



**Council Meeting**  
**Tuesday, November 15, 2011**  
**City Council Chambers**  
**7:30 p.m.**

**AGENDA**

Call to Order  
Pledge of Allegiance

1. Approval of Minutes
  - Council Minutes–November 1, 2011
2. Consent Agenda
  - Minutes
    - EDA Commission – October 31, 2011
    - Library Board – November 8, 2011
3. Department Heads
4. Non-Prime Ice Time Rate
5. Disposition of Library Shelves
6. Dept. of Natural Resources Grant Contract – Des Moines River Dam Project
7. 2011A and 2011B Bond Sales (Wastewater Project and 2003 Refunding)
8. Long Range Planning – Strategy II
9. New Business
10. Old Business
11. Regular Bills
12. Council Concerns
13. Adjourn



**Council Meeting  
Windom City Hall, Council Chamber  
November 1, 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; Bruce Caldwell,  
Street & Park Superintendent; Mike Haugen,  
Water\Wastewater Superintendent; Al Baloun,  
Recreation Director and Jeremy Rolfes, Telecom

3. Pledge of Allegiance

4. Approval of Minutes:

**Motion by Ray second by Fossing, to approve the City Council minutes from October 18, 2011. Motion carried 5 – 0.**

5. Consent Agenda:

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

- Street Committee – October 25, 2011
- Utility Commission – October 26, 2011

Kruse noted an Exempt Permit requests from St. Francis Xavier Church for a raffle to be held December 11, 2011 and the Windom Fire Department for a raffle to be held on April 29, 2012.

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

6. Department Heads:

Al Baloun, Arena\Recreation Director, said that there will be a regional trails meeting on November 14, 2011 at 7:00 p.m. at City Hall hosted by the Park & Recreation Commission. Representatives from the National Park Service and MN DNR will be present to discuss plans for a regional trail from the Iowa boarder to the Casey Jones trail near Slayton, MN.

## Preliminary

The trails discussion will also look at how a regional trail would impact and benefit Windom. Baloun invited the City Council and members of the public to attend the meeting.

Bruce Caldwell, Street & Park Superintendent, said that the old steel sheeting from the Street Shop is ready to be disposed of through sale. He asked the City Council for direction as to selling it through a public bid, individual sales or hauling it to an area recycler for scrap. Caldwell said he had inquiries from several people wanting to buy some of it.

Fossing asked how many pounds of steel or sheets are for sale. Caldwell said he did not know, but they did weigh one sheet and it was about two pounds per square foot.

Powers asked if the City had any liability issues if the steel sheets were sold to the general public. Caldwell and Nasby noted that the City had sold surplus items before with the understanding that it was "as is" and liability was not an issue.

Nasby said that if the steel were sold in one lot it would have to be publically bid as the value is over \$500. However, if a price per sheet was established it could be sold to individual buyers but it would be prudent to place an advertisement noting the sale.

Jones asked about the sale to a salvage yard as scrap. Caldwell said they usually take a load or two each year to the salvage yard in Sanborn.

Ray said her preference is to have the Street Department haul it to a salvage yard for scrap.

Fossing suggested calling area salvage yards to determine the highest price since there is a large quantity.

**Motion by Powers, second by Ray, to declare the old steel siding and roofing as surplus and to sell it as scrap to an area salvage yard at the best price. Motion carried 5 – 0.**

### 7. Street Department – Snow and Ice Control Policy:

Caldwell said that a policy on snow and ice control is recommended by the League of Minnesota Cities Insurance Trust (LMCIT) as written policies are better able to help address problems and limit liabilities. He said that the policies are a formalization of what the Department has been doing and the written policy includes example language from the League of Minnesota Cities model and policies from other cities. This policy identifies the City's snow plowing routes, plowing priorities, damage from snow/ice removal, the City's responsibilities for certain sidewalks and emergency responses.

Powers asked if the "on call" time shown in the policy for October 1 to March 31 can be flexible. Caldwell said it could be changed to October 15 and he would look at shortening up the on-call time. Powers also noted a typographical error on page one to be fixed.

**Motion by Powers, second by Ray, to approve the Snow and Ice Control Policy. Motion carried 5 – 0.**

## Preliminary

### 8. Street and Underground Infrastructure Reconstruction Project:

Dennis Johnson, Wenck Associates; Mike Haugen, Water/Wastewater Superintendent along with Caldwell introduced themselves. Johnson said that Cottonwood County had projects planned for River Road, from the Perkins Creek Bridge to 13<sup>th</sup> Street and on 6<sup>th</sup> Street from Highway 60/71 to Lakeview Avenue. The County would be replacing the road surface as these are County State Aid Roads, but the City has water and wastewater utilities under the streets. The County met with the Utility Commission about the City's interest in replacing utility lines while the streets were being re-done. The Utility Commission is recommending the replacement of water and sewer lines in these areas to coincide with the County projects. The City Council reviewed the project and called for a feasibility study. The preliminary report is in the Council packet along with the information needed to start an assessment as this is typically how the City has paid for a portion of the projects.

Haugen said that there is not a new sewer planned for 6<sup>th</sup> Street as it was replaced in 1988.

Jones said that he has raised the issue of using assessments as whether or not they are the most effective way of funding these projects, but he understands the issues involved. He is in favor of proceeding with this project, but would like the Council to further discuss the assessment process when the long-range and capital planning items are discussed.

Motion by Powers, second by Ray, to approve and accept the feasibility study and call for a public hearing. Motion carried 5 – 0.

Motion by Powers, second by Ray, to set a public hearing for the River Road and 6<sup>th</sup> Street Project for December 6, 2011 and instruct the mailing of notices to the property owners. Motion carried 5 – 0.

Caldwell said that he wanted to take this opportunity to raise the issue of additional street projects. Several streets have been identified as in poor condition and needing reconstruction. He understands there are financial constraints, but the City needs to keep up with street maintenance so not everything is needed at one time.

Maricle asked if this was for 2012 or 2013. Caldwell said he would like to have had a 2012 project, but they have done some extensive patching on 20<sup>th</sup> Street, South Drake and 6<sup>th</sup> Avenue that should last in reasonable condition until 2013. Caldwell also noted the City Council will have to decide on engineering services as we are going project by project.

### 9. Non-Prime Ice Time Rate:

Baloun said that the issue of non-prime ice time had been brought up in the past, but there was little interest in it so a rate for non-prime ice time had not been set. Last week an area ice arena had a major mechanical issue and their local youth hockey team was looking for additional ice time. The Windom Arena had been contacted about possible ice times and cost. Due to this issue the establishment of a rate for non-prime ice time was raised. To react in a timely manner he had proposed that the City Council set a rate for non-prime ice time at this meeting and had consulted the Park & Recreation Commission, Council liaisons and the local user groups. A resolution establishing this fee was in the Council packets.

## Preliminary

This week the area arena and hockey association discovered they could repair their mechanical issue and be up and running within a few days, as such Baloun is requesting that the City Council table the proposed non-prime ice time rate resolution until after the next Park & Recreation Commission meeting so they could discuss and make a formal recommendation.

**Motion by Maricle, second by Ray, to table the resolution setting a rate for non-prime time ice until November 15, 2011. Motion carried 5 – 0.**

### 10. 2003 General Obligation Bond – Refinancing Pre-sale Approval:

Nasby said that Ehlers Associates, the City's financial advisors, periodically perform analysis of the City's bonds to determine if re-financing could save the City money. Ehlers Associates is recommending that the City consider refinancing the 2003 Street Project bonds. There is about \$800,000 remaining on this \$1.4 million issue. Due to lower interest rates the City could save just over \$30,000 over the next seven years. This savings is net of any issuance costs. The interest rate would be approximately two points lower than the original issue.

**Council member Jones introduced the Resolution No. 2011-49, entitled "RESOLUTION PROVIDING FOR THE SALE OF \$800,000 GENERAL OBLIGATION IMPROVEMENT REFUNDING BONDS, SERIES 2011B" 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. Beer & Wine License Ordinance Revision – Second Reading:

Nasby said this is the second reading of the ordinance and reiterated 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 mirror state statute. 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.

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

### 12. Call for Public Hearing – Proposed Fee for the Authorization to Sell Intoxicating Malt Liquor:

Nasby said that the City Code requires a public hearing for the setting of liquor license and related fees. Now that the ordinance has been approved to authorize strong beer sales, the fee process can be started. This process includes holding a public hearing and having a 30-day period, which is why the hearing is proposed for December 6, 2011. The three holders of beer and wine licenses will be notified in writing. Due to the timing of the ordinance change and setting of the fee Nasby said it is most likely that anyone wanting the authorization will wait until the liquor licenses are renewed in January 2012.

## Preliminary

Jones asked if there should be an amount established for the intoxicating malt liquor authorization for the public hearing discussion.

Kruse said the hearing is to obtain input and then decide on the fee rather than to have one already established.

Nasby said that staff would be contacting the State to research what the City needs to do to verify the 60% gross receipts from food by the license holder as required by statute. Once this is known the staff can make a recommendation on a possible fee.

**Council member Ray introduced the Resolution No. 2011-50, entitled “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” and moved its adoption. The resolution was seconded by Fossing and on roll call vote: Aye: Powers, Ray, Fossing, Jones and Maricle. Nay: None. Absent: None. Resolution passed 5 - 0.**

### 13. 4M Fund – Minnesota Municipal Money Market Funds:

Nasby said that the City has been investing its money from the Enterprise funds and General Fund in local banks. This has worked well for a number of years, but due to the low interest rates the local lenders are not paying interest on the City's money as the banks are required to carry additional collateral equal to 110% of the City's deposit. Windom has been a participant in the 4M fund operated by the League of Minnesota Cities either in the 1980s or 1990s. The 4M fund has many options for investments ranging from money market to long-term fixed rate investments. The City's investments have typically included Certificates of Deposit for periods of time ranging from 30 days to 18 months, so that the City had liquidity when it was needed for operations or emergency purposes.

Jones asked if the 4M fund would assign an advisor to assist with the investment strategy. Nasby said they would provide that assistance.

**Council member Maricle introduced the Resolution No. 2011-47, entitled “RESOLUTION TO BECOME A PARTICIPANT OF THE MINNESOTA MUNICIPAL MONEY MARKET FUND (4M FUND) AND DECLARATION OF TRUST” and moved its adoption. The resolution was seconded by Jones and on roll call vote: Aye: Ray, Fossing, Jones, Maricle and Powers. Nay: None. Absent: None. Resolution passed 5 - 0.**

### 14. Long Range Planning – Strategy I:

Kruse said that the Council discussed their intent to review and discuss each of the completed strategies from the long-range planning sessions. This additional work is to provide specifics and direction to staff.

Jones clarified that the Mayor wanted steps and actions for implementation. Kruse said that was correct.

## Preliminary

The Council discussed the following items from Strategy I:

- Support Finding Windom -- place links on the City's web site and engaging their members in community\city projects.
- Aligning the Goals of Other Community Groups – find out what community groups exist and their specialty or interests, create a directory of the community groups, help form new groups such as a trails committee.
- Market Amenities – have Department heads list what they do and pursue some public relations on activities, accomplishments and duties in the departments. Include information on the new web site. Work with the Chamber of Commerce and Community Center to create coupon bags with advertisements and deals from local businesses to be provided to groups using the Community Center.
- Clean Up Public and Private Property – continued use of volunteers such as the Finding Windom group and school's Community Pride Day. Place information relating to the enforcement of codes on the web site or enhance what is currently provided. Obtain quotes for pricing on re-codification of the City Code, work on entrance signs for the community and look at the Minnesota Main Street Program. Work with property owners on common sense code enforcement and doing our due diligence.

### 15. New Business:

None.

### 16. Old Business:

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

Kruse said that the budget workshop on November 8<sup>th</sup> needed to be rescheduled, either new date or time change, due to the school board election. Consensus of the City Council was to keep the November 8<sup>th</sup> date and move the meeting to 8:01 p.m.

Nasby said one of the Council's discussion items in the long range planning meetings was to establish a joint meeting with the school district and county. He has been in contact with these entities and a possible date for the first meeting is November 22. Nasby said that neither the school board nor county were going to have their full complement of members participate and would be having 2-3 representatives. Kruse said he would participate and asked for other volunteers. Jones and Fossing volunteered. The meeting time is to be determined, but any time after 5:00 p.m. worked for the City's participants. Nasby would coordinate the meeting.

### 17. Regular Bills:

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

Preliminary

18. Council Concerns:

None.

19. Adjourn:

**Kruse adjourned the meeting by unanimous consent at 8:51 p.m.**

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Kirby Kruse, Mayor

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

**ECONOMIC DEVELOPMENT AUTHORITY OF WINDOM  
MINUTES  
SPECIAL MEETING  
OCTOBER 31, 2011**

1. Call to Order: The meeting was called to order by President Erickson at 12:10 p.m.

2. Roll Call & Guest Introductions:

EDAWN Commissioners: Juhl Erickson, Trevor Slette, Sally Larson and Kelsey Fossing.  
Absent: Corey Maricle.

Also Present: EDA Staff –Mark Hanson, Executive Director, and Mary Hensen, Adm. Asst.; City Administrator Steve Nasby, and Melanie Blanchette.

3. Minnesota Main Street Program

A. Presentation by Melanie Blanchette, Owatonna Main Street Manager: Director Hanson introduced Melanie Blanchette who attended the Minnesota Main Street Workshop in Windom. (Windom currently has an associate membership in the Minnesota Main Street Program which provides a connection to technical information and assistance.) Ms. Blanchette distributed an information packet and brochures concerning Owatonna's program. The packet also included Main Street guidelines and Owatonna's current design guidelines. She described her position and duties, current funding for Owatonna's existing activities, and presented a power point program. Her position is under the auspices of Owatonna's Chamber. The four-point program requirements include organization, promotion, design and economic restructuring. Specific committees are required for administration of the Minnesota Main Street Program. Owatonna has completed the preliminary work and established a Main Street Advisory Committee and is in the process of submitting an application to become a designated Minnesota Main Street community. The Board also received copies of Main Street Program materials from Faribault.

4. Small Cities Development Program

A. Owner-Occupied Rehab Projects – Ratification: Western Community Action processed and inspected additional properties for the housing rehabilitation program. The Board received recap sheets for these projects that outlined the scope of work, the total project costs, owners' match, and proposed loans of SCDP funds. The proposed projects are within the funding range and are within the designated target areas. Preliminary approval was given previously.

<u>Application No.</u>	<u>Proposed Improvements</u>	<u>Project Costs</u>	<u>SCDP Funds (Maximum for Project)</u>
Mountain Lake No. 49	Windows, Doors, Electrical Upgrades	\$24,154.00	\$16,718.00
Mountain Lake No. 55	Windows, Bathroom Repairs, Electrical Wiring - Bathroom	\$36,633	\$16,718.00

**Motion by Commissioner Larson, seconded by Commissioner Fossing, ratifying approval of the SCDP owner-occupied rehab requests for Mountain Lake Projects Nos. 49 and 55 as submitted by Western Community Action. Motion carried 4-0.**

5. Adjourn: By consensus, President Erickson adjourned the meeting at 1:06 p.m.

\_\_\_\_\_  
Sally Larson, EDA Secretary/Treasurer

Attest: \_\_\_\_\_  
Mark P. Hanson, Executive Director

Windom Library Board Meeting  
Windom Library  
Nov. 8, 2011  
5:05 p.m.

1. Call to order: The meeting was called to order by Jan Johnson at 5:05 p.m.
2. Roll Call:
  - Members Present: Jan Johnson, Kathy Hiley, Anita Winkel, Charles Reid, Mary Erickson, Beth Fleming and John Duscher
  - Members Absent: None
  - Library Staff Present: Joan Hunter
  - City Council Member Present: None

3. Agenda and Minutes

Under New Business, the October minutes were corrected as follows: The Mission Statement and Goals were last updated in 2000 and the Library Policies were updated in 2001.

Motion by Charles Reid and seconded by Anita Winkel to approve the Agenda as amended and the Minutes.

4. Financial Report:

Motion by John Duscher and seconded by Beth Fleming to approve the Financial Report.

5. Librarians Report:

Joan reported that the shelving project is almost completed but the library was closed for 2 weeks instead of one to complete the project. The shelf project took place while Joan was gone part of the time to a family wedding. On Saturday Oct. 22, all the books were removed from the shelves and piled all around in a somewhat orderly manner. Men from the Water Department came on Monday and removed the old shelves. Joan left for the wedding on Tuesday. A few of the old shelves were moved to the library office area and the upstairs of the library. The new shelves arrived on Thursday and they were assembled by a representative from Burroughs. Dawn and Julie started putting books back on the shelf on Friday. When they were nearly done, they noticed that the shelves were swaying. Burroughs was contacted and it was discovered that the assembler did not use the levelers on the bottom of the shelves. Steve Nasby inspected the shelves and it was determined that the library could

not open for safety issues until the problem was corrected. Burroughs was contacted and they agreed to send out people to remove the books and level the shelves. Joan returned on Nov. 1<sup>st</sup> in time to help put books back on the shelves. They worked late into the night on Nov. 2<sup>nd</sup>. On November 3<sup>rd</sup> they went through all of the shelves and made sure all of the books were in the correct place and order. During this 2 week project the library staff was helped at times by their families. The library reopened on Monday Nov. 7<sup>th</sup>.

The end caps for the shelves arrived today and were delivered by Fed Ex to the library instead of to Dan Fossing. The company rep will return and install the end caps.

Joan and Dawn are pleased with the new shelves. They have gained some additional space with them. The Friends of the Library will possibly have an Open House in December celebrating the new shelving. There has been interest in the old books shelves. The City Council will need to approve of how the shelves will be disposed of.

Motion by Charles Reid and seconded by John Duscher: "The library board wishes to extend a vote of thanks to our library staff and their families for all of the extra time and effort on their part to see this shelving project through from beginning to end." Motion passed.

The Sentenced to Serve moved the books for the next book sale from the office to the library basement.

The Plum Creek Library System is currently testing a new system. They hope to implement it in January. This new system will not incur any additional cost to the library.

The director of Plum Creek has negotiated a price with the company "Overdrive" to offer e-books to the 24 libraries in the Plum Creek system. He negotiated the price down from \$25,000/year to \$15,000/year. This price includes the lease of \$5,000 of e-books. The cost to each library is determined by the number of patrons at each library and 3% of their annual book budget. The preliminary annual cost to the Windom library would be \$736 and \$1,150 for the book lease. The books can be checked out to e-readers for 7 days. After a book title has been checked out 26 times, a new lease would have to be paid for. Each book lease is expensive, somewhere in the \$50 range. At this time it is not known who would be making the decision as to what book titles would be leased. After discussion, it was decided to table this until the December meeting.

Dawn is hosting Busy Bee classes next week and will also be visiting the Busy Bee classroom.

Motion by Mary Erickson and seconded by Charles Reid to approve the librarian's report.

6. Old Business:

Review of the library Goal and Mission Statement will be discussed at a future meeting.

7. New Business:

Beth Fleming passed along an idea about cell phone usage that she observed from her visit to the Worthington library. They have posted signs at the doors asking patrons to shut off their cell phones or put them on silent and to please step out of the library if they need to use their phones. Joan thought that this was a good idea.

Anita Winkel read an article about libraries out west that advertise an amount of overdue fines that will be "forgiven" if a food item is brought in for the local food shelf. This idea will be considered for the future.

County commissioner, Jim Schmidt, will be serving on the Plum Creek Library Board a vice-chair for 2012.

Jan Johnson reported that the contract for the Bookmobile has expired. The county commissioners have asked the Plum Creek director to make a presentation about the Bookmobile before they renew the contract. Cottonwood County pays \$1,000/month for the Bookmobile.

9. New Book Suggestions:

The board presented their suggestions.

10. Adjourn:

Motion by Charles Reid, seconded by Anita Winkel to adjourn.

Meeting adjourned at 5:43 p.m.

Respectfully submitted,

Kathy Hiley, recording secretary

**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 15th day of November, 2011.

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Kirby G. Kruse, Mayor

ATTEST:

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Steven Nasby, City Administrator

## DISPOSITION OF SURPLUS EQUIPMENT

The library has purchased new shelving for the main part of the library. The shelving that was replaced needs to be disposed by the City Council. This shelving has been in the library since the late 60's or early 70's. The shelving was moved in 1985 to our present location. Right now the shelves are in the basement of the library.

# RESOLUTION #2011-

**INTRODUCED:**

**SECONDED:**

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

**AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT  
OF NATURAL RESOURCES GRANT AGREEMENT  
TO REMOVE THE DES MOINES RIVER DAM AND ROCK RIFFLES INSTALLATION  
PROJECT**

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**WHEREAS**, the City of Windom has received a grant from the State of Minnesota Department of Natural Resources, in an amount not to exceed \$100,000, for allowable costs incurred to remove the Des Moines River Dam and install rock riffles to allow fish passage; and

**WHEREAS**, the City Council has approved the Des Moines River Dam Project and awarded the bid for the project for a cost to complete the project of \$238,428; and

**WHEREAS**, the City of Windom will provide the funding for project costs that exceed \$100,000, and said funds have been budgeted for the project.

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

1.     That the City Council approves the grant offer from the State of Minnesota Department of Natural Resources and agrees to the terms and conditions required to accept the grant.
2.     That the Mayor and City Administrator are authorized to execute this agreement and any amendments on behalf of the City of Windom.

Adopted by the Council this 15th 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 15th day of November, 2011, as shown by the minutes of the meeting in my possession.

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

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

**GRANT CONTRACT  
BETWEEN THE STATE OF MINNESOTA  
AND THE CITY OF WINDOM**

**THIS Grant Agreement contract is made between the State of Minnesota, acting by and through its Commissioner of Natural Resources, hereinafter the "State" and the City of Windom, 444 9th Street, P.O. Box 38, Windom, MN 56101-0038, hereinafter the "Grantee".**

**Recitals**

1. Under Minn. Stat. 84.026 the State is empowered to enter into this grant.
2. The State has appropriated funds in order to repair, reconstruct, or remove dams; improve habitat for fish and wildlife; and improve public recreational opportunities.
3. The Grantee represents that it is duly qualified and agrees to perform all services described in this grant contract to the satisfaction of the State.

**Grant Contract**

**1 Term of Grant Contract**

- 1.1 **Effective date:** The date the State obtains all required signatures under Minnesota Statutes Section 16C.05, subdivision 2, or November 4, 2011, whichever is later.  
**The Grantee must not begin work under this grant contract until this contract is fully executed and the Grantee has been notified by the State's Authorized Representative to begin the work.**
- 1.2 **Expiration date:** December 31, 2012, or until all obligations have been satisfactorily fulfilled, whichever occurs first.
- 1.3 **Survival of Terms.** The following clauses survive the expiration or cancellation of this grant contract: 8. Liability; 9. State Audits; 10. Government Data Practices and Intellectual Property; 12. Publicity and Endorsement; 13. Governing Law, Jurisdiction, and Venue; and 15 Data Disclosure.

**2 Grantee's Duties**

The Grantee, who is not a state employee, will:

- 2.1 Install several separate rock riffles to allow fish passage at the Des Moines River Dam in Windom, Minnesota. The rock riffles will be constructed as described in Attachment A. The Grantee's representative, SEH Engineering INC., will act as the project engineer and be responsible for the final plans and specifications.
- 2.2 To apply for and receive all necessary approvals and permits to complete the project and comply with state and federal regulations, including but not limited to: DNR Division of Waters Permits, Stormwater Protection Permit, Cultural Resources Review, Natural Heritage Resources Review, and County Board and/or City Council approvals.
- 2.3 The Grantee is responsible for maintenance of the new riffle structures.

**3 Time**

The Grantee must comply with all the time requirements described in this grant contract. In the performance of this grant contract, time is of the essence.

**4 Consideration and Payment**

- 4.1 **Consideration.** The State will pay for all services performed by the Grantee under this grant contract as follows:
  - (1) **Compensation.** The Grantee will be paid a lump sum of \$100,000 for actual expenses incurred.
  - (1) **Travel Expenses.** Reimbursement for travel and subsistence expenses actually and necessarily incurred by the Grantee as a result of this grant contract will not exceed \$ 0.00; provided that the Grantee will be reimbursed for travel and subsistence expenses in the same manner and in no greater amount than provided in the current "Commissioner's Plan" promulgated by the commissioner of Minnesota Management and Budget (MMB). The Grantee will not be

reimbursed for travel and subsistence expenses incurred outside Minnesota unless it has received the State's prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state.

(3) **Total Obligation.** The total obligation of the State for all compensation and reimbursements to the Grantee under this grant contract will not exceed \$100,000.

