investment policies and procedures governing the following:

- 
- (1) the use of or limitation on mutual bond funds or other securities authorized or permitted investments under law;
  - (2) specifications for and limitations on the use of derivatives;
  - (3) the final maturity of any individual security;
  - (4) the maximum average weighted life of the portfolio;
  - (5) the use of and limitations on reverse repurchase agreements;
  - (6) credit standards for financial institutions with which the government entity deals; and
  - (7) credit standards for investments made by the government entity.

**Subd. 3.** Oversight process. Prior to exercising any authority under subdivisions 4, 5, and 6, the governmental entity must establish an oversight process that provides for review of the government entity's investment strategy and the composition of the financial portfolio. This process shall include one or more of the following:

- (1) audit reviews;
- (2) internal or external investment committee reviews; and
- (3) internal management control. Additionally, the governing body of the governmental entity must, by resolution, authorize its treasurer to utilize the additional authorities under this section within their prescribed limits, and in conformance with the written limitations, policies, and procedures of the governmental entity.

If the governing body of a governmental entity exercises the authority provided in this section, the treasurer of the governmental entity must annually report to the governing body on the findings of the oversight process required under this subdivision. If the governing body intends to continue to exercise the authority provided in this section for the following calendar year, it must adopt a resolution affirming that intention by December 1.

**Subd. 4.** Repurchase agreements. A government entity may enter into repurchase agreements as authorized under section 118A.05, provided that the exclusion of mortgage-backed securities defined as "high-risk mortgage-backed securities" under section 118A.04, subdivision 6, shall not apply to repurchase agreements under this authority if the margin requirement is 101 percent or more.

**Subd. 5.** Reverse repurchase agreements. Notwithstanding the limitations contained in section 118A.05, subdivision 2, the county may enter into reverse repurchase agreements to:

- (1) meet cash flow needs; or
- (2) generate cash for investments, provided that the total securities owned shall be limited to an amount not to exceed 130 percent of the annual daily average of general

investable monies for the fiscal year as disclosed in the most recently available audited financial report. Excluded from this limit are:

- (i) securities with maturities of one year or less; and
- (ii) securities that have been reversed to maturity. There shall be no limit on the term of a reverse repurchase agreement. Reverse repurchase agreements shall not be included in computing the net debt of the governmental entity, and may be made without an election or public sale, and the interest payable thereon shall not be subject to the limitation in section 475.55. The interest shall not be deducted or excluded from gross income of the recipient for the purpose of state income, corporate franchise, or bank excise taxes, or if so provided by federal law, for the purpose of federal income tax.

**Subd. 6. Options and futures.** A government entity may enter into futures contracts, options on futures contracts, and option agreements to buy or sell securities authorized under law as legal investments for counties, but only with respect to securities owned by the governmental entity, including securities that are the subject of reverse repurchase agreements under this section that expire at or before the due date of the option agreement.

HIST: 1996 c 399 art 1 s 8

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### **Section 118A.08 No superseding effect.**

Except as provided in Laws 1996, chapter 399, article 1, section 11, sections 118A.01 to 118A.06 shall not supersede any general or special law relating to the deposit and investment of public funds.

HIST: 1996 c 399 art 1 s 9



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**City of Windom, Minnesota**

**Strategies and Goals**

**October 2011**

**PERSPECTIVE**

The goals and strategies is a compilation of thoughts, input, and discussion from four distinct sources: 1) city staff internal survey; 2) two community meetings (July 6 and July 11); 3) feedback obtained from the Finding Windom group via their social media contacts; and 4) four City Council work sessions (July 13, July 27, August 29 and October 5) which included the Mayor, City Council, members of City staff and Mari Harries (Finding Windom). Additional work will be completed by the City Council in 2011/12 refining each strategy.

At the July 13 City Council meeting the various planning components were outlined and presented. On July 27, the first draft of a document was presented and thoroughly discussed. On August 29, the City Council reviewed the second draft. At the October 5 meeting, the City Council moved to the development and implementation phases of the process that started with the citizen inputs. Further delving into the strategies and goals and putting the language into more specific, concrete and understandable actions is the primary future objective of the City Council.

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**NOTABLE COMMENTS**

Thoughts and reflections on the process:

*For a long time now, the City has not had a strategic plan that brings our community together. This is an opportune time to get everyone on the same page. We are a resilient and strong community; this process will help us prepare a road map for our future.*

**Windom City Council**

*We want this process to develop a shared vision with specific action statements that we can follow and implement. We need a plan that moves our community forward.*

**Steve Nasby, Windom City Administrator**

*We have so much to be proud of in Windom. I came home to invest in the future of my community; we need to remove the myth that you have to leave Windom to be successful.*

**Mari Harries, Finding Windom Group**

\*\*\*\*\*

## TERMS AND DEFINITIONS

The following terms used for this planning process are defined as follows:

- Vision:** An outcome; a result and an ideal to strive for over a period of time. A destination and long-term community quality and value that requires a resolve and commitment to realize and then to maintain.
- Strategy:** An essential public policy priority which defines the vision and organizes the goals. Typically a five to ten year timeframe; strategies will not change often, if at all.
- Goal:** A significant measurable and desired activity, project or purpose that requires resources. The time commitment in pursuit of goals will vary – they can be succinct and short – but also longer term, even up to five years.
- Actions:** Individual steps and activities that are priorities of the city which are necessary to implement a goal, reach a strategy and strive for your vision. Specific action steps are continuously evolving and changing as they are identified and completed.

\*\*\*\*\*

## COMMUNITY VISION

The City of Windom is recognized for its rich history and proud community. One of the key determinants of securing a successful long term future is the city's ability to adapt and respond to ever changing societal, economic and fiscal challenges. The 2011 planning process is mindful of how these conditions evolve and change in time. Coupled with lingering recessionary impacts and an unpredictable future, both flexibility and creativity are strong considerations in the planning framework.

The Council identified the following seven elements as a foundation for the City's future vision.

- **Deep sense of pride and community self-esteem**
- **Connected, engaged, and invested citizens**
- **Competent, professional and progressive workplace culture**
- **Promote and cultivate local business retention and development**
- **Promote, invest in and discover the future community leaders**
- **Commitment to a collaborative future for our community**
- **Market and brand the traditional values of our community**

## WINDOM PRIORITIES (STRATEGIES)

These five strategies will guide city officials in pursuit of the vision. A commitment to each – over time – will ensure that the City Council matches its financial resources with the community’s highest priorities.

- I. **Community Pride**            A positive image and reputation developed by a progressive and active community.
- II. **Community Vitality**        Create a diversified jobs base and a thriving, revitalized downtown square.
- III. **Organizational Culture**    Provide high quality public services.
- IV. **Public Facilities**            Maintain and upgrade public infrastructure and City facilities pursuant to a defined and prioritized plan.
- V. **Natural Resources**           Utilize and market the value and beauty of our land and geography.

\*\*\*\*\*

There are 10 goals and a variety of actions that define the vision and strategies. They incorporate all of the topics and themes from the input to date and the discussions on July 27, August 29 and October 5. The upcoming City Council discussions will further review and explore these goal statements and their respective actions in more detail.

| STRATEGY               | Number of GOALS | Number of ACTIONS |
|------------------------|-----------------|-------------------|
| Community Pride        | 2               | 7                 |
| Community Vitality     | 2               | 10                |
| Organizational Culture | 2               | 10                |
| Public Facilities      | 2               | 2                 |
| Natural Resources      | 2               | 6                 |



## Strategy I

**Community Pride:** A positive image and reputation developed by a progressive and active community

Characteristics and descriptions that define this strategy include:

- Market what we already have
- Capture the value of telecom assets
- County Seat
- Safe community
- Variety of activities available
- Numerous recreational activities
- Educate and inform the public
- Involve and invest in our youth
- Civic groups
- Reputation
- Debunk the “Leave Windom” myth
- First impressions
- Community appearance
- Vacant building needs
- Painting and upkeep
- Trash and junk image
- Clean up and enhance the appearance of the TH 60/71 corridor
- An attractive community
- Erect welcoming and directional signs
- Provide tools and resources for the community
- Annual Community Pride Day, “Spruce-Up” Week, contests (civic groups), highlight improved properties (newspaper spot), “Adopt a House” Event – for painting and yard maintenance.
- Encourage commercial property owners to refresh their building facades
- Create marketing brochures
- Community clean-ups of trash in public areas
- Volunteer to adopt a park or boulevard
- Participation in exterior enhancements (e.g. painting program) by engaging residents of all ages to participate.

### Goals

#### 1. A progressive reputation and community pride

##### Actions:

- a. Support the goals of the Finding Windom Group
- b. Align the goals of different community groups
- c. Market amenities such as recreation programming, the Community Center, Arena, Pool, Parks, Library and Windom Recreation Area with local partners

#### 2. A positive image

##### Actions:

- a. Clean up public and private property
- b. Target the Windom public facilities and grounds as welcoming points
- c. Develop a highway corridor and streetscape plan
- d. Update City code and ordinances and consider staffing needs to administer



## Strategy II

**Community Vitality:** Create a diversified jobs base and a thriving, revitalized downtown square

Characteristics and descriptions that define this strategy include:

- Create a new business climate
- Use broadband network as a resource
- Highway access
- Location between Minneapolis and Sioux Falls
- Agriculture assets
- High quality, cost-effective utility services
- Prepare a list of downtown business owners
- Land and open spaces
- Revitalize town square
- More family businesses
- Motel needs
- More restaurants
- Small steps matter a lot
- Partner with WADC, WACC Foundations and Businesses

### Goals

#### 1. Attract and prioritize a diversified jobs base

##### Actions:

- a. Seek out and find new businesses
- b. Retain and grow existing businesses
- c. Focus on jobs that reflect our agriculture influence and emphasis
- d. Maximize the value of the City's infrastructure assets (technology and transportation)
- e. Network with and support the EDA, DEED and other state/regional organizations
- f. Partner with the WADC in an economic development strategy for retail
- g. Work with MN DOT on completion of TH 60 into 4 lanes

#### 2. A thriving, revitalized downtown square and commercial corridor

##### Actions:

- a. Communicate with building owners to understand the reasons for vacancies and motives of the absentee landowners
- b. Develop strategies to encourage new business in the downtown area
- c. Utilize vacant store fronts building space for signage and information purposes



## Strategy III

**Organizational Culture:** Provide high quality public services

Characteristics and descriptions that define this strategy include:

- Deliver cost-effective and efficient utility services
- Maintain quality city staff
- Internal communication
- Find ways to retain quality people, utilize employees' suggestions and abilities, and improve morale
- Public Safety services
- Parks and Parks programming
- Location of state and federal offices
- Outreach to business community
- Low cost utility services
- Certifications and training
- Student liaison to Council meetings
- Review customer service rental surveys
- Expand interactions with school district
- Improved interaction with county, school district & community groups
- Youth representative as liaison on the City Council
- Enhance and improve the website
- Look at new ways of doing business
- Cultural change underway – transitioning from old to new
- Other Facilities - Cemeteries
- Quality water services and system
- Team building and customer service training
- Hold regular meetings with other officials
- Schedule presentations to community groups

