

Council Meeting
Tuesday, December 20, 2011
Windom Community Center
7:30 p.m.



AGENDA

Call to Order
Pledge of Allegiance

1. Approval of Minutes
 - Council Minutes–December 6, 2011
2. Consent Agenda
 - Minutes
 - Telecommunication Commission – November 29, 2011
 - Airport Commission – December 2, 2011
 - Library Board – December 13, 2011
3. Department Heads
4. License Application
 - Annual Cigarette License Renewals
 - Annual Game of Skill License Renewals
 - Annual Theatre License Renewal
 - Liquor License Renewals
 - Eagles Club (includes contiguous outdoor area)
 - Sunbowl
 - Phat Pheasant Pub (includes contiguous outdoor area)
 - River City Eatery
 - Wine On-Sale
 - Beer On-Sale
 - Strong Beer Authorization
 - Happy Chef
 - Wine On-Sale
 - Beer On-Sale
 - Strong Beer Authorization
 - China Restaurant
 - Wine On-Sale
 - Beer On-Sale
5. Donation – Windom Youth Hockey Association
6. Des Moines River Valley State Trail Resolutions
 - Encouraging Fiscal Responsibility
 - Discouraging the Use of Eminent Domain
7. Personnel Recommendations
 - Supervisory Pay Plan 2012-2014
 - Employee Recognition Program
 - Police Step Increases
8. Airport Commission Recommendation – Hangar Rental Rates
9. 2012 City of Windom Levy
10. Approve 2012 City of Windom Budget
11. Designation of General Fund Balance



12. City Attorney's Office - Appointment
 13. New Business
 14. Old Business
 15. Regular Bills
 16. Contractor Payment – Water/Wastewater Project -R.L. Carr \$42,278.15
 17. Council Concerns
 18. Adjourn
- 8:00 p.m. – Mayor's Medal of Honor Ceremony (or immediately following the City Council Meeting)

****** NOTE: Long Range Planning Discussion will resume in January**

Council Meeting
Windom City Hall, Council Chamber
December 6, 2011
7:00 p.m.

1. Call to Order: The meeting was called to order by Mayor Kruse at 7:00 p.m.

2. Roll Call: Mayor: Kirby Kruse

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

Council Members Absent: None

City Staff Present: Steve Nasby, City Administrator; Brigitte Olson,
Assistant City Administrator; Bruce Caldwell, Street
& Park Superintendent, Mike Haugen, Water &
Wastewater Superintendent and Al Baloun,
Recreation Director

3. Pledge of Allegiance

4. 2012 Budget & Tax Levy Presentation and Public Comment:

Kruse said the City Council would be asking staff to present the budget and property tax information and then take comments and questions from the public.

Nasby discussed the change in the property tax methodology due to the elimination of the market value homestead credit and the new market value exclusion program. This change by the State essentially shifted tax burdens onto commercial, industrial and non-homestead properties in the city. If the City were to hold the tax levy the same as last year most all properties would see an increase in their taxes due to the elimination of the property tax credit program that cut \$261 million in funding from the State.

A PowerPoint presentation was shown which included a video from Minnesota Public Radio on the market value exclusion program and information related to the City's budget and property tax levy proposals. The City's budget was based on a flat change from 2011 except for a small increase due to inflation. The City's General Fund budget is .39% higher than last year and the Special Revenue Fund tax levy is 2.12% lower than last year. There were a number of capital items funded this year, but many were not. The City departments need to keep up on these items to perform the necessary services and not put off purchases so everything comes due at one time.

Overall, the City is anticipating \$16.884 million in revenues, which includes nearly \$12 million from the Enterprise Funds (electric, telecom, water, sewer and liquor store). Total expenses are budgeted to be \$16.063 million.

Preliminary

The proposed property tax levy for 2012 is \$1,606,467. This is an increase of 1.67% from 2011. A history of property tax increases shows that the last three years has been 2.49%, 1.02% and now 1.67% is proposed.

Nasby also showed the level of General Fund reserves estimated to be \$1.7 to \$1.8 million and this is equal to 9 or 10 months of the City's operating expenses, but the General Fund paid for about \$80,000 of costs for the Street Shop project and \$40,000 to \$50,000 for costs related to the Windom Dam project.

Kruse asked the Council or the public if there were any comments or questions about the proposed budget and tax levy. There were none.

Kruse said the budget and tax levy would be on the Council agenda for final approval at the next meeting.

5. Approval of Minutes:

Motion by Powers second by Maricle, to approve the City Council minutes from November 3, 2011, November 8, 2011 and November 15, 2011 Motion carried 5 – 0.

6. Consent Agenda:

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

- Economic Development Authority – November 14, 2011
- Park & Recreation Commission – November 14, 2011
- Utility Commission – November 30, 2011
- Tree Commission – November 30, 2011

Motion by Powers second by Ray, to approve the Consent Agenda as presented. Motion carried 5 - 0.

7. Department Heads:

Bruce Caldwell, Streets & Parks Superintendent, and Rocky Keehn, S.E.H. Inc. Engineering introduced themselves. Keehn said the work on the Windom dam project had started on December 5, 2011 and the dam was removed. It was a concrete shell filled with sand, which made it easier to remove. The contractors are working on site and plan to be done within the month. Keehn said that due to the low water level there is an opportunity to do some additional bank protection and the cost would be modest and this cost may be somewhat mitigated as the project may be coming in under the price anticipated because much more field stone is available from local farmers and suppliers that is lower cost than the quarry rock. He also asked that unauthorized persons stay out of Island Park for safety concerns. Caldwell reinforced that the park is closed to the public and also asked people to stay away.

Preliminary

Caldwell said that he had one more item to discuss, which was snow removal from sidewalks and moving parked cars for snow removal. He said that the city code requires sidewalks to be cleared within 12 hours after a snowfall and asked that citizens and businesses take care of their properties. He also requested that cars parked on the streets be moved to accommodate snow removal and asked that people not park in spots where the snow plow has had to go around a parked car.

8. Public Hearing - 2012 River Road & 6th Street Improvement Project:

Mike Haugen, Water & Wastewater Superintendent, Ron Gregg, Cottonwood County Engineer and Dennis Johnson, Wenck Engineering introduced themselves.

Johnson said that the proposed project is a joint effort between Cottonwood County and the City. Both 6th Street and River Road are County State Aid roads in which the County has jurisdiction on the street pertaining to maintenance. The County is proposing to re-construct both streets from curb to curb and the City is going to take this opportunity to replace water and wastewater lines where needed. The street surface and some subgrade work will be done at both sites, water lines on 6th Street and both water and sewer lines on River Road. The project would be paid for by a combination of County funds, City utility funds and special assessments.

Ron Gregg said that both roads were in bad condition and 6th Street sustained further damage during the detour. The County is planning to remove the road surface and re-surface the street from curb to curb. Only minor work is anticipated for curb, storm sewer or other and will be done only on a limited basis.

Johnson noted that the road is being built to 10-ton standards, but the property owners are only being assessed equal to a regular residential street with the County\City paying oversizing costs.

Kruse opened the public hearing for this project and asked if members of the public wanted to address the Council or had questions.

Sonja Johnson, 170 6th Street, said that there was too much truck and semi traffic on 6th Street since the County allowed the detour. Her house vibrates as the trucks pass, which was not evident prior to the detour and use of 6th Street increased with truck traffic. The detour also damaged the road. She said that excessive speeds and loud braking were also problematic. She said that Toro trucks had gone by for years without problems and it is the new truck traffic that is causing the problems.