#### 4.2. **Payment**

(1) **Invoices.** The State will promptly pay the Grantee after the Grantee presents an itemized invoice for the services actually performed and the State's Authorized Representative accepts the invoiced services. Invoices must be submitted timely on or before December 31, 2012. Invoices must include copies of appropriate documentation to prove the work has been completed.

(2) **Federal funds.** Not applicable.

#### 5 **Conditions of Payment**

All services provided by the Grantee under this grant contract must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state, or local law.

#### 6 **Authorized Representative**

The State's Authorized Representative is Tom Kresko, Area Hydrologist, 175 County Road 26, Windom, MN 56101, 507-831-2900 (extension #224) <[tom.kresko@state.mn.us](mailto:tom.kresko@state.mn.us)>, or his/her successor, and has the responsibility to monitor the Grantee's performance and the authority to accept the services provided under this grant contract. If the services are satisfactory, the State's Authorized Representative will certify acceptance on each invoice submitted for payment.

The Grantee's Authorized Representative is Steve Nasby, City Administrator, City of Windom, 444 9th Street, P.O. Box 38, Windom, MN 56101-0038, 507-831-6129. If the Grantee's Authorized Representative changes at any time during this grant contract, the Grantee must immediately notify the State.

#### 7 **Assignment, Amendments, Waiver, and Grant Contract Complete**

7.1 **Assignment.** The Grantee may neither assign nor transfer any rights or obligations under this grant contract without the prior consent of the State and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this grant contract, or their successors in office.

7.2 **Amendments.** Any amendment to this grant contract must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original grant contract, or their successors in office.

7.3 **Waiver.** If the State fails to enforce any provision of this grant contract, that failure does not waive the provision or its right to enforce it.

7.4 **Grant Contract Complete.** This grant contract contains all negotiations and agreements between the State and the Grantee. No other understanding regarding this grant contract, whether written or oral, may be used to bind either party.

#### 8 **Liability**

The Grantee must indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this grant contract by the Grantee or the Grantee's agents or employees. This clause will not be construed to bar any legal remedies the Grantee may have for the State's failure to fulfill its obligations under this grant contract.

- 9 **State Audits**  
Under Minn. Stat. §16C.05, subd. 5, the Grantee's books, records, documents, and accounting procedures and practices relevant to this grant contract are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this grant contract.
- 10 **Government Data Practices and Intellectual Property**  
10.1. **Government Data Practices.** The Grantee and State must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, as it applies to all data provided by the State under this grant contract, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this grant contract. The civil remedies of Minn. Stat. § 13.08 apply to the release of the data referred to in this clause by either the Grantee or the State.
- If the Grantee receives a request to release the data referred to in this Clause, the Grantee must immediately notify the State. The State will give the Grantee instructions concerning the release of the data to the requesting party before the data is released.
- 10.2. **Intellectual Property Rights**
- 11 **Workers' Compensation**  
The Grantee certifies that it is in compliance with Minn. Stat. § 176.181, subd. 2, pertaining to workers' compensation insurance coverage. The Grantee's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State's obligation or responsibility.
- 12 **Publicity and Endorsement**  
12.1 **Publicity.** Any publicity regarding the subject matter of this grant contract must identify the State as the sponsoring agency and must not be released without prior written approval from the State's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this grant contract.
- 12.2 **Endorsement.** The Grantee must not claim that the State endorses its products or services.
- 13 **Governing Law, Jurisdiction, and Venue**  
Minnesota law, without regard to its choice-of-law provisions, governs this grant contract. Venue for all legal proceedings out of this grant contract, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.
- 14 **Termination**  
The State may cancel this grant contract at any time, with or without cause, upon 30 days' written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro-rata basis, for services satisfactorily performed.
- 15 **Data Disclosure**  
Under Minn. Stat. § 270C.65, Subd. 3, and other applicable law, the Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

**1. STATE ENCUMBRANCE VERIFICATION**

*Individual certifies that funds have been encumbered as required by Minn. Stat. 16A.15 and 16C.05.*

Signed: Bunda Medd

Date: 11/4/11

CFMS Grant contract No. A- # 3000010512

**2. GRANTEE**

The Grantee certifies that the appropriate person(s) have executed the grant contract on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**3. STATE AGENCY**

By: \_\_\_\_\_  
(with delegated authority)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Distribution:  
Agency  
Grantee  
State's Authorized Representative - Photo Copy

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF \$3,190,000 GENERAL OBLIGATION WATER AND SEWER REVENUE BONDS, SERIES 2011A, TO PAY A PORTION OF THE COSTS OF UTILITY IMPROVEMENTS; ESTABLISHING THE TERMS AND CONDITIONS THEREFOR; CREATING A CONSTRUCTION ACCOUNT AND A DEBT SERVICE ACCOUNT THEREFOR; AND AWARDING THE SALE THEREOF**

BE IT RESOLVED, by the Council (the "Council") of the City of Windom, Cottonwood County, Minnesota (the "Issuer"), as follows:

Section 1. Purpose, Authorization, and Award.

1.01 Authority.

A. Pursuant to authority contained in Minnesota Statutes, Sections 115.46 and 444.075 and Chapter 475, the Council directs the issuance and sale of \$3,190,000 General Obligation Water and Sewer Revenue Bonds, Series 2011A (the "Bonds"), for the purpose of providing funds for (i) financing of a portion of the construction cost of improvements to the Issuer's wastewater collection facilities (the "Sewer Utility"); and (ii) financing of a portion of the construction cost of improvements to the Issuer's water and sewer mains (the "Water Utility") (said improvements described in clauses (i) and (ii) are herein referred to as the "Project"), expenses incurred by the Issuer related to the issuance of the Bonds and a portion of the interest cost of the Bonds. (The Sewer Utility and the Water Utility are collectively referred to herein as the "Utility.") The portion of the Bonds attributable to financing the cost of improvements to the Sewer Utility is herein referred to as the "Sewer Portion."

B. As further described below, the Bonds are payable from net revenues of the Utility (the "Net Revenues"), special assessments levied or to be levied against property specially benefitted by the Project and interest thereon (the "Special Assessments" and together with the Net Revenues, the "Pledged Revenues").

1.02 Independent Financial Advisor. The Issuer has retained the services of Ehlers & Associates, Inc. as its independent financial advisor.

1.03 Sale of the Bonds. The Issuer has received an offer from \_\_\_\_\_ of \_\_\_\_\_, \_\_\_\_\_ (the "Purchaser"), to purchase the Bonds at a cash price of \$\_\_\_\_\_, plus accrued interest on the total principal amount from the date of the Bonds, to the date of delivery (the "Accrued Interest") and upon condition that the Bonds mature and bear interest at the times and annual rates set forth in Section 2. The Issuer, after due consideration, finds such offer reasonable and proper and the offer of the Purchaser is hereby accepted. The Mayor and the Administrator-Clerk-Treasurer are authorized and directed to execute on the part of the Issuer a contract for the sale of the Bonds in accordance with the

Purchaser’s proposal. All actions of the Mayor and the Administrator-Clerk-Treasurer taken with regard to the sale of the Bonds are hereby ratified and approved.

Section 2. Terms of the Bonds.

2.01 Date and Maturities.

A. The Bonds to be issued hereunder shall be issued as fully-registered bonds designated “\$3,190,000 General Obligation Water and Sewer Revenue Bonds, Series 2011A,” dated the date of delivery to the Purchaser in exchange for the purchase price of the Bonds, issued in the denomination of \$5,000, or any integral multiple thereof, in fully registered form and lettered and numbered R-1 and upward.

B. The Bonds shall mature on February 1 in the years and amounts stated below and shall bear interest from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue until paid at the rates per annum set forth below opposite such years and amounts:

<b>Year</b>	<b>Amount</b>	<b>Interest Rate</b>
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		

2.02 Interest Payment Dates; Record Date.

A. The Bonds shall bear interest at the annual rates stated therefor in Section 2.01. The interest shall be payable semiannually on February 1 and August 1 in each year (each referred to herein as an “Interest Payment Date”) commencing on August 1, 2012. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

B. The Bond Registrar designated below shall make all interest payments with respect to the Bonds by check or draft mailed to the person in whose name each Bond is registered (the "Holder") and in each case at the address shown on the bond registration records maintained by the Bond Registrar at the close of business on the 15th day (whether or not on a business day) of the calendar month next preceding the Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date fixed for the payment of such defaulted interest (the "Special Record Date"). The Special Record Date shall be fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest and notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten (10) days prior thereto. The term "Holder" shall also include those lawfully entitled to take actions on behalf of the beneficial owners of the Bonds for purposes of any consent or approvals given by Holders.

C. If the date for payment of the principal of, premium, if any, or interest on the Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

2.03 Redemption. A. The Bonds maturing on and prior to February 1, 2021 shall not be subject to redemption and prepayment before maturity, but those maturing after such date and in subsequent years shall each be subject to redemption and prepayment at the option of the Issuer on such date and on any day thereafter, in whole or in part and by lot as to the Bonds maturing in the same year, at a price equal to the principal amount thereof plus accrued interest to the redemption date.

B. The Bonds maturing on February 1 in the years \_\_\_\_, \_\_\_\_, and \_\_\_\_ shall be subject to mandatory redemption prior to maturity pursuant to the requirements of this Section 2.03C at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Bond Registrar, as designated below, shall select for redemption, by lot or other manner deemed fair, on February 1 in each of the following years the following stated principal amounts:

For Bonds maturing on February 1, 20\_\_:

Year	Amount

For Bonds maturing on February 1, 20\_\_:

Year	Amount

For Bonds maturing on February 1, 20\_\_:

Year	Amount

D. In the event of mandatory redemption described above, notice thereof identifying the portion of the Bonds to be redeemed will be given by the Bond Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) not more than 60 and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond or portion thereof to be redeemed at the address shown on the registration books kept by the Bond Registrar; provided however, that so long as the Bonds are registered in the name of Cede & Co., notice of redemption shall be given in accordance with the terms of the Representation Letter. Failure to give notice by mail to any registered owner, or any defect therein, will not affect the validity of any proceeding for the redemption of Bonds not affected by such defect or failure. Bonds or portion thereof so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

E. If less than all the Bonds of a maturity are called for redemption while the Bonds are registered in the name of Cede & Co., the Issuer or the Bond Registrar designated below will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed. If less than all the Bonds of a maturity are called for redemption and the Bonds are not registered in the name of Cede & Co., the Bond Registrar will determine by lot or other manner deemed fair, the amount of each maturity to be redeemed. All prepayments shall be at a price equal to the principal amount thereof plus accrued interest.

Section 3. Registration; Global Book Entry System.

3.01 Designation of Bond Registrar. The City Council appoints Bond Trust Services Corporation as registrar, authenticating agent and transfer agent for the Bonds (such bank or its successors is herein referred to as the "Bond Registrar"), and shall do so until a successor Bond Registrar is duly appointed, all pursuant to a contract which the Issuer and the Bond Registrar shall execute which is consistent herewith and which the Mayor and the Administrator-Clerk-Treasurer are authorized to execute and deliver. A successor Bond Registrar shall be a bank or trust company eligible for designation as bond registrar pursuant to the Act. The terms of the appointment of the successor Bond Registrar and its duties shall be specified in a contract between the Issuer and such successor Bond Registrar that is consistent herewith and that the Mayor and Administrator-Clerk-Treasurer are authorized to execute and deliver. The Bond Registrar, which may act through an agent, shall also serve as paying agent until and unless a successor paying agent is duly appointed. The Bond Registrar shall pay principal and interest on the Bonds to the registered Holders (or record Holders) of the Bonds in the manner set forth herein. The Issuer agrees to pay the reasonable and customary charges for the services of such Bond Registrar.

3.02 Designation of Depository. DTC, a Securities and Exchange Commission designated depository, a limited purpose New York trust company, a member of the Federal Reserve System, and a "clearing corporation" within the meaning of the New York Uniform Commercial Code, is designated as the depository (the "Depository") with respect to the Bonds.

3.03 Authentication of Bonds. No Bond shall be valid or obligatory for any purpose unless or until either (i) the Bond Registrar's authentication certificate on such Bond, substantially set forth in Section 4.01 hereof, shall have been duly executed by an authorized representative of the Bond Registrar or (ii) the Bonds have been manually executed by at least one officer of the City Council. Authentication certificates on different Bonds need not be signed by the same representative. The Bond Registrar shall authenticate each Bond by execution of the Certificate of Authentication on the Bond and shall date each Bond in the space provided as of the date on which the Bond is registered. For purposes of delivering the original Bonds, the Bond Registrar shall insert as the date of registration the date of original issue. The executed Authentication Certificate or the manual signature of at least one officer of the City Council on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution.

3.04 Bond Register; Transfer; Exchange.

A. The Issuer shall cause to be kept by the Bond Registrar at its principal office, a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Issuer shall provide for the registration of the Bonds and the registration of transfers of the Bonds entitled to be registered or transferred as herein provided. In the event of the resignation or removal of the Bond Registrar or its incapability of acting as such, the bond registration records shall be maintained at the office of the successor Bond Registrar as may be appointed by the City Council.

B. Upon surrender for transfer of any Bond at the principal corporate office of the Bond Registrar, the Issuer shall execute, if required by law or this Resolution, and the Bond Registrar shall authenticate, if required by law or this Resolution, date (in the space designated Date of Registration) and deliver, in the name(s) of the designated transferee or transferees, one or more new Bonds of the like aggregate principal amount having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation. Transfer of a Bond may be made on the Issuer's books by the registered owner in person or by the registered owner's attorney duly authorized in writing. Transfers shall be subject to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates. The Issuer and the Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption or to make any such exchange or transfer of the Bonds during the 15 days next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of the Bonds.

C. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the registered owner thereof, with signature guaranteed, or by the registered Holder's attorney duly authorized in writing, and shall include written instructions as to the details of the transfer of the Bond. When any Bond is presented to the Bond Registrar for transfer, the Bond Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Bond Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

D. At the option of the Holder, replacement Bonds may be exchanged for Bonds of any authorized denomination or denominations of a like aggregate principal amount and stated maturity, upon surrender of the Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute (if required by law or this Resolution), and the Bond Registrar shall authenticate (if required by law or this Resolution), date (in the space designated Date of Registration) and deliver the replacement Bonds which the Holder making the exchange is entitled to receive. Bonds registered in the name of Cede & Co. may not be exchanged for Bonds of smaller denominations.

E. All Bonds surrendered upon any exchange or transfer provided for in this Resolution shall be promptly canceled by the Bond Registrar and thereafter disposed of as directed by the Issuer.

F. Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all of the rights to interest, accrued and unpaid and to accrue, which are carried by such other Bond. All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the Issuer evidencing the same debt, shall be entitled to the same benefits under this Resolution as the Bonds surrendered for such exchange or transfer, and shall

carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bonds.

G. The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of any Bond and any legal or unusual costs regarding transfers and lost bonds.

H. Bonds registered in the name of Cede & Co. may not after their original delivery, be transferred or exchanged except in accordance with the terms and conditions of the Representation Letter and:

(i) upon exchange of a Bond after a partial redemption, if provided in Section 2.03 of this Resolution;

(ii) to any successor of the Depository (or its nominee) or any substitute depository (a "Substitute Depository") designated pursuant to clause (iii) below; provided that any successor of the Depository or any Substitute Depository must be both a "clearing corporation" as defined in the Minnesota Uniform Commercial Code, Minnesota Statutes, Section 336.8-102, and a qualified and registered "clearing agency" as provided in Section 17A of the Securities Exchange Act of 1934, as amended;

(iii) to a Substitute Depository designated by and acceptable to the Issuer upon (a) the determination by the Depository that the Bonds shall no longer be eligible for its depository services or (b) a determination by the Issuer that the Depository is no longer able to carry out its functions; provided that any Substitute Depository must be qualified to act as such, as provided in subclause (ii) above; or

(iv) in the event that (a) the Depository shall resign or discontinue its services for the Bonds or be declared no longer able to carry out its functions and the Issuer is unable to locate a Substitute Depository within two months following the resignation or discontinuance or determination of noneligibility, or (b) the Issuer determines in its sole discretion that (1) the continuation of the book-entry system described herein might adversely affect the interests of the beneficial owners of the Bonds, or (2) it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, then the Issuer shall notify the Holders of its determination and of the availability of replacement Bonds to Holders. The Issuer, the Bond Registrar and the Depository shall cooperate in providing Replacement Bonds to Holders requesting the same and the registration, transfer and exchange of such Bonds shall thereafter be conducted as provided in Section 3 of this Resolution.

I. In the event of the designation of a Substitute Depository as authorized by clause H., the Bond Registrar, upon presentation of a Bond, shall register their transfer to the Substitute Depository, and the Substitute Depository shall be treated as the Depository for all purposes and functions under this Resolution. The Representation Letter shall not apply to the Substitute Depository unless the Issuer and the Substitute Depository so agree, and the execution of a similar agreement is authorized.

### 3.05 Persons Deemed Owners; Payment.

A. The Issuer and the Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in Section 2.02 above), on such Bond and for all other purposes whatsoever, whether or not such Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

B. For the purposes of all actions, consents and other matters affecting Holders of Bonds issued under this Resolution as from time to time supplemented, other than payments, redemptions, and purchases, the Issuer may (but shall not be obligated to) treat as the Holder of a Bond the beneficial owner of the Bond instead of the person in whose name the Bond is registered. For that purpose, the Issuer may ascertain the identity of the beneficial owner of the Bond by such means as the Bond Registrar in its sole discretion deems appropriate, including but not limited to a certificate from the Depository or other person in whose name the Bond is registered identifying such beneficial owner.

C. The principal of and interest on the Bonds shall be payable by the Bond Registrar in such funds as are legal tender for the payment of debts due the United States of America. The Issuer shall pay the reasonable and customary charges of the Bond Registrar for the disbursement of principal and interest.

### 3.06 Use of Global Book-Entry System.

A. There has been previously submitted to this City Council a form of Blanket Issuer Letter of Representations (the "Representation Letter") between the Issuer and the Depository setting forth various matters relating to the Depository and its role with respect to the Bonds. The terms and conditions of the Representation Letter are ratified.

B. All of the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest on and principal of any Bond registered in the name of Cede & Co. shall be made by wire transfer or New York Clearing House or equivalent same day funds by 10:00 a.m. CT or as soon as possible thereafter following the Bond Registrar's receipt of funds from the Issuer on each Interest Payment Date to the account of Cede & Co. on each Interest Payment Date at the address indicated in or pursuant to the Representation Letter.

C. So long as DTC is the Depository or it or its nominee is the Holder of any Bonds, the Issuer shall comply with the provisions of the Representation Letter, as it may be amended or supplemented from time to time.

D. Additional matters with respect to, among other things, notices, consents and approvals by Holders and payments on the Bonds are set forth in the Representation Letter.

E. The provisions in the Representation Letter are incorporated herein by reference and made a part of this resolution, and if and to the extent any such provisions are inconsistent

with the other provisions of this resolution, the provisions in the Representation Letter shall control.

3.07 Mutilated, Stolen or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen, or lost, the Bond Registrar will deliver a new Bond of like amount, number, maturity date, and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen, or lost, upon the payment of the reasonable expenses and charges of the Bond Registrar and the Issuer in connection therewith, including the cost of printing new Bonds; and, in the case of a Bond destroyed, stolen, or lost, upon filing with the Bond Registrar and the Issuer of evidence satisfactory to it and the Issuer that the Bond was destroyed, stolen, or lost, and of the ownership thereof, and upon furnishing to the Bond Registrar of an appropriate bond or indemnity in form, substance, and amount satisfactory to it and the Issuer and as provided by law, in which both the Issuer and the Bond Registrar must be named as obligees. Bonds so surrendered to the Bond Registrar will be canceled by the Bond Registrar and evidence of such cancellation must be given to the Issuer. If the mutilated, destroyed, stolen, or lost Bond has already matured or been called for redemption in accordance with its terms, it is not necessary to issue a new Bond prior to payment.

Section 4. Form of the Bonds.

4.01 The Bonds shall be printed or typewritten in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF COTTONWOOD

R-\_\_\_\_\_

\$\_\_\_\_\_

CITY OF WINDOM  
GENERAL OBLIGATION WATER AND SEWER  
REVENUE BOND, SERIES 2011A

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	February 1, 20__	December 8, 2011	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The City of Windom, Cottonwood County, Minnesota (the "Issuer"), certifies that it is indebted and for value received, promises to pay to the registered owner specified above or on the Registration Certificate attached hereto, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, and to pay interest

thereon from the date of original issue set forth above, or from the most recent Interest Payment Date (defined below) to which interest has been paid or duly provided for, until the principal amount is paid, said interest being at the rate per annum specified above. Interest is payable semiannually on February 1 and August 1 of each year (each referred to herein as an "Interest Payment Date") commencing on August 1, 2012, at the rate per annum specified above, calculated on the basis of a 360-day year of twelve 30-day months, until the principal amount is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue hereof set forth above.

**Payment.** The principal of and premium, if any, on this Bond are payable by wire transfer (or other agreed means of payment) on each payment date no later than 12:00 noon (New York, New York time) upon presentation and surrender hereof at the office of Bond Trust Services Corporation, as registrar, paying agent, authenticating agent and transfer agent (the "Bond Registrar"), or at the office of such successor bond registrar as may be designated by the Issuer. Interest on this Bond will be paid on each Interest Payment Date (by 12:00 noon, New York, New York time) by wire transfer (or other agreed means of payment) to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date fixed for the payment of the defaulted interest, and notice of the special record date shall be given by the Bond Registrar to the Holders not less than 10 days prior thereto. The Bond Registrar shall make all payments with respect to this Bond without, except for payment of principal on the Bond, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the Issuer to the extent of the payments so made. The principal of, premium, if any, and interest on this Bond are payable in lawful money of the United States of America. For the prompt and full payment of such principal and interest as they become due, the full faith and credit of the Issuer are irrevocably pledged.

**Date of Payment Not Business Day.** If the date for payment of the principal of, premium, if any, or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and

payment on such date shall have the same force and effect as if made on the nominal date of payment.

**Redemption.** The Bonds maturing on and prior to February 1, 2021 shall not be subject to redemption before maturity, but those maturing after such date are each subject to redemption and prepayment at the option of the Issuer on such date, and on any day thereafter, in whole or in part, and if in part at the option of the Issuer and in such manner as the Issuer shall determine and by lot as to Bonds maturing in the same year, at a price of par plus accrued interest to the date of redemption.

**Mandatory Redemption.** The Bonds maturing in the years \_\_\_\_, \_\_\_\_, and \_\_\_\_ shall be subject to mandatory redemption prior to maturity pursuant to the requirements of the Resolution at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium.

**Notice of and Selection of Bonds for Redemption.** Not less than 30 nor more than 60 days prior to the date fixed for redemption and prepayment of any Bonds, notice of redemption shall be mailed to each registered owner of a Bond to be redeemed; provided, however, that so long as the Bonds are registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), notice of redemption shall be given in accordance with the terms of the Blanket Issuer Letter of Representations which has been executed by the Issuer and DTC (the “Representation Letter”).

If less than all the Bonds of a maturity are called for redemption while the Bonds are registered in the name of Cede & Co., the Issuer or the Bond Registrar designated below will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed. If less than all the Bonds of a maturity are called for redemption and the Bonds are not registered in the name of Cede & Co., the Bond Registrar will determine by lot or other manner deemed fair, the amount of each maturity to be redeemed. All prepayments shall be at a price equal to the principal amount thereof plus accrued interest. If any Bond is redeemed in part, upon surrender of the Bond being redeemed, the Issuer shall deliver or cause to be delivered to the registered owner of such Bond, a Bond in like form in the principal amount equal to that portion of the Bond so surrendered not being redeemed.

**Issuance; Purpose.** This Bond is one of a series issued by the Issuer in the aggregate amount of \$3,190,000, all of like date and tenor, except as to number, maturity date, denomination, redemption privilege and interest rate, pursuant to the authority contained in: (i) Minnesota Statutes, Sections 115.46 and 444.075 and Chapters 475 and all other laws thereunto enabling and (ii) an

authorizing resolution adopted by the governing body of the Issuer on November 15, 2011 (the "Resolution"), for the purpose of providing funds for the financing of a portion of the construction cost of improvements to the Issuer's wastewater treatment facilities and water and sewer mains. The principal and interest on the Bonds will be payable primarily from net revenues to be derived from operation of the Issuer's wastewater and drinking water utilities (the "Utilities") in excess of normal, reasonable and current costs of the operation and maintenance of said Utilities and special assessments levied against property specially benefitted by improvements to the Utilities, which net revenues and special assessments are sufficient to pay the interest on and principal of the Bonds as the same become due and payable. The Issuer has covenanted and agreed in the Resolution that it will impose and collect just and equitable charges for all use and for the availability of all facilities of the Utilities at the times and in the amounts required to pay the normal, reasonable and current expenses of operating and maintaining said utilities, and also to produce net revenues which, along with the special assessments and ad valorem taxes will be at least adequate at all times to pay the principal and interest due on the Bonds. Reference is hereby made to the Resolution for a full statement of rights and powers thereby conferred.