### Goals

#### 1. Deliver high quality public services

##### Actions:

- a. Explore ways to provide more efficient and cost-effective utility services
- b. Streamline and prioritize the services provided to the residents
- c. Provide a friendly, well-kept, and clean atmosphere for all customers, visitors, and guests at city facilities
- d. Create a plan for continuing education for staff
- e. Enhance team work among departments and build collaboration within the workplace
- f. Improve employee morale, and explore networking and appreciation\recognition events for employees
- g. Include staff input in the policy development process
- h. Evaluate current utility billing for conversion to e-payments through the City's website

**2. Build strong relationships and collaborative partnerships with other governmental offices, schools, the business community, and community groups**

Actions:

- a. Encourage student participation in local government and offer local government civic classes
- b. Expand knowledge of city government within community groups

DATA



## Strategy IV

**Public Facilities:** Maintain and upgrade public infrastructure and city facilities pursuant to a defined and prioritized plan

Characteristics and descriptions that define this strategy include:

- Develop a maintenance plan for public infrastructure and city facilities
- Prioritize upgrades to equipment and facilities
- Work with professional staff, consultants and engineers to obtain technical input
- Prioritize capital improvements, such as fire hall, dam, community center, pool, arena, streets, water, wastewater and library
- Research resources to plan and finance capital improvements
- Seek creative financing tools
- Discuss the current assessment policy
- Explore other sources of revenue
- Citizen input concerning city services, facilities and programs.
- 2007 pool feasibility study
- Local option sales tax and franchise fees

### Goals

**1. Implement a capital improvement plan**

Actions:

- a. Update, enhance and formalize capital improvement plan

**2. Develop resources and funding available for capital improvements**

Actions:

- a. Study and evaluate all resources for planning, financing and constructing capital improvements



## Strategy V

**Natural Resources:** Utilize and market the value and beauty of our land and geography

Characteristics and descriptions that define this strategy include:

- Community has evolved by the river
- Utilize value of river
- Outdoor activities
- Trails and bike paths
- Meet effluent standards
- Camp sites
- Fishing
- Des Moines River
- Hunting
- Clean-up activities
- Pest control
- Weeds
- Work with Parks and Recreation Commission
- Increase use of community assets and natural areas

### Goals

#### 1. Protect Windom's natural resources

Actions:

- a. Plan an outdoor garden and wedding area on the Community Center grounds
- b. Organize a community group to assist with the planning of the Des Moines River Valley Trail
- c. Explore grants for trails, bikeways and paths
- d. Develop a plan for enhancing Island Park facilities and services
- e. Research options for pest and weed control

#### 2. Market Windom's geographic location

Actions:

- a. Market and brand Windom as an outdoor destination

## **NEXT STEPS**

The following represent ideas for the next steps in the process. The importance of each can be discussed and then prioritized in the upcoming City Council discussions.

- 1) Present the plan to the City Council for action
- 2) Communicate the plan to the staff and general public

Ideas to consider for communicating the plan include:

- Staff briefings
- Electronic messages (emails)
- Website
- News articles
- Incorporate into memos and background material

- 3) Incorporate the information into ongoing work with the Council

Ideas to incorporate the information into the Council's business include:

- Alter the City Council agenda format and how information is organized and structured
- Schedule periodic updates and reviews (quarterly)
- Hold periodic work sessions on selected topics
- Identify Capital Projects and formalize CIP

- 4) Update and revisit on an annual basis. Adopt new goals and action steps.

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

| Department          | Vendor Name          | Description              | Amount     |
|---------------------|----------------------|--------------------------|------------|
| CITY HALL           | MN ENERGY RESOURCES  | HEATING                  | 19.88      |
|                     |                      | Total for Department 115 | 19.88*     |
| POLICE              | AT & T               | USAGE CHARGES            | 165.47     |
| POLICE              | Verizon Wireless     | SERVICE FOR LAP TOPS     | 78.06      |
| POLICE              | MN D.A.R.E INC.      | CONFERENCE FEES          | 230.00     |
|                     |                      | Total for Department 120 | 473.53*    |
| FIRE DEPARTMENT     | Verizon Wireless     | SERVICE FOR LAP TOPS     | 52.04      |
| FIRE DEPARTMENT     | CENTURY LINK         | TELEPHONE                | 58.87      |
| FIRE DEPARTMENT     | MN FIRE CHIEF ASSOCI | RENTAL AGREEMENT-KITCHEN | 50.00      |
|                     |                      | Total for Department 125 | 160.91*    |
| STREET              | CENTURY LINK         | TELEPHONE                | 58.87      |
| STREET              | MN ENERGY RESOURCES  | HEATING                  | 32.46      |
|                     |                      | Total for Department 140 | 91.33*     |
| HEALTH & SANITATION | NEAL GRUNEWALD       | COMPOST SITE MANAGER     | 160.00     |
|                     |                      | Total for Department 145 | 160.00*    |
| RECREATION          | TRISHA GRANT         | REFUND - FLAG FOOTBALL   | 35.00      |
|                     |                      | Total for Department 150 | 35.00*     |
| GENERAL             | JAN VLIENER          | REFUND-COMPOST PASS      | 15.00      |
|                     |                      | Total for Department 201 | 15.00*     |
|                     |                      | Total for Fund 01        | 955.65*    |
| LIBRARY             | GE CAPITAL RETAIL BA | SUBSCRIPTION             | 15.65      |
| LIBRARY             | MN ENERGY RESOURCES  | HEATING                  | 44.19      |
|                     |                      | Total for Department 171 | 59.84*     |
|                     |                      | Total for Fund 03        | 59.84*     |
| AIRPORT             | LUCAN COMMUNITY TV I | MAINTENANCE              | 130.12     |
|                     |                      | Total for Department 174 | 130.12*    |
|                     |                      | Total for Fund 11        | 130.12*    |
| AMBULANCE           | Verizon Wireless     | SERVICE FOR LAP TOPS     | 78.06      |
| AMBULANCE           | Verizon Wireless     | TELEPHONE                | 97.95      |
| AMBULANCE           | CENTURY LINK         | TELEPHONE                | 58.87      |
| AMBULANCE           | ROBIN SHAW           | EXPENSE                  | 26.14      |
| AMBULANCE           | KIM POWERS           | EXPENSE                  | 29.28      |
|                     |                      | Total for Department 176 | 290.30*    |
|                     |                      | Total for Fund 13        | 290.30*    |
| SCDP                | SW MN HOUSING PARTNE | DEED DRAW                | 12,736.00  |
|                     |                      | Total for Department 163 | 12,736.00* |

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

| Department               | Vendor Name          | Description              | Amount     |
|--------------------------|----------------------|--------------------------|------------|
| Total for Fund 17        |                      |                          | 12,736.00* |
| LIQUOR                   | BEVERAGE WHOLESALERS | MERCHANDISE              | 5,110.73   |
| LIQUOR                   | HAGEN DISTRIBUTING   | MERCHANDISE              | 3,338.10   |
| LIQUOR                   | JOHNSON BROS.        | MERCHANDISE              | 1,315.94   |
| LIQUOR                   | PHILLIPS WINE & SPIR | MERCHANDISE              | 434.21     |
| LIQUOR                   | BANK MIDWEST         | NSF CHECK                | 96.31      |
| Total for Department 180 |                      |                          | 10,295.29* |
| Total for Fund 60        |                      |                          | 10,295.29* |
| WATER                    | H P SUDS CLUB, LLC.  | BILLING CONTRACT SERVICE | 172.92     |
| WATER                    | CENTURY LINK         | TELEPHONE                | 58.87      |
| WATER                    | WESTRUM LEAK DETECTI | LEAK DETECTION SURVEY    | 1,200.00   |
| Total for Department 181 |                      |                          | 1,431.79*  |
| Total for Fund 61        |                      |                          | 1,431.79*  |
|                          | WESTERN COMM ACTION  | REFUND - ENERGY BALANCE- | 7.42       |
|                          | JAN VLEIEGER         | REFUND-COMPOST PASS      | 1.03       |
| Total for Department     |                      |                          | 8.45*      |
| ELECTRIC                 | H P SUDS CLUB, LLC.  | BILLING CONTRACT SERVICE | 172.93     |
| ELECTRIC                 | CENTURY LINK         | TELEPHONE                | 55.41      |
| ELECTRIC                 | WESTERN COMM ACTION  | REFUND - ENERGY BALANCE- | 107.97     |
| Total for Department 182 |                      |                          | 336.31*    |
| Total for Fund 62        |                      |                          | 344.76*    |
| SEWER                    | HOLT'S CLEANING SERV | CLEANING                 | 375.20     |
| SEWER                    | H P SUDS CLUB, LLC.  | BILLING CONTRACT SERVICE | 172.92     |
| SEWER                    | MII LIFE             | VEBA GRANT FOR COLTON DU | 275.00     |
| SEWER                    | CENTURY LINK         | TELEPHONE                | 123.81     |
| SEWER                    | MN ENERGY RESOURCES  | HEATING                  | 52.74      |
| SEWER                    | ZIESKE LAND SURVEYIN | SERVICE                  | 390.00     |
| Total for Department 183 |                      |                          | 1,389.67*  |
| Total for Fund 63        |                      |                          | 1,389.67*  |
| ECONOMIC DEVELOPMENT     | MARK HANSON          | EXPENSE                  | 123.88     |
| Total for Department 187 |                      |                          | 123.88*    |
| Total for Fund 67        |                      |                          | 123.88*    |
| TELECOMMUNICATIONS       | CITY OF WINDOM       | REFUND-STMT CREDIT APPLI | 24.61      |
| TELECOMMUNICATIONS       | H P SUDS CLUB, LLC.  | BILLING CONTRACT SERVICE | 518.73     |
| TELECOMMUNICATIONS       | CENTURY LINK         | TELEPHONE                | .25        |
| TELECOMMUNICATIONS       | MN ENERGY RESOURCES  | HEATING                  | 10.10      |
| Total for Department 199 |                      |                          | 553.69*    |

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

| Department | Vendor Name                     | Description       | Amount     |
|------------|---------------------------------|-------------------|------------|
| -----      |                                 |                   |            |
|            |                                 | Total for Fund 69 | 553.69*    |
|            | LAW ENFORCMENT LABOR UNION DUES |                   | 210.00     |
|            | LOCAL UNION #949 UNION DUES     |                   | 1,499.20   |
|            | MN BENEFIT ASSOCIATI INSURANCE  |                   | 256.57     |
|            | Total for Department            |                   | 1,965.77*  |
|            | Total for Fund 70               |                   | 1,965.77*  |
|            | Grand Total                     |                   | 30,276.76* |