Jones asked if 6th Street is posted for "No Trucks". Gregg said that River Road is posted, but he did not know about 6th Street. He said that there are businesses close by that need to use the street, but it should not be for general truck traffic.

Powers asked if it is a 10-ton road. Gregg said that it is designed as a 10-ton road.

Preliminary

Gregg said that if the City stepped up enforcement then may be the problem would be lessened. Caldwell replied that it is a County road and they need to place signage. Gregg noted that signs could be placed, but enforcement is up to the City and State patrol.

Jones said that he understands local truck traffic for businesses, but not the other traffic as they can use the highway.

Maricle suggested that the Street Committee work with the Police Department on signage and enforcement and bring a proposal back to the Council.

Kruse asked for any additional comments or questions.

Eulalia Grunig, 176 6th Street, asked about the water mains on 6th Street and if they were replaced when the sewer was done about 23 years ago. Haugen said that there may have been a short segment or two done, but the existing water main is from the 1930s or 1940s.

Grunig said that children cannot walk on the street or cross due to heavy truck traffic.

Kruse asked if anyone else wanted to address the issue. There were no others, so Kruse closed the public hearing.

Jones asked for the age of the water and wastewater mains for both 6th Street and River Road. Haugen said the sewer on 6th Street was reconstructed as part of the 1980s street projects, but not the water line. The water line is approximately 70-80 years old in this area. The water and sewer on River Road is ductile iron for the water and clay tile for the sewer. Both would be replaced with PVC mains for the entire project and this should allow for a life expectancy of over 50 years.

Jones noted that it is much more cost effective to do this underground utility work when the roadway is being reconstructed as it cuts the cost and saves money for the taxpayers and property owners.

Council member Powers introduced the Resolution No. 2011-58, entitled “RESOLUTION ORDERING IMPROVEMENTS AND PREPARATION OF PLANS FOR THE 2012 RIVER ROAD AND 6TH STREET IMPROVEMENT PROJECT” and moved its adoption. The resolution was seconded by Ray and on roll call vote: Aye: Jones, Maricle, Powers, Ray and Fossing. Nay: None. Absent: None. Resolution passed 5 - 0.

9. Public Hearing – Proposed Fee for Authorization to Sell Intoxicating Malt Liquors:

Nasby said that the City Council had approved an ordinance amending the City Code to allow for holders of beer and wine licenses to obtain an authorization to sell strong beer as permitted under the State statute. The City’s Code requires a public hearing, notices and 30-day period before a rate or fee pertaining to liquor may be set or changed. The Council approved the ordinance change on November 1, 2011 and tonight is the public hearing on setting the fee for the authorization to sell intoxicating malt liquor.

Preliminary

To be eligible for the authorization a business would need to hold both a beer license and a wine license, which cost \$100 and \$150 annually. The business would also have to derive at least 60% of their gross receipts from food as required by State statute.

It is the City's responsibility to verify and prove that the business meets the food sales criteria. As such, the City staff will have to work with the licensee to verify receipts, sales tax reports or other documentation. This verification will consume staff time so the recommended annual fee for the strong beer authorization is for \$100.

Maricle asked if viewing a sales tax summary sheet was sufficient. Nasby said he asked the State if the businesses could self-certify but that was not an option and it was noted the City had to view proof of the receipts so a "test" of random information would be needed.

Fossing asked when this authorization would be effective. Nasby said the resolution states January 1, 2012 as there are only three weeks left in 2011 and it was not likely that a business would want to pay the fee for this short of time, but staff could respond sooner than that if the Council moved up the effective date.

Council member Ray introduced the Resolution No. 2011-59, entitled "RESOLUTION ESTABLISHING RATES, CHARGES, AND FEES FOR AUTHORIZATION TO SELL INTOXICATING MALT LIQUORS AT ON-SALE" and moved its adoption. The resolution was seconded by Jones and on roll call vote: Aye: Maricle, Powers, Ray, Fossing and Jones. Nay: None. Absent: None. Resolution passed 5 - 0.

10. Park & Recreation Commission Recommendation – New Scoreboard for Island Park:

Caldwell said that the Baseball Association had met with the Park & Recreation Commission to request some financial assistance in paying for a new scoreboard for the main field at Island Park. The scoreboard would accommodate football and baseball. The school district and Baseball Association would both benefit from the improvement. The Baseball Association's renovation project at Island Park is nearing \$182,000 in improvements, including the new scoreboard. They are asking the City for \$5,000 to help pay for the scoreboard.

Caldwell said that there is approximately \$16,000 left in the Park Capital Improvement Account and they do not have any immediate plans, but they would like to update and renovate the bathrooms at Island Park in the future. He noted that the Baseball Association would be willing to work with the City in the future on the bathroom project as it would benefit their use as well.

The Park & Recreation Commission is recommending the approval of a \$5,000 contribution to the Baseball Association for the Island Park scoreboard, which is an improvement to a municipally owned facility.

Motion by Maricle, seconded by Fossing, to approve \$5,000 from the Park CIP Account to be used for the purchase of a scoreboard for Island Park as undertaken by the Windom Baseball Association. Motion carried 5 – 0.

Preliminary

11. Hours and Days of Liquor Sales Ordinance Revision – First Reading:

Kruse said that a motion to bring the ordinance request to the table was necessary.

Motion by Maricle, seconded by Fossing, to bring to the table for discussion an ordinance revision relating to City Code 5.52 “Hours and Days of Liquor Sales”. Motion carried 5 – 0.

Nasby said that a request has been made by a local on-sale licensee to amend City Code 5.52 “Hours and Days of Liquor Sales” to expand the hours liquor may be sold on-sale on December 24. The current City Code limits on-sale liquor sales to 8:00 o’clock P.M. on December 24. The following is the applicable section of City Code.

Due to the timing of considering an ordinance revision to be effective in 2011 this issue is being placed on to the City Council agenda as a first reading. If approved, a second reading would be scheduled for consideration on December 20 with publication in the newspaper on December 21. If the hours for on-sale were amended the change would be the same for all holders of on-sale licenses.

A memorandum from the Police Department was requested by the Mayor and is included in the Council packet for your information.

Staff had discussed this issue with the licensee making the request and a possible expansion of sale hours could be limited to no later than 11:59 P.M on December 24.

Jones said that he thought the current ordinance was adequate for Christmas Eve and he would not be supporting a change.

Kruse asked for a motion on the first reading of an ordinance amending City Code Chapter 5 entitled “Alcoholic Beverages Licensing and Regulation”.

Item died for lack of a motion.

12. Personnel Committee Recommendations – Labor Agreements for IBEW and LELS:

Kruse asked Powers, Personnel Committee Chair, to present the item. Powers said that the Personnel Committee held positive and productive meetings with both unions and have arrived at an agreement with IBEW and LELS. Both labor agreements show a 1% general wage increase for each year of the agreements and other items were shown in the memo.

Jones asked Nasby if there were other key items or changes in the agreements. Nasby said that the duration of the agreements were for three years, the vacation language for IBEW was amended to closely conform with what is in the LELS agreement and both agreements included language regarding reductions to the City’s health insurance costs if premiums decreased.

Motion by Powers, seconded by Jones, to approve the 2012-2014 Labor Agreements with IBEW and LELS as presented. Motion carried 5 - 0.

13. League of Minnesota Cities Proposal for Codification Services:

Nasby said that the City Council had requested that staff obtain a quote for codification. The City had started this process about 2000-2003 but had not completed the project. The existing code is 1980s – 1990s. The proposal for the City Code is \$15,000 based on the 555 pages of the current code and there were also optional services as shown.