**Credit Enhancement Program.** The Issuer has qualified the Bonds for participation in the State of Minnesota Public Facilities Credit Enhancement Program under which the State of Minnesota guaranties payment of city debt obligations pursuant to Minnesota Statutes, Section 446A.086. If the Issuer is unable to make any portion of the principal or interest payments on the Bonds as they become due, the State of Minnesota has agreed to make such payment in the Issuer's place.

**General Obligation.** This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of the principal and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are irrevocably pledged.

**Denominations; Exchange.** The Bonds of this series are issued as fully registered bonds without coupons, in the denomination of \$5,000 or any integral multiple thereof. The Issuer will, at the request of the registered owner, issue one or more new fully registered Bonds in the name of the registered owner in the aggregate principal amount equal to the unpaid principal balance of this Bond, and of like tenor except as to number and principal amount at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution and the Representation Letter. Reference is made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

**Registration; Transfer.** This Bond shall be registered in the name of the payee on the books of the Issuer by presenting this Bond for registration to the Bond Registrar, whose representative will endorse his or her name and note the

date of registration opposite the name of the payee in the Registration Certificate attached hereto. Thereafter this Bond may be transferred by delivery with an assignment duly executed by the Holder or the Holder's legal representative, and the Issuer and Bond Registrar may treat the Holder as the person exclusively entitled to exercise all the rights and powers of an owner until this Bond is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted hereon by the Bond Registrar, all subject to the terms and conditions provided in the Resolution and the Representation Letter and to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar. Thereupon the Issuer shall execute (if required by law or the Resolution) and the Bond Registrar shall authenticate (if required by law or the Resolution) and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee, of an authorized denomination, in an aggregate principal amount equal to the principal amount of this Bond, of the same maturity, and bearing interest at the same rate.

**Fees Upon Transfer or Loss.** The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds. No service charge shall be made by the Issuer for any transfer or exchange hereinbefore referred to but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

**Treatment of Registered Owner.** The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes whatsoever, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

**Qualified Tax-Exempt Obligations.** The Bonds of this issue have been designated by the Issuer as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the deduction of interest expenses allocable to the Bonds by financial institutions.

**Authentication.** This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until either (i) the Bond Registrar's Authentication Certificate hereon shall have been executed by the Bond Registrar by one of its authorized representatives or (ii) the Bond has been manually executed by at least one officer of the governing body of the Issuer.

IT IS CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of

Minnesota to be done, to happen and to be performed precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the Issuer enforceable in accordance with its terms, have been done, have happened and have been performed in regular and due form, time and manner as so required; that, if necessary for payment of principal of and interest on the Bonds of this issue, ad valorem taxes may be levied upon all taxable property in the Issuer without limitation as to rate or amount; and that the issuance of this Bond on the date of original issue hereof and the date of its actual original issuance and delivery, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Windom, Cottonwood County, Minnesota, by its governing body, has caused this Bond to be executed in its name by the facsimile or manual signature of the Mayor and attested by the facsimile or manual signature of the Administrator-Clerk-Treasurer, the Issuer having no seal or said seal having been intentionally omitted as permitted by law.

ATTEST:

(Form- No signature required)  
Administrator-Clerk-Treasurer

(Form-No signature required)  
Mayor

Date of Authentication: \_\_\_\_\_

#### BOND REGISTRAR'S AUTHENTICATION CERTIFICATE

The Bond Registrar confirms that the books reflect the ownership of the Bond registered in the name of the owner named above in the principal amount and maturing on the date stated above and this Bond is one of the Bonds of the series issued pursuant to the Resolution hereinabove described.

BOND TRUST SERVICES CORPORATION  
ROSEVILLE, MINNESOTA  
Bond Registrar

By \_\_\_\_\_  
Authorized Representative

#### REGISTRATION CERTIFICATE

This Bond must be registered as to both principal and interest in the name of the owner on the books to be kept by Bond Trust Services Corporation, Roseville, Minnesota, as Bond Registrar. No transfer of this Bond shall be valid unless made on said books by the registered owner or the owner's attorney thereunto duly authorized and similarly noted on the registration books. The

ownership of the unpaid principal balance of this Bond and the interest accruing thereon is registered on the books of Bond Trust Services Corporation in the name of the registered owner last noted below.

Date	Registered Owner	Signature of Bond Registrar
12/08/11	Cede & Co. c/o The Depository Trust Company 55 Water Street New York, NY 10041 Federal Taxpayer I.D. No.: 13-2555119	_____

### ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_  
(Name and Address of Assignee)

\_\_\_\_\_  
Social Security or Other  
Identifying Number of Assignee

the within Bond and all rights thereunder and does irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

\_\_\_\_\_  
(Bank, Trust Company, member of  
National Securities Exchange)

*Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as the registered owner hereof, Cede & Co., has an interest herein.*

4.02 Preparation and Execution. The Bonds shall be prepared for execution in accordance with the approved form and shall be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the Administrator-Clerk-Treasurer. The legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A. shall be appended to each Bond. The corporate seal of the Issuer may be omitted from the Bonds as permitted by law. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be an officer before delivery of the Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

4.03 Delivery of the Bonds. Delivery of the Bonds and payment of the purchase price shall be made at a place mutually satisfactory to the Issuer and the Purchaser. Printed or typewritten, and executed Bonds shall be furnished by the Issuer without cost to the Purchaser. The Bonds, when prepared in accordance with this Resolution and executed, shall be delivered by or under the direction of the Administrator-Clerk-Treasurer to the Purchaser upon receipt of the purchase price plus accrued interest.

#### Section 5. Covenants, Funds and Accounts.

5.01 Sewer Fund. The Issuer covenants and agrees with the holders of the Bonds and with its taxpayers as follows:

A. It will impose and collect just and equitable charges for all use and for the availability of all facilities of the Sewer Utility at the times and in the amounts required to pay the normal, reasonable, and current expenses of operating and maintaining such Sewer Utility, and also to produce a portion of the Net Revenues, which along with net revenues of the Water Utility and the Special Assessments will be at least adequate at all times to pay the principal and interest due on the Bonds and on all other notes and bonds heretofore or hereafter issued and made payable from said Net Revenues, and will operate the Sewer Utility and segregate and account for the revenues thereof as provided in this Section.

B. It will place all such charges for the use and availability of the Sewer Utility, when collected, and all money received from the sale of any facilities or equipment of the Sewer Utility in the Sewer Fund (the "Sewer Fund"). Except as provided in this Section, this fund shall be used only to pay claims duly approved and

allowed for payment of expenses which, under generally accepted accounting principles, constitute normal, reasonable, and current expenses of operating and maintaining the Sewer Utility, and to maintain such reasonable reserves for such expenses as the Council shall determine to be necessary from time to time. Sums in excess of those required to make such payments and maintain such reserves constitute a portion of the Net Revenues which are herein pledged and appropriated first to pay the principal of and interest when due on the Bonds.

C. Surplus Sewer Utility revenues from time to time received in the Sewer Fund, in excess of payments due from and reserves required to be maintained in the Sewer Fund and in the Debt Service Account, may be used for necessary capital expenditures for the improvement of the Sewer Utility, for the prepayment and redemption of notes and bonds constituting a lien on the Sewer Utility or the Water Utility, and for any other proper municipal purpose consistent with policies established by resolution of the Council.

5.02 Water Fund. The Issuer covenants and agrees with the holder of the Bonds and with its taxpayers as follows:

A. It will impose and collect just and equitable charges for all use and for the availability of all facilities of the Water Utility at the times and in the amounts required to pay the normal, reasonable, and current expenses of operating and maintaining such Water Utility, and also to produce a portion of the Net Revenues, which along with net revenues of the Sewer Utility and the Special Assessments, will be at least adequate at all times to pay the principal and interest due on the Bonds and on all other notes and bonds heretofore or hereafter issued and made payable from said Net Revenues, and will operate the Water Utility and segregate and account for the revenues thereof as provided in this Section.

B. It will place all such charges for the use and availability of the Water Utility, when collected, and all money received from the sale of any facilities or equipment of the Water Utility in the Water Fund (the "Water Fund"). Except as provided in this Section, this fund shall be used only to pay claims duly approved and allowed for payment of expenses which, under generally accepted accounting principles, constitute normal, reasonable, and current expenses of operating and maintaining the Water Utility, and to maintain such reasonable reserves for such expenses as the Council shall determine to be necessary from time to time. Sums in excess of those required to make such payments and maintain such reserves constitute a portion of the Net Revenues which are herein pledged and appropriated first to pay the principal of and interest when due on the Bonds.

C. Surplus Water Utility revenues from time to time received in the Water Fund, in excess of payments due from and reserves required to be maintained in the Water Fund and in the Debt Service Account, may be used for necessary capital expenditures for the improvement of the Water Utility, for the prepayment and redemption of notes and bonds constituting a lien on the Water Utility or the Sewer

Utility, and for any other proper municipal purpose consistent with policies established by resolution of the Council.

5.03 2011 Improvement Refunding Bonds Fund. There is created a special fund to be designated the "2011 Water and Sewer Revenue Bonds Fund" (the "Fund") to be administered and maintained by the Administrator-Clerk-Treasurer as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the Issuer. The Fund shall be maintained in the manner herein specified until all of the Bonds and the interest thereon have been fully paid. There shall be maintained in the Fund two separate accounts, to be designated the "Construction Account" and the "Debt Service Account," respectively:

A. Construction Account. The Construction Account shall be administered and maintained by the Administrator-Clerk-Treasurer as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the Issuer. The Construction Account shall be maintained in the manner herein specified:

(i) On receipt of the purchase price of the Bonds, the Issuer shall credit proceeds from the sale of the Bonds, less amounts allocated as capitalized interest funded from Bond proceeds (the "Capitalized Interest"); less amounts used to pay part of the interest cost of the issue as allowed by Minnesota Statutes, Section 475.56 (the "Additional Interest"); less amounts allocated to accrued interest paid by the Purchaser upon closing and delivery of the Bonds (the "Accrued Interest"), to the Construction Account.

(ii) From the Construction Account there shall be paid all costs and expenses of making the Project, including the cost of any construction contracts heretofore let and all other costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65; and the moneys in said account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Bonds may also be used to the extent necessary to pay interest on the Bonds due prior to the anticipated date of commencement of the collection of Net Revenues or Special Assessments herein levied or covenanted to be levied. Other costs for which payment from the Construction Account is authorized shall include costs of legal, financial advisory, and other professional services, printing and publication costs, and costs of issuance of the Bonds.

B. Debt Service Account. The Debt Service Account shall be administered and maintained by the Administrator-Clerk-Treasurer as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the Issuer. The Debt Service Account shall be maintained in the manner herein specified until all of the Bonds and the interest thereon have been fully paid:

(i) There is pledged and appropriated and there shall be credited to the Debt Service Account: (A) the Accrued Interest; (B) the Additional Interest; (C) Net Revenues in such amounts, which, along with the Special Assessments, will be sufficient to pay the principal of and interest on the Bonds when due; (D)

Special Assessments levied or to be levied for the Project and either initially credited to the Construction Account and not already spent as permitted above and required to pay any principal and interest due on the Bonds or collected subsequent to the completion of the Project and payment of the costs thereof; (E) all funds remaining in the Construction Account after completion of the Project and payment of the costs thereof, not so transferred to the account of another improvement; (F) any and all other moneys which are properly available and are appropriated by the governing body of the Issuer to the Debt Service Account; and (G) investment earnings on the monies identified in the foregoing clauses (A) through (F). The proceeds of the Bonds described in clauses (A) through (B) of the preceding sentence shall be used for payment of interest on the Bonds. The Issuer irrevocably appropriates the funds necessary to pay interest on the Bonds due on the first Interest Payment Date. (The funds and investments identified in clauses (C) through (G) are referred to herein as the "Pledged Revenues".)

(ii) The money in such account shall be used for no purpose other than the payment of principal and interest and redemption premium, if any, on the Bonds and any other general obligation bonds of the Issuer hereafter issued by the Issuer and made payable from said account as provided by law; provided, however, that if any payment of principal or interest shall become due when there is not sufficient money in the Debt Service Account, the Administrator-Clerk-Treasurer shall pay the same from any other fund of the Issuer, which fund shall be reimbursed from the Debt Service Account when the balance therein is sufficient.

(iii) Immediately prior to each Interest Payment Date, the Administrator-Clerk-Treasurer shall transfer to the Debt Service Account amounts of Net Revenues which are sufficient, along with Pledged Revenues then on deposit in the Debt Service Account, for the payment of all interest and principal then due on the Bonds. The money in the Debt Service Account shall be used for no purpose other than the payment of principal of and interest on the Bonds.

(iv) If the balances in the Debt Service Account are ever insufficient to pay all principal and interest then due on the Bonds, the Administrator-Clerk-Treasurer shall nevertheless provide sufficient money first from the Construction Account, next from the Sewer Fund or the Water Fund and third from any other funds of the Issuer which are available for that purpose, and such other funds shall be reimbursed from the Debt Service Account when the balance therein is sufficient. All such reimbursements shall comply with Treasury Regulations, Section 1.150-2.

5.04 No Tax Levy. It is estimated that the net revenues of the Utility herein pledged are in an amount not less than 5% in excess of the amounts needed to meet when due the principal and interest payments on the Bonds and, as allowed by Minnesota Statutes, Section 475.61, Subdivision 6, no tax is presently levied for this purpose.

5.05 Investments. Monies on deposit in the Sewer Fund, Water Fund, Construction Account and the Debt Service Account may, at the discretion of the Administrator-Clerk-Treasurer, be invested in securities permitted by Minnesota Statutes, Chapter 118A; provided, that any such investments shall mature at such times and in such amounts as will permit payment of the principal and interest on the Bonds when due.

5.06 Additional Covenants.

A. It is recognized, however, that the Issuer's liability on the Bonds is not limited to the Pledged Revenues pledged for payment of the Bonds, and the Council covenants and agrees that it will levy upon all taxable property within the Issuer, and cause to be extended, assessed, and collected, any taxes found necessary for full payment of the principal of and interest on the Bonds, without limitation as to rate or amount.

B. The Issuer has caused or will cause the Special Assessments to be promptly levied so that the first installment will be collectible not later than 2012 and will take all steps necessary to assure prompt collection, and the levy of the Special Assessments is hereby authorized. The Council will cause all further actions and proceedings to be taken with due diligence that are required for the construction of each portion of the Project and for the final and valid levy of the Special Assessments and the appropriation of any other funds needed to pay the Bonds and interest thereon when due.

C. The Issuer will keep complete and accurate books and records showing: receipts and disbursements in connection with the Project and Special Assessments and other funds appropriated for payment of the Bonds, collections and disbursements thereof, monies on hand and the balance of unpaid Special Assessments.

D. The Issuer will cause its books and records to be audited and will furnish copies of such audit reports to any interested person upon request.

5.07 Minnesota Public Facilities Authority Credit Enhancement Program.

A. The Council covenants and obligates itself to be bound by the provisions of Minnesota Statutes, Section 446A.086. The Issuer has entered into the State of Minnesota Public Facilities Authority Credit Enhancement Program Agreement dated \_\_\_\_\_, 2011 with the Minnesota Public Facilities Authority (the "PFA Agreement"). The PFA Agreement is incorporated by reference as if fully set forth herein. The provisions of the PFA Agreement are ratified and confirmed.

B. The Issuer understands that as a result of its entering into the PFA Agreement, the provisions of Minnesota Statutes, Section 446A.086 shall be binding as long as any Bonds of this issue remain outstanding.

C. The Bond Registrar is authorized and directed to notify the Minnesota Commissioner of Finance if it becomes aware of a potential default in the payment of principal

or interest on the Bonds or if, on the day two business days prior to the date a payment is due on the Bonds, there are insufficient funds to make that payment on deposit with the Bond Registrar.

D. The Issuer further covenants to comply with all procedures now or hereafter established by the Minnesota Department of Finance pursuant to Minnesota Statutes, Section 446A.086 and otherwise to take such actions as necessary to comply with that section.

Section 6. Tax Covenants.

6.01 General.

A. The Issuer covenants and agrees with the Holders of the Bonds that the Issuer will (i) take all action on its part necessary to cause the interest on the Bonds to be eligible to be treated as exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bonds and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Bonds to be treated as subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the Bonds and investment earnings thereon on certain specified purposes.

B. The Issuer covenants with the Holders from time to time of the Bonds that it will not take, or permit to be taken by any of its officers, employees or agents, any action which would cause the interest payable on the Bonds to be treated as subject to taxation under the Internal Revenue Code; and that it will take, or it will cause its officers, employees or agents to take, all affirmative actions within its powers which may be necessary to insure that such interest will not become subject to taxation under the Code, had the Issuer not made the election in Section 5.01 of this Resolution.

C. No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued and (ii) in addition to the above in an amount not greater than the lesser of five percent (5%) of the proceeds of the Bonds or \$100,000. To this effect any proceeds of the Bonds and any sums from time to time held in the Debt Service Account (or any other Issuer account which will be used to pay principal or interest to become due on the Bonds payable therefrom) in excess of amounts which under then applicable federal arbitrage restrictions may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in those funds shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

6.02. Rebate Exemptions. For purposes of qualifying for the small-issuer exception to the federal arbitrage rebate requirements, the Issuer finds, determines and declares:

- (a) the Issuer is a governmental unit with general taxing powers;
- (b) the Note is not a “private activity bond” as defined in Section 141 of the Code;
- (c) 95% or more of the net proceeds of the Note is to be used for local governmental activities of the Issuer; and
- (d) the aggregate face amount of the tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Note is issued is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

6.03. Bank Qualification. In order to qualify the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, the Issuer makes the following factual statements and representations:

- A. the Bonds are not “private activity bonds” as defined in Section 141 of the Code;
- B. the Issuer designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code;
- C. the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the Issuer (and all entities whose obligations will be aggregated with those of the Issuer) during the calendar year in which the Bonds are being issued will not exceed \$10,000,000; and
- D. not more than \$10,000,000 of obligations issued by the Issuer during the calendar year in which the Bonds are being issued have been designated for purposes of Section 265(b)(3) of the Code.

6.04 Arbitrage Certification. The Mayor and the Administrator-Clerk-Treasurer, being the officers of the Issuer charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser an arbitrage certification in order to satisfy the provisions of the Code and the regulations promulgated thereunder.

Section 7. Certificates of Proceedings; Miscellaneous.

7.01 Filing of Resolution; County Auditor Certificate. The Administrator-Clerk-Treasurer is directed to file a certified copy of this Resolution in the office of the County Auditor of Cottonwood County, along with such other information as the County Auditor may require, and to obtain from the County Auditor a certificate stating that the Bonds herein authorized have been duly entered on the Auditor's register and that the tax required by law for the payment of said Bonds has been levied.

7.02 Authentication of Transcript. The officers of the Issuer are authorized and directed to prepare and furnish to the Purchaser and to Bond Counsel certified copies of all proceedings and records of the Issuer relating to the authorization and issuance of the Bonds and to the financial condition and affairs of the Issuer and other affidavits and certificates as may reasonably be requested to show the facts relating to the legality and marketability of the Bonds as such facts appear from the official books and records of the officers' custody or otherwise known to them. All of such certified copies, certificates and affidavits, including any heretofore furnished, constitute representations of the Issuer as to the correctness of facts recited therein and the actions stated therein to have been taken.

7.03 Offering Materials. The Official Statement relating to the Bonds, on file with the Administrator-Clerk-Treasurer and presented to this meeting, is approved and deemed final, and the furnishing thereof to prospective purchasers of the Bonds is ratified and confirmed, insofar as the same relates to the Bonds and the sale thereof. The Mayor and the Administrator-Clerk-Treasurer are authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement.

7.04 Absent or Disabled Officers. In the event of the absence or disability of the Mayor or the Administrator-Clerk-Treasurer, such officers or members of the City Council as in the opinion of the Issuer's attorney may act in their behalf shall, without further act or authorization, execute and deliver the Bonds, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

Section 8. Defeasance. When all Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Bonds shall, to the extent permitted by law, cease. The Issuer may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The Issuer may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given. The Issuer may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of

law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

Section 9. Continuing Disclosure. The Issuer acknowledges that the Bonds are subject to the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the "Rule"). The Rule governs the obligations of certain underwriters to require that issuers of municipal bonds enter into agreements for the benefit of the Holders to provide continuing disclosure with respect to the Bonds. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit underwriters of the Bonds to comply with the Rule, which will enhance the marketability of the Bonds, the Mayor and the Administrator-Clerk-Treasurer are authorized and directed to execute a Continuing Disclosure Certificate substantially in the form of the Certificate currently on file in the office of the Issuer.

Adopted November 15, 2011.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Administrator-Clerk-Treasurer

M:\DOCS\12336\000018\ROL\RI0583.DOC

STATE OF MINNESOTA            )  
  ) ss.  
COUNTY OF COTTONWOOD        )

I, the undersigned, the duly qualified and acting Administrator-Clerk-Treasurer of the City of Windom, Minnesota (the "Issuer"), do certify that I am the official custodian of the records of the Issuer, and that I have compared the attached copy with the original records of the Issuer, and that it is a true and correct transcript taken from the records of a meeting of the City Council, held at the City of Windom in said State, on November 15, 2011.

IN WITNESS WHEREOF, I have hereunto set my hand as Administrator-Clerk-Treasurer of the Issuer on November \_\_\_\_, 2011.

\_\_\_\_\_  
Administrator-Clerk-Treasurer

EXTRACT OF MINUTES OF A MEETING OF THE  
CITY COUNCIL OF THE  
CITY OF WINDOM, MINNESOTA

HELD: November 15, 2011

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Windom, Cottonwood County, Minnesota, was duly called and held at the City Hall in the City of Windom, Minnesota on Tuesday, November 15, 2011, at 7:30 p.m.

The following members were present:

and the following were absent:

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

“Resolution Providing for the Issuance, Sale and Delivery of \$3,190,000 General Obligation Water and Sewer Revenue Bonds, Series 2011A, to Pay a Portion of the Costs of Local Public Improvements; Establishing the Terms and Conditions Therefor; Creating a Construction Account and a Debt Service Account Therefor; and Awarding the Sale Thereof”

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

and the following voted against the same:

Whereupon the resolution was declared duly passed and adopted.

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF \$800,000 GENERAL OBLIGATION IMPROVEMENT REFUNDING BONDS, SERIES 20011B; ESTABLISHING THE TERMS AND CONDITIONS THEREFOR; CREATING A DEBT SERVICE ACCOUNT THEREFOR; AND AWARDING THE SALE THEREOF**

BE IT RESOLVED, by the Council (the "Council") of the City of Windom, Cottonwood County, Minnesota (the "Issuer"), as follows:

Section 1. Purpose, Authorization, and Award.

1.01 Authority.

A. Pursuant to authority contained in Minnesota Statutes, Chapters 429 and 475, the Council directs the issuance and sale of \$800,000 General Obligation Improvement Refunding Bonds, Series 2011B (the "Bonds"), for the purpose of refunding the outstanding principal of the Issuer's \$1,445,000 General Obligation Improvement Bonds, Series 2003 (the "Prior Bonds") in the amount of \$770,000 (the "Refunded Bonds") on February 1, 2012 (the "Redemption Date"); and

B. The Prior Bonds were issued pursuant to a resolution of the Council adopted May 6, 2003 (the "Prior Resolution"), for the purposes of financing a portion of the costs of local public improvements (the "Project") which are to be paid for in part by special assessments levied or to be levied upon benefitted property (the "Special Assessments") for payment of part of the interest cost of the Bonds herein and for payment of part of the issuance costs of the Prior Bonds.

C. The principal of and interest on the Bonds shall be paid from Special Assessments and ad valorem taxes (the "Taxes"). (The Special Assessments and Taxes are collectively referred to herein as the "Pledged Revenues.")

1.02 Independent Financial Advisor. The Issuer has retained the services of Ehlers & Associates, Inc. as its independent financial advisor.