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

| Department           | Vendor Name              | Description              | Amount    |
|----------------------|--------------------------|--------------------------|-----------|
| CITY OFFICE          | INDOFF, INC              | SUPPLIES                 | 30.72     |
| CITY OFFICE          | HY-VEE FOOD STORE        | MERCHANDISE              | 14.88     |
| CITY OFFICE          | TOSHIBA FINANCIAL SE     | LEASE/MAINTENANCE CONTRA | 20.40     |
|                      | Total for Department 103 |                          | 66.00*    |
| P & Z / BUILDING OFF | INDOFF, INC              | SUPPLIES                 | 137.99    |
|                      | Total for Department 106 |                          | 137.99*   |
| POLICE               | INDOFF, INC              | SUPPLIES                 | 173.13    |
| POLICE               | TOSHIBA FINANCIAL SE     | LEASE/MAINTENANCE CONTRA | 10.18     |
| POLICE               | FLEET SERVICES DIVIS     | LEASE CAR                | 2,146.20  |
|                      | Total for Department 120 |                          | 2,329.51* |
| FIRE DEPARTMENT      | INDOFF, INC              | SUPPLIES                 | 26.71     |
| FIRE DEPARTMENT      | MARK MARCY               | REGISTRATION             | 28.20     |
| FIRE DEPARTMENT      | VOYAGER FLEET SERVIC     | GAS                      | 223.75    |
|                      | Total for Department 125 |                          | 278.66*   |
| RECREATION           | TOSHIBA FINANCIAL SE     | LEASE/MAINTENANCE CONTRA | 10.18     |
|                      | Total for Department 150 |                          | 10.18*    |
| PARKS                | INDOFF, INC              | SUPPLIES                 | 108.65    |
|                      | Total for Department 165 |                          | 108.65*   |
|                      | Total for Fund 01        |                          | 2,930.99* |
| LIBRARY              | INDOFF, INC              | SUPPLIES                 | 28.68     |
| LIBRARY              | STAR TRIBUNE             | SUBSCRIPTION             | 62.40     |
| LIBRARY              | TOSHIBA FINANCIAL SE     | LEASE/MAINTENANCE CONTRA | 5.09      |
|                      | Total for Department 171 |                          | 96.17*    |
|                      | Total for Fund 03        |                          | 96.17*    |
| AIRPORT              | INDOFF, INC              | SUPPLIES                 | 5.34      |
| AIRPORT              | MN DEPT OF ADMINISTR     | TELEPHONE                | 23.58     |
| AIRPORT              | TANKNOLOGY INC           | TESTING TANK             | 622.60    |
|                      | Total for Department 174 |                          | 651.52*   |
|                      | Total for Fund 11        |                          | 651.52*   |
| POOL                 | TOSHIBA FINANCIAL SE     | LEASE/MAINTENANCE CONTRA | 5.09      |
|                      | Total for Department 175 |                          | 5.09*     |
|                      | Total for Fund 12        |                          | 5.09*     |
| AMBULANCE            | MANKATO MOBIL - ALPH     | MAINTENANCE              | 142.24    |
|                      | Total for Department 176 |                          | 142.24*   |
|                      | Total for Fund 13        |                          | 142.24*   |
| MULTI-PURPOSE BUILDI | INDOFF, INC              | SUPPLIES                 | 48.06     |

CITY OF WINDOM  
 FM Entry - Invoice Payment - Department Report

| Department           | Vendor Name              | Description              | Amount     |
|----------------------|--------------------------|--------------------------|------------|
| MULTI-PURPOSE BUILDI | HANEFELD CUSTOM BUIL     | DAMAGE TO BLDG- R. BENSO | 977.50     |
| MULTI-PURPOSE BUILDI | HY-VEE FOOD STORE        | MERCHANDISE              | 130.29     |
| MULTI-PURPOSE BUILDI | MN ENERGY RESOURCES      | HEATING                  | 151.43     |
| MULTI-PURPOSE BUILDI | TOSHIBA FINANCIAL SE     | LEASE/MAINTENANCE CONTRA | 10.18      |
|                      | Total for Department 177 |                          | 1,317.46*  |
|                      | Total for Fund 14        |                          | 1,317.46*  |
| LIQUOR               | BELLBOY CORP             | MERCHANDISE              | 692.00     |
| LIQUOR               | BEVERAGE WHOLESALERS     | MERCHANDISE              | 3,956.45   |
| LIQUOR               | CITY OF WINDOM           | CIGARETTE LICENSE        | 20.00      |
| LIQUOR               | COCA-COLA BOTTLING C     | MERCHANDISE              | 438.75     |
| LIQUOR               | WIRTZ BEVERAGE MN WI     | MERCHANDISE              | 2,889.94   |
| LIQUOR               | HAGEN DISTRIBUTING       | MERCHANDISE              | 9,416.45   |
| LIQUOR               | A H HERMEL CANDY & T     | MERCHANDISE              | 621.64     |
| LIQUOR               | JOHNSON BROS.            | MERCHANDISE              | 5,100.96   |
| LIQUOR               | MN LABOR LAW POSTER      | SUPPLIES                 | 67.25      |
| LIQUOR               | MN ENERGY RESOURCES      | HEATING                  | 94.80      |
| LIQUOR               | PEPSIAMERICAS            | MERCHANDISE              | 218.40     |
| LIQUOR               | PHILLIPS WINE & SPIR     | MERCHANDISE              | 216.00     |
| LIQUOR               | QUALITY WINE SPIRITS     | MERCHANDISE              | 6,726.75   |
| LIQUOR               | TOSHIBA FINANCIAL SE     | LEASE/MAINTENANCE CONTRA | 20.36      |
| LIQUOR               | BANK MIDWEST             | NSF CHECK                | 37.45      |
| LIQUOR               | WINE MERCHANTS           | MERCHANDISE              | 384.25     |
|                      | Total for Department 180 |                          | 30,901.45* |
|                      | Total for Fund 60        |                          | 30,901.45* |
| WATER                | AMERICAN PAYMENT CEN     | SERVICE                  | 16.50      |
| WATER                | H P SUDS CLUB, LLC.      | BILLING CONTRACT SERVICE | 166.67     |
| WATER                | ITRON                    | MAINTENANCE              | 635.44     |
| WATER                | MN ENERGY RESOURCES      | HEATING                  | 347.17     |
| WATER                | TOSHIBA FINANCIAL SE     | LEASE/MAINTENANCE CONTRA | 20.36      |
|                      | Total for Department 181 |                          | 1,186.14*  |
|                      | Total for Fund 61        |                          | 1,186.14*  |
|                      | B & B TRANSFORMER        | INVENTORY                | 4,484.07   |
|                      | EUGENIO MARES            | REFUND - UTILITY PREPAYM | 300.00     |
|                      | Total for Department     |                          | 4,784.07*  |
| ELECTRIC             | AMERICAN PAYMENT CEN     | SERVICE                  | 16.50      |
| ELECTRIC             | H P SUDS CLUB, LLC.      | BILLING CONTRACT SERVICE | 166.67     |
| ELECTRIC             | HY-VEE FOOD STORE        | MERCHANDISE              | 2.72       |
| ELECTRIC             | ITRON                    | MAINTENANCE              | 635.44     |
| ELECTRIC             | MN ENERGY RESOURCES      | HEATING                  | 19.88      |
| ELECTRIC             | TANKNOLOGY INC           | SERVICE                  | 622.60     |
| ELECTRIC             | TOSHIBA FINANCIAL SE     | LEASE/MAINTENANCE CONTRA | 20.36      |
| ELECTRIC             | VOYAGER FLEET SERVIC     | GAS                      | 829.77     |
| ELECTRIC             | BANK MIDWEST             | NSF CHECK                | 92.76      |

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

| Department           | Vendor Name                                   | Description              | Amount    |
|----------------------|---|--------------------------|-----------|
| ELECTRIC             | BANK MIDWEST                                  | NSF CHECKS               | 236.23    |
|                      |   | Total for Department 182 | 2,642.93* |
|                      |   | Total for Fund 62        | 7,427.00* |
| SEWER                | AMERICAN PAYMENT CEN SERVICE                  |                          | 16.50     |
| SEWER                | INDOFF, INC                                   | SUPPLIES                 | 178.43    |
| SEWER                | H P SUDS CLUB, LLC.                           | BILLING CONTRACT SERVICE | 166.67    |
| SEWER                | ITRON   | MAINTENANCE              | 635.44    |
| SEWER                | MN ENERGY RESOURCES                           | HEATING                  | 23.46     |
| SEWER                | TOSHIBA FINANCIAL SE LEASE/MAINTENANCE CONTRA |                          | 32.56     |
| SEWER                | VOYAGER FLEET SERVIC GAS                      |                          | 206.55    |
|                      |   | Total for Department 183 | 1,259.61* |
|                      |   | Total for Fund 63        | 1,259.61* |
| ARENA                | FERRELLGAS                                    | GAS                      | 102.60    |
| ARENA                | HY-VEE FOOD STORE                             | MERCHANDISE              | 187.19    |
| ARENA                | MN ENERGY RESOURCES                           | HEATING                  | 185.74    |
| ARENA                | TOSHIBA FINANCIAL SE LEASE/MAINTENANCE CONTRA |                          | 18.32     |
|                      |   | Total for Department 184 | 493.85*   |
|                      |   | Total for Fund 64        | 493.85*   |
|                      | ELECTRIC FUND                                 | LOAN PAYMENT TO ELEC SPE | 730.68    |
|                      | FULDA AREA CREDIT UN SPEC BLDG LOAN           |                          | 1,742.25  |
|                      |   | Total for Department     | 2,472.93* |
| ECONOMIC DEVELOPMENT | INDOFF, INC                                   | SUPPLIES                 | 137.99    |
| ECONOMIC DEVELOPMENT | ELECTRIC FUND                                 | LOAN PAYMENT TO ELEC SPE | 218.81    |
| ECONOMIC DEVELOPMENT | FULDA AREA CREDIT UN SPEC BLDG LOAN           |                          | 1,617.75  |
| ECONOMIC DEVELOPMENT | HY-VEE FOOD STORE                             | MERCHANDISE              | 30.93     |
|                      |   | Total for Department 187 | 2,005.48* |
|                      |   | Total for Fund 67        | 4,478.41* |
| TELECOMMUNICATIONS   | AMERICAN PAYMENT CEN SERVICE                  |                          | 49.50     |
| TELECOMMUNICATIONS   | BEIM CONSULTING                               | WEB SITE DESIGN          | 2,220.00  |
| TELECOMMUNICATIONS   | DISH NETWORK                                  | SERVICE                  | 3,400.00  |
| TELECOMMUNICATIONS   | DLT SOLUTIONS INC                             | SUPPORT                  | 275.67    |
| TELECOMMUNICATIONS   | E-911   | MONTHLY 911 SERVICE      | 43.95     |
| TELECOMMUNICATIONS   | FOX SPORTS                                    | SUBSCRIBER               | 5,845.11  |
| TELECOMMUNICATIONS   | H P SUDS CLUB, LLC.                           | BILLING CONTRACT SERVICE | 499.99    |
| TELECOMMUNICATIONS   | HY-VEE FOOD STORE                             | BLANDIN MIRC             | 82.18     |
| TELECOMMUNICATIONS   | MLB NETWORK                                   | SUBSCRIBER               | 335.07    |
| TELECOMMUNICATIONS   | NEW STAR SALES & SER                          | COPIER MAINTENANCE       | 35.00     |
| TELECOMMUNICATIONS   | CENTURY LINK                                  | TELEPHONE                | 110.31    |
| TELECOMMUNICATIONS   | CENTURY LINK                                  | DIRECTORY LISTING        | 200.07    |
| TELECOMMUNICATIONS   | NEUSTAR, INC.                                 | MAINTENANCE              | 1.25      |
| TELECOMMUNICATIONS   | ONVOY, INC                                    | SS7 SERVICE              | 959.88    |

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

| Department         | Vendor Name          | Description              | Amount     |
|--------------------|----------------------|--------------------------|------------|
| TELECOMMUNICATIONS | ONVOY, INC           | WJP;E 800 SWITCH         | 1,780.60   |
| TELECOMMUNICATIONS | TOSHIBA FINANCIAL SE | LEASE/MAINTENANCE CONTRA | 30.54      |
| TELECOMMUNICATIONS | BANK MIDWEST         | NSF CHECKS               | 55.03      |
|                    |                      | Total for Department 199 | 15,924.15* |
|                    |                      | Total for Fund 69        | 15,924.15* |
|                    | AFLAC                | INSURANCE                | 356.20     |
|                    | JOHNSON COUNTY COURT | PAYROLL DEDUCTION CDDM01 | 1,202.00   |
|                    |                      | Total for Department     | 1,558.20*  |
|                    |                      | Total for Fund 70        | 1,558.20*  |
|                    |                      | Grand Total              | 68,372.28* |



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# WHAT'S GOING ON WITH MY TAX BILL?