Jones said that the Council discussed this at the budget meeting and at the long range planning meetings as a priority that should be addressed.

Nasby said that one idea for paying for it would be to use the dividend the City expects to receive on its insurance policy with the League of Minnesota Cities Insurance Trust, which will amount to nearly \$30,000.

Maricle asked that the new code be written and electronic and that the electronic version is searchable. The code could then be put on the web site and easily accessed by the public. Nasby replied that an electronic version is planned as are updates.

Kruse emphasized that it needs to be as user friendly as possible.

Motion by Jones, seconded by Fossing, to approve the proposal with American Legal Publishing, through the LMC as presented. Motion carried 5 - 0.

14. Lutheran Social Services Senior Nutrition Program – Site Use Agreement:

Nasby said that Lutheran Social Services operates the senior dining and meals on wheels program out of the Windom Community Center and we have an annual agreement with them for use of the site. The reimbursement to the City of Windom was between \$3,600 and \$3,700 in 2011 and the amount proposed for 2012 was \$4,233. These funds are a partial reimbursement for utilities, wear and tear on equipment and other costs incurred by the Windom Community Center. Nasby added that the other terms and conditions are the same as they had been in the past two or three years.

Kruse asked if the Community Center Commission had a recommendation as to the site use agreement. Nasby replied that the item was on their November agenda, but there was not a quorum present so the matter was not addressed.

Motion by Powers, seconded by Ray, to approve the proposed Site Use Agreement between the City of Windom and Lutheran Social Services. Motion carried 5 – 0.

15. Resolution Implementing GASB Statement #54 & Establishing a Minimum Fund Balance:

Nasby said there was a letter from Dennis Rick, LTD, the City's auditors and supplemental information from the State Auditor's Office on the requirements of Governmental Accounting Standards Board (GASB) 54 as it applies to local governments. These accounting standards designate and define fund descriptions.

Preliminary

He said that during the long range planning meetings and budget workshops the City Council had discussed setting a policy related to its General Fund Reserve. Due to the uncertainty of Local Government Aid (LGA) funding from the State a sizeable reserve balance is essential as LGA comprises 56% of the General Fund budget. In addition, a formalized fund balance that is at least six months of operating expenses helps the City obtain a better bond rating and lower interest rates on bonds.

Jones asked what the down side is for establishing a fund reserve of 9-12 months of operating expenses. Nasby said that one possible down side is if the City unexpectedly drops below the established level it could concern the bond holders as to why the reserve is lower than the amount set by the policy.

Council member Jones introduced the Resolution No. 2011-60, entitled "A RESOLUTION IMPLEMENTING GASB STATEMENT NUMBER 54 AND ESTABLISHING A MINIMUM FUND BALANCE" 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.

16. Resolution Establishing Fund Transfer Policy:

Kruse said there was another resolution for consideration regarding the transfer of funds.

Nasby said this resolution was also recommended by the City's auditor to allow for the transfer of cash or fund balances from one fund to another to present financial information in accordance with Generally Accepted Accounting Principles (GAAP) and/or Governmental Accounting Standards Board (GASB) as recommended by the City's independent auditors. Transfers are herein authorized by Council for execution by the City Administrator and Assistant City Administrator.

Council member Maricle introduced the Resolution No. 2011-61, entitled "A RESOLUTION IMPLEMENTING GASB STATEMENT NUMBER 54 AND ESTABLISHING A MINIMUM FUND BALANCE" and moved its adoption. The resolution was seconded Powers on roll call vote: Aye: Ray, Fossing, Jones, Maricle and Powers. Nay: None. Absent: None. Resolution passed 5 - 0.

17. Recreational Trails Discussion:

Kruse noted that this item was raised at the last meeting and asked Maricle if he would like to begin the discussion.

Maricle said that he had raised this issue and submitted information for the City Council packet that included an article from the Filmore County News. Other information on the Des Moines Valley Trail master plan was included. The DNR Master Plan says that the DNR will only use land from willing sellers; however, in the Filmore County News article it discusses the use of eminent domain by the City of Preston to acquire land for a trail that is located seven miles outside of city limits. He does not think the use of eminent domain for a trail is using that tool properly. He envisions uses such as for a road, hospital or wastewater treatment plant are the intended uses of eminent domain.

The other issue Maricle expressed was that the State of Minnesota's spending is out of control. Spending is not being prioritized or controlled from the leadership; as such we should show fiscal responsibility from the bottom up and not support the construction of trails. He does not believe the trail would pay for itself through economic development and the trail proposed for the Des Moines Valley could cost \$90 million for land acquisition and construction, based upon costs experienced with other trails. In addition, trail use has declined as evidenced by the DNR information that was included in the Council packet.

Maricle is encouraging the Windom City Council to consider two resolutions at its next meeting. First, stating that the City of Windom is opposed to the development and construction of the trail as a show of fiscal responsibility. Second, stating that the City of Windom will not use eminent domain for the proposed trail, have the DNR write into their master plan that they will not use eminent domain for the proposed trail nor will they accept any land that was acquired with eminent domain or connect to any trail where eminent domain was used.

Motion by Maricle, seconded by Fossing, that a resolution is prepared stating the City of Windom is opposed to the development and construction of the trail as a show of fiscal responsibility. Motion carried 5 – 0.

Motion by Maricle, seconded by Fossing, that a resolution be prepared stating that the City of Windom will not use eminent domain for the proposed trail, have the DNR write into their master plan that they will not use eminent domain for the proposed trail nor will they accept any land that was acquired with eminent domain or connect to any trail where eminent domain was used. Motion carried 5 – 0.

18. Coalition of Greater Minnesota Cities – By-law Amendment:

Nasby said the Coalition of Greater Minnesota Cities (CGMC), of which Windom is a member, has been asked to vote on a proposed by-law amendment for that organization. The CGMC by-law change included language saying that dues could be set at "any membership meeting" instead of the "annual conference" and that the calculation of dues could include population and "other factors." The "other factors" issue is regarding the CGMC ability to phase in dues for new members or have non-voting memberships.

Motion by Jones, seconded by Powers, to approve the amendment to the CGMC by-laws as presented. Motion carried 5 – 0.

19. New Business:

None.

20. Old Business:

None.

Preliminary

21. Regular Bills:

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

22. Council Concerns:

Nasby said that there is a League of Minnesota Cities workshop for experienced city elected officials coming up on January 27 and 28. He encouraged Council members to attend and noted that staff would make the necessary arrangements if needed.

23. Adjourn:

Kruse adjourned the meeting by unanimous consent at 8:33 p.m.

Kirby Kruse, Mayor

Attest: _____
Steve Nasby, City Administrator

Telecommunication Commission Minutes
Nov 29th, 2011

1. Call to Order:

Wendell Woodcock called the meeting to order.

2. Roll Call:

Commission Members Present: Wendell Woodcock, Virgil Meier, Forrest Fosheim, Dominic Jones

Commission Members Absent, Corey Maricle

City Staff Present: Dan Olsen, Londa Fosheim, Steve Nasby

Public Present: None

3. Fox Sports Agreement:

Dan has been in contact with Jean from Fox Sports. She has dropped it down a nickel and will knock of the 5th year. Cost for each customer for 2012 - \$5.52
Wendell stated Windomnet would lose a lot of customers if we didn't carry the Fox Sports Channel. Windomnet cannot compare programming rates with other companies as they are confidential. Windomnet will have to raise rates in the future to keep up with programming costs.