1.03 Sale of the Bonds. The Issuer has received an offer from \_\_\_\_\_ of \_\_\_\_\_, \_\_\_\_\_ (the "Purchaser"), to purchase the Bonds at a cash price of \$ \_\_\_\_\_, plus accrued interest on the total principal amount from the date of the Bonds to the date of delivery ("Accrued Interest") and upon the terms and conditions hereafter specified in this Resolution and upon condition that the Bonds mature and bear interest at the times and annual rates set forth in Section 2. The Issuer, after due consideration, finds such offer reasonable and proper and the offer of the Purchaser is hereby accepted. The Mayor and the Administrator-Clerk-Treasurer are authorized and directed to execute on the part of the Issuer a contract for the sale of the Bonds in accordance with the Purchaser's proposal. All actions of the Mayor and the Administrator-Clerk-Treasurer taken with regard to the sale of the Bonds are hereby ratified and approved.

Section 2. Terms of the Bonds.

2.01 Date and Maturities.

A. Serial Maturities. The Bonds to be issued hereunder shall be dated the date of delivery to the Purchaser in exchange for the purchase price of the Bonds and shall be issued in the denomination of \$5,000 each, or any integral multiple thereof, in fully registered form and lettered and numbered R-1 and upward. The Bonds shall bear interest at the annual rates and shall mature on December 1 in the years and amounts shown below:

<b>Year</b>	<b>Amount</b>	<b>Interest Rate</b>

B. Term Bonds. The Bonds maturing on February 1 in the years \_\_\_\_, \_\_\_\_ and \_\_\_\_ shall be subject to mandatory redemption prior to maturity pursuant to the requirements of this Section 2.01B at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Bond Registrar, as designated below, shall select for redemption, by lot or other manner deemed fair, on December 1 in each of the following years the following stated principal amounts:

For Bonds maturing on February 1, 20\_\_

<b>YEAR</b>	<b>AMOUNT</b>

For Bonds maturing on February 1, 20\_\_

<b>YEAR</b>	<b>AMOUNT</b>

For Bonds maturing on February 1, 20\_\_

<b>YEAR</b>	<b>AMOUNT</b>

## 2.02 Redemption.

A. The Bonds are not subject to redemption and prepayment at the option of the Issuer.

B. In the event any of the Bonds are called for mandatory redemption, notice thereof identifying the Bonds to be redeemed may be given by the Bond Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) at least 30 days, but not more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Bond Registrar; provided however, that so long as the Bonds are registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), notice of redemption shall be given in accordance with the terms of the Representation Letter hereinafter described. Failure to give notice by mail to any registered owner, or any defect therein, will not affect the validity of any proceeding for the redemption of Bonds not affected by such defect or failure. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

C. If less than all the Bonds of a maturity are called for redemption while the Bonds are registered in the name of Cede & Co., the Issuer or the Bond Registrar designated below will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed. If less than all the Bonds of a maturity are called for redemption and the Bonds are not registered in the name of Cede & Co., the Bond Registrar will determine by lot or other manner deemed fair, the amount of each maturity to be redeemed. All prepayments shall be at a price equal to the principal amount thereof plus accrued interest.

2.03 Interest Payment Dates. The Bonds shall bear interest at the annual rates stated therefor in Section 2.01. The interest shall be payable semiannually on February 1 and August 1 in each year (each referred to herein as an "Interest Payment Date") commencing on August 1, 2012. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The Bond Registrar designated below shall make all interest payments with respect to the Bonds by check or draft mailed to the registered owners of the Bonds shown on the bond registration records maintained by the Bond Registrar at the close of business on the 15th day (whether or not on a business day) of the month next preceding the Interest Payment Date at such owners' addresses shown on such bond registration records.

## Section 3. Registration; Global Book Entry System.

3.01 Designation of Bond Registrar. The City Council appoints Bond Trust Services Corporation as registrar, authenticating agent and transfer agent for the Bonds (such bank or its successors is herein referred to as the "Bond Registrar"), and shall do so until a successor Bond Registrar is duly appointed, all pursuant to a contract which the Issuer and the Bond Registrar shall execute which is consistent herewith and which the Mayor and the Administrator-Clerk-Treasurer are authorized to execute and deliver. A successor Bond Registrar shall be a bank or

trust company eligible for designation as bond registrar pursuant to the Act. The terms of the appointment of the successor Bond Registrar and its duties shall be specified in a contract between the Issuer and such successor Bond Registrar that is consistent herewith and that the Mayor and Administrator-Clerk-Treasurer are authorized to execute and deliver. The Bond Registrar, which may act through an agent, shall also serve as paying agent until and unless a successor paying agent is duly appointed. The Bond Registrar shall pay principal and interest on the Bonds to the registered Holders (or record Holders) of the Bonds in the manner set forth herein. The Issuer agrees to pay the reasonable and customary charges for the services of such Bond Registrar.

3.02 Designation of Depository. DTC, a Securities and Exchange Commission designated depository, a limited purpose New York trust company, a member of the Federal Reserve System, and a “clearing corporation” within the meaning of the New York Uniform Commercial Code, is designated as the depository (the “Depository”) with respect to the Bonds.

3.03 Authentication of Bonds. No Bond shall be valid or obligatory for any purpose unless or until either (i) the Bond Registrar’s authentication certificate on such Bond, substantially set forth in Section 4.01 hereof, shall have been duly executed by an authorized representative of the Bond Registrar or (ii) the Bonds have been manually executed by at least one officer of the City Council. Authentication certificates on different Bonds need not be signed by the same representative. The Bond Registrar shall authenticate each Bond by execution of the Certificate of Authentication on the Bond and shall date each Bond in the space provided as of the date on which the Bond is registered. For purposes of delivering the original Bonds, the Bond Registrar shall insert as the date of registration the date of original issue. The executed Authentication Certificate or the manual signature of at least one officer of the City Council on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution.

3.04 Bond Register; Transfer; Exchange.

A. The Issuer shall cause to be kept by the Bond Registrar at its principal office, a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Issuer shall provide for the registration of the Bonds and the registration of transfers of the Bonds entitled to be registered or transferred as herein provided. In the event of the resignation or removal of the Bond Registrar or its incapability of acting as such, the bond registration records shall be maintained at the office of the successor Bond Registrar as may be appointed by the City Council.

B. Upon surrender for transfer of any Bond at the principal corporate office of the Bond Registrar, the Issuer shall execute, if required by law or this Resolution, and the Bond Registrar shall authenticate, if required by law or this Resolution, date (in the space designated Date of Registration) and deliver, in the name(s) of the designated transferee or transferees, one or more new Bonds of the like aggregate principal amount having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of “bearer” or similar designation. Transfer of a Bond may be made on the Issuer’s books by the registered owner in person or by the registered owner’s attorney duly authorized in writing. Transfers shall be subject to reasonable regulations of the Issuer contained

in any agreement with, or notice to, the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates. The Issuer and the Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption or to make any such exchange or transfer of the Bonds during the 15 days next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of the Bonds.

C. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the registered owner thereof, with signature guaranteed, or by the registered Holder's attorney duly authorized in writing, and shall include written instructions as to the details of the transfer of the Bond. When any Bond is presented to the Bond Registrar for transfer, the Bond Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Bond Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

D. At the option of the Holder, replacement Bonds may be exchanged for Bonds of any authorized denomination or denominations of a like aggregate principal amount and stated maturity, upon surrender of the Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute (if required by law or this Resolution), and the Bond Registrar shall authenticate (if required by law or this Resolution), date (in the space designated Date of Registration) and deliver the replacement Bonds which the Holder making the exchange is entitled to receive. Bonds registered in the name of Cede & Co. may not be exchanged for Bonds of smaller denominations.

E. All Bonds surrendered upon any exchange or transfer provided for in this Resolution shall be promptly canceled by the Bond Registrar and thereafter disposed of as directed by the Issuer.

F. Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all of the rights to interest, accrued and unpaid and to accrue, which are carried by such other Bond. All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the Issuer evidencing the same debt, shall be entitled to the same benefits under this Resolution as the Bonds surrendered for such exchange or transfer, and shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bonds.

G. The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of any Bond and any legal or unusual costs regarding transfers and lost bonds.

H. Bonds registered in the name of Cede & Co. may not after their original delivery, be transferred or exchanged except in accordance with the terms and conditions of the Representation Letter and:

(i) upon exchange of a Bond after a partial redemption, if provided in Section 2.03 of this Resolution;

(ii) to any successor of the Depository (or its nominee) or any substitute depository (a "Substitute Depository") designated pursuant to clause (iii) below; provided that any successor of the Depository or any Substitute Depository must be both a "clearing corporation" as defined in the Minnesota Uniform Commercial Code, Minnesota Statutes, Section 336.8-102, and a qualified and registered "clearing agency" as provided in Section 17A of the Securities Exchange Act of 1934, as amended;

(iii) to a Substitute Depository designated by and acceptable to the Issuer upon (a) the determination by the Depository that the Bonds shall no longer be eligible for its depository services or (b) a determination by the Issuer that the Depository is no longer able to carry out its functions; provided that any Substitute Depository must be qualified to act as such, as provided in subclause (ii) above; or

(iv) in the event that (a) the Depository shall resign or discontinue its services for the Bonds or be declared no longer able to carry out its functions and the Issuer is unable to locate a Substitute Depository within two months following the resignation or discontinuance or determination of noneligibility, or (b) the Issuer determines in its sole discretion that (1) the continuation of the book-entry system described herein might adversely affect the interests of the beneficial owners of the Bonds, or (2) it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, then the Issuer shall notify the Holders of its determination and of the availability of replacement Bonds to Holders. The Issuer, the Bond Registrar and the Depository shall cooperate in providing Replacement Bonds to Holders requesting the same and the registration, transfer and exchange of such Bonds shall thereafter be conducted as provided in Section 3 of this Resolution.

I. In the event of the designation of a Substitute Depository as authorized by clause H., the Bond Registrar, upon presentation of a Bond, shall register their transfer to the Substitute Depository, and the Substitute Depository shall be treated as the Depository for all purposes and functions under this Resolution. The Representation Letter shall not apply to the Substitute Depository unless the Issuer and the Substitute Depository so agree, and the execution of a similar agreement is authorized.

### 3.05 Persons Deemed Owners; Payment.

A. The Issuer and the Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in Section 2.02 above), on such Bond and for all other purposes whatsoever, whether or not such Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

B. For the purposes of all actions, consents and other matters affecting Holders of Bonds issued under this Resolution as from time to time supplemented, other than payments,

redemptions, and purchases, the Issuer may (but shall not be obligated to) treat as the Holder of a Bond the beneficial owner of the Bond instead of the person in whose name the Bond is registered. For that purpose, the Issuer may ascertain the identity of the beneficial owner of the Bond by such means as the Bond Registrar in its sole discretion deems appropriate, including but not limited to a certificate from the Depository or other person in whose name the Bond is registered identifying such beneficial owner.

C. The principal of and interest on the Bonds shall be payable by the Bond Registrar in such funds as are legal tender for the payment of debts due the United States of America. The Issuer shall pay the reasonable and customary charges of the Bond Registrar for the disbursement of principal and interest.

### 3.06 Use of Global Book-Entry System.

A. There has been previously submitted to this City Council a form of Blanket Issuer Letter of Representations (the "Representation Letter") between the Issuer and the Depository setting forth various matters relating to the Depository and its role with respect to the Bonds. The terms and conditions of the Representation Letter are ratified.

B. All of the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest on and principal of any Bond registered in the name of Cede & Co. shall be made by wire transfer or New York Clearing House or equivalent same day funds by 10:00 a.m. CT or as soon as possible thereafter following the Bond Registrar's receipt of funds from the Issuer on each Interest Payment Date to the account of Cede & Co. on each Interest Payment Date at the address indicated in or pursuant to the Representation Letter.

C. So long as DTC is the Depository or it or its nominee is the Holder of any Bonds, the Issuer shall comply with the provisions of the Representation Letter, as it may be amended or supplemented from time to time.

D. Additional matters with respect to, among other things, notices, consents and approvals by Holders and payments on the Bonds are set forth in the Representation Letter.

E. The provisions in the Representation Letter are incorporated herein by reference and made a part of this resolution, and if and to the extent any such provisions are inconsistent with the other provisions of this resolution, the provisions in the Representation Letter shall control.

3.07 Mutilated, Stolen or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen, or lost, the Bond Registrar will deliver a new Bond of like amount, number, maturity date, and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen, or lost, upon the payment of the reasonable expenses and charges of the Bond Registrar and the Issuer in connection therewith, including the cost of printing new Bonds; and, in the case of a Bond destroyed, stolen, or lost, upon filing with the Bond Registrar and the Issuer of evidence satisfactory to it and the Issuer that the Bond was destroyed, stolen, or lost, and of the ownership thereof, and upon furnishing to the Bond Registrar of an appropriate bond or indemnity in form, substance, and

amount satisfactory to it and the Issuer and as provided by law, in which both the Issuer and the Bond Registrar must be named as obligees. Bonds so surrendered to the Bond Registrar will be canceled by the Bond Registrar and evidence of such cancellation must be given to the Issuer. If the mutilated, destroyed, stolen, or lost Bond has already matured or been called for redemption in accordance with its terms, it is not necessary to issue a new Bond prior to payment.

Section 4. Form of the Bonds.

4.01 The Bonds shall be printed or typewritten in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF COTTONWOOD

R-\_\_\_\_\_ \$ \_\_\_\_\_

CITY OF WINDOM  
GENERAL OBLIGATION IMPROVEMENT REFUNDING BONDS,  
SERIES 2011B

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	February 1, 20__	December ____, 2011	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

The City of Windom, Cottonwood County, Minnesota (the "Issuer"), certifies that it is indebted and for value received, promises to pay to the registered owner specified above or on the Registration Certificate attached hereto, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, and to pay interest thereon from the date of original issue set forth above, or from the most recent Interest Payment Date (defined below) to which interest has been paid or duly provided for, until the principal amount is paid, said interest being at the rate per annum specified above. Interest is payable semiannually on February 1 and August 1 of each year (each referred to herein as an "Interest Payment Date") commencing on August 1, 2012, at the rate per annum specified above, calculated on the basis of a 360-day year of twelve 30-day months, until the principal amount is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue hereof set forth above.

**Payment.** The principal of and premium, if any, on this Bond are payable by wire transfer (or other agreed means of payment) on each payment date no later than 12:00 noon (New York, New York time) upon presentation and

surrender hereof at the office of Bond Trust Services Corporation, as registrar, paying agent, authenticating agent and transfer agent (the "Bond Registrar"), or at the office of such successor bond registrar as may be designated by the Issuer. Interest on this Bond will be paid on each Interest Payment Date (by 12:00 noon, New York, New York time) by wire transfer (or other agreed means of payment) to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date fixed for the payment of the defaulted interest, and notice of the special record date shall be given by the Bond Registrar to the Holders not less than 10 days prior thereto. The Bond Registrar shall make all payments with respect to this Bond without, except for payment of principal on the Bond, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the Issuer to the extent of the payments so made. The principal of, premium, if any, and interest on this Bond are payable in lawful money of the United States of America. For the prompt and full payment of such principal and interest as they become due, the full faith and credit of the Issuer are irrevocably pledged.

**Date of Payment Not Business Day.** If the date for payment of the principal of, premium, if any, or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

**Redemption.** The Bonds of this series are not subject to redemption and prepayment at the option of the Issuer.

**Mandatory Redemption.** The Bonds maturing in the years \_\_\_\_, \_\_\_\_, and \_\_\_\_ shall be subject to mandatory redemption prior to maturity pursuant to the requirements of the Resolution at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium.

**Notice of and Selection of Bonds for Redemption.** Not less than 30 nor more than 60 days prior to the date fixed for redemption and prepayment of any Bonds, notice of redemption shall be mailed to each registered owner of a Bond to be redeemed; provided, however, that so long as the Bonds are registered in the

name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), notice of redemption shall be given in accordance with the terms of the Blanket Issuer Letter of Representations which has been executed by the Issuer and DTC (the "Representation Letter").

If less than all the Bonds of a maturity are called for redemption while the Bonds are registered in the name of Cede & Co., the Issuer or the Bond Registrar designated below will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed. If less than all the Bonds of a maturity are called for redemption and the Bonds are not registered in the name of Cede & Co., the Bond Registrar will determine by lot or other manner deemed fair, the amount of each maturity to be redeemed. All prepayments shall be at a price equal to the principal amount thereof plus accrued interest. If any Bond is redeemed in part, upon surrender of the Bond being redeemed, the Issuer shall deliver or cause to be delivered to the registered owner of such Bond, a Bond in like form in the principal amount equal to that portion of the Bond so surrendered not being redeemed.

**Issuance; Purpose.** This Bond is one of a series issued by the Issuer in the aggregate amount of \$800,000, all of like date and tenor, except as to number, maturity date, denomination, redemption privilege and interest rate, pursuant to the authority contained in: (i) Minnesota Statutes, Chapters 429 and 475 and all other laws thereunto enabling and (ii) an authorizing resolution adopted by the governing body of the Issuer on November 15, 2011 (the "Resolution"), for the purpose of refunding on February 1, 2012, the outstanding principal amounts of the Issuer's \$1,445,000 General Obligation Improvement Bonds, Series 2003. The principal of and interest on the Bonds are payable primarily from special assessments levied or to be levied against benefitted property, ad valorem taxes and from a portion of the proceeds of the Bonds. Reference is made to the Resolution for a full statement of rights and powers thereby conferred. Reference is hereby made to the Resolution for a full statement of rights and powers thereby conferred.

**General Obligation.** This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of the principal and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are irrevocably pledged.

**Denominations; Exchange.** The Bonds of this series are issued as fully registered bonds without coupons, in the denomination of \$5,000 or any integral multiple thereof. The Issuer will, at the request of the registered owner, issue one or more new fully registered Bonds in the name of the registered owner in the aggregate principal amount equal to the unpaid principal balance of this Bond, and of like tenor except as to number and principal amount at the principal office

of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution and the Representation Letter. Reference is made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

**Registration; Transfer.** This Bond shall be registered in the name of the payee on the books of the Issuer by presenting this Bond for registration to the Bond Registrar, whose representative will endorse his or her name and note the date of registration opposite the name of the payee in the Registration Certificate attached hereto. Thereafter this Bond may be transferred by delivery with an assignment duly executed by the Holder or the Holder's legal representative, and the Issuer and Bond Registrar may treat the Holder as the person exclusively entitled to exercise all the rights and powers of an owner until this Bond is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted hereon by the Bond Registrar, all subject to the terms and conditions provided in the Resolution and the Representation Letter and to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar. Thereupon the Issuer shall execute (if required by law or the Resolution) and the Bond Registrar shall authenticate (if required by law or the Resolution) and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee, of an authorized denomination, in an aggregate principal amount equal to the principal amount of this Bond, of the same maturity, and bearing interest at the same rate.

**Fees Upon Transfer or Loss.** The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds. No service charge shall be made by the Issuer for any transfer or exchange hereinbefore referred to but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

**Treatment of Registered Owner.** The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes whatsoever, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

**Qualified Tax-Exempt Obligations.** The Bonds of this issue have been designated by the Issuer as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the deduction of interest expenses allocable to the Bonds by financial institutions.

**Authentication.** This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until either (i) the Bond Registrar's Authentication Certificate hereon shall have been executed by the Bond Registrar by one of its authorized representatives or (ii) the Bond has been manually executed by at least one officer of the governing body of the Issuer.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the laws and the Constitution of the State of Minnesota to be done and to exist precedent to and in the issuance of this Bond, in order to make it a valid and binding general obligation of the Issuer in accordance with its terms, have been done and do exist in form, time and manner as so required; that all taxable property within the limits of the Issuer is subject to the levy of ad valorem taxes to the extent needed to pay the principal hereof and the interest hereon when due, without limitation as to rate or amount and that the issuance of this Bond does not cause the indebtedness of the Issuer to exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Windom, Cottonwood County, Minnesota, by its governing body, has caused this Bond to be executed in its name by the facsimile or manual signature of the Mayor and attested by the facsimile or manual signature of the Administrator-Clerk-Treasurer.

*(form-no signature required)*  
Administrator-Clerk-Treasurer

*(form-no signature required)*  
Mayor

#### BOND REGISTRAR'S AUTHENTICATION CERTIFICATE

The Bond Registrar confirms that the books reflect the ownership of this Bond registered in the name of the owner named above in the principal amount and maturing on the date stated above and this Bond is one of the Bonds of the series issued pursuant to the Resolution hereinabove described.

BOND TRUST SERVICES CORPORATION

By \_\_\_\_\_  
Authorized Representative

#### REGISTRATION CERTIFICATE

This Bond must be registered as to both principal and interest in the name of the owner on the books to be kept by Bond Trust Services Corporation, of Roseville, Minnesota, as Bond Registrar. No transfer of this Bond shall be valid unless made on said books by the registered owner or the owner's attorney thereunto duly authorized and similarly noted on the registration books. The

ownership of the unpaid principal balance of this Bond and the interest accruing thereon is registered on the books of Bond Trust Services Corporation, as Bond Registrar, in the name of the registered owner last noted below.

<u>Date</u>	<u>Registered Owner</u>	<u>Signature of Bond Registrar</u>
12/08/11	Cede & Co. c/o The Depository Trust Company 55 Water Street New York, NY 10041 Federal Taxpayer I.D. No.: 13-2555119	_____

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_  
(Name and Address of Assignee)

\_\_\_\_\_  
Social Security or Other

\_\_\_\_\_  
Identifying Number of Assignee

the within Bond and all rights thereunder and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

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

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

\_\_\_\_\_  
(Bank, Trust Company, member of

National Securities Exchange)

*Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as the registered owner hereof, Cede & Co., has an interest herein.*

4.02 Preparation and Execution. The Bonds shall be prepared for execution in accordance with the approved form and shall be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the Administrator-Clerk-Treasurer. The legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A. shall be appended to each Bond. The corporate seal of the Issuer may be omitted from the Bonds as permitted by law. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be an officer before delivery of the Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

4.03 Delivery of the Bonds. Delivery of the Bonds and payment of the purchase price shall be made at a place mutually satisfactory to the Issuer and the Purchaser. Printed or typewritten, and executed Bonds shall be furnished by the Issuer without cost to the Purchaser. The Bonds, when prepared in accordance with this Resolution and executed, shall be delivered by or under the direction of the Administrator-Clerk-Treasurer to the Purchaser upon receipt of the purchase price plus accrued interest.

#### Section 5. Covenants, Funds and Accounts.

5.01 Covenants. It is hereby determined that the Project will directly and indirectly benefit abutting property, and the Issuer hereby covenants with the holders from time to time of the Bonds as follows:

A. The Issuer has caused the Special Assessments to be promptly levied and has taken and will take all steps necessary to assure prompt collection of the Special Assessments. Construction of the Project has been completed. Council will cause all further actions and proceedings to be taken with due diligence that are required for the appropriation of any other funds needed to pay the Bonds and interest thereon when due.

B. The Issuer will keep complete and accurate books and records showing: receipts and disbursements in connection with the Project and Special Assessments and other funds appropriated for their payment, collections and disbursements thereof, moneys on hand and the balance of unpaid Special Assessments.

C. The Issuer will cause its books and records to be audited and will furnish copies of such audit reports to any interested person upon request.

D. The Council covenants and agrees with the holders of the Bonds and with its taxpayers that it has assessed against benefitted property not less than 20% of the cost of the Project.

5.02 Funds, Accounts, Appropriations and Revenues. There is created a special fund to be designated the "2011 Improvement Refunding Bonds Fund" (the "Fund") to be administered and maintained by the Administrator-Clerk-Treasurer as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the Issuer. The Fund shall be maintained in the manner herein specified until all of the Bonds and the interest thereon have been fully paid. There shall be maintained in the Fund three separate accounts, to be designated the "Refunding Account," the "Cost of Issuance Account" and the "Debt Service Account," respectively:

A. *Refunding Account.*

(i) On receipt of the purchase price of the Bonds, the Issuer shall credit proceeds from the sale of the Bonds, less amounts allocated as capitalized interest, if any (the "Capitalized Interest"), less amounts used to pay part of the interest cost of the Bonds as allowed by Minnesota Statutes, Section 475.56 (the "Additional Interest"), less the Accrued Interest and less any amounts allocated to payment of costs of issuance of the Bonds (the "Proceeds"), to the Refunding Account.

(ii) Moneys on deposit in the Debt Service Account established in Section 5.02 of the Prior Resolution (the "Prior Debt Service Fund") are pledged and appropriated and shall be transferred to the Refunding Account for payment of the Refunded Bonds on the Redemption Date.

(iii) Proceeds on deposit in the Prior Debt Service Fund, along with monies on deposit therein and other monies available therefor, must be used to redeem and prepay the Refunded Bonds in full on the Redemption Date.