What is changing?  
Does my property qualify  
for the new exclusion?

Why might the change  
increase my property taxes  
no matter what?

How the replacement for the state's **market value homestead credit** program may impact the city portion of your 2012 property taxes

2011 tax credit changing to 2012 value exclusion

# Before change

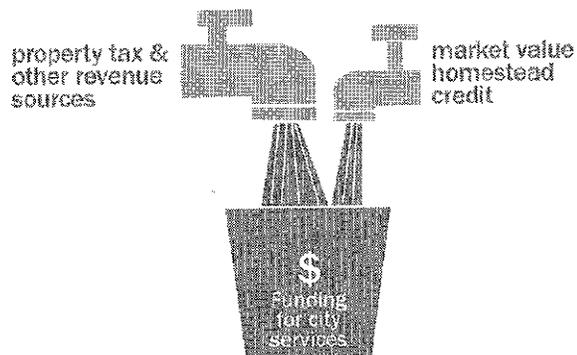
## Market value homestead credit (MVHC)

Qualifying homeowners receive a state **TAX CREDIT** on their property tax bill that reduces the amount of property tax they are required to pay. The state is supposed to reimburse local governments, including cities, counties, and school districts, for the revenue lost as a result of the credit.



**TAX CREDIT**  
to homeowners

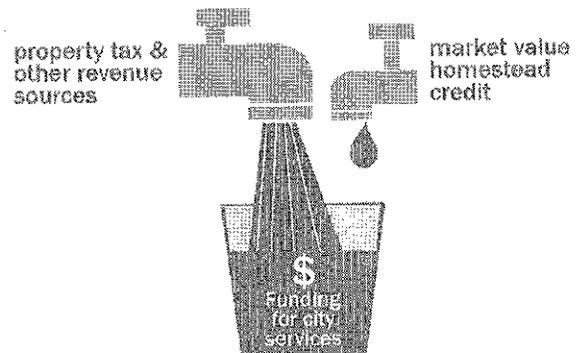
### How MVHC should work:



#### COMBINED REVENUES PAY FOR CITY SERVICES

The intent of the law was for the state to subsidize a homeowner's property tax bill by promising to pay part of that bill to the city. Those MVHC dollars, combined with revenue from property taxes and other city revenue sources, were to provide the necessary funds to pay for city services like police, fire, clean water, parks, etc.

### How MVHC has worked:



#### INCONSISTENT REIMBURSEMENT LEAVES HOLE

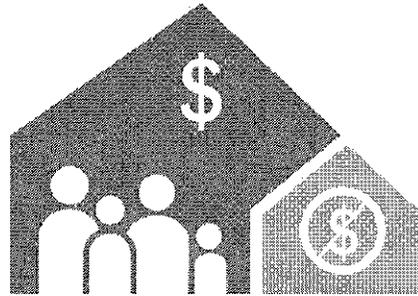
The state fails to reimburse cities for some or all of the property tax credit each year. City revenues fall short of those needed to fund city services, forcing responses like reduced services and increased property taxes.

2011 tax credit changing to 2012 value exclusion

# After change

## Homestead market value exclusion (HMVE)

Qualifying Homeowners will receive a **VALUE EXCLUSION**, which means that they will pay taxes on only a **PORTION** of their home's value. The previous credit program will be eliminated.



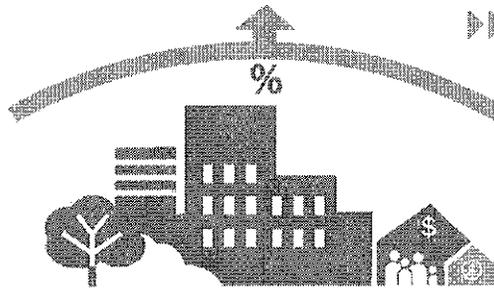
**VALUE EXCLUSION**  
on homestead property

### How HMVE will work:

value of home minus exclusion



city tax rate



Under the state's new market value exclusion, qualifying homeowners pay tax on a **PORTION** of their home's value; in other words, the **TAXABLE MARKET VALUE** goes **DOWN**. This leads homeowners to expect lower tax bills. >

**BUT** instead, the exclusion will reduce the overall tax base so that **TAX RATES WILL HAVE TO RISE** in order to bring in even the same amount of tax dollars as last year to fund city services. Higher tax rates would apply to **ALL** property in the community, including those homes receiving the exclusion.

# Questions?

**How can I find out if my property qualifies for the homestead market value exclusion program?** Only homesteads (defined as owner-occupied homes for tax purposes) qualify for the exclusion. Homesteads valued at less than \$76,000 will have 40 percent of their value excluded. For homesteads valued at more than \$76,000 the exclusion percentage is reduced until it hits 0% at homesteads valued at more than \$413,778. The proposed tax statements property owners will receive this fall may be confusing. They might show a change in the value of the home but won't specify how much of that change is due to the new exclusion as opposed to changes in the housing market. The final tax statements sent in the spring will be more specific about what portion of the value is excluded for each homestead.

**What does the change mean for business and apartment owners?** It is likely that taxes on business and apartment properties will rise in 2012. This is because the non-business and apartment portion of city tax bases will shrink with the exclusions given to homesteads. In other words, business and apartment properties will become bigger pieces of the tax base pie. In order to generate at least the same amount of property tax dollars to provide city services, the tax rate would need to be higher. All properties in a community would be subject to the higher tax rate.

**Are all cities affected by this change in the same way?** No two cities will be affected in exactly the same way because the mix of different property types is different in each community. In some cities, most of the property tax base is homes. In others, business property or farm property makes up a larger portion of the tax base. The amount of homestead property—specifically, the amount of homes that qualify for the exclusion—will determine the effect on the city's tax base.

**Is this change permanent? Will it make my taxes go up or down next year?** The State Legislature can always take action on any part of

state property tax policy. It may make changes to the new exclusion program or it may not. The effects of the HMVE on property owners' future tax bills are very difficult to predict—for some properties, tax bills beyond 2012 may increase while for others they may decrease. The transition from the MVHC system to the new HMVE system will be complete in 2012 so moving forward there will not be any effects on property tax bills due to the conversion itself. Regardless of what happens with the new exclusion program, property tax bills can still go up or down due to changes in the property's assessed value, or changes in city, county, or school district levies.

**Why is the state government involved in this at all? I thought property taxes were set by local governments?** While city councils and mayors set city budgets and determine the amount of property taxes to collect, policy decisions made at the state level about how the property tax system works also affect property tax bills. The state designs property tax relief programs, like the market value homestead credit and the new market value exclusion, as well as the local government aid program (general aid paid directly to cities). The state also establishes different categories of property and determines the portion of each type of property that is taxable through the system of classification rates.

**What are the other things that impact how much property tax I pay?** Besides state policy choices, other things that can affect your property taxes include city spending decisions, changes in the valuation of your property, changes in the valuation of other properties in your community, and spending decisions of your county and school district. Your property tax bill includes property taxes paid to counties, cities, schools, and special districts, like watershed districts.

**Are there other property tax relief programs available for homeowners or business owners?** The state administers several property tax relief programs, including the regular property tax refund program (also known as the "circuit breaker" program). Information about the different programs and eligibility rules are available at [www.taxes.state.mn.us](http://www.taxes.state.mn.us).

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## For more information

### LEAGUE OF MINNESOTA CITIES

145 University Avenue West, St. Paul, MN 55103-2044  
Phone: 651-281-1200 Toll Free: 800-925-1122 Fax: 651-281-1299  
[www.lmc.org](http://www.lmc.org)





# GREATER MINNESOTA Advocate

A publication of the Coalition of Greater Minnesota Cities

October 25, 2011

## Market Value Credit: Symptom of Larger Problem

Much has been made by the media, local governments and legislators over the conversion of the Market Value Homestead Credit (MVHC) to a value exclusion program. Outcries from across the state have called for fixing or reinstating the MVHC to alleviate the problems the conversion has created, not the least of which are property tax increases on homeowners, agricultural, apartments and business. Unfortunately, fixing the MVHC would just treat only one symptom of a larger property tax problem that has been growing for years.

In 1991, cities levied \$168 per person, while receiving \$131 in LGA per person, for total revenue of levy plus LGA of \$299 per person. If you adjusted the city revenue from 1991 to today by the rate of inflation for state and local governments, the \$299 per person would equal \$552. In 2011, cities levy \$430 per person and receive \$98 per person in LGA. Interestingly, today's levy plus aid revenue is \$528 per person, \$23 less than the inflation adjusted revenue from 1991. The big difference is that in 1991, 44% of the revenue came from LGA and today its only 19%. Knowing this it is not surprising that property taxes are higher.

If the legislature is to fix the MVHC there are several questions that should be asked. First and foremost, how does the state pay for the fix? If the state was flush with cash, the conversion would have never happened. The state needed, however, the \$260 million to balance the budget and any fix would

require further spending reductions or revenue not currently in the budget. Second, if we are pushing more funds into property tax relief is the HVMC the best choice, or should the state look to its celebrated past and reinvest in aids to local governments?