Virgil made the motion to proceed with the Fox Sports Contract.
Virgil 1st Forrest 2nd All in Favor

4. Managers Report:

The retransmission agreements are ongoing. Cinnamon Mueller has talked to all but 1 company. 1 Company had forgotten to send out notices. May be signing contracts on Christmas Eve if agreements are reached. If contracts not signed by 1st of year then channels have to be shut off.

There is a Company looking at Twin Cities to Denver to co-locate with us. Talks are ongoing with this project.

DC Controller is shot, working on a solution.

HVAC – Having trouble getting parts, will hold us over the winter. Need to talk to other vendors as to a solution.

There are all new rules coming next year for the Internet.

SMBS – Has some connectivity parts still coming in. They are starting to look at doing some trial runs in the near future. Possibly 300 – 400 customers turned on in Dec.

Windomnet will be looking into some HD channels after the 1st of the year.

A Windomnet PED was run over last week by the Schwalbach's hardware store. The PED was fixed on Sunday.

Write Offs for Windomnet left as is, no action taken.

Meeting for next month will have to be a last minute meeting to deal with the retransmission agreements.

5. Adjourn:

Wendell adjourned the meeting

**Windom Airport Commission Minutes
December 2, 2011**

The Windom Airport Commission met on December 2, 2011, at 8:30 a.m. at the Windom Airport. Members present were Marlyn Bartsch, Brian Underwood, Merle Wall and John Holt. Members absent: Scott Fredin, Stan Wendland (resigned) and Gerri Burmeister and Liaison Mayor Kirby Kruse. Others Present- City Staff: Steve Nasby, Denise Nichols and Bruce Caldwell and Airport Consultants from TKDA John Peterson.

Chairman Underwood called the meeting to order.

1. **Approve Minutes:** Minutes from September 15, 2011, were reviewed. **Motion by Holt, seconded by Bartsch, to approve the minutes as written. Motion passed 4 ayes, 0 nays.**

2. **Hangar Door/Fuel System Repair Update:** Airport Manager Brian Underwood reported that all the repairs have been completed. The fuel system software was installed and is working properly. The hangar door repairs have been completed and the inside of the hangars now remain dry. The invoices have been submitted for payment and a credit application for 50% reimbursement has been submitted to Minnesota Department of Transportation.

3. **Airport Layout Plan (ALP):** John Peterson from TKDA Engineers reviewed with the Commission the first draft of the ALP. New wind coverage data has been received for the airport. The main runway has 85% wind coverage. Optimum wind coverage is 95%. With the orientation of the proposed crosswind runway and the main runway, the wind coverage would be 95%. John commented this new wind data provides justification for a runway extension. The Commission discussed crosswind runway orientation location and ideal location versus issues with obstructions. To complete a runway extension, property would need to be acquired and an easement would be needed for the crosswind runway. Extension of 4,200 feet with 3/4 mile visibility would require acquisition of 20 acres of land. A one-mile visibility for non-precision instruments would require obtaining approximately 167 acres of land. The local share for the property purchase would be 5%. John also noted that the runway protection zone areas need to be in fee title. In the past, the DOT allowed easements for the runway protection zones. However, they have changed their policy and the property would need to be owned by the City.

The Commission discussed the building site and possible locations for additional hangars for future expansion of the airport. Also discussed were locations for private hangars and a jet fuel system. **Motion by Holt, seconded by Bartsch, to use the 2012 funding for extensions of the two new hangar buildings and a jet fuel system. Motion passed 4 ayes, 0 nays.**

4. **Capital Improvement Plan (CIP):** The Commission reviewed the 2012 CIP Plan. City Administrator Nasby informed the Commission that the Council has budgeted \$20,000 of matching funds to build a new hangar. The Commission discussed possible locations and the type and size of hangars that are currently needed at the airport. John suggested that the Commission consider future expansion of the airport.

5. **Other Business:** The Navigational Directional Beacon (NDB) can be decommissioned however, there is a process that is required and must be completed before it will be officially decommissioned. Underwood must contact all pilots based at the airport and obtain a statement and signature that they do not use the NDB. Brian will obtain the signatures and submit the required documentation to complete the decommission process of the NDB.

Hangar Rental Rates: The Commission discussed the current hangar rental rates. **Motion by Holt, seconded by Underwood, to make the recommendation to the City Council to increase the hangar rental rates an additional \$10 per month for all units, effective January 1, 2012. Motion passed 4 ayes, 0 nays.**

6. **Commission Concerns:** None

7. **Adjourn:** Chairman Underwood declared the meeting adjourned at 10:07 a.m.

Brian Underwood, Chairman

Attest: _____
Steve Nasby, City Administrator

Windom Library Board Meeting
Windom Library
December 13, 2011
5:05 p.m.

1. Call to order: The meeting was called to order by Vice Chairman John Duscher at 5:05 p.m.

2. Roll call: Members Present: Beth Fleming, Mary Erickson
John Duscher Charles Reid and Anita Winkel

Members Absent: Kathy Hiley Jan Johnson

Library Staff Present: Dawn Aamot Joan Hunter

City Council Member Present: none

3. Agenda and Minutes:

Motion by Anita Winkel, seconded by Charles Reid to approve the agenda and minutes.

5. Financial Report:

Motion by Charles Reid, seconded by Mary Erickson to approve the financial report

6. Librarians Report:

Joan reported that the library budget will go up about 2% for next year. The City Council did not approve the capital outlay items for the library. Motion by Beth Fleming, seconded by Mary Erickson to approve the Librarian's report.

7. Old Business:

Motion by Anita Winkel, seconded by Charles Reid to approve using some of our book budget money for E-books. This program will start in March or April of next year. Joan reported that we are still waiting for the brackets for the new shelves. They will be put on the same time the end caps are put on the shelves.

8. New Business:

Joan reported that the library will be closed Friday, Dec. 23rd through Monday, Dec. 26 for the Christmas holiday. The library will be closed Sat. Dec. 31st through Monday, Jan. 2nd for the New Year holiday.

9. New Book suggestions:

The board presented new book suggestions

10. Adjourn:

Motion by Charles Reid and seconded by Beth Fleming to adjourn.

Meeting adjourned at 5:25 p.m.

2012 License Applications

Cigarette License \$20.00

Casey's General Store
Country Pride Services
Erickson Oil
Riverbend Liquor
Center Stop
Super America
Amoco
Hy-Vee

Game of Skill \$50 first game \$15.00 each additional game

Phat Pheasant
Godfathers Pizza
C & N Sales – Phat Pheasant
C & N Sales – Sun Bowl
C & N Sales – Happy Chef
FOE Aerie 3891 – Eagles Club
Kyle Pillatzki – Arena, Windom Laundromat

Theatre \$25.00

Windom State Theatre



Minnesota Department of Public Safety

Alcohol and Gambling Enforcement

444 Cedar Street, Suite 222

St. Paul, MN 55101

651-201-7507 • TTY 651-282-6555 • Fax 651-297-5259



Perd 112511
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ck 29651

RENEWAL OF LIQUOR, WINE, CLUB OR 3.2% LICENSES

No license will be approved or released until the \$20 Retailer ID Card fee is received by MN Liquor Control • (3.2% Licenses exempt)

Licensee: Please verify your license information contained below. Make corrections if necessary and sign. City Clerk/County Auditor should submit this signed renewal with completed license and licensee liquor liability for the new license period. **City Clerk/County Auditor are also required by M.S. 340A.404 S. 3 to report any license cancellation.**

License Code 0NSL License Period Ending 12/31/2011 ID# 1517
 City/County where license approved. Windom
 Licensee Name FOE Aerie 3891
 Trade Name Eagles Club
 Licensed Location address 821 4th Ave
 City, State, Zip Code Windom, MN 56101
 Business Phone 507/831-3891

LICENSE FEES: Off Sale \$ 0.00 On Sale \$ 200.00 Sunday \$ 200.00

By signing this renewal application, applicant certifies that there has been no change in ownership on the above named licensee. For changes in ownership, the licensee named above, or for new licensees, full applications should be used. See back of this application for further information needed to complete this renewal.