(iv) Upon redemption of the Refunded Bonds on the Redemption Date, the Prior Debt Service Fund shall be terminated, and all monies remaining therein not required to refund the Refunded Bonds shall be transferred to the Debt Service Account. All Taxes levied under the Prior Resolution and collected after the Redemption Date shall be deposited in the Debt Service Account.

B. *Cost of Issuance Account.* On receipt of the purchase price of the Bonds, the Issuer shall credit the proceeds from the sale of the Bonds, less capitalized interest funded from the proceeds of the Bonds (the "Capitalized Interest"), less the amount used to pay part of the interest cost of the issue as allowed by Minnesota Statutes, Section 475.56 (the "Additional Interest"), less the Accrued Interest and less the amount required to meet the requirements of the Refunding Account to the Cost of Issuance Account. Proceeds from the Bonds on deposit in the Cost of Issuance Account shall be used from time to time to pay, or reimburse the Issuer for

payment of costs of issuance of the Bonds, as such become due. Any funds remaining in the Cost of Issuance Account upon payment in full of the costs of issuance of the Bonds shall be transferred to the Debt Service Account.

C. *Debt Service Account.*

(i) There are hereby irrevocably appropriated and pledged to the Debt Service Account: (i) the Pledged Revenues; (ii) the Capitalized Interest; (iii) the Accrued Interest; (iv) the Additional Interest; (v) the Taxes hereinafter levied; (vi) any funds remaining in the Prior Debt Service Fund upon payment of the Refunded Bonds in full on the Redemption Date; (vii) any funds remaining on deposit in the Cost of Issuance Account upon payment in full of the cost of issuance of the Bonds; (viii) any Taxes levied for payment of the Refunded Bonds collected after the Redemption Date; and (ix) investment earnings, if any, on the moneys identified in preceding clauses (i) through (viii). The money in the Debt Service Account shall be used for no purpose other than the payment of principal of and interest on the Bonds.

(ii) If the balances in the Debt Service Account are ever insufficient to pay all principal and interest then due on the Bonds, the Administrator-Clerk-Treasurer shall nevertheless provide sufficient money from any other funds of the Issuer which are available for that purpose, and such other funds shall be reimbursed from the Debt Service Account when the balance therein is sufficient.

5.03 Tax Levy. A. For the purpose of paying part of the debt service on the Bonds, there is hereby levied a direct annual ad valorem tax upon all taxable property in the Issuer which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the Issuer. Said levies are for the years and in the amounts set forth in ATTACHMENT A hereto (the "Tax Levies"), which is incorporated by reference as though fully set forth herein. The Tax Levies shall be irrevocable so long as any of the Bonds are outstanding and unpaid; provided, however, that on November 30 of each year, while any Bonds issued hereunder remain outstanding, the Council shall reduce or cancel the above levies to the extent of funds available in the Debt Service Account to pay principal and interest due during the ensuing year, and shall direct the County Auditor to reduce the levy for such calendar year by that amount.

B. The Tax Levies are such that if collected in full, they together with estimated collections of investment earnings and Special Assessments herein pledged for payment of the Bonds, will produce at least 5% in excess of the amount needed to meet when due the principal and interest payments on the Bonds.

5.04 Investments. Monies on deposit in the Fund, Cost of Issuance Account and the Debt Service Account may, at the discretion of the Administrator-Clerk-Treasurer, be invested in securities permitted by Minnesota Statutes, Chapter 118A; provided, that any such investments shall mature at such times and in such amounts as will permit payment of the principal and interest on the Bonds when due.

5.05 Additional Covenants. It is recognized, however, that the Issuer's liability on the Bonds is not limited to the Pledged Revenues, and the Council covenants and agrees that it will

levy upon all taxable property within the Issuer, and cause to be extended, assessed, and collected, any taxes found necessary for full payment of the principal of and interest on the Bonds, without limitation as to rate or amount.

Section 6. Tax Covenants.

6.01 General. The Issuer covenants and agrees with the holders of the Bonds that it will: (i) take all action on its part necessary to cause the interest on the Bonds to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bonds and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Bonds to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the Bonds and investment earnings thereon on certain specified purposes.

6.02 Arbitrage Rebate Exception. The Issuer expects all proceeds of the Bonds will be spent within six months of the date of closing and delivery of the Bonds and no rebate of arbitrage profits will be required. In the event proceeds of the Bonds are not so spent, the Issuer will compute and cause the payment to the United States of all amounts required under the rebate requirement of Section 148(f) of the Code and the Regulations issued thereunder.

6.03 Bank Qualification of Bonds. In order to qualify the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, the Issuer hereby makes the following factual statements and representations:

A. the Bonds are not “private activity bonds” as defined in Section 141 of the Code;

B. the Issuer hereby designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code:

C. the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the Issuer (and all entities whose obligations will be aggregated with those of the Issuer) during the calendar year in which the Bonds are issued will not exceed \$10,000,000; and

D. not more than \$10,000,000 of obligations issued by the Issuer during the calendar year in which the Bonds are issued have been designated for purposes of Section 265(b)(3) of the Code.

Section 7. Refunding; Findings; Redemption of Refunded Bonds.

7.01 Findings. It is hereby found and determined that:

A. based upon information presently available from the Issuer's financial advisers, the issuance of the Bonds is consistent with covenants in the Prior Resolution and is necessary and desirable for the reduction of debt service cost to the Issuer and for the adjustment of the maturities in relation to the resources available for their payment;

B. the proceeds of the Bonds and other available funds of the Issuer in the Prior Debt Service Fund will be sufficient to prepay all of the principal of and interest on the Refunded Bonds on the Redemption Date; and

C. the proceeds of the Prior Bonds have been fully expended for the governmental purpose for which the Prior Bonds were issued.

7.02 Notice of Redemption. The Refunded Bonds shall be redeemed and prepaid in accordance with their terms and in accordance with the terms and conditions set forth in the form of Notice of Call for Redemption attached hereto as Attachment B, respectively, which terms and conditions are hereby approved and incorporated herein by reference. Any actions taken by the Administrator-Clerk-Treasurer or his or her designee with respect to giving notice of redemption of the Refunded Bonds in substantially the form set forth in Attachment B are ratified and confirmed.

7.03 Discharge of Covenants. When the principal of the Refunded Bonds and all interest thereon have been discharged as provided in this Section, all pledges, covenants and other rights granted by this Resolution to the holders of the Refunded Bonds shall cease, except that the pledge of the full faith and credit of the Issuer for the prompt and full payment of the principal and interest on the Refunded Bonds shall remain in full force and effect. The Issuer may discharge all Bonds which are due on any date by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full. If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the redemption date.

#### Section 8. Certificate of Proceedings.

8.01 Filing with County Auditor. The Administrator-Clerk-Treasurer or the duly authorized designee thereof is directed to file with the County Auditor a certified copy of this Resolution and such other information as the County Auditor may require, and to obtain from the County Auditor a certificate stating that the Bonds herein authorized have been duly entered on the Auditor's register.

8.02 Certified Proceedings. The officers of the Issuer are authorized and directed to prepare and furnish to the Purchaser of the Bonds and to bond counsel certified copies of all proceedings and records of the Issuer relating to the authorization and issuance of the Bonds and other affidavits and certificates as may reasonably be requested to show the facts relating to the legality and marketability of the Bonds as such facts appear from the official books and records of the officers' custody or otherwise known to them. All of such certified copies, certificates and affidavits, including any heretofore furnished, constitute representations of the Issuer as to the correctness of facts recited therein and the actions stated therein to have been taken.

8.03 Absent or Disabled Officers. In the event of the absence or disability of the Mayor or the Administrator-Clerk-Treasurer, such officers or members of the Council as in the opinion of the Issuer's attorney may act in their behalf shall, without further act or authorization, execute and deliver the Bonds, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

8.04 Offering Materials. The Mayor and the Administrator-Clerk-Treasurer are hereby authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement.

*(remainder of page intentionally left blank)*

Adopted: November 15, 2011.

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Mayor

ATTEST:

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Administrator-Clerk-Treasurer

*M:\DOCS\12336\000019\ROL\RI2643.DOC*

STATE OF MINNESOTA            )  
  ) ss.  
COUNTY OF COTTONWOOD        )

I, the duly qualified and acting Administrator-Clerk-Treasurer of the City of Windom, Minnesota, do hereby certify that I am the official custodian of the records of the City, and that I have compared the attached copy with the original records of the City, and that it is a true and correct transcript taken from the records of the proceedings of the regular meeting of the Council, held at the City of Windom, Minnesota, on November 15, 2011.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of November, 2011.

\_\_\_\_\_  
Administrator-Clerk-Treasurer

ATTACHMENT A

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

Levy Year	Collection Year	Total Tax Levy

ATTACHMENT B

NOTICE OF CALL FOR REDEMPTION

City of Windom, Minnesota

\$1,445,000 General Obligation Improvement Bonds, Series 2003

dated June 1, 2003

NOTICE IS HEREBY GIVEN that, by order of the City of Windom, Minnesota (the "Issuer"), there have been called for redemption and prepayment on *February 1, 2012* (the "Redemption Date") all outstanding bonds of the Issuer designated above, having stated maturity dates of February 1 in the years 2013 through 2019, both inclusive, totaling \$770,000 in outstanding principal amount, and with the following CUSIP numbers:

<u>Certificate No.</u>	<u>Maturity (December 1)</u>	<u>Amount*</u>	<u>Rate</u>	<u>CUSIP No.**</u>
R-9	2013	\$95,000	3.65%	973449 GY 1
R-10	2014	\$100,000	3.75%	973449 GZ 8
R-11	2015	\$105,000	3.85%	973449 HA 1
R-12	2016	\$110,000	3.95%	973449 HB 0
R-13	2017	\$115,000	4.00%	973449 HC 8
R-14	2018	\$120,000	4.10%	973449 HD 6
R-15	2019	\$125,000	4.20%	973449 HE 4

The Bonds are being called at a price of par plus accrued interest to the Redemption Date on which date all interest on said Bonds will cease to accrue. Holders of the Bonds hereby called for redemption are requested to present their Bonds for payment at the office of U.S. Bank, National Association, as successor to U.S. Bank Trust N.A., 60 Livingston Avenue, 3<sup>rd</sup> Floor, St. Paul, Minnesota 55107, on or before the Redemption Date.

Dated: November \_\_, 2011

BY ORDER OF THE CITY COUNCIL OF THE  
CITY OF WINDOM, MINNESOTA

**Important Notice:** In compliance with the Economic Growth and Tax Relief Reconciliation Act of 2001, federal backup withholding tax will be withheld at the applicable backup withholding rate in effect at the time the payment by the redeeming institutions if they are not provided with your social security number or federal employer identification number, properly certified. This requirement is fulfilled by submitting a W-9 Form, which may be obtained at a bank or other financial institution.

\* Indicates full call of stated maturity.

\*\* Neither the Issuer nor the Fiscal Agent/Paying Agent shall be responsible for the selection of or use of the CUSIP number, and no representation is made as to its correctness indicated in the Notice of Call for Redemption. CUSIP numbers are included solely for the convenience of the Holders.



## 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

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
CITY OFFICE	MII LIFE	VEBA	198.40
CITY OFFICE	STEVE NASBY	EXPENSE	176.72
CITY OFFICE	NCPERS MINNESOTA	INSURANCE	80.00
CITY OFFICE	MATT PARROTT & SONS	SUPPLIES	16.96
CITY OFFICE	CITY OF NEW ULM	REGISTRATION	8.00
	Total for Department 103		480.08*
P & Z / BUILDING OFF	DAY-TIMERS, INC.	SUPPLIES	24.03
P & Z / BUILDING OFF	ELECTRIC FUND	MAINTENANCE	15.78
P & Z / BUILDING OFF	Verizon Wireless	TELEPHONE	34.09
P & Z / BUILDING OFF	MII LIFE	VEBA	148.80
P & Z / BUILDING OFF	NCPERS MINNESOTA	INSURANCE	24.00
P & Z / BUILDING OFF	MATT PARROTT & SONS	SUPPLIES	16.95
	Total for Department 106		263.65*
CITY HALL	ELECTRIC FUND	MAINTENANCE	22.89
CITY HALL	SANDRA HERDER	CLEANING	358.12
CITY HALL	JOE'S LAWN CARE	BOILER INSPECTION	56.25
CITY HALL	MELISSA PENAS	CLEANING	358.13
	Total for Department 115		795.39*
POLICE	MII LIFE	VEBA	1,498.16
POLICE	NCPERS MINNESOTA	INSURANCE	160.00
POLICE	MATT PARROTT & SONS	SUPPLIES	16.96
POLICE	VOYAGER FLEET SERVIC	GAS	274.49
POLICE	DRIVER & VEHICLE SER	LICENSE PLATES	18.00
	Total for Department 120		1,967.61*
FIRE DEPARTMENT	AMOCO OIL COMPANY	GAS	223.75
FIRE DEPARTMENT	HARTBERG MEDICAL CLI	PHYSICALS	445.00
FIRE DEPARTMENT	Verizon Wireless	TELEPHONE	34.09
	Total for Department 125		702.84*
STREET	Verizon Wireless	TELEPHONE	40.43
STREET	MII LIFE	VEBA	841.92
STREET	NCPERS MINNESOTA	INSURANCE	32.00
STREET	MATT PARROTT & SONS	SUPPLIES	16.95
STREET	VOYAGER FLEET SERVIC	GAS	168.58
	Total for Department 140		1,099.88*
HEALTH & SANITATION	NEAL GRUNEWALD	COMPOST SITE MANAGER	128.00
	Total for Department 145		128.00*
PARKS	MII LIFE	VEBA	99.20
PARKS	NCPERS MINNESOTA	INSURANCE	16.00
	Total for Department 165		115.20*
	Total for Fund 01		5,552.65*
LIBRARY	SANDRA HERDER	CLEANING	358.13
LIBRARY	JOE'S LAWN CARE	BOILER INSPECTION	56.25

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
LIBRARY	MELISSA PENAS	CLEANING	358.12
		Total for Department 171	772.50*
		Total for Fund 03	772.50*
	BUDCO	CITY HALL PHONE SYSTEM	204.70
	NDR CABLES & NETWORK	CITY OFFICES PHONE SYSTE	8,502.43
	TRANSCEND UNITED TEC	TELEPHONES	2,964.39
		Total for Department	11,671.52*
		Total for Fund 04	11,671.52*
AIRPORT	ELECTRIC FUND	MAINTENANCE	405.06
AIRPORT	RED ROCK RURAL WATER	WATER	26.60
AIRPORT	SO. CENTRAL ELECTRIC	POWER COST	289.37
		Total for Department 174	721.03*
		Total for Fund 11	721.03*
POOL	LEAGUE OF MN CITIES	DEDUCTIBLE	181.00
POOL	MATT PARROTT & SONS	SUPPLIES	16.95
		Total for Department 175	197.95*
		Total for Fund 12	197.95*
AMBULANCE	MATT PARROTT & SONS	SUPPLIES	16.95
AMBULANCE	BRAD POWERS	EXPENSE	37.64
AMBULANCE	KIM POWERS	EXPENSE	75.76
AMBULANCE	ALLAN REMPEL	EXPENSE	30.26
		Total for Department 176	160.61*
		Total for Fund 13	160.61*
MULTI-PURPOSE BUILDI	Verizon Wireless	TELEPHONE	34.09
MULTI-PURPOSE BUILDI	MII LIFE	VEBÀ	284.88
MULTI-PURPOSE BUILDI	NCPERS MINNESOTA	INSURANCE	32.00
MULTI-PURPOSE BUILDI	RIVER BEND LIQUOR	MERCHANDISE	17.79
		Total for Department 177	368.76*
		Total for Fund 14	368.76*
N IND PARK	SO. CENTRAL ELECTRIC	POWER COST	47.20
		Total for Department 147	47.20*
		Total for Fund 18	47.20*
LIQUOR	BEVERAGE WHOLESALERS	MERCHANDISE	6,258.65
LIQUOR	WIRTZ BEVERAGE MN WI	MERCHANDISE	1,582.01
LIQUOR	HAGEN DISTRIBUTING	MERCHANDISE	2,750.70
LIQUOR	JOHNSON BROS.	MERCHANDISE	1,333.97

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
LIQUOR	MII LIFE	VEBA	371.36
LIQUOR	NCPERS MINNESOTA	INSURANCE	32.00
LIQUOR	MATT PARROTT & SONS	SUPPLIES	16.96
LIQUOR	PHILLIPS WINE & SPIR	MERCHANDISE	6,539.28
LIQUOR	QUALITY WINE SPIRITS	MERCHANDISE	1,043.41
LIQUOR	THE AMERICAN BOTTLIN	MERCHANDISE	113.44
	Total for Department 180		20,041.78*
	Total for Fund 60		20,041.78*
	TRANSCEND UNITED TEC	TELEPHONES	529.35
	WENCK ASSOCIATES, IN 2012 6TH ST /RIVER RD PR		1,511.00
	WENCK ASSOCIATES, IN HWY 60 PROJECT		746.34
	Total for Department		2,786.69*
WATER	GOPHER STATE ONE CAL	LOCATES	17.76
WATER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	186.46
WATER	Verizon Wireless	TELEPHONE	57.42
WATER	MII LIFE	VEBA	560.22
WATER	NCPERS MINNESOTA	INSURANCE	40.00
WATER	MATT PARROTT & SONS	SUPPLIES	16.96
WATER	VOYAGER FLEET SERVIC	GAS	447.38
	Total for Department 181		1,326.20*
	Total for Fund 61		4,112.89*
	ELECTRIC FUND	REFUND-UT PREPAY-A MURPH	76.20
	ELECTRIC FUND	REFUND-UT PREPAY-J MERAD	148.95
	TRANSCEND UNITED TEC	TELEPHONES	1,058.70
	ANDREW MURPHREE	REFUND-UTILITY PREPAYMEN	223.80
	JULIAN MERADO	REFUND-UT PREPAY-J. MERA	151.05
	Total for Department		1,658.70*
ELECTRIC	AMOCO OIL COMPANY	GAS	829.77
ELECTRIC	CRA PAYMENT CENTER	MAINTENANCE	250.10
ELECTRIC	GOPHER STATE ONE CAL	LOCATES	17.76
ELECTRIC	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	186.46
ELECTRIC	Verizon Wireless	TELEPHONE	39.43
ELECTRIC	MII LIFE	VEBA	950.66
ELECTRIC	STEVE NASBY	EXPENSE	37.18
ELECTRIC	NCPERS MINNESOTA	INSURANCE	96.00
ELECTRIC	HSBC BUSINESS SOLUTI	SUPPLIES	381.46
ELECTRIC	MATT PARROTT & SONS	SUPPLIES	16.96
ELECTRIC	VOYAGER FLEET SERVIC	GAS	310.74
	Total for Department 182		3,116.52*
	Total for Fund 62		4,775.22*
	BOLTON & MENK, INC.	SERVICE	55,000.00
	TRANSCEND UNITED TEC	TELEPHONES	529.35

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
	WENCK ASSOCIATES, IN 2012 6TH ST/RIVER RD PRO		840.00
	Total for Department		56,369.35*
SEWER	AMOCO OIL COMPANY	GAS	206.55
SEWER	FEDERAL EXPRESS CORP	TRANSPORTATION	322.92
SEWER	GÓPHER STATE ONE CAL	LOCATES	17.76
SEWER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	186.46
SEWER	Verizon Wireless	TELEPHONE	57.41
SEWER	MII LIFE	VEBA	659.42
SEWER	NCPERS MINNESOTA	INSURANCE	72.00
SEWER	MATT PARROTT & SONS	SUPPLIES	16.96
SEWER	VOYAGER FLEET SERVIC	GAS	92.82
SEWER	VOYAGER FLEET SERVIC	MISC MERCHANDISE	3.58
	Total for Department 183		1,635.88*
	Total for Fund 63		58,005.23*
ARENA	Verizon Wireless	TELEPHONE	68.52
ARENA	MII LIFE	VEBA	371.36
ARENA	NCPERS MINNESOTA	INSURANCE	32.00
ARENA	MATT PARROTT & SONS	SUPPLIES	16.95
ARENA	VOYAGER FLEET SERVIC	GAS	92.02
	Total for Department 184		580.85*
	Total for Fund 64		580.85*
ECONOMIC DEVELOPMENT	DAY-TIMERS, INC.	SUPPLIES	24.04
ECONOMIC DEVELOPMENT	MII LIFE	VEBA	235.28
ECONOMIC DEVELOPMENT	NCPERS MINNESOTA	INSURANCE	24.00
ECONOMIC DEVELOPMENT	MATT PARROTT & SONS	SUPPLIES	16.96
	Total for Department 187		300.28*
	Total for Fund 67		300.28*
	MN 9-1-1 PROGRAM	911 SERVICE	1,025.71
	TRANSCEND UNITED TEC	TELEPHONES	1,270.44
	Total for Department		2,296.15*
TELECOMMUNICATIONS	B B C AMERICA	SUBSCRIBER	21.02
TELECOMMUNICATIONS	BIG TEN NETWORK	SUBSCRIBER	1,540.26
TELECOMMUNICATIONS	COMCAST MEDIA CENTER	SUBSCRIBER	16.50
TELECOMMUNICATIONS	DISCOVERY DIGITAL NE	SUBSCRIBER	38.00
TELECOMMUNICATIONS	FEDERAL COMMUNICATIO	REGULATORY FEES 2011	370.00
TELECOMMUNICATIONS	FOX SPORTS	SUBSCRIBER	5,807.43
TELECOMMUNICATIONS	GOPHER STATE ONE CAL	LOCATES	17.77
TELECOMMUNICATIONS	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	559.37
TELECOMMUNICATIONS	HUB TELEVISION NETWO	SUBSCRIBER	9.50
TELECOMMUNICATIONS	LIFETIME MOVIE NETWO	SUBSCRIBER	30.00
TELECOMMUNICATIONS	Verizon Wireless	TELEPHONE	239.92
TELECOMMUNICATIONS	MII LIFE	VEBA	665.78

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
TELECOMMUNICATIONS	NATIONAL CABLE TV CO	SUBSCRIBER	25,196.82
TELECOMMUNICATIONS	NCPERS MINNESOTA	INSURANCE	64.00
TELECOMMUNICATIONS	OWN	SUBSCRIBER	20.16
TELECOMMUNICATIONS	MATT PARROTT & SONS	SUPPLIES	16.96
		Total for Department 199	34,613.49*
		Total for Fund 69	36,909.64*
	NCPERS MINNESOTA	INSURANCE	32.00
		Total for Department	32.00*
		Total for Fund 70	32.00*
		Grand Total	144,250.11*

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
CITY OFFICE	ELECTRIC FUND	UTILITY BILLING	181.35
	Total for Department 103		181.35*
P & Z / BUILDING OFF	ELECTRIC FUND	UTILITY BILLING	54.58
P & Z / BUILDING OFF	VET'S WHOA N'GO	GAS	126.09
	Total for Department 106		180.67*
CITY HALL	ELECTRIC FUND	UTILITY BILLING	540.70
	Total for Department 115		540.70*
POLICE	ELECTRIC FUND	UTILITY BILLING	68.56
POLICE	MII LIFE	VEBA GRANT	275.00
POLICE	VET'S WHOA N'GO	GAS	73.38
POLICE	WATONWAN COUNTY	NETWORK SERVICE	78.64
	Total for Department 120		495.58*
FIRE DEPARTMENT	ELECTRIC FUND	UTILITY BILLING	27.79
FIRE DEPARTMENT	CENTURY LINK	TELEPHONE	58.86
FIRE DEPARTMENT	VET'S WHOA N'GO	GAS	480.09
	Total for Department 125		566.74*
STREET	ELECTRIC FUND	UTILITY BILLING	3,436.62
STREET	ERICKSON OIL CO	GAS	1,191.77
STREET	CENTURY LINK	TELEPHONE	58.86
STREET	VET'S WHOA N'GO	GAS	206.73
	Total for Department 140		4,893.98*
PARKS	ELECTRIC FUND	MAINTENANCE	43.19
PARKS	ELECTRIC FUND	UTILITY BILLING	4,183.42
PARKS	ERICKSON OIL CO	GAS	92.73
PARKS	SEH	WINDOM DAM PROJECT	9,138.84
PARKS	VET'S WHOA N'GO	GAS	62.24
	Total for Department 165		13,520.42*
	Total for Fund 01		20,379.44*
LIBRARY	ELECTRIC FUND	UTILITY BILLING	397.83
	Total for Department 171		397.83*
	Total for Fund 03		397.83*
AMBULANCE	ELECTRIC FUND	UTILITY BILLING	26.40
AMBULANCE	CENTURY LINK	TELEPHONE	58.87
AMBULANCE	VET'S WHOA N'GO	GAS	1,415.45
	Total for Department 176		1,500.72*
	Total for Fund 13		1,500.72*
MULTI-PURPOSE BUILDI	ELECTRIC FUND	UTILITY BILLING	1,818.40
	Total for Department 177		1,818.40*