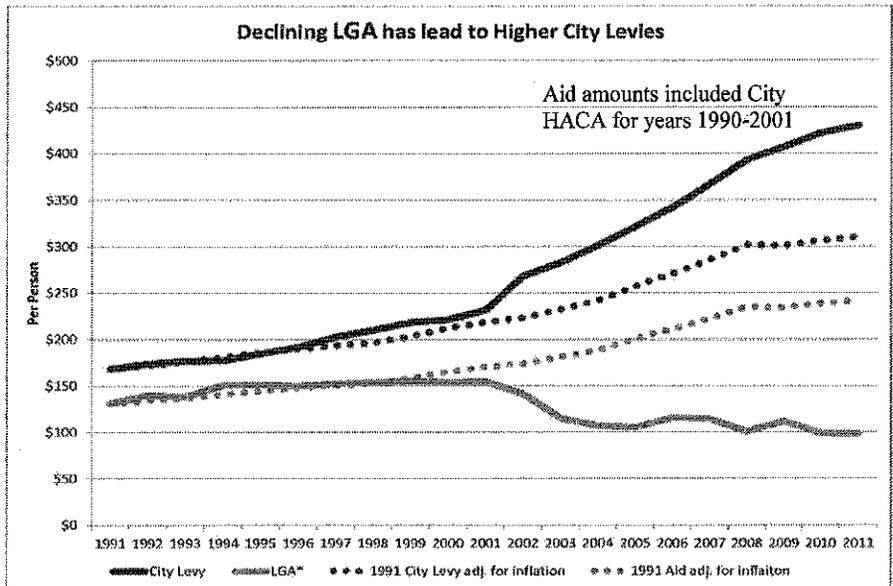
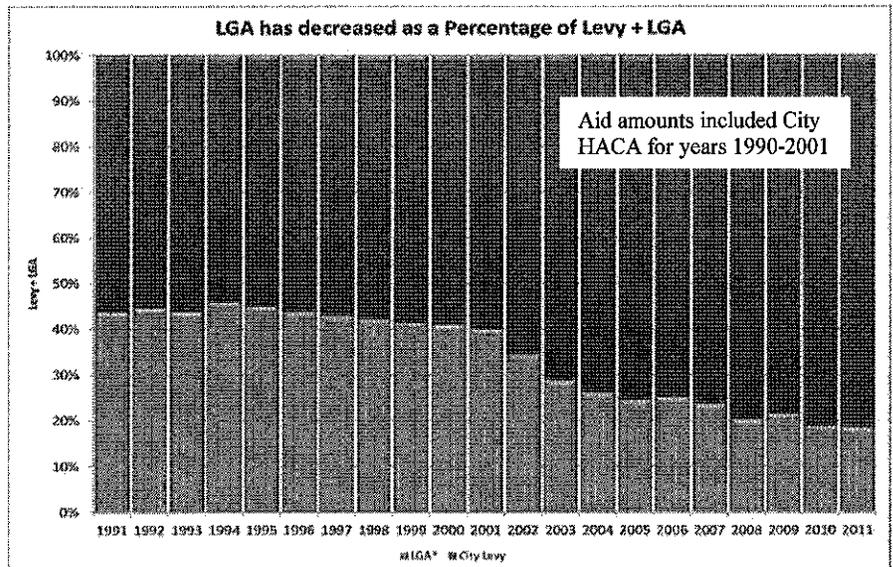
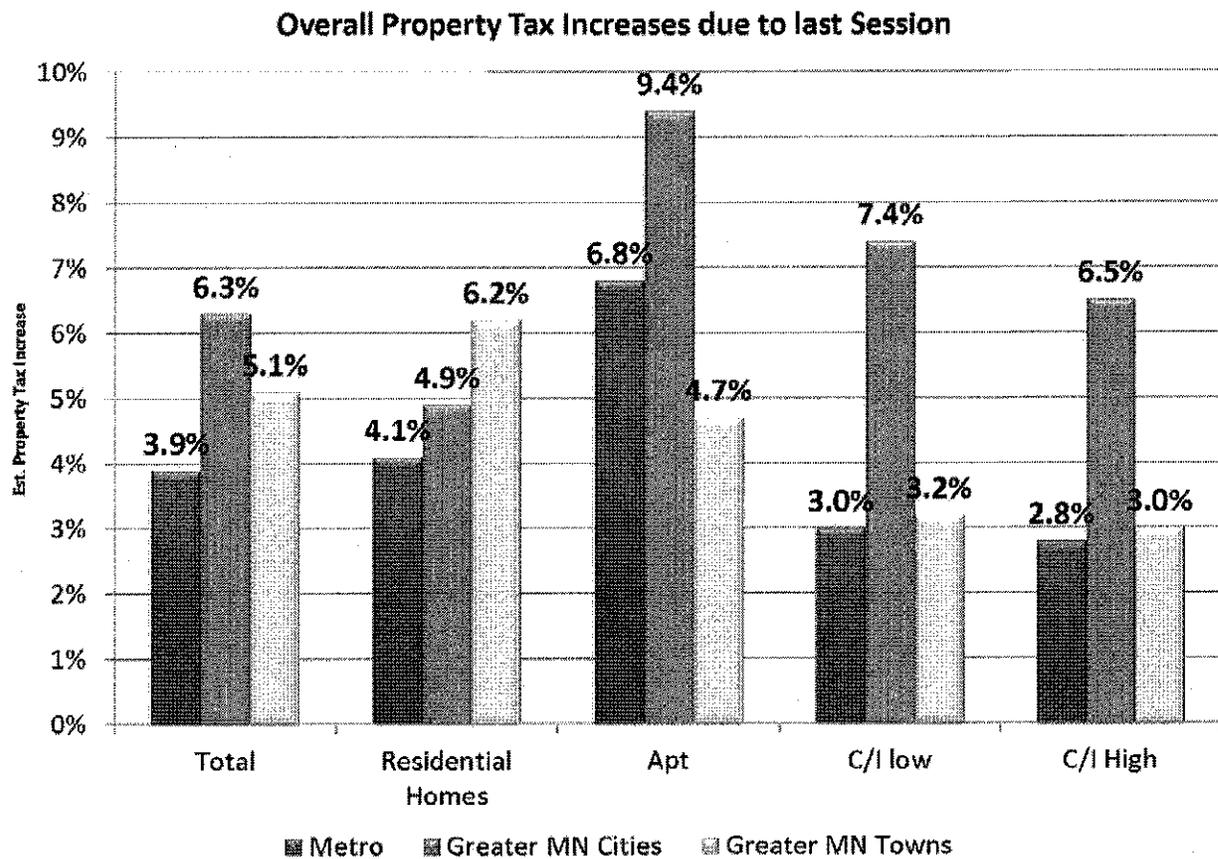


Chart Sources: MN Department of Revenue, MN State Demographer



# As State Retreats from MVHC and LGA, Greater Minnesota Hit Hardest

The graph below summarizes a House Research Simulation Report on the property tax impacts of the state budget passed during the special session to end the state government shutdown. The analysis clearly shows that as a result of the Market Value Homestead Credit elimination and conversion to a market value exclusion program, permanent reductions in LGA, and other reductions in property tax programs property taxes will go up. Of note, however, is not only that property taxes are projected to increase statewide, but that the impacts will be most keenly felt by greater Minnesota homeowners, businesses, and renters. Especially concerning to greater Minnesota cities looking to attract and retain businesses is the projected differences between greater Minnesota and the Metro area when it comes to commercial/industrial property. The increases are more than double in greater Minnesota than in the Metro.



Source: House Research Simulation Report: Property Tax, #11E7, July 18, 2011  
 Prepared by Flaherty & Hood, P.A. on behalf of the Coalition of Greater MN Cities



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Coalition of Greater Minnesota Cities

# CGMC in Brief

October 27, 2011

Contact: Tim Flaherty  
651-225-8840

## Countdown to the Conference

Advocacy at the legislature is probably the CGMC's most important function. To perform that advocacy, the CGMC needs the input of its members on its policy priorities and legislative plan. Please help us with this important work by joining us at the fall conference, November 16 – 18 in Fergus Falls. We'll be unveiling and discussing our Economic Development initiative as well as voting on our policy priorities for the years. Please join us and be an important part of that work. Registration materials are attached.

## CGMC at the "Jobs Summit"

On Tuesday, Governor Dayton hosted a statewide "Jobs Summit" in St. Paul. Titled "*Getting Minnesota Working Again... Together,*" the all-day summit included remarks by business and economic development leaders in the state, as well as several breakout sessions covering a wide array of job creation topics.

Many CGMC members and Flaherty & Hood attorney/lobbyist J.D. Burton were in attendance. Two CGMC mayors were invited at the request of Governor Dayton to appear as panelists during the breakout sessions. Cloquet Mayor Bruce Ahlgren provided local government insight on the state's tax structure on a panel titled "Reforming Minnesota Taxes for Better Economic Growth." International Falls Mayor Shawn Mason offered her insight as a rural, small-town mayor on the "Economic Development Tool Box" panel. Both were excellent representatives of the CGMC and their respective communities.

The Department of Employment and Economic Development intends to post summaries of the breakout sessions on their website (<http://bit.ly/vpthV5>) in the coming days. For more information about the summit, or the CGMC's Economic Development program, please contact J.D. Burton at [jdburton@flaherty-hood.com](mailto:jdburton@flaherty-hood.com)

## Governor Offers Additional Small Business Assistance

Governor Dayton unveiled an expanded small business assistance program Wednesday designed to target new capital to community banks across Minnesota, particularly in greater Minnesota. Administered through the Minnesota State Board of Investment, the Minnesota Small Business/Banking Partnership will provide immediate FDIC-insured deposits of up to \$1.5 million for lending by community banks to small businesses. A release accompanying the plan estimates that approximately \$100-200 million will be deposited for lending.



## Join a committee

Before CMGC members vote on our policy priorities, our committees decide what those priorities should look like. Join a committee and help make that happen. In addition to policy formation, committees provide insight and advice to CGMC lobbyists when issues arise throughout the legislative session. All committee meetings are held via conference call.

If you are interested in becoming a member of one or more of these committees and participating in this process please contact the staff member listed next to the area you are interested in. The first committee meetings will be held before the CGMC Conference in November so please sign up for a committee by Monday October 31, 2011.

Annexation/Land Use  
Bradley Peterson  
[bmpeterson@flaherty-hood.com](mailto:bmpeterson@flaherty-hood.com)

Economic Development  
J.D. Burton  
[jdburton@flaherty-hood.com](mailto:jdburton@flaherty-hood.com)

Energy/Environment  
Elizabeth Wefel  
[eawefel@flaherty-hood.com](mailto:eawefel@flaherty-hood.com)

LGA/Property Taxes  
Steve Peterson  
[smpeterson@flaherty-hood.com](mailto:smpeterson@flaherty-hood.com)

Transportation  
J.D. Burton  
[jdburton@flaherty-hood.com](mailto:jdburton@flaherty-hood.com)

## The latest Advocate

This week the CGMC produced another edition of the Greater Minnesota Advocate highlighting our concerns with the MVHC changes and proposed solutions. This newsletter was distributed to all legislators. A copy is attached.

## Impacts of LGA cuts

MPR did a story on the long term impacts of city budget cuts. The article quotes CGMC lobbyist Bradley Peterson and several of our Mayors and city staff. <http://bit.ly/vi4jMY>





# 2011 CGMC Fall Conference Agenda

Wednesday, November 16 – Friday, November 18

Bigwood Event Center, Fergus Falls

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

Names/titles: \_\_\_\_\_

Guest(s): \_\_\_\_\_

Names/titles: \_\_\_\_\_

Guest(s): \_\_\_\_\_

Names/titles: \_\_\_\_\_

Guest(s): \_\_\_\_\_

## Please mark how many people are attending each event

### Wednesday, November 16

\_\_\_\_\_ 2:00 p.m. Board of Directors Meeting

5:30 p.m. Dinner at Mable Murphy's – please choose one of the options below:

\_\_\_\_\_ # Broiled Walleye

\_\_\_\_\_ # 12 oz. Prime Rib

\_\_\_\_\_ # Lasagna

### Thursday, November 17

\_\_\_\_\_ 8:30 a.m. Tour of Fergus Falls

\_\_\_\_\_ 12:00 p.m. Lunch

\_\_\_\_\_ 1 p.m. CGMC Programs, Legislative Panel, and Labor Update

\_\_\_\_\_ # 6:00 p.m. Dinner

### Friday, November 18

\_\_\_\_\_ 8 a.m. Breakfast and Membership Meeting

### Registration Fees

\_\_\_\_\_ \$155 per person - Wednesday, Thursday, and Friday

\_\_\_\_\_ \$110 per person - Thursday and Friday

\_\_\_\_\_ \$ 25 per person - Wednesday guest dinner(s)

\_\_\_\_\_ \$ 25 per person - Thursday guest dinner(s)

\_\_\_\_\_ TOTAL

### Hotel Reservations

Please call **Best Western Falls Inn and Suites** to book your hotel room at the special CGMC rate (starting at \$70.00 plus tax) before **Nov. 6**.