Applicant's signature on this renewal confirms the following: Failure to report any of the following will result in fines.

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2. Licensee confirms that it has never had a liquor license rejected by any city/township/county in the state of Minnesota. If ever rejected, please give details on the back of this renewal, then sign below.
3. Licensee confirms that for the past five years it has not had a liquor license revoked for any liquor law violation (state or local). If a revocation has occurred, please give details on the back of this renewal, then sign below.
4. Licensee confirms that during the past five years it or its employees have not been cited for any civil or criminal liquor law violations. If violations have occurred, please give details on back of this renewal, then sign below.
5. Licensee confirms that during the past license year, a summons has not been issued under the Liquor Liability Law (Dram Shop) MS 340A.802. If yes, attach a copy of the summons, then sign below.
6. Licensee confirms that Workers Compensation insurance will be kept in effect during the license period.

Licensee has attached a liquor liability insurance certificate that corresponds with the license period in city/county where license is issued. \$100,000 in cash or securities or \$100,000 surety bond may be submitted in lieu of liquor liability. (3.2% liquor licenses are exempt if sales are less than \$25,000 at on sale, or \$50,000 at off sale).

Licensee Signature J.P. Thompson DOB 7-10-27 SS# 46 8 246706 Date 11-22-11
 (Signature certifies all above information to be correct and license has been approved by city/county.)

City Clerk/County Auditor Signature _____ Date _____
 (Signature certifies that renewal of a liquor, wine or club license has been approved by the city/county as stated above.)

County Attorney Signature _____ Date _____
 County Board issued licenses only (Signature certifies licensee is eligible for license).

Police/Sheriff Signature Scott Peterson, Chief Date 11/28/11
 (Signature certifies licensee or associates have not been cited during the past five years for any state/local liquor law violations (criminal/civil). Report violations on back, then sign here.)



Minnesota Department of Public Safety

Alcohol and Gambling Enforcement

444 Cedar Street, Suite 222

St. Paul, MN 55101

651-201-7507 • TTY 651-282-6555 • Fax 651-297-5259



Paid 1128111
81956
CK 14780

RENEWAL OF LIQUOR, WINE, CLUB OR 3.2% LICENSES

No license will be approved or released until the \$20 Retailer ID Card fee is received by MN Liquor Control • (3.2% Licenses exempt)

Licensee: Please verify your license information contained below. Make corrections if necessary and sign. City Clerk/County Auditor should submit this signed renewal with completed license and licensee liquor liability for the new license period. **City Clerk/County Auditor are also required by M.S. 340A.404 S. 3 to report any license cancellation.**

License Code ONSL License Period Ending 12/31/2011 ID# 6776
City/County where license approved. Windom

Licensee Name Porath, Gordon

Trade Name Sunbowl

Licensed Location address 111 1st Ave S

City, State, Zip Code Windom, MN 56101

Business Phone 507/831-4250

LICENSE FEES: Off Sale \$ 0.00 On Sale \$ 2000.00 Sunday \$ 0.00

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5. Licensee confirms that during the past license year, a summons has not been issued under the Liquor Liability Law (Dram Shop) MS 340A.802. If yes, attach a copy of the summons, then sign below.
6. Licensee confirms that Workers Compensation insurance will be kept in effect during the license period.

Licensee has attached a liquor liability insurance certificate that corresponds with the license period in city/county where license is issued. \$100,000 in cash or securities or \$100,000 surety bond may be submitted in lieu of liquor liability. (3.2% liquor licenses are exempt if sales are less than \$25,000 at on sale, or \$50,000 at off sale).

Licensee Signature Gordon Porath DOB 5-30-48 SS# 475561395 Date 11-21-11

(Signature certifies all above information to be correct and license has been approved by city/county.)

City Clerk/County Auditor Signature _____ Date _____

(Signature certifies that renewal of a liquor, wine or club license has been approved by the city/county as stated above.)

County Attorney Signature _____ Date _____

County Board issued licenses only (Signature certifies licensee is eligible for license).

Police/Sheriff Signature Scott Peterson, Chief Date 11/28/11

(Signature certifies licensee or associates have not been cited during the past five years for any state/local liquor law violations (criminal/civil). Report violations on back, then sign here.)



Minnesota Department of Public Safety

Alcohol and Gambling Enforcement

444 Cedar Street, Suite 222

St. Paul, MN 55101

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RENEWAL OF LIQUOR, WINE, CLUB OR 3.2% LICENSES

No license will be approved or released until the \$20 Retailer ID Card fee is received by MN Liquor Control • (3.2% Licenses exempt)

Licensee: Please verify your license information contained below. Make corrections if necessary and sign. City Clerk/County Auditor should submit this signed renewal with completed license and licensee liquor liability for the new license period. City Clerk/County Auditor are also required by M.S. 340A.404 S. 3 to report any license cancellation.

License Code ONSS License Period Ending 12/31/2011 ID# 10046
City/County where license approved. Windom

Licensee Name Phat Pheasant Pub Inc.

Trade Name Phat Pheasant Bar et al

Licensed Location address 2370 Hwy 60 East

City, State, Zip Code Windom, MN 56101

Business Phone 507/831-3977

LICENSE FEES: Off Sale \$ 0.00 On Sale \$ 2000.00 Sunday \$ 200.00

By signing this renewal application, applicant certifies that there has been no change in ownership on the above named licensee. For changes in ownership, the licensee named above, or for new licensees, full applications should be used. See back of this application for further information needed to complete this renewal.

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5. Licensee confirms that during the past license year, a summons has not been issued under the Liquor Liability Law (Dram Shop) MS 340A.802. If yes, attach a copy of the summons, then sign below.
6. Licensee confirms that Workers Compensation insurance will be kept in effect during the license period.

Licensee has attached a liquor liability insurance certificate that corresponds with the license period in city/county where license is issued. \$100,000 in cash or securities or \$100,000 surety bond may be submitted in lieu of liquor liability. (3.2% liquor licenses are exempt if sales are less than \$25,000 at on sale, or \$50,000 at off sale).

Licensee Signature [Signature] DOB 11-14-1960 SS# 473829069 Date 11-21-11
(Signature certifies all above information to be correct and license has been approved by city/county.)

City Clerk/County Auditor Signature _____ Date _____
(Signature certifies that renewal of a liquor, wine or club license has been approved by the city/county as stated above.)

County Attorney Signature _____ Date _____
County Board issued licenses only (Signature certifies licensee is eligible for license).

Police/Sheriff Signature [Signature] Chief Date 11/28/11
(Signature certifies licensee or associates have not been cited during the past five years for any state/local liquor law violations (criminal/civil). Report violations on back, then sign here.