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
		Total for Fund 14	1,818.40*
LIQUOR	ELECTRIC FUND	UTILITY BILLING	1,192.16
LIQUOR	BANK MIDWEST	NSF CHECK	42.25
		Total for Department 180	1,234.41*
		Total for Fund 60	1,234.41*
WATER	DATA-PAC MAILING SYS	RESET FEE	1.50
WATER	ELECTRIC FUND	UTILITY BILLING	4,061.20
WATER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	167.71
WATER	CENTURY LINK	TELEPHONE	58.87
		Total for Department 181	4,289.28*
		Total for Fund 61	4,289.28*
	ELECTRIC FUND	REF-UT PREPAY-A ESPINOZA	300.00
		Total for Department	300.00*
ELECTRIC	DATA-PAC MAILING SYS	RESET FEE	1.49
ELECTRIC	ELECTRIC FUND	UTILITY BILLING	283.62
ELECTRIC	BRICKSON OIL CO	GAS	60.75
ELECTRIC	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	167.71
ELECTRIC	CENTURY LINK	TELEPHONE	55.40
ELECTRIC	BRAD BUSSA	CLEANING	184.60
ELECTRIC	VET'S WHOA N'GO	GAS	339.46
ELECTRIC	BANK MIDWEST	NSF CHECK	221.00
ELECTRIC	JIM DUNSE	ENERGY REBATE	75.00
ELECTRIC	WAYNE GRAMS	ENERGY REBATE	50.00
ELECTRIC	ANN KUEHL	ENERGY REBATE	50.00
ELECTRIC	SANDRA LEE	ENERGY REBATE	25.00
ELECTRIC	KARA MARCY	ENERGY REBATE	50.00
ELECTRIC	VERLAN RAY	ENERGY REBATE	25.00
ELECTRIC	JUNE RICHARDSON	ENERGY REBATE	250.00
ELECTRIC	MICHAEL RIVERA SR	ENERGY REBATE	25.00
ELECTRIC	ROLAND ROBSNER	ENERGY REBATE	25.00
ELECTRIC	ZOLA WOOD	ENERGY REBATE	25.00
ELECTRIC	JAMES WEINANDT	ENERGY REBATE	50.00
		Total for Department 182	1,964.03*
		Total for Fund 62	2,264.03*
SEWER	DATA-PAC MAILING SYS	RESET FEE	1.49
SEWER	ELECTRIC FUND	UTILITY BILLING	15,281.85
SEWER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	167.71
SEWER	CENTURY LINK	TELEPHONE	397.40
SEWER	SCHIEFFERT FINISHING	HAUL SLUDGE	10,815.50
		Total for Department 183	26,663.95*
		Total for Fund 63	26,663.95*

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
ARENA	ELECTRIC FUND	UTILITY BILLING	5,478.36
		Total for Department 184	5,478.36*
		Total for Fund 64	5,478.36*
ECONOMIC DEVELOPMENT	ELECTRIC FUND	UTILITY BILLING	73.82
ECONOMIC DEVELOPMENT	RIVER CITY EATERY	EXPENSE	66.80
ECONOMIC DEVELOPMENT	MELANIE BLANCHETTE	MILEAGE FOR BOARD PRESEN	125.43
		Total for Department 187	266.05*
		Total for Fund 67	266.05*
TELECOMMUNICATIONS	DATA-PAC MAILING SYS	RESET FEE	4.47
TELECOMMUNICATIONS	ELECTRIC FUND	UTILITY BILLING	2,094.46
TELECOMMUNICATIONS	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	503.12
TELECOMMUNICATIONS	KARE	SUBSCRIBER	493.20
TELECOMMUNICATIONS	SHOWTIME NETWORKS IN	SUBSCRIBER	294.40
TELECOMMUNICATIONS	VET'S WHOA N'GO	GAS	96.09
		Total for Department 199	3,485.74*
		Total for Fund 69	3,485.74*
	COLONIAL LIFE INSURA	INSURANCE	8.82
		Total for Department	8.82*
		Total for Fund 70	8.82*
		Grand Total	67,787.03*

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
MAYOR & COUNCIL	CITIZEN PUBLISHING C	ADVERTISING	680.40
MAYOR & COUNCIL	GODFATHER'S PIZZA	EXPENSE	41.65
MAYOR & COUNCIL	MCDONALD & SCHRAMEL	LEGAL FEES	84.00
	Total for Department 101		806.05*
CITY OFFICE	INDOFF, INC	SUPPLIES	182.60
CITY OFFICE	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
CITY OFFICE	HARLAND TECHNOLOGY S	MAINTENANCE CONTRACT	277.50
CITY OFFICE	WINDOM QUICK PRINT	SUPPLIES	679.74
	Total for Department 103		1,146.34*
P & Z / BUILDING OFF	INDOFF, INC	SUPPLIES	78.72
P & Z / BUILDING OFF	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
P & Z / BUILDING OFF	PAMIDA	SUPPLIES	40.48
P & Z / BUILDING OFF	MARCO NW 7128	SUPPLIES	87.54
	Total for Department 106		213.24*
LEGAL	MCDONALD & SCHRAMEL	CONFERENCE	29.42
LEGAL	MCDONALD & SCHRAMEL	LEGAL SUPPLIES	10.00
	Total for Department 110		39.42*
CITY HALL	AMERIGAS - WORTHINGT	WATER TREATMENT	23.46
CITY HALL	CULLIGAN	SERVICE	28.00
CITY HALL	DICKS WELDING INC	MAINTENANCE	115.20
CITY HALL	ELITE MECHANICAL SYS	SERVICE	1,584.42
CITY HALL	GCC ALLIANCE CONCRET	FIRE HALL WATER MAIN REP	323.67
CITY HALL	HOMETOWN SANITATION	HAUL GARBAGE	85.04
CITY HALL	LAMPERTS YARDS, INC.	MAINTENANCE	51.12
CITY HALL	SCHWALBACH HARDWARE	MAINTENANCE	61.48
CITY HALL	HD SUPPLY WATERWORKD	FIRE HALL WATER MAIN REP	1,484.77
CITY HALL	SCHMIDT CONSTRUCTION	FIRE HALL WATER MAIN REP	3,281.31
	Total for Department 115		7,038.47*
POLICE	CITIZEN PUBLISHING C	ADVERTISING	67.20
POLICE	COTTONWOOD CO TREASU	DISPATCHING	275.00
POLICE	COTTONWOOD CO TREASU	RENT	1,500.00
POLICE	INDOFF, INC	SUPPLIES	72.34
POLICE	KDOM RADIO	ADVERTISING	105.00
POLICE	MCDONALD & SCHRAMEL	LEGAL FEES	3,513.42
POLICE	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	22.50
POLICE	MN CHIEF OF POLICE A	TESTING	173.67
POLICE	PAMIDA	SUPPLIES	46.97
POLICE	SCHWALBACH HARDWARE	MAINTENANCE	21.36
POLICE	UNIFORM UNLIMITED	CLOTHING	3,744.12
	Total for Department 120		9,541.58*
FIRE DEPARTMENT	CITIZEN PUBLISHING C	ADVERTISING	155.60
FIRE DEPARTMENT	COTTONWOOD CO TREASU	DISPATCHING	212.50
FIRE DEPARTMENT	INDOFF, INC	SUPPLIES	23.49
FIRE DEPARTMENT	HEIMAN FIRE EQUIP. C	MAINTENANCE	1,450.89
FIRE DEPARTMENT	KDOM RADIO	ADVERTISING	242.00

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
FIRE DEPARTMENT	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
FIRE DEPARTMENT	MANKATO MOBIL - ALPH	MAINTENANCE3	6,573.04
FIRE DEPARTMENT	MN STATE FIRE DEPT A	DUES	216.00
FIRE DEPARTMENT	QUEST MARKETING, INC	SUPPLIES	239.81
FIRE DEPARTMENT	RIVERSIDE LAUNDRY	SERVICE	76.95
FIRE DEPARTMENT	RUNNING'S SUPPLY	MAINTENANCE	21.54
FIRE DEPARTMENT	SCHWALBACH HARDWARE	MAINTENANCE	4.05
FIRE DEPARTMENT	STREICHER'S	EQUIPMENT	538.84
FIRE DEPARTMENT	THE STAG CLOTHIERS	CLOTHING	752.50
		Total for Department 125	10,513.71*
EMERGENCY MANAGEMENT	COTTONWOOD CO TREASU	DISPATCHING	12.50
EMERGENCY MANAGEMENT	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	200.00
EMERGENCY MANAGEMENT	MANKATO MOBIL - ALPH	MAINTENANCE3	247.50
		Total for Department 130	460.00*
ANIMALS	COTTONWOOD-SLAYTON V	VETERINARY SERVICE	181.69
		Total for Department 135	181.69*
STREET	CITIZEN PUBLISHING C	COMPUTER SUPPORT	517.98
STREET	COTTONWOOD CO TREASU	DISPATCHING	125.00
STREET	HOMETOWN SANITATION	HAUL GARBAGE	130.85
STREET	WINDOM AUTO VALU	MAINTENANCE	13.34
STREET	MCLAUGHLIN & SCHULZ,	MAINTENANCE	1,008.70
STREET	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
STREET	MN DEPT OF LABOR & I	BOILER INSPECTION	10.00
STREET	RUNNING'S SUPPLY	MAINTENANCE	63.62
STREET	VALLEY ASPHALT PRODU	MAINTENANCE	2,133.49
STREET	COUNTRY PRIDE SERVIC	DISCOUNT FOR FUEL PER CO	-52.60
STREET	COUNTRY PRIDE SERVIC	MAINTENANCE	885.19
		Total for Department 140	4,842.07*
RECREATION	CENTER SPORTS	EQUIPMENT	90.84
		Total for Department 150	90.84*
PARKS	CITIZEN PUBLISHING C	ADVERTISING	38.40
PARKS	CITIZEN PUBLISHING C	COMPUTER SUPPORT	517.98
PARKS	COTTONWOOD CO TREASU	DISPATCHING	37.50
PARKS	GDF ENTERPRISES, INC	MAINTENANCE	3.96
PARKS	WINDOM AUTO VALU	MAINTENANCE	15.84
PARKS	RUNNING'S SUPPLY	MAINTENANCE	141.15
PARKS	SCHWALBACH HARDWARE	MAINTENANCE	34.22
PARKS	TRI-STATE RENTAL CEN	MAINTENANCE	134.22
		Total for Department 165	923.27*
		Total for Fund 01	35,796.68*
LIBRARY	AUDIO GO	BOOKS	42.26
LIBRARY	BIRDS & BLOOMS	SUBSCRIPTION	19.97
LIBRARY	CENTER POINT LARGE P	BOOKS	43.74

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
LIBRARY	INDOFF, INC	SUPPLIES	27.57
LIBRARY	ELECTRIC FUND	MAINTENANCE	51.43
LIBRARY	GALE	BOOKS	117.63
LIBRARY	INGRAM	BOOKS	1,291.82
LIBRARY	J & K WINDOWS	CLEANING	20.00
LIBRARY	KDOM RADIO	ADVERTISING	248.40
LIBRARY	MAXIMUM PC	SUBSCRIPTION	14.95
LIBRARY	MICROMARKETING	BOOKS & AUDIO	104.97
LIBRARY	MN DEPT OF LABOR & I	BOILER INSPECTION	10.00
LIBRARY	PLUM CREEK LIBRARY	BOOKS	42.40
LIBRARY	READERS SERVICE	BOOK	62.17
LIBRARY	SOUTHERN LIVING	SUBSCRIPTION	36.00
LIBRARY	UPSTART	SUPPLIES	90.61
LIBRARY	DISNEY MOVIE CLUB	MOVIES	28.90
	Total for Department 171		2,252.82*
	Total for Fund 03		2,252.82*
	GRAYBAR ELECTRIC CO	EQUIPMENT	1,032.89
	NDR CABLES & NETWORK	PHONE SYSTEM	88.90
	SCHWALBACH HARDWARE	MAINTENANCE	96.73
	Total for Department		1,218.52*
	Total for Fund 04		1,218.52*
AIRPORT	PRITTS ELECTRIC MOTO	MAINTENANCE	88.42
AIRPORT	RUNNING'S SUPPLY	MAINTENANCE	22.22
	Total for Department 174		110.64*
	Total for Fund 11		110.64*
POOL	MN DEPT OF LABOR & I	BOILER INSPECTION	10.00
POOL	SCHWALBACH HARDWARE	MAINTENANCE	26.46
	Total for Department 175		36.46*
	Total for Fund 12		36.46*
AMBULANCE	BOUND TREE MEDICAL,	EQUIPMENT	1,617.38
AMBULANCE	COTTONWOOD CO TREASU	DISPATCHING	200.00
AMBULANCE	EMERGENCY MEDICAL PR	SUPPLIES	152.40
AMBULANCE	LEWIS FAMILY DRUG #5	SUPPLIES	3.49
AMBULANCE	WINDOM AUTO VALU	MAINTENANCE	19.01
AMBULANCE	MCDONALD & SCHRAMEL	LEGAL FEES	48.00
AMBULANCE	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
AMBULANCE	PRAXAIR DISTRIBUTION	SERVICE	142.70
AMBULANCE	SCHWALBACH HARDWARE	MAINTENANCE	35.26
AMBULANCE	STREICHER'S	EQUIPMENT	2,457.98
AMBULANCE	WINDOM AREA HOSPITAL	SERVICE	1,297.59
AMBULANCE	WINDOM AREA HOSPITAL	TESTING	90.00
AMBULANCE	COUNTRY PRIDE SERVIC	MAINTENANCE	25.00

CITY OF WINDOM  
 FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
		Total for Department 176	6,095.31*
		Total for Fund 13	6,095.31*
	SCHWALBACH HARDWARE	MAINTENANCE	3,206.49
		Total for Department	3,206.49*
MULTI-PURPOSE BUILDI	CITIZEN PUBLISHING C	ADVERTISING	150.00
MULTI-PURPOSE BUILDI	COCA-COLA BOTTLING C	MERCHANDISE	19.70
MULTI-PURPOSE BUILDI	INDOFF, INC	SUPPLIES	14.91
MULTI-PURPOSE BUILDI	KDOM RADIO	ADVERTISING	164.50
MULTI-PURPOSE BUILDI	MN DEPT OF PUBLIC SA	LICENSE FEES	20.00
MULTI-PURPOSE BUILDI	SCHWALBACH HARDWARE	MAINTENANCE	246.26
MULTI-PURPOSE BUILDI	STONER INDUSTRIAL, I	SERVICE	84.22
		Total for Department 177	699.59*
		Total for Fund 14	3,906.08*
	MN DEPT OF NAT RES-	DAM PROJECT	150.00
	CONSTRUCTION BULLETI	DAM PROJECT	232.75
		Total for Department	382.75*
		Total for Fund 20	382.75*
LIQUOR	ENVIROMASTER, INC.	SERVICE	39.54
LIQUOR	CITIZEN PUBLISHING C	ADVERTISING	235.00
LIQUOR	GOPHER ALARMS	SERVICE	51.30
LIQUOR	HAMCO DATA PRODUCTS	MAINTENANCE	99.90
LIQUOR	MN DEPT OF PUBLIC SA	LICENSE FEES	20.00
LIQUOR	HARLAND TECHNOLOGY S	MAINTENANCE CONTRACT	46.25
LIQUOR	S&K LINES	FREIGHT	787.20
LIQUOR	THEATRE	ADVERTISEMENT	35.00
LIQUOR	CAMPUS CLEANERS	SERVICE	60.15
		Total for Department 180	1,374.34*
		Total for Fund 60	1,374.34*
WATER	AMUNDSON DIG	MAINTENANCE	1,304.59
WATER	CITIZEN PUBLISHING C	ADVERTISING	158.40
WATER	COTTONWOOD CO TREASU	DISPATCHING	100.00
WATER	DICKS WELDING INC	MAINTENANCE	107.61
WATER	HAWKINS, INC	CHEMICALS	2,940.96
WATER	HENRY'S WATERWORKS,	MAINTENANCE	1,398.94
WATER	HOMETOWN SANITATION	HAUL GARBAGE	85.04
WATER	WINDOM AUTO VALU	MAINTENANCE	8.77
WATER	LAMPERTS YARDS, INC.	MAINTENANCE	28.79
WATER	MCLAUGHLIN & SCHULZ,	MAINTENANCE	1,964.91
WATER	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
WATER	SOURCE ONE SOLUTIONS	SPECIAL SERVICE	143.66
WATER	SOURCE ONE SOLUTIONS	UTILITY BILL-SERVICES	454.12

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
WATER	MN VALLEY TESTING	TESTING	56.25
WATER	RUNNING'S SUPPLY	MAINTENANCE	153.07
WATER	HARLAND TECHNOLOGY S	MAINTENANCE CONTRACT	74.00
WATER	SCHWALBACH HARDWARE	MAINTENANCE	252.05
WATER	USA BLUE BOOK	SUPPLIES	519.39
WATER	FLAG SHOOTER LLC	FLAGS	447.78
WATER	JURGENS CONSTRUCTION	MAINTENANCE	585.00
	Total for Department 181		10,789.83*
	Total for Fund 61		10,789.83*
	ELECTRIC FUND	REF-UT PREPAY-DEL/MAR KA	162.98
	J. H. LARSON	SUPPLIES/MAINTENANCE	119.59
	RESCO	INVENTORY	1,234.41
	WERNER ELECTRIC	MAINTENANCE	215.00
	DELORES KARSCHNIK &	REFUND - UTILITY PREPAYM	137.02
	Total for Department		1,869.00*
ELECTRIC	AMERICAN TEST CENTER	TEST/INSPECTION	1,320.00
ELECTRIC	COTTONWOOD CO TREASU	DISPATCHING	187.50
ELECTRIC	HOMETOWN SANITATION	HAUL GARBAGE	84.75
ELECTRIC	WINDOM AUTO VALU	MAINTENANCE	26.42
ELECTRIC	JERRY'S REPAIR	MAINTENANCE	155.02
ELECTRIC	MCDONALD & SCHRAMMEL	LEGAL FEES	48.00
ELECTRIC	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
ELECTRIC	SOURCE ONE SOLUTIONS	SPECIAL SERVICE	163.34
ELECTRIC	SOURCE ONE SOLUTIONS	UTILITY BILL-SERVICES	936.65
ELECTRIC	PRAXAIR DISTRIBUTION	SERVICE	88.98
ELECTRIC	PRITTS ELECTRIC MOTO	MAINTENANCE	89.98
ELECTRIC	ROLLS ROYCE ENERGY S	MAINTENANCE	9,183.21
ELECTRIC	RUNNING'S SUPPLY	MAINTENANCE	236.91
ELECTRIC	HARLAND TECHNOLOGY S	MAINTENANCE CONTRACT	203.50
ELECTRIC	SCHWALBACH HARDWARE	MAINTENANCE	99.88
ELECTRIC	STONER INDUSTRIAL, I	SERVICE	68.20
ELECTRIC	DEPARTMENT OF ENERGY	POWER COST	85,561.38
ELECTRIC	WINDOM AREA DEVELOPM	INDUSTRIAL DEVELOPMENT	1,200.00
ELECTRIC	WINDOM QUICK PRINT	SUPPLIES	405.81
ELECTRIC	CARQUEST AUTO PARTS	MAINTENANCE	169.29
ELECTRIC	ZIEGLER, INC.	MAINTENANCE AGREEMENT	812.25
ELECTRIC	H D ELECTRONICS, INC	MAINTENANCE	215.79
	Total for Department 182		101,263.36*
	Total for Fund 62		103,132.36*
SEWER	COTTONWOOD CO TREASU	DISPATCHING	100.00
SEWER	HAWKINS, INC	CHEMICALS	5.00
SEWER	WINDOM AUTO VALU	MAINTENANCE	6.40
SEWER	LAMPERTS YARDS, INC.	MAINTENANCE	171.16
SEWER	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
SEWER	SOURCE ONE SOLUTIONS	SPECIAL SERVICE	143.66

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
SEWER	SOURCE ONE SOLUTIONS	UTILITY BILL-SERVICES	454.12
SEWER	MN DEPT OF LABOR & I	CHECK PRESSURE VESSEL	10.00
SEWER	MN VALLEY TESTING	TESTING	2,852.40
SEWER	MMUA	DRUG TESTING	35.50
SEWER	DUANE W. NIELSEN COM	SERVICE	488.10
SEWER	RUNNING'S SUPPLY	MAINTENANCE	70.90
SEWER	HARLAND TECHNOLOGY S	MAINTENANCE CONTRACT	74.00
SEWER	SCHWALBACH HARDWARE	MAINTENANCE	70.91
SEWER	CARQUEST AUTO PARTS	MAINTENANCE	6.40
SEWER	FLAG SHOOTER LLC	FLAGS	447.79
	Total for Department 183		4,942.84*
	Total for Fund 63		4,942.84*
ARENA	AMERIPRIDE LINEN CO	SERVICE	82.91
ARENA	CITIZEN PUBLISHING C	COMPUTER SUPPORT	151.18
ARENA	COCA-COLA BOTTLING C	MERCHANDISE	175.05
ARENA	FERRELLGAS	GAS	134.64
ARENA	FRANKS SHOE REPAIR	MAINTENANCE	7.50
ARENA	A H HERMEL CANDY & T	MERCHANDISE	343.27
ARENA	HOMETOWN SANITATION	HAUL GARBAGE	130.88
ARENA	WINDOM AUTO VALU	MAINTENANCE	64.22
ARENA	KDOM RADIO	ADVERTISING	78.00
ARENA	LAMPERTS YARDS, INC.	MAINTENANCE	69.13
ARENA	PAMIDA	SUPPLIES	21.37
ARENA	R & R SPECIALTIES	PAINT	563.96
ARENA	RUNNING'S SUPPLY	MAINTENANCE	154.96
ARENA	HARLAND TECHNOLOGY S	MAINTENANCE CONTRACT	23.12
ARENA	SCHWALBACH HARDWARE	MAINTENANCE	1,212.38
ARENA	STONER INDUSTRIAL, I	SERVICE	9.55
ARENA	CARQUEST AUTO PARTS	MAINTENANCE	2.43
ARENA	CHEMPOINT.COM	MAINTENANCE	2,144.30
ARENA	NEW ULM PARK & RECRE	ICE PAINT	400.00
	Total for Department 184		5,768.85*
	Total for Fund 64		5,768.85*
ECONOMIC DEVELOPMENT	BRADLEY & DEIKE, P.A	PROFESSIONAL SERVICE	51.00
ECONOMIC DEVELOPMENT	CITIZEN PUBLISHING C	ADVERTISING	142.00
ECONOMIC DEVELOPMENT	CITIZEN PUBLISHING C	COMPUTER SUPPORT	345.30
ECONOMIC DEVELOPMENT	INDOFF, INC	SUPPLIES	64.59
ECONOMIC DEVELOPMENT	MCDONALD & SCHRAMEL	LEGAL FEES	24.00
ECONOMIC DEVELOPMENT	PAMIDA	SUPPLIES	40.49
ECONOMIC DEVELOPMENT	HARLAND TECHNOLOGY S	MAINTENANCE CONTRACT	18.52
ECONOMIC DEVELOPMENT	THEATRE	ADVERTISEMENT	35.00
ECONOMIC DEVELOPMENT	BUIILDING SPRINKLER	INSPECTION	303.27
ECONOMIC DEVELOPMENT	MARCO NW 7128	SUPPLIES	87.54
	Total for Department 187		1,111.71*
	Total for Fund 67		1,111.71*

CITY OF WINDOM  
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
TELECOMMUNICATIONS	INDOFF, INC	SUPPLIES	389.01
TELECOMMUNICATIONS	GLOBAL GOV'T/EDUCATI	MAINTENANCE	2,849.39
TELECOMMUNICATIONS	GRAYBAR ELECTRIC CO	MAINTENANCE	2,249.58
TELECOMMUNICATIONS	HOMETOWN SANITATION	HAUL GARBAGE	73.92
TELECOMMUNICATIONS	IMC NETWORKS CORP	MAINTENANCE	803.00
TELECOMMUNICATIONS	KDOM RADIO	ADVERTISING	96.00
TELECOMMUNICATIONS	LOCATORS & SUPPLIES,	SUPPLIES	571.73
TELECOMMUNICATIONS	MCDONALD & SCHRAMEL	LEGAL FEES	231.00
TELECOMMUNICATIONS	SOURCE ONE SOLUTIONS	UTILITY BILL-SERVICES	993.37
TELECOMMUNICATIONS	NATIONAL CABLE TV CO	MAINTENANCE	6,258.59
TELECOMMUNICATIONS	CENTURY LINK	DIRECTORY LISTING	165.58
TELECOMMUNICATIONS	ONVOY, INC	BANDWIDTH BILLING	1,815.63
TELECOMMUNICATIONS	ONVOY, INC	SS7 SERVICE	984.30
TELECOMMUNICATIONS	RUNNING'S SUPPLY	MAINTENANCE	101.44
TELECOMMUNICATIONS	RUSHMORE INDUSTRIES,	FREIGHT	15.73
TELECOMMUNICATIONS	HARLAND TECHNOLOGY S	MAINTENANCE CONTRACT	208.11
TELECOMMUNICATIONS	SCHWALBACH HARDWARE	MAINTENANCE	118.60
TELECOMMUNICATIONS	SDN COMMUNICATIONS	SERVICE	2,839.78
TELECOMMUNICATIONS	SOUTHWEST/WEST CENTR	SERVICE	833.33
TELECOMMUNICATIONS	SUBWAY	EXPENSE	50.12
TELECOMMUNICATIONS	STONER INDUSTRIAL, I	SERVICE	38.26
TELECOMMUNICATIONS	THEATRE	PROMOTION	35.00
TELECOMMUNICATIONS	TOWER DISTRIBUTION C	SUBSCRIBER	219.02
TELECOMMUNICATIONS	WOODSTOCK TELEPHONE	SERVICE	186.67
TELECOMMUNICATIONS	ZAYO BANDWIDTH	BANDWIDTH BILLING	7,687.78
TELECOMMUNICATIONS	MANKATO NETWORKS LLC	SERVICE	875.00
TELECOMMUNICATIONS	HURRICANE ELECTRIC I	INTERNET SERVICE	1,000.00
	Total for Department 199		31,689.94*
	Total for Fund 69		31,689.94*
	Grand Total		208,609.13*

# Broadband Triple Players

By Cathy Swirbul



**C**ity-owned utilities across the United States are building high-speed broadband networks to keep their communities economically viable. Employers depend on it and new businesses won't locate to a community without connectivity. As a by-product, 49 communities are also offering triple play service (tele-phone/Internet/cable TV), in part to generate revenue to help pay for broadband infrastructure. Also, these municipalities say that residents usually prefer receiving triple play services from a local provider so they can get issues resolved face-to-face with a local representative.