Phone: 800.293.2216

925 Western Ave.

Fergus Falls, MN 56537-4803

Please make checks payable to CGMC.

\_\_\_ Bill me      \_\_\_ Payment enclosed      \_\_\_ I'll pay at the conference

By **November 9**, please send completed registration form to:

Colleen Millard

Flaherty & Hood, P.A.

525 Park Street, Suite 470

Saint Paul, MN 55103

Fax: 651.225.9088

cmillard@flaherty-hood.com



# 2011 CGMC Fall Conference Agenda

Wednesday, November 16 – Friday, November 18

Bigwood Event Center, Fergus Falls

*All events at Bigwood Event Center unless otherwise noted*

**Wednesday,  
November 16**

- 2:00 p.m. **Board of Directors Meeting**
- Recruitment and Retention Update
  - Consultant Contracts
  - LGA Strategy Update
  - Other business
- 5:15 p.m. **Bus Leaves for Dinner**
- 5:30 p.m. **Dinner**  
*Mable Murphy's – Junction Hwy 210 & I-94*

**Thursday,  
November 17**

- 8:30 a.m. **Tour of Fergus Falls**
- New Fergus Falls Community Arena
  - Fergus Falls Regional Treatment Center Re-Development
- 12:00 p.m. **Lunch with Speaker – DEED Commissioner Mark Phillips (Invited)**  
The Dayton Administration's Plans for Job Growth and Economic Development
- 1:00 p.m. **CGMC Economic Development Proposals**  
Tim Flaherty & J.D. Burton, Flaherty & Hood, P.A.
- 2:00 p.m. **Legislative Panel on Constitutional Amendments**  
Rep. Ryan Winkler, DFL – Golden Valley (Confirmed)  
Rep. Steve Drazkowski, R – Mazeppa (Invited)
- 3:00 p.m. **Break**
- 3:15 p.m. **Redistricting Update**  
Elizabeth Wefel, Flaherty & Hood, P.A.
- 3:30 p.m. **Labor & Employee Relations Update**  
Chris Hood and Brandon Fitzsimmons, Flaherty & Hood, P.A.
- 5:00 p.m. **Social Hour**
- 6:00 p.m. **Dinner**

**Friday,  
November 18**

- 8 a.m. **CGMC Full Membership Meeting**
- Discussion and Adoption of CGMC Policy Positions
  - Advocacy & Media Strategy for 2012 Session
  - Dues & Bylaws Change
  - Other Business
- 11 a.m. **Adjourn**



Coalition of Greater Minnesota Cities

# CGMC in Brief

October 20, 2011

Contact: Tim Flaherty  
651-225-8840

## Talk of "Fixing" Market Value Homestead Credit Should Raise Flags

As the impacts of the special session budget deal on local property taxes become better understood there seems to be hope in some quarters that the situation created by the elimination and conversion of the Market Value Homestead Credit (MVHC) to a Market Value Exclusion can be fixed. As reported by Forum Reporter Don Davis (<http://bit.ly/qb5Zqi>) State Rep. Larry Howes (R – Walker) said "We are going to do some fixes on that." He went on to state, "We are just not ready to say what that is going to be" and indicated that the Property Tax Refund Program (aka "circuit breaker") as it is known might be one place to do it.

As legislators and others discuss a "fix" to the property tax problems we encourage all parties to think about the following questions:

**How are you going to pay for it?** According to administration officials re-establishing the MVHC would cost about \$290 million a year. If the state did not have the money in July to fully fund programs, where would it get this money in January? Additionally, many around the Capitol are anticipating that the November budget forecast will show a deficit. Would the legislature be willing to raise new revenue in some form to pay for a fix? Taking money from other programs, such as LGA, is also unacceptable, especially after Senate Tax Chair Julianne Ortman said on the Senate floor that communities can now count on stable funding for years to come.

**How are you going to "fix" it?** One of the primary concerns with the MVHC was that the state only paid the credit in full the first year of its existence, 2003. Since that time homeowners got the benefit of the credit even though the state failed to reimburse local governments in full. Why would the state re-establish a failed program? Local governments would be short-changed and we would be in the same position that was the impetus for getting rid of the MVHC in the first place.

**Bottom-Line.** If the legislature is going to fix the property tax problems created by the special session budget they should re-commit to the remaining property tax aids and credits that we already have on the books such as LGA and County Program Aid.

Join us November 16 – 19, 2011 for the CGMC Fall Conference. Registration materials are attached.

**Sign up now for the  
fall conference**



**CGMC Lobbyists  
meet with  
Governor's Office**

On Tuesday CGMC staff members Tim Flaherty, Elizabeth Wefel, and Bradley Peterson met with Governor Dayton's Legislative Director Michele Kelm-Helgen and policy advisor Jeff Van Wychen. The meeting with the governor's office was to share the concerns that member cities have about raising property taxes in the wake of the Market Value Homestead Credit conversion and continued cuts to the LGA program.

**Study highlights role  
of farm practices in  
river sediment**

A study presented yesterday by the University of Minnesota's Water Resources Center identified the agricultural practice of artificial field drainage as the major cause of runoff sedimentation in the Mississippi River. This drainage has helped make farm fields in the Minnesota River valley highly productive. Agricultural water researchers question the validity of the study.

This study is just one more that highlights the impacts of agriculture on water quality. As non-point sources of pollution, farms are not subject to the same regulations as municipal wastewater treatment facilities. Studies such as this one provide further evidence that regulators need to focus on the main source of pollutions rather than ratcheting up the restrictions on WWTFs.

A copy of the article can be found at <http://bit.ly/oYaKGA> . The study is not yet available.

**Last Chance for  
Redistricting Input**

Your opportunity to submit comments to the Judicial Panel on Redistricting closes tomorrow, October 21, 2011. As we have explained before, the panel's decision will impact your community for a decade or more so it's important for you to provide your input. Written comments should be forwarded to [StateRedistrictingPanel@courts.state.mn.us](mailto:StateRedistrictingPanel@courts.state.mn.us) If you would like more information, please contact Elizabeth Wefel at Flaherty & Hood or visit our website at <http://bit.ly/ncOOQy>.

**Please give us your  
input on Economic  
Development**

The CGMC membership approved an expanded economic development program for the CGMC during the upcoming 2012 legislative session. Accordingly, the CGMC is currently soliciting policy ideas and suggestions from stakeholders including cities, EDAs, local chambers of commerce, and others. Information received will be compiled to form the backbone of the CGMC's economic development platform.

All ideas, comments and suggestions are welcome. If you would like to add your insights and input to this discussion, or would like to connect the CGMC with your local chamber or EDA, please contact J.D. Burton with Flaherty & Hood, P.A.



## **CGMC Lobbyists Talk Reform with House Committee**

Republican members of the House of Representatives are working to identify opportunities that will make state government more accountable, cost-effective, and efficient. Several subcommittees are meeting with stakeholders throughout the state to learn more about areas for improvement. The local government subcommittee contacted Flaherty & Hood on behalf of the CGMC and asked for ideas where state laws could be changed to assist local governments. Bradley Peterson and Elizabeth Wefel met with the subcommittee today and discussed a number of opportunities pertaining to economic development, environmental regulation, and other areas of concern.

Governor Dayton is also looking for ways to improve how state government performs. Every state agency has taken steps to improve their operations over the last nine months. Improvements to the competitive bidding process for government contracts were held up as examples of change. More information regarding these initiatives can be found at <http://bit.ly/ohg73Q>

## **MVHC Change receives more attention**

It is not surprising that Rep. Howes suggested that the MVH exclusion will be fixed (see article above) in light of the outcry regarding the impact of this change on property taxes. Legislators are sending out mixed messages on the topic, however. Although Rep. Howes believes the change was a problem that should be fixed, other legislators continue to suggest that local governments be held responsible for tax increases associated with any property taxes increases resulting from the exclusion. See, e.g., <http://bit.ly/qCOWNV>

Outside observers continue to decry the impact of the MVHC exclusions and ask that legislators and the governor be honest about its impact. The Rochester Post Bulletin opined that these changes were akin to a shell game. The entire article is attached.

The Minnesota 2020 think tank released a new report this week highlighting the impact that state budget cuts to LGA and the MVHC have had on property taxes. Matt Entenza, a senior fellow with the think tank, held a press conference in Bemidji that included local officials who talked about the very real impacts of these cuts. The article is attached.



## **Explaining the impacts of LGA cuts in simple terms**

Many cities prepare handouts to help the public and their legislators better understand the challenges cities face with their budgets. We wanted to share an example of one city's efforts this year.

The City of Owatonna recently prepared a concise two-page overview of their expenditure and revenue components to help the public better understand the difficult budget challenges facing the city. Their document highlights a few key points: the city will spend less in 2012 than it did in 2007; any additional cuts likely will come from personnel; and further reductions in LGA will have a significant impact on the city's budget. Their handout does an excellent job in conveying their budgetary challenges and decisions.

A clear message, backed by easy-to-understand data, is a very powerful tool. We hope Owatonna's work can be helpful in your efforts this budget year.

## **Register Now For The Fall Conference**

Please join us in Fergus Falls November 16 – 18 for the CGMC Fall Conference. At this conference we'll be unveiling our economic development initiatives and making decisions about our 2012 legislative agenda. Don't miss this opportunity to connect with other cities and help us as we prepare for the 2012 session. Registration materials are attached and should be returned to Colleen Millard at [cfmillard@flaherty-hood.com](mailto:cfmillard@flaherty-hood.com). Members are responsible for making their own hotel reservations.