Minnesota Department of Public Safety

Alcohol and Gambling Enforcement

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St. Paul, MN 55101

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PAID 1128
250.00
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CK 1213

RENEWAL OF LIQUOR, WINE, CLUB OR 3.2% LICENSES

No license will be approved or released until the \$20 Retailer ID Card fee is received by MN Liquor Control • (3.2% Licenses exempt)

Licensee: Please verify your license information contained below. Make corrections if necessary and sign. City Clerk/County Auditor should submit this signed renewal with completed license and licensee liquor liability for the new license period. **City Clerk/County Auditor are also required by M.S. 340A.404 S. 3 to report any license cancellation.**

License Code MMNONSL License Period Ending 12/31/2011 ID# 32679
City/County where license approved. Windom

Licensee Name River City Eatery LLC

Trade Name River City Eatery

Licensed Location address 344 10th St

City, State, Zip Code Windom, MN 56101

Business Phone 507/832-8383

LICENSE FEES: Off Sale \$ 0.00 On Sale \$ 150.00 Sunday \$ 0.00

By signing this renewal application, applicant certifies that there has been no change in ownership on the above named licensee. For changes in ownership, the licensee named above, or for new licensees, full applications should be used. See back of this application for further information needed to complete this renewal.

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2. Licensee confirms that it has never had a liquor license rejected by any city/township/county in the state of Minnesota. If ever rejected, please give details on the back of this renewal, then sign below.
3. Licensee confirms that for the past five years it has not had a liquor license revoked for any liquor law violation (state or local). If a revocation has occurred, please give details on the back of this renewal, then sign below.
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6. Licensee confirms that Workers Compensation insurance will be kept in effect during the license period.

Licensee has attached a liquor liability insurance certificate that corresponds with the license period in city/county where license is issued. \$100,000 in cash or securities or \$100,000 surety bond may be submitted in lieu of liquor liability. (3.2% liquor licenses are exempt if sales are less than \$25,000 at on sale, or \$50,000 at off sale).

Licensee Signature [Signature] DOB 11/30/82 SS# 46815559 Date 11/28/11

(Signature certifies all above information to be correct and license has been approved by city/county.)

City Clerk/County Auditor Signature _____ Date _____

(Signature certifies that renewal of a liquor, wine or club license has been approved by the city/county as stated above.)

County Attorney Signature _____ Date _____

County Board issued licenses only (Signature certifies licensee is eligible for license).

Police/Sheriff Signature [Signature] Date 12/02/11

(Signature certifies licensee or associates have not been cited during the past five years for any state/local liquor law violations (criminal/civil). Report violations on back, then sign here.)



Minnesota Department of Public Safety

Alcohol and Gambling Enforcement

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St. Paul, MN 55101

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RENEWAL OF LIQUOR, WINE, CLUB OR 3.2% LICENSES

No license will be approved or released until the \$20 Retailer ID Card fee is received by MN Liquor Control • (3.2% Licenses exempt)

Licensee: Please verify your license information contained below. Make corrections if necessary and sign. City Clerk/County Auditor should submit this signed renewal with completed license and licensee liquor liability for the new license period. **City Clerk/County Auditor are also required by M.S. 340A.404 S. 3 to report any license cancellation.**

License Code 3.20NSS License Period Ending 12/31/2011 ID# 32964
City/County where license approved. Window

Licensee Name River City Eatery LLC

Trade Name River City Eatery

Licensed Location address 344 10th St

City, State, Zip Code Window, MN 56101

Business Phone 507/832-8383

LICENSE FEES: Off Sale \$ 0.00 On Sale \$ 100.00 Sunday \$ 0.00

By signing this renewal application, applicant certifies that there has been no change in ownership on the above named licensee. For changes in ownership, the licensee named above, or for new licensees, full applications should be used. See back of this application for further information needed to complete this renewal.

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Licensee has attached a liquor liability insurance certificate that corresponds with the license period in city/county where license is issued. \$100,000 in cash or securities or \$100,000 surety bond may be submitted in lieu of liquor liability. (3.2% liquor licenses are exempt if sales are less than \$25,000 at on sale, or \$50,000 at off sale).

Licensee Signature M. Harris DOB 11/30/82 SS# 468151559 Date 11/28/11
(Signature certifies all above information to be correct and license has been approved by city/county.)

City Clerk/County Auditor Signature _____ Date _____
(Signature certifies that renewal of a liquor, wine or club license has been approved by the city/county as stated above.)

County Attorney Signature _____ Date _____
County Board issued licenses only (Signature certifies licensee is eligible for license).

Police/Sheriff Signature _____ Date _____
(Signature certifies licensee or associates have not been cited during the past five years for any state/local liquor law violations (criminal/civil). Report violations on back, then sign here.)



BEER LICENSE APPLICATION WINDOM

Name of Applicant: River City Eatery (Mari Harries)

Home Address: 1224 3rd Ave Windom, MN 56101

Business in connection with which the proposed license will operate:

River City Eatery

Address of Business: 344 10th St.

Minnesota Tax ID #: 2136121

Applicant is Owner, Operator

Name and address of Manager (if applicable) Mari Harries

** Annual Beer Sales Amount \$3,000

License fee of \$100.00 must accompany this application.

I, the applicant, state that all statements in this application are true and correct. I hereby acknowledge that I am in receipt of Chapter 5 of the Windom City Code detailing license requirements.

Signed: M Harries

Date: 11/22/11

** If annual beer sales exceed \$10,000 a certificate of insurance must be submitted with application to the City Clerk (see Section 5.11 Windom City Code)

Report of Investigation: _____

Approved by the City Council _____





Minnesota Department of Public Safety

Alcohol and Gambling Enforcement

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St. Paul, MN 55101

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Permit 11231
VISA
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CK 7114

RENEWAL OF LIQUOR, WINE, CLUB OR 3.2% LICENSES

No license will be approved or released until the \$20 Retailer ID Card fee is received by MN Liquor Control • (3.2% Licenses exempt)

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License Code MWN0NSL License Period Ending 12/31/2011 ID# 32297
City/County where license approved. Window

Licensee Name B & T Systems LLC
Trade Name Happy Chef Window
Licensed Location address 745 2nd Ave
City, State, Zip Code Window, MN 56101
Business Phone 507/831-1573

LICENSE FEES: Off Sale \$ 0.00 On Sale \$ 150.00 Sunday \$ 0.00

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6. Licensee confirms that Workers Compensation insurance will be kept in effect during the license period.

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Licensee Signature Bradley R. Chute DOB 03/23/78 SS# 477 94 5065 Date 11/17/11
(Signature certifies all above information to be correct and license has been approved by city/county.)

City Clerk/County Auditor Signature _____ Date _____
(Signature certifies that renewal of a liquor, wine or club license has been approved by the city/county as stated above.)

County Attorney Signature _____ Date _____
County Board issued licenses only (Signature certifies licensee is eligible for license).

Police/Sheriff Signature Scott Peterson, Chief Date 11/28/11
(Signature certifies licensee or associates have not been cited during the past five years for any state/local liquor law violations (criminal/civil). Report violations on back, then sign here.)



BEER LICENSE APPLICATION WINDOM

Name of Applicant: B&T Systems LLC. / Happy Chef Windom
Bradley Chester

Home Address: 668 Collins Avenue Windom, MN 56101

Business in connection with which the proposed license will operate:

Happy Chef Windom

Address of Business: 945 2nd Avenue Windom, MN 56101

Minnesota Tax ID #: 9608829

Applicant is (Owner) (Operator)

Name and address of Manager (if applicable) Same

** Annual Beer Sales Amount \$395.50

License fee of \$100.00 must accompany this application.