However, many municipalities have faced contentious battles with incumbent telephone and cable companies to offer triple play services. Bristol, Va., was the first municipality to offer fiber-to-the-premise triple play, through BVU OptiNet, but not without a showdown with incumbents.

**The long road to triple play.** "We had a lot of legal challenges from the incumbents and we had to deal with a law that required us to get explicit permission to offer these services, which we did not have," said Wes Rosenbalm, BVU Authority's president and CEO.

The city of Bristol filed suit against the state of Virginia, won the case, and as a result, the state Legislature changed the law. Christopher Mitchell, a researcher with the Institute for Local Self-Reliance, noted that 19 states have some type of legislative hurdle that makes it difficult for a public entity to offer triple play.

"Our biggest challenge now is that our cable territory is smaller than our voice and

data territories. This creates business issues," Rosenbalm said. "Companies moving to the area want all three resources available to their employees' homes because many work from home. However, we can't financially justify a fiber build into a neighborhood if we can't offer all three services. CGI is one such company located in our data and phone footprint but outside our cable area. They asked us to extend high-speed broadband fiber to the homes of their employees but we can't justify it."

Jackson Energy Authority (JEA) in Tennessee, installed fiber in 2002 and because it was one of the first municipalities providing broadband, it managed to stay under the radar and avoid legal wrangling with the incumbent cable provider. A small local Internet service provider did contest JEA's plans but the utility won the battle in court.

Michael Johnston, JEA's vice president of IT and broadband, said the municipality's biggest challenge was learning to operate in a world different from the electric power industry. "On the electric side, when you put in a new substation, you will likely replace it 50 years from now. In the electronic world, you replace equipment every five years," Johnston said. "There are also organizational challenges in bringing together employees with two very different skill sets. Some climb poles while others work on Internet-related issues all day. In addition, a municipality must keep the cost of its triple-play services competitive with the services offered by other providers, though these projects are costly and usually require a great deal of capital."

The city of Lafayette, La., didn't face chal-

lenges from the incumbent cable and telephone company in building a broadband network—initially. "The large incumbent providers have large amounts of infrastructure they would have had to upgrade in order to provide broadband, but they weren't willing to invest this money in the community," said Amy Broussard, LUS Fiber's sales and marketing analyst. "If the city wanted these services extended all the way to consumers and we wanted to move forward as a community, we would have to do it ourselves."

First the city updated its infrastructure to provide communications for its utilities department. Then it began to provide service to other city departments and local schools, and then it offered wholesale bandwidth services to Internet service providers. When the city announced its plans to offer fiber broadband to the entire city, a five-year court battle began. At issue was whether the city could sell bonds to fund the project. The case went all the way to the Louisiana Supreme Court, where the city of Lafayette prevailed. The city established its broadband service as LUS Fiber and decided to offer triple play services from the beginning.

When LUS Fiber began planning its cable programming, it attempted to join the National Cable Television Cooperative (NCTC), a buying consortium for small cable companies that offers discounted rates for expensive programming content, based on the aggregation of their member's subscribers. NCTC denied LUS Fiber's request for membership and has not offered an official response as to why the request has been denied.

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Conway Corp. Conway, Ark.	Orange City Communications Orange City, Iowa	Village of Grafton Grafton, Ohio
City of Cairo Cairo, Ga.	Osage Municipal Utilities Osage, Iowa	City of Lebanon Lebanon, Ohio
City of Camilla Camilla, Ga.	TCA – The Community Agency Sanborn, Iowa	DiamondNet Sallisaw, Okla.
OptiLink Dalton, Ga.	Spencer Municipal Utilities Spencer, Iowa	Monmouth Power & Light Monmouth, Ore.
City of LaGrange LaGrange, Ga.	Frankfort, Electric & Water Plant Board Frankfort, Ky.	Borough of Kutztown Kutztown, Pa.
City of Moultrie Moultrie, Ga.	City of Glasgow Glasgow, Ky.	Beresford Municipal Telephone/ Cablevision Beresford, S.D.
Algona Municipal Utilities Algona, Iowa	Murray Electric Murray, Ky.	Bristol Tennessee Essential Services Bristol, Tenn.
City of Alta Alta, Iowa	LUS Fiber Lafayette, La.	EPB Fiber Optics Chattanooga, Tenn.
Coon Rapids Municipal Utilities Coon Rapids, Iowa	Norwood Light & Cable Norwood, Mass.	Fayetteville Public Utilities Fayetteville, Tenn.
Grundy Center Municipal Light & Power Grundy Center, Iowa	Coldwater Board of Public Utilities Coldwater, Mich.	Jackson Energy Authority Jackson, Tenn.
Harlan Municipal Utilities Harlan, Iowa	Wyandotte Municipal Services Wyandotte, Mich.	Pulaski Electric System Pulaski, Tenn.
HiTec – Hawarden Integrated Technology, Energy & Communication Hawarden, Iowa	Barnesville Municipal Telephone Barnesville, Minn.	Tulahoma Utilities Board Tulahoma, Tenn.
Independence Light & Power Telecommunications Independence, Iowa	City of Windom Cable TV Windom, Minn.	Spanish Fork Community Network Spanish Fork, Utah
Laurens Municipal Power & Communications Laurens, Iowa	City of Central City Central City, Neb.	BVU Authority Bristol, Va.
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## Broadband Triple Players

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Another potential setback had surfaced for LUS Fiber with the introduction of Louisiana House Bill 142 in June. That bill would have prevented all government agencies from purchasing sexually explicit material—including pay-per-view adult entertainment channels—with public money or selling it. LUS Fiber sought exemption from the bill in order to avoid being at a competitive disad-

vantage and to continue to provide a competitive channel lineup.

"All private providers make these channels available as part of their lineup," Broussard said. "We do as well. We have all kinds of parental and purchasing controls in place. We give our customers the right to choose."

Terry Huval, Lafayette Utilities System director, commented on the issue in an interview with *The Daily Advertiser*, the local newspaper. Huval said it was not clear how the bill might impact services provided by

a community-owned multi-channel video distributor, such as LUS Fiber. "One of the foundations of the Local Government Fair Competition Act allows a local government that provides services covered under that act to be able to offer the same type of services as offered by private providers," Huval said. "If the state wants to pass something like this, it ought to apply to everyone who provides these services and if it does, we are fine with it."

House Bill 142 died in the legislative session, but Broussard noted that the issue could potentially resurface in other legislative sessions.

**Price wars.** In addition to legislative hurdles, a government entity may be at a financial disadvantage when entering the triple play arena. "A large company usually can offer lower prices because [it] can purchase equipment in bulk, pay less for TV contracts and it has lower marketing costs because they are spread out over a wide base," Mitchell said. "Incumbents can also subsidize the cost of providing service with the higher rates they charge in noncompetitive service areas. They can provide their services at a really low cost, some would say in a predatory fashion, knowing that a new city-owned network will be starved for subscribers. Then the incumbent will later raise prices to recoup any losses."

Communities feel a tension between keeping costs low while ensuring the financial viability of the broadband network. "Communities have dealt with this pricing paradox in a number of ways," Mitchell said. "Some offer discounts to senior citizens and those living below the poverty line. Others provide new services to increase revenues, such as home security, online backup and disaster recovery. Rather than focusing on being the low-cost margin provider, they offer the best customer service and remind residents that shopping locally keeps more money in their community."

**Triple play in the future.** Mitchell likens the potential for new services to the Wild West mentality where anything was possible for people with the gumption to make it happen. "We are already seeing healthcare services over the Internet," Mitchell said. "When you have very robust upstream connections, there is a new market for home security that constantly uploads video, off-site

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backup, sharing files and very high quality two-way chats. Additionally, triple play allows people to be more productive when working from home.”

With the convergence of the Internet and cable TV, DVD players, video game consoles and TVs with built-in wireless connectivity are able to pull content from the Internet and deliver it to a TV set. Netflix and Hulu are two examples of this service, which is often called over-the-top (OTT) video.

Mitch Shapiro of Broadband Market Analysis, a research and consulting firm, believes municipalities can build a strong triple play package by employing what he refers to as an “enhanced triple play and beyond” strategy. “This might include offering lower-cost, customized cable with fewer channels packaged with high-capacity fiber connections,” Shapiro said. “The municipality could work with retailers/tech support companies to offer a range of smart TV and other device hardware and software options, as well as providing training to help customers use these options. In addition, the municipality could work with education and healthcare organizations to leverage the network in combination with in-home integration capabilities and end-user training, to deliver education and healthcare services.

“Though this strategy would require research, additional staff expenses and strong partnerships with stakeholders, it would deliver lots of value while enabling local residents to avoid paying for cable channels they don’t want, something they’d especially appreciate in what may be an extended period of economic hardship amidst ever-expanding online video options. The result would be very strong penetration rates combined with healthy average revenue per user, even if the TV portion of the bundled service bill might be lower. It would also support economic and community development.”

Mitchell believes the days of triple play may be numbered as more people do away with costly landlines in favor of using cell phones.

“The growth of Netflix streaming and the fact that non-technical people know what a Roku box is and know how to stream baseball games over their Xbox suggests to me that there are fewer people who actually need triple play.”

Communities have been required to offer triple play in order to convince investors that the community has a good business plan

for its broadband system, Mitchell said. “We are moving away from this and I think it is a good thing. Municipalities need better broadband access and they don’t want to deal with the frustrations of offering cable service.”

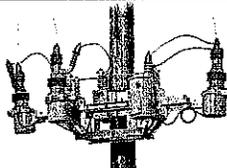
Johnston noted that triple play is a challenging business to be in, but it is very necessary. “I don’t know how a municipality can do fiber to the home without offering triple play,” Johnston said. “Triple play, particularly the video, is a very significant source of revenue.”

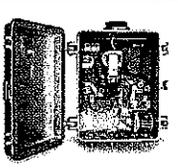
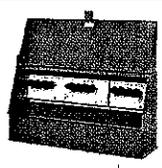
Broussard said revenue from the triple play services makes it possible for LUS Fiber to offer significant bandwidth for homes and businesses. “We are seeing an explosion of demand for reliable broadband,” Broussard said. “Our economic development authority uses our infrastructure to attract new businesses, which is future-proofing our community by helping businesses be competitive.” ■



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"All private providers make these channels available as part of their lineup," Broussard said. "We do as well. We have all kinds of parental and purchasing controls in place. We give our customers the right to choose."

Terry Huval, Lafayette Utilities System director, commented on the issue in an interview with *The Daily Advertiser*, the local newspaper. Huval said it was not clear how the bill might impact services provided by

a community-owned multi-channel video distributor, such as LUS Fiber. "One of the foundations of the Local Government Fair Competition Act allows a local government that provides services covered under that act to be able to offer the same type of services as offered by private providers," Huval said. "If the state wants to pass something like this, it ought to apply to everyone who provides these services and if it does, we are fine with it."

House Bill 142 died in the legislative session, but Broussard noted that the issue could potentially resurface in other legislative sessions.

**Price wars.** In addition to legislative hurdles, a government entity may be at a financial disadvantage when entering the triple play arena. "A large company usually can offer lower prices because [it] can purchase equipment in bulk, pay less for TV contracts and it has lower marketing costs because they are spread out over a wide base," Mitchell said. "Incumbents can also subsidize the cost of providing service with the higher rates they charge in noncompetitive service areas. They can provide their services at a really low cost, some would say in a predatory fashion, knowing that a new city-owned network will be starved for subscribers. Then the incumbent will later raise prices to recoup any losses."

Communities feel a tension between keeping costs low while ensuring the financial viability of the broadband network. "Communities have dealt with this pricing paradox in a number of ways," Mitchell said. "Some offer discounts to senior citizens and those living below the poverty line. Others provide new services to increase revenues, such as home security, online backup and disaster recovery. Rather than focusing on being the low-cost margin provider, they offer the best customer service and remind residents that shopping locally keeps more money in their community."

**Triple play in the future.** Mitchell likens the potential for new services to the Wild West mentality where anything was possible for people with the gumption to make it happen. "We are already seeing healthcare services over the Internet," Mitchell said. "When you have very robust upstream connections, there is a new market for home security that constantly uploads video, off-site



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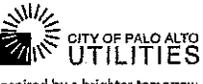
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backup, sharing files and very high quality two-way chats. Additionally, triple play allows people to be more productive when working from home."

With the convergence of the Internet and cable TV, DVD players, video game consoles and TVs with built-in wireless connectivity are able to pull content from the Internet and deliver it to a TV set. Netflix and Hulu are two examples of this service, which is often called over-the-top (OTT) video.

Mitch Shapiro of Broadband Market Analysis, a research and consulting firm, believes municipalities can build a strong triple play package by employing what he refers to as an "enhanced triple play and beyond" strategy. "This might include offering lower-cost, customized cable with fewer channels packaged with high-capacity fiber connections," Shapiro said. "The municipality could work with retailers/tech support companies to offer a range of smart TV and other device hardware and software options, as well as providing training to help customers use these options. In addition, the municipality could work with education and healthcare organizations to leverage the network in combination with in-home integration capabilities and end-user training, to deliver education and healthcare services.

"Though this strategy would require research, additional staff expenses and strong partnerships with stakeholders, it would deliver lots of value while enabling local residents to avoid paying for cable channels they don't want, something they'd especially appreciate in what may be an extended period of economic hardship amidst ever-expanding online video options. The result would be very strong penetration rates combined with healthy average revenue per user, even if the TV portion of the bundled service bill might be lower. It would also support economic and community development."

Mitchell believes the days of triple play may be numbered as more people do away with costly landlines in favor of using cell phones.

"The growth of Netflix streaming and the fact that non-technical people know what a Roku box is and know how to stream baseball games over their Xbox suggests to me that there are fewer people who actually need triple play."

Communities have been required to offer triple play in order to convince investors that the community has a good business plan

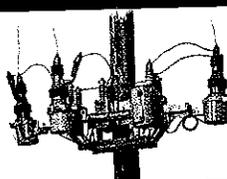
for its broadband system, Mitchell said. "We are moving away from this and I think it is a good thing. Municipalities need better broadband access and they don't want to deal with the frustrations of offering cable service."

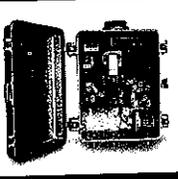
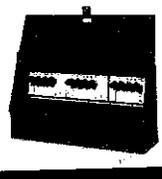
Johnston noted that triple play is a challenging business to be in, but it is very necessary. "I don't know how a municipality can do fiber to the home without offering triple play," Johnston said. "Triple play, particularly the video, is a very significant source of revenue."

Broussard said revenue from the triple play services makes it possible for LUS Fiber to offer significant bandwidth for homes and businesses. "We are seeing an explosion of demand for reliable broadband," Broussard said. "Our economic development authority uses our infrastructure to attract new businesses, which is future-proofing our community by helping businesses be competitive." ■

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# CITIES BULLETIN

Issue 40

November 2, 2011

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### Transportation Advocates: Transportation Investment Critical to Job Creation

A new report cites information indicating that every dollar spent on infrastructure generates \$1.60 in new economic growth. [Read more.](#)

### Minnesota Pension Commission Examining Potential Changes to State Pensions

The Minnesota Pension Commission continues to examine and debate the future of Minnesota pension plans with an eye toward new legislation in 2012. [Read more.](#)

### Legislation Repealing 3 Percent Withholding Passes U.S. House

The legislation would repeal a law requiring federal, state, and certain local governments to withhold 3 percent on payments for most goods and services. [Read more.](#)

### LGA Study Commission to Reconvene

The legislative LGA study group that was originally created in the 2008 legislative session will be restarted and reconstituted in December. [Read more.](#)

### Recent League Appointments

The League appointed city officials to two committees in October. [Read more.](#)

## More Information and Resources

**Federal Agency Offers Free Emergency Preparedness Training for Cities**

**Don't Miss Your Opportunity to Register for the 2011 Metro Regional Meeting!**

**CEAM 2011 Engineer & Project of the Year Nominations--Deadline Nov. 11**

**LMC Launches Newly Revamped Advertising and Business Alliance Program**

**MN Municipal Utilities Association Legal Seminar Slated for Dec. 2**

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## Training, Conferences, Events

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

**Leadership Conference for Newly Elected Officials**  
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## Tools to Help Cities Transition to Market Value Exclusion



**New League resources help cities estimate effects of the new system and explain changes to residents.**

With the significant changes to the state's property tax system for taxes payable in 2012, some counties have not yet provided cities with information on the effects of the new homestead market value exclusion (HMVE) on the local tax base. As a result, these cities have not been able to estimate the impacts of their proposed budgets and proposed property tax levies on sample properties in their city.

### **Interactive estimating tool**

The League has developed a spreadsheet tool to provide you with estimates of the effects of these property tax changes. Please note that the spreadsheet will yield *estimates only*, and the estimates are based on pay 2011 valuations—the most recent available statewide. The estimates of tax base changes are calculated using the same methodology House Research staff used in their statewide analysis of the conversion from the market value homestead credit (MVHC) to the HMVE program.

The spreadsheet yields comparisons between 2011 taxes (with the MVHC program) and estimated 2012 taxes (with HMVE program). Tax base change estimates are only included for cities—not for counties or school districts. Tax bills will be affected by changes in the tax base of all levels of government that levy property taxes.

The League also created a guidance document to describe the limitations of the spreadsheet and provide suggestions for how to use the tool. If you have questions about the tool, please contact Gary Carlson or Rachel Walker (see information at right).

- **View the guide for using the interactive tool (pdf)** (Link to: [http://www.lmc.org/media/document/1/hmve\\_toolguide.pdf](http://www.lmc.org/media/document/1/hmve_toolguide.pdf))
- **View the interactive estimating tool (xls)** (Link to: [http://www.lmc.org/media/document/1/hmve\\_estimatingtool.xls](http://www.lmc.org/media/document/1/hmve_estimatingtool.xls))

### **Brochure to educate residents**

The League has also produced a brochure to help cities educate their residents about the impact of the state's replacement for the MVHC program. The brochure is designed to better inform residents what the transition to HMVE means for their local property taxes.

- **Read more and access the brochure** (Link to: <http://www.lmc.org/page/1/brochuremvhcchanges.jsp>)

### **TNT materials**

In addition to the materials above, the League worked with representatives of the Minnesota Inter-County Association, the Association of Minnesota Counties, the Minnesota School Boards Association and Ramsey County to develop a suggested truth-in-taxation (TNT) mailing insert and a draft handout discussing the changes in the property tax system for possible use at this fall's budget hearings. These drafts have been distributed to all counties and, for your reference, the documents are available at the links below. Cities can also modify and customize these

materials for use at city budget hearings.

- **View Explanation of Changes Flyer (doc)** (Link to: [http://www.lmc.org/media/document/1/hmve\\_insert.doc](http://www.lmc.org/media/document/1/hmve_insert.doc))
- **View TNT Stuffer (doc)** (Link to: [http://www.lmc.org/media/document/1/hmve\\_tntstuffer.doc](http://www.lmc.org/media/document/1/hmve_tntstuffer.doc))

**Read more about the transition to HMVE and access additional resources** (Link to:

<http://www.lmc.org/page/1/mvhcchanges.jsp>)

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

## 2011 Local Government Redesign Innovation Sessions Coming Your Way Soon



**Next week, the League and other statewide associations are kicking off local government redesign innovation sessions in Rochester, Hibbing, and Bemidji.**

(Published Nov 2, 2011)

The League is teaming up with the Association of Minnesota Counties and the Minnesota School Boards Association to host a series of conversations about local government service redesign and innovation. The meetings will take place in six locations around the state. They are supported by InCommons and the Minnesota House Redesign Caucus.

Space is limited, but there are still openings to get in on these networking opportunities. Dinner will be served at the beginning of the evening, followed by a short presentation on “The New Normal,” and then facilitated conversations with area elected and appointed officials from cities, counties, and school boards.

The goal is to share lessons and best practices for innovation, learn about successes and challenges experienced by others, and connect with fellow local government leaders who share a commitment to innovation.

The meeting schedule is:

- **Rochester**  
Nov. 7, 5-8:30 p.m. (Register by Nov. 2.)
- **Hibbing**  
Nov. 9, 5-8:30 p.m. (Register by Nov. 4.)
- **Bemidji**  
Nov. 10, 5-8:30 p.m. (Register by Nov. 7.)
- **Marshall**  
Nov. 14, 5-8:30 p.m. (Register by Nov. 9.)
- **Waite Park**  
Nov. 15, 5-8:30 p.m. (Register by Nov. 10.)
- **Egan**

Nov. 29, 5-8:30 p.m. (Register by Nov. 23.)

To register, contact Laura LaCroix-Dalluhn at [laura.lacroixdalluhn@gmail.com](mailto:laura.lacroixdalluhn@gmail.com) (Link to: <mailto:laura.lacroixdalluhn@gmail.com>) .

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## National Emergency Alert System Test Scheduled for Nov. 9



**Cities are encouraged to let their residents know that the testing will occur on Nov. 9 at 2 p.m.**

(Published Nov 2, 2011)

Public safety officials and city access channel operators should be preparing the community to be aware of a first-ever national test of the Emergency Alert System (EAS) to be conducted at 2 p.m. on Nov. 9. EAS provides local and regional emergency and law enforcement bulletins to those watching TV.

For the first time since EAS was established nearly 50 years ago, the Federal Communications Commission (FCC) and the Federal Emergency Management Agency (FEMA) are conducting the test of the system, which has never before been used or tested on a national scale. At the local level, public safety and city staff responsible for local public access channel programming are encouraged to raise public awareness about the test.

The FCC has posted public service announcements (PSAs) and other information about the test on its website. It is suggested that the PSAs be shown on local public, educational, and

government (PEG) channels to let local cable subscribers know about the scheduled national test and work with local public safety officials to reach out to the community before Nov. 9.

**Learn more and access PSAs on the FCC website** (*Link to: <http://www.fcc.gov/encyclopedia/emergency-alert-system-nationwide-test>*)

The EAS test will cause a significant interruption of regular scheduled television programming on all TV channels as it will continue for a period of about three minutes. Officials should explain that the video portion of the bulletin message may not clearly indicate that the alert is indeed a test. During the planning for the test at the national level, public safety officials have expressed concern that the test may prompt many viewers to be alarmed and to make unnecessary 911 calls.