Print a Copy

# CITIES BULLETIN

Issue 39

October 19, 2011



Download/print a pdf of all articles in this issue

## Understanding the Transition to Homestead Market Value Exclusion

The League continues to develop resources to help cities understand and educate their residents about the changes to the property tax system. [Read more.](#)

### Local News

#### League Seeks Member Comments on Draft 2012 City Policies

Please review the policies and send your comments to the League by Nov. 1. [Read more.](#)

#### State and Federal Regulators Investigate Rural Phone Service Problems

Customers continue to complain about the failure to complete phone calls. [Read more.](#)

#### Mixed News on the State Budget

The state's latest economic update indicates revenue collections are higher than expected, but also provides a somber analysis of the continuing weak economy. [Read more.](#)

#### League Accepting Applications from City Officials for 1300 Code Administration Committee

The committee is charged with assisting with amendments to the code administration chapter for the State Building Code. [Read more.](#)

### More Information and Resources

**Register Today: Regional Metro Meeting on Nov. 17 in Eagan**

**CERTs Offers Community-Based Clean Energy Seed Grants**

**Register by Friday, Oct. 21: Police and Our Changing Communities Fall Workshop**

**Panel Discussion on Oct. 26: The New American Vote and Politics Today**

**Federal Grants Available to Make Elections More Accessible for Individuals with Disabilities**

**Free Technical Assistance for Smart Growth Strategies**

### Training, Conferences, Events

**Upcoming League Events**

**Online Training/E-Learning**

**Co-Sponsored Events**

**Events Sponsored by Other Organizations**

### Featured Events

**2011 Metro Regional Meeting**  
Nov. 17—Eagan

**Police & Our Changing Communities**  
Oct. 25—Fergus Falls  
Oct. 26—Marshall

### Quick Links

- [Archive of Previous Issues](#)
- [City Jobs](#)
- [Jobs with LMC](#)
- [Wanted/For Sale/RFP Announcements in the LMC Marketplace](#)
- [Weekly 4M Fund Rates \(Minnesota Municipal Money Market Fund\)](#)

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**For legislative questions:**  
Contact **IGR Staff**

**For editorial or other Bulletin questions:**  
Contact **Claudia Hoffacker**  
Editor  
(651) 215-4032 or (800) 925-1122  
[choffacker@lmc.org](mailto:choffacker@lmc.org)

## Understanding the Transition to Homestead Market Value Exclusion



**The League continues to develop resources to help cities understand and educate their residents about the changes to the property tax system.**

The League continues to work on creating resources to help cities understand the new homestead market value exclusion (HMVE) program and how it differs from the discontinued market value homestead credit (MVHC) program.

As part of the omnibus tax bill (First 2011 Special Session Chapter 7), the Legislature repealed the MVHC program and created the new HMVE program. These changes are effective for taxes payable in 2012. In place of the MVHC program, homeowners will receive an exclusion of a portion of the market value of their house from property taxes. The exclusion is computed in a manner similar to the market value homestead credit. However, the impact of the change will vary from community to community, depending on a number of factors, including tax base of the community and the local tax rate.

Two new League documents are now available to help city officials understand and adjust to these changes:

- **Market Value Exclusion 101 (pdf)** (*Link to: <http://www.lmc.org/media/document/1/mvexclusion101pdf.pdf>*)
- **Assessing the Impact in Your City: Factors to Consider (pdf)** (*Link to: [http://www.lmc.org/media/document/1/mve\\_issuespdf.pdf](http://www.lmc.org/media/document/1/mve_issuespdf.pdf)*)

### **Interactive tool coming soon**

The League is also working on an interactive tool to help cities with this transition. City officials will soon have access to an electronic spreadsheet that will allow them to calculate estimated city and total taxes for several hypothetical properties, including homesteads and business properties, under the old MVHC reimbursement system and the new HMVE system. The spreadsheet will be posted here in the coming days.

### **Resources to help cities educate residents**

The League is also developing a brochure to help cities educate their residents about these changes. The brochure is designed to better inform residents what the transition to HMVE means for their local property taxes. Additionally, the League will produce a PowerPoint presentation that may be used at city council meetings or town hall gatherings. These resources will also be posted here soon.

### **Additional resources**

Below are more resources to help cities understand how these changes will impact them, their property tax revenues, and their residents.

- **League webinar, presented live on Aug. 19** (*Link to: <http://www.lmc.org/page/1/mvhcwebinar-materials.jsp>*)
- **Department of Revenue document: Understanding Recent Changes in Homestead Benefits (pdf)** (*Link to: <http://taxes.state.mn.us/property/Documents/hmve-taxpayers.pdf>*)
- **Department of Revenue overview explaining the changes (pdf)** (*Link to:*

[http://taxes.state.mn.us/property\\_tax\\_administrators/Documents/mv\\_exclusion\\_local\\_gov.pdf](http://taxes.state.mn.us/property_tax_administrators/Documents/mv_exclusion_local_gov.pdf))

- **Department of Revenue memo on conversion (pdf)** (Link to: [http://taxes.state.mn.us/property\\_tax\\_administrators/Documents/hmve.pdf](http://taxes.state.mn.us/property_tax_administrators/Documents/hmve.pdf))
- **House Research overview of new program (pdf)** (Link to: <http://www.house.leg.state.mn.us/hrd/issinfo/hmvexclusion.pdf>)
- **House Research property tax simulation of effects of exclusion** (Link to: <http://www.house.leg.state.mn.us/hrd/issinfo/ptxsims.htm>)
- **LMC article: Update on Additional Homestead Market Value Exclusion Issues** (Link to: <http://www.lmc.org/page/1/update-hmve.jsp>) (Aug. 26, 2011)
- **LMC article: More Considerations for the New Homestead Market Value Exclusion** (Link to: <http://www.lmc.org/page/1/exclusionimpacts.jsp>) (Aug. 24, 2011)
- **LMC article: How Changes to MVHC Program Will Affect Cities** (Link to: <http://www.lmc.org/page/1/mvhcrepeal.jsp>) (July 27, 2011)

### Other useful resources

- **House Research background paper on the property tax refund program (pdf)** (Link to: <http://www.house.leg.state.mn.us/hrd/pubs/ss/sshptrp.pdf>)
- **House Research background paper on targeting property tax refund (pdf)** (Link to: <http://www.house.leg.state.mn.us/hrd/pubs/ss/sstrgt.pdf>)
- **Background on 2011 LGA and MVHC Reimbursement Cuts** (Link to: [http://taxes.state.mn.us/property\\_tax\\_administrators/Pages/2011\\_aid\\_credit\\_reductions.aspx](http://taxes.state.mn.us/property_tax_administrators/Pages/2011_aid_credit_reductions.aspx))
- **LMC 2011 Law Summaries** (Link to: <http://www.lmc.org/page/1/currentlaw-summaries.jsp>)

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

## League Seeks Member Comments on Draft 2012 City Policies



**Please review the policies and send your comments to the League by Nov. 1.**  
(Published )

The League's policy committees have completed their work, and the *Draft 2012 City Policies* are now available. Please take a moment to download the policies, review them, and send your comments to the League.

**View the Draft 2012 City Policies (pdf)** (Link to: <http://www.lmc.org/media/document/1/draft2012policies.pdf>) (Note: Pages 58 and 70 were revised on Oct. 10.)

Members are encouraged to submit comments on the draft policies to [policycomments@lmc.org](mailto:policycomments@lmc.org) (Link to: <mailto:policycomments@lmc.org>). The comment period ends **Nov. 1**. All member comments are shared with the League Board of Directors before the Board takes final action on the policies in November. The policies will serve as a framework for the League's advocacy efforts during the 2012 legislative session, which begins Jan. 24, 2012.

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

## Your LMC Resource

### Contact Heather Cederholm

Member Outreach Coordinator

(651) 281-1256 or (800) 925-1122

[hcederholm@lmc.org](mailto:hcederholm@lmc.org) (*Link to: <mailto:hcederholm@lmc.org>*)

## State and Federal Regulators Investigate Rural Phone Service Problems



### Customers continue to complain about the failure to complete phone calls.

(Published Oct 19, 2011)

The Federal Communications Commission (FCC) on Oct. 18 convened its newly formed Rural Call Completion Task Force, which was organized to look into the problem of faulty phone service plaguing rural areas in Minnesota and throughout the nation.

The League became aware of the problem earlier this month. Apparently, local phone customers in some cities throughout the non-metropolitan areas of the state have been reporting for some time that their phone calls are not reaching their destination.

The problem has also come to the attention of officials at the Minnesota Department of Commerce and the Consumer Affairs Office at the Minnesota Public Utilities Commission (MPUC). Phone customers as well as affected cities have, in some instances, already contacted state agencies to report that ongoing problems are causing dismay for business and related economic activity at the local level and also raising questions about public safety. The MPUC reported receiving about a dozen completion complaints in October from phone customers in cities served by Windstream Lakedale.

Rural telcos, in particular, rely heavily on revenues earned for terminating calls from other carriers. Local phone companies maintain that they are losing revenues when voice over Internet protocol (VoIP), cable, or wireless phone services used to terminate the call at the other end do not complete the call as expected. Whatever the sources of the problem, both phone customers, local phone companies, and non-traditional carriers all have keen interest in obtaining solutions that will restore individual customer and local government confidence in the reliability of phone service.

Problems in Minnesota and numerous other states have become apparent over the past year or more. Reports of steep increases in complaints about delayed or non-completed phone calls, along with poor technical quality and lack of accurate caller IDs have caused the FCC to act. State investigation of these issues remains a possibility and underscores the importance of reporting such problems to authorities at the state level. (See contact information below.)

The National Telecommunications Cooperative Association (NTCA) has also become directly involved at the national level, representing small, largely rural carriers. NTCA says its members have reported complaints from hospitals unable to reach patients and residents unable to reach police departments as well as complaints from businesses and individual customers. NTCA is represented on the FCC Rural Completion Task Force by Jill Canfield, its Legal Director.

The League has been in communication with a number of cities that have already become aware that residents and businesses have complained about dropped or non-completed phone calls. In September, the local phone company (Windstream) representatives appeared before the Paynesville City Council to respond to some of those concerns. The problem has lessened somewhat in some locations, but has continued or resumed in others.

The MPUC Office of Consumer Affairs has contracted with Onvoy Voice Services to determine the identity of long distance phone companies to which the local phone companies are responsible to connect calls via inter-exchange/intermediate carriers for final termination of the call at the desired destination. Once the call reaches the long distance provider, that carrier may also use various intermediate carriers to deliver the call to its destination. The routing of such calls apparently can vary from one phone call to the next.

Fritz Hendricks, President of Onvoy Voice Services, serves on a task force panel that the FCC has organized to focus on causes and problems associated with complaints from customers. Jill Canfield of NTCA serves on a second panel responsible for exploring possible solutions, which may include addressing contract requirements for least-cost call routing, development of best practices for providers, new technical standards, and information about quality of provider interoperability and performance.

According to news media reports, problems with uncompleted phone calls first came to the attention of the Minnesota Telecommunications Alliance (MTA) last year. MTA represents rural telephone companies throughout the state. According to information provided by the MTA, the problem was particularly evident within the 320 and 218 area codes. The problems also appear to be occurring during a period when the use of new technology, such as VoIP, is increasing. Data collected at the national level appears to indicate that carriers using such technology are experiencing more of the complaints. Other possible sources of the difficulties that phone customers experience include use of least-cost call routing, wireless call quality, interoperability of IP-based technology, and intentional call blocking.

Contact the MPUC Consumer Affairs Office if the city is experiencing phone call completion problems or encourage phone customers to do so at **consumer.puc@state.mn.us** (*Link to: <mailto:consumer.puc@state.mn.us>*) or send written information to: Tracy M.B. Smetana, Consumer Affairs Office, Minnesota Public Utilities Commission, 121 Seventh Place East, Suite 350, Saint Paul, MN 55101-2147.

The Consumer Affairs Office also encourages consumers who are experiencing call completion problems to **submit complaints to the FCC through its website** (*Link to: <http://www.fcc.gov/complaints>*) OR contact the agency at (888) 225-5322.