I, the applicant, state that all statements in this application are true and correct. I hereby acknowledge that I am in receipt of Chapter 5 of the Windom City Code detailing license requirements.

Signed: Bradley R. Chester

Date: 11/17/11

** If annual beer sales exceed \$10,000 a certificate of insurance must be submitted with application to the City Clerk (see Section 5.11 Windom City Code)

Report of Investigation: _____

Approved by the City Council _____





Minnesota Department of Public Safety

Alcohol and Gambling Enforcement

444 Cedar Street, Suite 222

St. Paul, MN 55101

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RENEWAL OF LIQUOR, WINE, CLUB OR 3.2% LICENSES

No license will be approved or released until the \$20 Retailer ID Card fee is received by MN Liquor Control • (3.2% Licenses exempt)

Licensee: Please verify your license information contained below. Make corrections if necessary and sign. City Clerk/County Auditor should submit this signed renewal with completed license and licensee liquor liability for the new license period. **City Clerk/County Auditor are also required by M.S. 340A.404 S. 3 to report any license cancellation.**

License Code 3.20N55 License Period Ending 12/31/2011 ID# 32966
City/County where license approved. Windom

Licensee Name B & T Systems LLC
Trade Name Happy Chef Windom
Licensed Location address 745 2nd Ave
City, State, Zip Code Windom, MN 56101
Business Phone 507/831-1573

LICENSE FEES: Off Sale \$ 0.00 On Sale \$ 100.00 Sunday \$ 0.00

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Licensee Signature Bruce R. Chertis DOB 03/27/78 SS# 477 945 065 Date 11/17/11
(Signature certifies all above information to be correct and license has been approved by city/county.)

City Clerk/County Auditor Signature _____ Date _____
(Signature certifies that renewal of a liquor, wine or club license has been approved by the city/county as stated above.)

County Attorney Signature _____ Date _____
County Board issued licenses only (Signature certifies licensee is eligible for license).

Police/Sheriff Signature Scott Peters, Chief Date 11/28/11
(Signature certifies licensee or associates have not been cited during the past five years for any state/local liquor law violations (criminal/civil). Report violations on back, then sign here.)



Minnesota Department of Public Safety

Alcohol and Gambling Enforcement

444 Cedar Street, Suite 222

St. Paul, MN 55101

651-201-7507 • TTY 651-282-6555 • Fax 651-297-5259



Paid 11/18/11
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RENEWAL OF LIQUOR, WINE, CLUB OR 3.2% LICENSES

No license will be approved or released until the \$20 Retailer ID Card fee is received by MN Liquor Control • (3.2% Licenses exempt)

Licensee: Please verify your license information contained below. Make corrections if necessary and sign. City Clerk/County Auditor should submit this signed renewal with completed license and licensee liquor liability for the new license period. **City Clerk/County Auditor are also required by M.S. 340A.404 S. 3 to report any license cancellation.**

License Code MWNONSL License Period Ending 12/31/2011 ID# 8682
City/County where license approved. Windom

Licensee Name Zhou, Yi-Xiang
Trade Name China Restaurant
Licensed Location address 302 10th St
City, State, Zip Code Windom, MN 56101
Business Phone 507/831-5998

LICENSE FEES: Off Sale \$ 0.00 On Sale \$ 150.00 Sunday \$ 0.00

By signing this renewal application, applicant certifies that there has been no change in ownership on the above named licensee. For changes in ownership, the licensee named above, or for new licensees, full applications should be used. See back of this application for further information needed to complete this renewal.

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6. Licensee confirms that Workers Compensation insurance will be kept in effect during the license period.

Licensee has attached a liquor liability insurance certificate that corresponds with the license period in city/county where license is issued. \$100,000 in cash or securities or \$100,000 surety bond may be submitted in lieu of liquor liability. (3.2% liquor licenses are exempt if sales are less than \$25,000 at on sale, or \$50,000 at off sale).

Licensee Signature Yi Xiang Zhou DOB 9/30/1954 SS# 197722071 Date 11/7/11
(Signature certifies all above information to be correct and license has been approved by city/county.)

City Clerk/County Auditor Signature _____ Date _____
(Signature certifies that renewal of a liquor, wine or club license has been approved by the city/county as stated above.)

County Attorney Signature _____ Date _____
County Board issued licenses only (Signature certifies licensee is eligible for license).

Police/Sheriff Signature Scott Peterson, Chief Date 11/28/11
(Signature certifies licensee or associates have not been cited during the past five years for any state/local liquor law violations (criminal/civil). Report violations on back, then sign here.)



BEER LICENSE APPLICATION

Name of Applicant: Yi Xiang Zhou

Home Address: 302 10th ST.

Business in connection with which the proposed license will operate:

Address of Business: 302 10th ST.

Minnesota Tax ID #: 4867817

Applicant is (Owner), (Operator)

Name and address of Manager (if applicable) 302 10th ST.

** Annual Beer Sales Amount less than 1000.00 (one thousand)

License fee of \$100.00 must accompany this application.

I, the applicant, state that all statements in this application are true and correct. I hereby acknowledge that I am in receipt of Chapter 5 of the Windom City Code detailing license requirements.

Signed: Yi Xiang Zhou

Date: 11/7/11

** If annual beer sales exceed \$10,000 a certificate of insurance must be submitted with application to the City Clerk (see Section 5.11 Windom City Code)

Report of Investigation: _____

Approved by the City Council _____





Minnesota Department of Public Safety
Alcohol and Gambling Enforcement Division (AGED)
 444 Cedar Street, Suite 133, St. Paul, MN 55101-5133
 Telephone 651-201-7507 Fax 651-297-5259 TTY 651-282-6555

Certification of an On Sale Liquor License, 3.2% Liquor license, or Sunday Liquor License

Cities and Counties: You are required by law to complete and sign this form to certify the issuance of the following liquor license types:
 1) City issued on sale intoxicating and Sunday liquor licenses
 2) City and County issued 3.2% on and off sale malt liquor licenses

Name of City or County Issuing Liquor License Windom License Period From: 11/1/2012 To: 12/31/2012

Circle One: New License License Transfer _____ Suspension Revocation Cancel _____
 (former licensee name) (Give dates)

License type: (circle all that apply) On Sale Intoxicating Sunday Liquor 3.2% On sale 3.2% Off Sale

Fee(s): On Sale License fee: \$ _____ Sunday License fee: \$ _____ 3.2% On Sale fee: \$ 100.03 3.2% Off Sale fee: \$ _____

Licensee Name: Zhou, Yi-Xiang DOB 9/30/1954 Social Security # 197722071
China Restaurant
 (corporation, partnership, LLC, or Individual)

Business Trade Name China Restaurant Business Address 302 10th St City Windom

Zip Code MN County Cottonwood Business Phone 507-831-5998 Home Phone _____

Home Address 302 10th Street City Windom Licensee's MN Tax ID # 4867817
 (To Apply call 651-296-6181)

Licensee's Federal Tax ID # 41-197-3711
 (To apply call IRS 800-829-4933)

If above named licensee is a corporation, partnership, or LLC, complete the following for each partner/officer:

Partner/Officer Name (First Middle Last)	DOB	Social Security #	Home Address
(Partner/Officer Name (First Middle Last))	DOB	Social Security #	Home Address
Partner/Officer Name (First Middle Last)	DOB	Social Security #	Home Address

Intoxicating liquor licensees must attach a certificate of Liquor Liability Insurance to this form. The insurance certificate must contain all of the following:

- 1) Show the exact licensee name (corporation, partnership, LLC, etc) and business address as shown on the license.
- 2) Cover completely the license period set by the local city or county licensing authority as shown on the license.