It is an important opportunity for local officials to let the community know about the fact that the test is set to take place and to verify that the bulletin information is properly delivered. Local cable access channel facilities should take the opportunity to verify that the EAS is operating as required and to notify local cable companies of any problems.

The National Association of Telecommunications Officers & Advisors (NATOA), which represents local franchise authorities (LFAs) and multi-jurisdictional cable commissions as well as PEG programming operations, is monitoring the test next week and has urged PEG channel operators, in particular, to raise awareness of the test at the local level and to monitor PEG channels at the time of the test to be sure that the test bulletin is delivered as required. PEG operators are encouraged to provide feedback to NATOA. NATOA will be following up about how to provide this information. The League will provide that information to city officials as needed and in follow-up bulletin announcements.

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

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## Focus on New Laws: Sales Tax Exemption on Water for Public Safety

**Under a 2011 law, water used for public safety services is now exempt from sales tax.**

(Published Nov 2, 2011)



The 2011 Legislature addressed an issue identified by a small city in 2010 by clarifying that water used for public safety services is now exempt from sales tax. The water must be used directly in providing public safety services by an organized fire department providing fire protection for a city, township, county, or the state.

In 2010, a small city found they owed thousands of dollars for unpaid sales tax on all the water used by the city, including water used by the fire department. At that time, the Department of Revenue viewed all water used by a city as commercial use, subject to sales tax. Examples of taxable water included water cities used to flush out fire hydrants, for fighting fires, for water tower clean out, and water used in city hall or other public buildings. (Water used by residences is exempt from sales tax.)

Now water used to fight fires is exempt from sales tax. Passed in the special session, the new law exempts some water from sales tax, specifically "purchases of water used directly in providing public safety services by an organized fire department, fire protection district, or fire company regularly charged with the responsibility of providing fire protection to the state or a political subdivision." According to a purpose statement in 2011 laws, this law change is made to provide state assistance for this public safety function to Minnesota local governments.

The new law amends *Minnesota Statutes, section 297A.70, subdivision 3(a) (11)* (*Link to: <https://www.revisor.mn.gov/statutes/?id=297A.70>*), and is effective retroactively for sales and purchases of water made after June 30, 2007; however, no refunds may be made for amounts already paid on water purchased between June 30, 2007, and Jan. 30, 2010.

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

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### Governor's Job Summit Explores Ideas for Job Creation

The one-day conference brought together city officials, business leaders, and agency staff to brainstorm ideas for creating jobs, retaining businesses, and helping employees acquire skills.  
(Published Nov 2, 2011)



Gov. Dayton has three questions for anyone bringing forward a new idea for job creation: How fast can it be implemented? What is the payback? Does it give Minnesota a competitive advantage?

Gov. Dayton highlighted those criteria during both his welcome and closing speeches at his Oct. 25 Job Summit in St. Paul. The one-day session, which attracted about 800 attendees, was the capstone to the governor's job creation tour around the state.

Some public policymakers had speculated whether the governor or Department of Employment and Economic Development (DEED) would be announcing any major legislative initiatives for the upcoming 2012 session related to job creation. And that was not the case. Instead, the day's aim dug deeper into what the state could do on a number of fronts to advance job creation and retention. A jobs package or recommendations from the governor's office, however, could certainly come in the weeks ahead.

### **Conference discussions**

DEED usually holds a fall business development conference each year focusing almost entirely on DEED programs, but this event went well beyond that. Breakout session topics included Reforming Minnesota Taxes for Better Economic Growth; Creative Class: The Emerging World of Work; Workforce Solutions Designed to Meet Business Needs; Infrastructure for the 21st Century; and The Economics of Employment Inequality. The lunch session had two keynote speakers—Dr. Eric Kaler, president of the University of Minnesota, and Dr. Michael Mandelbaum, co-author of the book, *That Used to Be Us: How America Fell Behind in the World It Invented and How We Can Come Back*.

### **Tax reform session**

An afternoon breakout session on tax reform featured a panel moderated by Revenue Commissioner Myron Frans. Participants on that panel were Senate Minority Leader Tom Bakk (DFL-Cook); Ginny Wahl, an economist with the U.S. Treasury; Jay Kiedrowski of the Humphrey Institute; Cloquet Mayor Bruce Ahlgren; and Scott Burns, CEO of GovDelivery based in St. Paul. Commissioner Frans set the stage with an overview of where the state has been on general tax reform, and how changing demographics were making the problems more profound.

As the former Senate Taxes Committee chair, Sen. Bakk shared with the group what had gotten in the way of reform in the past, but advised everyone "there will always be an election in the way," and educated people on the fact that many legislators need the political cover that a governor's reform proposal would offer. A number of recommendations were offered up a few year's back under Gov. Pawlenty's **21st Century Tax Reform** (*Link to: <http://taxes.state.mn.us/MnTaxReform/>*), but the ideas were shelved at the time.

In closing comments for the 75-minute session, Cloquet Mayor Bruce Ahlgren urged business leaders and others to look at the various fees they were paying at both the state and local level and how those had increased in a "no-new-taxes" environment.

### **Other conference notables**

Kathy Tunheim, senior advisor to the governor for job creation, acted as the emcee for the day. She was joined by Dayton's Chief of Staff Tina Smith, and several commissioners, including DEED Commissioner Mark Phillips, Minnesota Management & Budget Commissioner Jim Schowalter, and Commerce Commissioner Mike Rothman.

Many city officials, both elected and appointed, also attended as well as community development staff from the municipal arena. A number of city representatives served on breakout session panels, including: Mayor Don Ness of Duluth, Mayor Elizabeth Kautz of Burnsville, Mayor Jim Hovland of Edina, Mayor Chris Coleman of St. Paul, Mayor Shawn Mason of International Falls, and Mayor Ahlgren of Cloquet.

### **New funding for small businesses**

Although no major job creation initiatives were announced at the conference, Gov. Dayton did hold a press conference the following day to announce \$100 million in new funding for small businesses through a Small Business/Banking partnership. This is a current program to make funds available to qualifying Minnesota banks for direct lending to job creators. This program responds to the idea that there has been a lack of access to capital, and this problem has been a frequent topic at the Capitol in recent years.

Through the program, which is administered through the Minnesota State Board of Investment, approximately \$100 million to \$200 million will be deposited into the state's community banks for lending to primarily small businesses. The partnership comes as a recommendation from the Governor's Small Business Capital Access Task Force. This doubles the state's contribution to this fund.

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### **Senate Republicans Announce Their Jobs Initiatives**

**The Senate Republicans held a press conference the day before the Governor's Job Summit to announce their agenda for job creation and economic growth.**

(Published Nov 2, 2011)



On Oct. 24, the day before the **Governor's Job Summit** (*Link to: <http://www.lmc.org/page/1/jobsummit.jsp>*), Republican members of the Senate Jobs & Economic Growth Committee held a press conference to talk about their agenda for the upcoming session. Led by Chair Deputy Senate Majority

Leader Sen. Geoff Michel (R-Edina), the group talked about a variety of business tax cuts and reform efforts geared at reducing regulations.

Joining Michel at the podium were Sens. Ted Daley (R-Eagan), Al DeKruif (R-Madison Lake), and Ted Lillie (R-Lake Elmo). Michel explained how they had toured businesses around the state, including stops in Brainerd, Eagan, and St. Cloud—and are expected to visit Rochester and Winona soon.

They explained their goals of restoring job creators' confidence by focusing on lowering the cost of doing business and providing some regulatory relief. The agenda referred to five items as potential 2012 legislation. These include:

- Reforming the statewide business property tax.
- Reducing the business income tax.
- Creating a small business regulatory review committee.
- Creating an executive-level position to oversee expedited environmental permitting.
- Expanding the "Sunset Commission" created in the previous session.

The ideas presented are more general, or across the board, which is consistent with the tax-cutting proposals brought forward in 2011. Reporters asked for a price tag on some of the items or the overall package. The senators acknowledging that an item like the statewide business property tax would have to occur over several years.

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

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## Transportation Advocates: Transportation Investment Critical to Job Creation



**A new report cites information indicating that every dollar spent on infrastructure generates \$1.60 in new economic growth.**

(Published Nov 2, 2011)

A group of Minnesota community and business leaders held a news conference on Oct. 24 to encourage state policymakers to include transportation initiatives in any job creation plans for 2012 and beyond.

Supporters believe a mix of reforms and new investments can accelerate projects and cut overall

costs. The announcement came the day before Gov. Dayton convened a statewide jobs summit to address issues facing Minnesota's economy. **Read related story.** (*Link to:*

<http://www.lmc.org/page/1/jobsummit.jsp>)

According to Moody's and the Congressional Budget Office (CBO), every dollar spent on infrastructure generates approximately \$1.60 in new economic growth. The CBO also found that infrastructure investments are the most cost-effective forms of government spending in terms of the number of jobs created per dollar of budgetary cost. Additional reports have concluded that three out of four jobs created by infrastructure projects are in the construction and manufacturing sectors.

The news conference coincided with the unveiling of a proposal by the Minnesota Transportation Alliance (MTA), of which the League is a member. The plan, entitled *Roadmap to 2040*, is a comprehensive, multi-modal, long-term transportation plan for Minnesota. *Roadmap to 2040* includes a comprehensive inventory of roads, bridges, freight rail, transit, ports, and airport infrastructure needs throughout Minnesota, innovative solutions redesigning how transportation services and projects are planned and delivered, and an a la carte of options to increase transportation funding options.

According to the report, Minnesota's roads, airports, and waterways are aging and reaching a critical point in their life and require major investments. The cost of infrastructure projects increase 10 percent every year a project is delayed.

Also according to the report, for individual Minnesotans, the cost of doing nothing can be added up in vehicle repair costs and time and fuel wasted stuck in traffic. In 2009, Americans wasted 4.8 billion hours sitting in traffic at a cost of \$115 billion. This drain on family budgets impacts the quality of life in Minnesota.

For businesses, the lack of infrastructure investments reduces competitiveness. As of 2010, the loss of gross domestic product (GDP) approached \$125 billion due to deficient transportation infrastructure. By 2040, failing infrastructure will cost Americans nearly \$3 trillion, which represents more than \$1.1 trillion in added business expenses. In 2010, the cost to the average Minnesota commuter for traffic congestion was \$916.

### **Redesigning transportation construction procedures**

The *Roadmap to 2040* urges those involved in "redesigning government" initiatives to include transportation components. Minnesota can take innovative steps to improving highway safety and lowering the costs of construction. The report laid out several options, including:

- Improving coordination and partnerships among the state and local governments to avoid duplication of effort.
- Accelerating the permitting process for those permits related to transportation construction projects.
- In some instances, closing highways during construction, which can lower construction cost by nearly 20 percent, and using design-build strategies, similar to those used in Highway 212 in Carver County and highway 52 in Rochester, to expedite projects.
- Increasing recycling of construction materials.

- Employing new technologies like warm mix asphalt and prefabricated bridges.

### **Financing transportation**

Scarcity of funding means Minnesota's transportation governance needs to become more efficient, coordinated, transparent, and accountable. The *Roadmap to 2040* suggests a package of financing options to help jumpstart Minnesota's construction industry and help foster long-term economic development opportunities.

The *Roadmap to 2040* emphasizes that no one funding source or financing option will fund all transportation needs. Some of the financing options included in the report are:

- Looking at tax loopholes and ensuring that all users of the system are contributing to its maintenance.
- Leveraging funds through general obligation and trunk highway bonds, taking advantage of historically low interest rates.
- Indexing the state's gas tax to the Consumer Price Index or Construction Inflation Index.
- Capturing surcharges on DWI and moving violations for transportation purposes.
- Collecting fees from additional "HOT lanes" or MN Pass lanes.
- Dedicating the sales tax revenue from leased motor vehicle sales.
- Allowing counties and cities to implement local option sales taxes and wheelage fees.
- Extending the tax on fuel tank removal.

Minnesota businesses have identified specific transportation improvements they need to improve their competitiveness or expand in the state. *Roadmap to 2040* was created through the experience and expertise of members of the MTA, local government officials, engineers, planners and other community stakeholders.

- **View the Roadmap to 2040 report (pdf)** (*Link to:*

<http://www.transportationalliance.com/sites/default/files/user2/pdfs/2011/Transportation%20in%20Minnesota.pdf>)

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

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### **Minnesota Pension Commission Examining Potential Changes to State Pensions**

**The Minnesota Pension Commission continues to examine and debate the future of Minnesota pension plans with an eye toward new legislation in 2012.**



(Published Nov 2, 2011)

The Legislative Commission on Pensions and Retirement will hold its third in a series of two-day meetings in anticipation of the 2012 legislative session. The hearings have focused on how to ensure the long-term viability of Minnesota's various pension plans, including the Public Employees Retirement Association (PERA), in light of the nation's continuing economic problems.

At the end of fiscal year (FY) 2007, PERA had an asset to liability funding ratio of 77 percent, which was consistent with historical averages. By the end of 2009, however, the funding ratio dropped to 54 percent. In response, the Legislature passed League-supported pension stabilization legislation in 2010. The legislation helped to increase the funding ratio to 66 percent by the end of FY 2010.

Commission members continue to question whether additional changes to underlying actuarial assumptions of the pension plans are needed to achieve full funding. Some of the key questions members raised are:

- Is the current assumed interest rate of 8.5 percent realistic given the world economy?
- Does the current assumed income replacement rate of 85 percent need to be lowered?
- Does the current payroll growth assumption need to be lowered?

While Minnesota's pension plans have a significant unfunded liability, they are in far better shape than a number of other state pension systems that have garnered news headlines. Minnesota pension plans historically have been managed conservatively. For example, Minnesota increased the retirement age for its plans to 66 in 1989, while California's retirement age is currently 55. Employer contribution levels are above the national average, and benefits are below the national average.

### **Retirement plan design study**

The pension commission is also discussing more significant changes to state retirement plans, including the legislatively mandated study examining the feasibility of shifting Minnesota's retirement plans from defined benefit plans to defined contribution plans. Such a shift would be a fundamental change in how Minnesota funds retirement plans for public employees.

Private employers have moved away from defined benefit plans and there have been calls for Minnesota to follow suit. The 2010 study examined the costs and benefits of such a change. Proponents of a change argue that a defined contribution plan would eliminate the potential of unfunded liabilities in the future, provide employees with more control over their retirement funds, and provide employees with greater portability when they leave state employment.

Defined contribution plans run the risk of providing inadequate retirement income that can lead to higher public assistance costs. Members of these plans generally incur higher investment fees and receive lower rates of returns than participants in defined benefit plans. The study found that defined benefit plans can provide the same level of income for half of the cost.

- **View the Retirement Plan Design Study (pdf)** *(Link to:*

<http://www.mimnesotatra.org/IMAGES/PDF/abdcfinalfull.pdf>

Additionally, the study found that there would be significant transition costs associated with a shift to a defined contribution plan. These costs arise because the unfunded liability of the current plan would have to be paid off over a much shorter time than if the plan remained open to new enrollees. The study estimated the total transition costs for all Minnesota retirement plans to be approximately \$2.76 billion over 10 years. Savings would likely be realized after 10 years or more.

Given the complexity of the issues and the relative stability of the pension system, it is unlikely that a fundamental change to the state pension system will occur during the 2012 legislative session, but the commission leadership has stated its desire to propose additional legislative changes. The League will continue to closely monitor the activities of the commission.

### **Upcoming meetings**

On Nov. 9, the pension commission will examine the defined contribution-defined benefit hybrid retirement plan recently implemented by Nebraska. The commission will also discuss various pension and retirement bills that were introduced during the 2011 legislative session, and will work to develop an action plan for the 2012 session.

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

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### **Legislation Repealing 3 Percent Withholding Passes U.S. House**



**The legislation would repeal a law requiring federal, state, and certain local governments to withhold 3 percent on payments for most goods and services.**

(Published Nov 3, 2011)

The U.S. House of Representatives voted on Oct. 27 to repeal Section 511 of the Tax Increase Prevention and Reconciliation Act of 2005 (P.L. 109-222) which requires federal, state, and certain local governments to withhold 3 percent on payments made for most goods and services. The repeal bill (HR 674) passed on a vote of 405-16 (12 members did not vote).

Minnesota Reps. Tim Walz, John Kline, Erik Paulsen, Betty McCollum, Keith Ellison, Collin Peterson, and Chip Cravaack supported the repeal. Rep. Michele Bachmann did not vote on the measure. The Senate has not yet voted on the legislation.

HR 674 is chief authored by Rep. Wally Herger (R-Calif.). Reps. Walz, Kline, and Paulsen were among the 269 cosponsors of the legislation. In 2006, Congress enacted a 3 percent withholding requirement on certain payments made to contractors doing business with federal, state, and local governments with the intent of improving tax compliance. This rule was originally scheduled to take effect on Jan. 1, 2011, but it has been delayed.

The National League of Cities (NLC) supported repeal of this legislation and asked the League of Minnesota Cities (LMC) to contact its members in the House. LMC sent a letter via e-mail to each member of the delegation urging support of the repeal. Some officials from cities that would have been impacted by this legislation, such as Rochester, also contacted their representatives individually.

Without the repeal, the law would create administrative challenges for at least six cities in Minnesota that currently have expenditures above \$100 million—Minneapolis, St. Paul, Duluth, Rochester, Bloomington, and St. Cloud. If the withholding requirement were extended to all cities in the future, it certainly would create an immense administrative challenge for smaller jurisdictions.

It could also cause an unintended increase in the cost of goods and services if private sector companies passed along the 3 percent withholding as a cost of doing business, or if competitive vendors chose not to bid on goods and service contracts with these local units of government.

NLC and city officials have been lobbying for repeal of the legislation since it was originally signed into law in 2006 and will now focus efforts on the Senate.

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

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### LGA Study Commission to Reconvene

**The legislative LGA study group that was originally created in the 2008 legislative session will be restarted and reconstituted in December.**



(Published Nov 2, 2011)

According to the committee administrator of the House Taxes Committee, the Local Government Aid (LGA) Study Group members has been appointed again and the group will likely convene in December to meet for only the second time since the law was originally enacted in 2008.

The LGA Study Group was initially created under Chapter 366 of 2008 Minnesota Session Laws. The group was charged with examining the current system of aids to local governments and make recommendations on improvements to the system. The study is required to include, although not limited to, consideration of existing disparities in the distribution of local government aid, an analysis of current law need and capacity factors as well as alternative need factors, alternative analytical methods for determining correlations between factors and need, the formula used to calculate aid for small cities, and volatility in the local government aid distribution. The group's report and recommendations were originally due by late 2010, but that deadline was delayed until late 2012 by a 2010 session law.

### **Appointed members**

The House and Senate tax committee chairs, Rep. Greg Davids (R-Preston) and Sen. Julianne Ortman (R-Chanhassen) had the responsibility of reappointing the membership of this group. They have announced that House Property Taxes Chair Linda Runbeck (R-Circle Pines) and Sen. Roger Chamberlain (R-Lino Lakes) will be co-chairing this group.

The other appointees are as follows:

### **House appointees:**

- Rep. Paul Marquart (DFL-Dilworth)
- Rep. Kurt Daudt (R-Crown)
- Mayor Jeff Pelowski, City of Roseau
- Councilmember Barb Johnson, City of Minneapolis
- Rachel Walker, League of Minnesota Cities

### **Senate appointees:**

- Sen. Rod Skoe (DFL-Clearbrook)
- Sen. Dave Senjem (R-Rochester)
- Mayor Tom Furlong, City of Chanhassen
- City Clerk Joel Young, City of Chatfield
- Steve Peterson, Coalition of Greater Minnesota Cities

Under the original legislation, the LGA Study Group consists of five House and five Senate appointees. Of the five members appointed by each chair, two must be members of the tax committee, one of whom is a majority party member and one of whom is a minority party member. The remaining members must represent local units of government.

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

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## Recent League Appointments

### The League appointed city officials to two committees in October.

(Published )



### Local Road Advisory Committee

Austin Councilmember **Roger Boughton** and Benson City Manager **Rob Wolfington** were appointed by the League on Oct. 20 to serve on the Local Road Advisory Committee. Boughton will represent cities with populations over 5,000, and Wolfington will represent cities with populations under 5,000. Burnsville Councilmember **Dan Kealey** will act as an alternate for the appointment representing cities with populations over 5,000.

The Minnesota Department of Transportation (MnDOT) asked the League to recommend one elected or appointed city official to serve as a representative for cities over 5,000 in population, and one elected or appointed city official to serve as a representative for cities under 5,000 in population for the Local Road Advisory Committee. The committee is made up of three other appointees: county commissioner, county engineer, and city engineer.

The Local Road Advisory Committee was created in 2005 to develop criteria for distribution of funds in the Local Road Improvement Fund's Routes of Regional Significance Account. MnDOT will use the Local Road Advisory Committee for feedback and recommendations on the use of the Local Road Improvement Program funds now available for distribution. The committee is expected to begin meeting soon.

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### 1309 International Residential Code Committee

Perham Building/Zoning Official **Dave Neisen** was appointed by the League on Oct. 20 to the 1309 International Residential Code Committee. Big Lake Councilmember **Mike Wallen** was designated as the alternate appointee for the committee.

The Minnesota Department of Labor & Industry (DLI) asked the League to appoint a primary and alternate appointee to the committee. The IRC-1309 Advisory Committee is charged with assisting in the adoption of the 2012 International Residential Code. The DLI's Construction Code and Licensing Division is the staffing agency for this advisory committee. The committee plans to begin meeting by December, and is expected to complete its work by March 2012.

## **Election Integrity Task Force**

Bloomington City Clerk **Thomas Ferber** and Minneapolis Election Specialist **Judy Schwartau** were appointed by the League to serve on the Election Integrity Task Force. **Deb Skogen**, city clerk of Fridley and **Grace Wachlarowicz**, supervisor licensing and elections of White Bear Lake will act as alternates to these appointees.

On May 26, the Governor's Executive Order 11-18 established the Task Force on Election Integrity in response to a veto of voter photo ID legislation (HF 210). The executive order provided that two local election officials be appointed by the League. The League received application materials from 14 well-qualified candidates. The Board of Directors met on June 15 and appointed two elections officials and two alternates.

The Election Integrity Task Force will study and make recommendations for modernizing Minnesota's elections, including how to prevent fraudulent and felon voting. The task force will report to the Legislature by Jan. 15, 2013. The task force will consist of 15 members, including city, county, and township representatives.

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## **State Aviation System Plan Advisory Committee**

Bloomington City Councilmember **Steve Peterson** and Hutchinson Public Works Manager **John Olson** were appointed in April to serve as the League appointee and alternate appointee, to the State Aviation System Advisory Committee.

The Minnesota **State Aviation System Plan** (*Link to: <http://www.dot.state.mn.us/aero/avoffice/planning/sasp.html>*) (SASP) provides a macro level plan for guiding airport development and navigational aids in Minnesota. It gives input to the Federal Aviation Administration's (FAA) National Plan of Integrated Airport Systems (NPIAS), individual airport master plans, and the State's Transportation System Plan. The FAA uses the NPIAS as a basis for funding decisions, and the State Transportation System Plan guides transportation investment.

The SASP Advisory Committee will provide insight and guidance to the Minnesota Department of Transportation as a new plan is drafted in the coming year. The League was tasked with finding one city representative for the committee. The SASP Advisory Committee will provide input from both aviation and non-aviation interests.[]

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

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

## **Your LMC Resource**

Contact intergovernmental relations (IGR) staff if you have questions about legislative issues or appointment opportunities.



## **Federal Agency Offers Free Emergency Preparedness Training for Cities**

The Center for Domestic Preparedness (CDP) in Anniston, Ala., has released its second quarter class schedule. CDP courses are fully funded by the US Department of Homeland Security (DHS)/Federal Emergency Management Agency (FEMA), to include registration fee, airfare, ground transportation, lodging, and meals.

The CDP began operations in June 1998 as the only all-hazards training center, offering training on Chemical, Biological, Radiological, Nuclear, and Explosive (CBRNE) weapons. While the training tempo has increased dramatically, the CDP's training programs provide the very best in advanced hands-on training for America's emergency responders. On March 31, 2007, the Noble Training Facility (NTF) was transferred from the U.S. Fire Administration (USFA) to the CDP. NTF is the only hospital facility in the United States dedicated to training hospital and healthcare professionals in disaster preparedness and response. If you are a state, local, or tribal government emergency responder, this training is completely funded by DHS at no cost to you or your jurisdiction.

**Learn more from the CDP website** (*Link to: <http://cdp.dhs.gov/>*)

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