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

**Your LMC Resource**

**Contact Ann Higgins**

IGR Representative

(651) 281-1257 or (800) 925-1122

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

**Mixed News on the State Budget**



**The state's latest economic update indicates revenue collections are higher than expected, but also provides a somber analysis of the continuing weak economy.**

(Published Oct 19, 2011)

Over the past two weeks, Minnesota Management and Budget (MMB) has released information on the state budget that seem to point in opposite directions. Last week, the department released the October 2011 Economic Update covering the first three months of the state's 2011-2012 biennial budget. That report reflects revenue collections that have exceeded forecasted levels. However, the report also provides a somber analysis of the weak economy and the slower-than-expected economic recovery.

- **Access the October Economic Update on the MMB website** (*Link to: <http://www.mmb.state.mn.us/>*)

In the October 2011 Economic Update report, net non-dedicated general fund revenues for the first quarter of fiscal 2012 were \$59 million, or 1.6 percent, higher than previously projected (see table below). Receipts from the individual income tax, sales tax, and the corporate income tax were all higher than projected, with individual income tax receipts and corporate income tax receipts exceeding forecast by \$53 million and \$54 million, respectively. Sales tax receipts were \$32 million above projections. Compared to the revenue collections for the first quarter of fiscal year 2011, state general fund revenues for the first quarter of fiscal 2012 were 8 percent higher.

**Summary of State General Fund Revenues, July-September 2011**  
(\$ in millions)

| Source       | Estimate       | Actual         | Variance     | Percent     |
|--------------|----------------|----------------|--------------|-------------|
| Individual   | \$1,828        | \$1,881        | +\$53        | +2.9%       |
| Sales        | 1,088          | 1,120          | +32          | +2.9        |
| Corporate    | 235            | 289            | +54          | +23.0       |
| Other        | 441            | 361            | -80          | -18.1       |
| <b>Total</b> | <b>\$3,592</b> | <b>\$3,651</b> | <b>+\$59</b> | <b>+1.6</b> |

According to the report, the \$80 million shortfall in "other" revenues reflects several unique

circumstances. One factor is the earlier-than-expected receipt of a \$60 million income tax reciprocity payment from the state of Wisconsin. The Wisconsin payment was expected to be received in the first quarter of 2012 and, therefore, would have been reflected in the revenues in the table above. However, the payment was actually received in the last quarter of fiscal year 2011, leaving state receipts unchanged when the two quarters of revenues are considered together. The other revenue shortfall also includes large negative variances in health care surcharge receipts and state departmental earnings, which the report suggests may be due to delays in postings associated with the start-up of the new state accounting system.

### **Report suggests slow economic growth**

The October Economic Update also provides an early look at economic trends that may impact the upcoming November state budget forecast. According to a brief summary in the October update, the U.S. economic outlook has soured since the projections included in the February state budget forecast. Projected real economic growth rates for 2011, 2012, and 2013 have been revised downward from estimates prepared earlier in the year.

In addition, the report indicates that a key indicator of the economy—monthly payroll employment—offers little reason to suspect a significant economic recovery is underway. Although the economy is experiencing an anemic recovery, the October update suggests that most economists expect the U.S. to avoid another immediate recession.

### **Legislative Advisory Commission discusses state's cash flow challenges**

On Oct. 6, the Legislative Advisory Commission convened to receive information on the status of the state budget from MMB Commissioner Jim Schowalter and State Economist Tom Stinson.

The Legislative Advisory Commission membership includes four permanent members: the majority leader of the Senate (Sen. Amy Koch), the chair of the Senate Finance Committee (Sen. Claire Robling); the speaker of the House (Rep. Kurt Zellers), and the chair of the House Ways and Means Committee (Rep. Mary Liz Holberg). Additional legislators sit on the commission and are determined by the items being considered by the commission. The commissioner of Management and Budget (Schowalter) acts as commission secretary. Sen. Mike Parry, chair of the Senate State Government Innovation and Veterans Committee, was also in attendance.

In Showalter's presentation, he highlighted issues related to the state's cash flow challenges. Schowalter indicated that the state's general fund has experienced significant cash flow shortfalls in recent years, caused not only by the impacts of the recent recession but also by the fact that a disproportionate amount of state spending occurs at the beginning of the state's fiscal year while revenues are disproportionately collected toward the end of the fiscal year.

Schowalter highlighted the state's methods of addressing this timing imbalance, which has been accomplished through inter-fund borrowing from several of the state's other funds, but excludes trust funds such as pension funds and constitutionally dedicated funds such as the trunk highway fund. Although the general fund reimburses other funds, these inter-fund cash flow loans have helped the state avoid borrowing money through the markets. The state also has some administrative authority to delay certain payments, including payments to higher education and certain tax refunds.

Commissioner Schowalter also suggested that recent legislative budget solutions have exacerbated the cash flow imbalances by drawing down budget and cash flow reserves and tapping one-time state reserves to cover deficits. He also highlighted the fact that his agency is spending more time and energy on the daily cash flow situation to ensure that the state is able to meet its commitments.

The state has entered into a \$600 million line of credit arrangement with U.S. Bank in the event that the state is not able to cover cash flow needs through inter-fund borrowing. The annual cost of maintaining that line of credit is slightly more than \$2 million, which would increase if the state taps the line of credit.

Schowalter concluded by reporting that the state's cash balances on June 30, 2011 (the end of the FY 2010-2011 fiscal biennium) were \$792 million, which was \$233 million above forecast and with recent collections reports, he believes that the likelihood of having to access the line of credit has been reduced for FY 2012, but that the state will have to closely monitor cash flows in March and April 2012 when the next cash flow low points are expected.

State Economist Tom Stinson provided the commission with a brief summary of the status of the state's economy. He indicated that the state has experienced modestly good news with revenue collections above forecast for the first three months of the new biennium. However, he quickly moved to concerns about the economy, including the fact that the state's economic forecasting firm, Global Insight, has reduced gross domestic product (GDP) growth estimates for 2011 from 3.2 percent in the February forecast to 1.5 percent. Similarly, GDP growth estimates for 2012 were also adjusted downward from 2.9 percent to 1.8 percent.

Although Stinson stopped short of predicting another state budget deficit, GDP growth has an impact on projections of state revenue growth and the GDP growth reductions could reduce state revenue projections in the upcoming November state budget forecast.

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

## **Your LMC Resource**

### **Contact Gary Carlson**

IGR Director

(651) 281-1255 or (800) 925-1122

[gcarlson@lmc.org](mailto:gcarlson@lmc.org) (*Link to: <mailto:gcarlson@lmc.org>*)

## **League Accepting Applications from City Officials for 1300 Code Administration Committee**

**The committee is charged with assisting with amendments to the code  
administration chapter for the State Building Code.**



(Published )

Nominations are being sought for individuals interested in serving on the 1300 Code Administration Committee. The 1300 Code Administration Committee is charged with assisting with amendments to the code administration chapter for the State Building Code.

The Department of Labor and Industry's Construction Code and Licensing Division will be the staffing agency for this advisory committee. Appointees will contribute knowledge and expertise toward the code adoption process. Appointees will be responsible for presenting code change proposals to the committee on behalf of the League of Minnesota Cities and for communicating committee action back to the League. The committee aims to begin meeting by December, and is expected to complete its work by March.

The League is seeking applicants from both elected officials and appointed city staff, and will select one appointee and one alternate appointee for this committee. Applicants should have a background and expertise in building code and construction code issues and should have the desire to represent Minnesota cities from a statewide perspective.

City officials interested in serving on the 1300 Code Administration Committee should complete the brief questionnaire at the link below and submit it with a resume to Heather Cederholm at [hcederholm@lmc.org](mailto:hcederholm@lmc.org) (Link to: <mailto:hcederholm@lmc.org>) or by mail to 145 University Avenue West, St. Paul, MN 55103. Applications are due by noon on Oct. 31.

**View the application questionnaire (doc)** (Link to: <http://www.lmc.org/media/document/1/apptapplication.doc>)

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

## Your LMC Resource

### Contact Heather Cederholm

Member Outreach Coordinator

(651) 281-1256 or (800) 925-1122

[hcederholm@lmc.org](mailto:hcederholm@lmc.org) (Link to: <mailto:hcederholm@lmc.org>)



## **CERTs Offers Community-Based Clean Energy Seed Grants**

The Clean Energy Resource Teams (CERTs) seeks to provide seed grants to support the labor costs for clean energy projects, spurring community development and supporting local jobs in Minnesota. Project proposals should be for community-based energy efficiency or renewable energy projects that also provide a forum for community education about energy efficiency and renewable energy technologies and their economic, ecological, and community benefits. Proposals must be submitted by 5 p.m. on **Nov. 15**. For more information, contact CERTs at [RFP@cleanenergyresourceteams.org](mailto:RFP@cleanenergyresourceteams.org) *(Link to:*

*mailto:RFP@cleanenergyresourceteams.org)*

- **Learn about past projects that CERTs has helped fund** *(Link to: <http://projects.mncerts.org>)*
- **Access case studies** *(Link to: <http://casestudies.mncerts.org>)*
- **Learn more and apply for the CERTs grant** *(Link to: <http://rfp.mncerts.org>)*

**Read about other current grant opportunities** *(Link to: <http://www.lmc.org/page/1/current-grant.jsp>)*

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

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## **Federal Grants Available to Make Elections More Accessible for Individuals with Disabilities**

Applications are being accepted for the federal Election Assistance for Individuals with Disabilities (EAID) grants. Cities, townships, and counties are eligible to apply, and Minnesota Secretary of State Mark Ritchie has extended the application deadline to 4 p.m. on **Dec. 12**.

Approximately \$400,000 in EAID grants will be provided through the federal Help America Vote Act (HAVA) of 2002. Funds must be used for accessible equipment and to improve polling place accessibility for voters with disabilities and cannot be used for general improvements to structures. Local election officials are asked to submit grant proposals for accessibility improvements and equipment that will provide privacy and independence for the voter such as automatic door openers, disability parking spaces, renovations to make bathrooms accessible, ramps, accessible voting booths, and magnifiers. In past years grants have ranged from approximately \$100 up to \$6,000. Grant recipients will be notified early in 2012. For more information on the EAID grant application process contact Adam Aanerud at [Adam.Aanerud@state.mn.us](mailto:Adam.Aanerud@state.mn.us) (Link to: <mailto:Adam.Aanerud@state.mn.us>) or (651) 556-0644.

- **Learn more and access the grant application** (Link to: <http://www.sos.state.mn.us/index.aspx?page=763>)

**Read about other current grant opportunities** (Link to: <http://www.lmc.org/page/1/current-grant.jsp>)

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

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## **Free Technical Assistance for Smart Growth Strategies**

Smart Growth America is offering free technical assistance to communities interested in smart growth strategies. Applications are now being accepted. This program has been made possible by a five-year grant from the U.S. Environmental Protection Agency (EPA) to provide direct assistance to communities across the nation to develop local strategies to grow in ways that benefit families and businesses while protecting the environment and preserving a sense of place. The deadline to apply is 4 p.m. on **Oct. 26**.

- **Learn more and access an application** (*Link to: <http://www.smartgrowthamerica.org/sc-tech-assistance>*)

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

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