Circle One: (Yes No) During the past year has a summons been issued to the licensee under the Civil Liquor Liability Law?

Workers Compensation Insurance is also required by all licensees: Please complete the following:

Workers Compensation Insurance Company Name: _____ Policy # _____

I Certify that this license(s) has been approved in an official meeting by the governing body of the city or county.

City Clerk or County Auditor Signature _____ Date _____

(title)

On Sale Intoxicating liquor licensees must also purchase a \$20 Retailer Buyers Card. To obtain the application for the Buyers Card, please call 651-215-6209, or visit our website at www.dps.state.mn.us.

RESOLUTION #2011-

INTRODUCED:

SECONDED:

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

AUTHORIZATION TO ACCEPT A DONATION FROM WINDOM YOUTH HOCKEY ASSOCIATION FOR THE WINDOM ARENA

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

WHEREAS, Windom Youth Hockey Association is a supporter of the City of Windom and the Windom Arena; and

WHEREAS, the City of Windom has received a donation of hockey boards and glass from the Windom Youth Hockey Association. The value of the hockey equipment is \$12,000.00; and

WHEREAS, the City of Windom has received a donation of \$4,000.00 cash from the Windom Youth Hockey Association; and

WHEREAS, the donor requests that the Arena use the donation for whatever purpose the Arena Director and Parks and Recreation Commission see fit.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF WINDOM, MINNESOTA, that the City Council hereby accepts the donation of cash and the hockey boards and glass valued at \$16,000.00 given by Windom Youth Hockey Association for use as set forth herein.

Adopted by the Council this 20th day of December, 2011.

Kirby G. Kruse, Mayor

Attest: _____
Steven Nasby, City Administrator

RESOLUTION #2011 -

INTRODUCED:

SECONDED:

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

**RESOLUTION ENCOURAGING FISCAL RESPONSIBILITY AND
PRIORITIZATION BY THE STATE OF MINNESOTA**

WHEREAS, the City of Windom City Council is committed to the best interests of the citizens of Windom and State of Minnesota; and

WHEREAS, a combination of a poor economy, increased State spending and declining state revenues have caused crippling budget deficits topping \$5 billion and forcing cuts to essential services such as local government aid, education and infrastructure maintenance; and

WHEREAS, the decisions of the State legislature and Governor have caused property taxes, income taxes and fees on commercial, industrial, agricultural and residential properties and the public to continue to rise; and

WHEREAS, the City of Windom City Council encourages the Governor, legislators and state agencies to prioritize the needs of State government and to eliminate unnecessary spending; and

WHEREAS, it is in the best interests of the citizens of the State of Minnesota, at this time, to stop funding non-essential programs and projects during times of financial hardship such as the Des Moines River Valley State Trail.

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS:

The City Council of Windom Minnesota, on behalf of the citizens of Windom, encourages the State of Minnesota to engage in fiscal responsibility.

ADOPTED this 20th day of December, 2011.

Kirby G. Kruse, Mayor

ATTEST: _____
Steve Nasby, City Administrator

RESOLUTION #2011 -

INTRODUCED:

SECONDED:

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

**RESOLUTION DISCOURAGING THE USE OF EMINENT DOMAIN FOR THE
CONSTRUCTION OF THE DES MOINES RIVER VALLEY STATE TRAIL**

WHEREAS, the City of Windom is committed to the best interests of the citizens of Windom and State of Minnesota; and

WHEREAS, the power of eminent domain is granted to units of government to acquire property when the general benefit of the public, as a whole, far exceeds the detriment and is necessary and compelling for the public good; and

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS:

1. The City of Windom City Council is not in favor of the use of eminent domain by local government, county government or State government for the acquisition of land for recreational trails; and
2. The City of Windom City Council encourages the State of Minnesota and Department of Natural Resources to reject land acquired by eminent domain for recreational trails; and
3. The City of Windom City Council requests that the Department of Natural Resources amend the master plan for the Des Moines River Valley State Trail to include language stating that it will not build or connect to any trail on any lands acquired through eminent domain.

ADOPTED this 20th day of December, 2011.

Kirby G. Kruse, Mayor

ATTEST: _____
Steve Nasby, City Administrator

MEMORANDUM



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

TO: City Council
FROM: Personnel Committee
DATE: December 19, 2011
RE: Recommendations for City Council Consideration

The Personnel Committee met on December 7, 2011 to discuss step increases for eligible employees in the Police Department, creation of an employee recognition program and the supervisory pay plan. The following is a brief description of each item and the Committee's recommendation.

Police Department Step Increases

The Police Department has two employees eligible for step increases. One employee has completed one year of service and the other has completed two years of service. Chief Peterson has evaluated these employees and is recommending four step adjustments for both officers based upon their performance and past practice due to the local labor market for law enforcement. **Both Chief Peterson and the Personnel Committee are recommending that Officer Hillsheim be moved from Step 5 to Step 9 and that Officer Partlow be moved from Step 1 to Step 5. The new pay rates would become effective on the anniversary of their hiring dates.**

Employee Recognition Program

During the long range planning discussions one idea was to create a formal Employee Recognition Program to thank City employees for their work and dedication to the City and to also recognize long-term employees for their service. The rules and regulations for Employee Recognition Programs are strict. Attached is language from the Secretary of State and Minnesota League of Cities which were used to guide the development of the proposed Employee Recognition Program.

The proposed Employee Recognition Program is also being shared with the two labor unions that represent City employees as it relates to overall compensation. At this time we have not had any response to the proposal, but will work with the unions if there are issues that require attention.

The Personnel Committee is recommending approval of \$2,500 for this program, so it is included in our 2012 budget, and tentative approval of the proposed Employee Recognition Program.

Supervisory Pay Plan

Both of the union contracts were approved at the December 6, 2011 City Council meeting that called for a 1% general wage increase each year for 2012, 2013 & 2014. **The Personnel Committee is recommending that the same 1% general wage increase for each year be provided to Supervisory employees for 2012, 2013 & 2014.** Attached is the Supervisory Pay plan with the proposed wage scale.

City of Windom Employee Recognition Program

The City Council believes it is important to recognize employees for their service to the citizens of Windom through an employee recognition program. Minnesota Statute 15.46 gives the City authority for an employee recognition program. Said program is herein adopted as part of the City's compensation for its employees. Effective January 1, 2012, City employees (full-time and permanent part-time), paid-on-call fire fighters and EMTs achieving five (5) or more years of service, will receive a recognition award to thank and honor them for their service to the City and its citizens. Initial awards will recognize eligible employees at their highest year of service completed according to the schedule herein.

Objective

1. At an Annual Employee Appreciation event, employees will be recognized for their years of service to the City of Windom and its citizens. The Annual Employee Appreciation event will be held the second quarter of each calendar year.
2. Milestone anniversaries are five year, ten year, fifteen year, twenty year, twenty-five year, and each five year increment beyond.
3. All non-temporary City Employees (full-time, permanent part-time), paid-on-call fire fighters and EMTs are eligible for this recognition program.

4. Awards shall be as follows:

Five (5) Year Service Anniversary:

- a. A certificate recognizing years of services
- b. A City logo coffee cup.

Ten (10) Year Service Anniversary:

- a. A certificate recognizing years of services
- b. A City logo shirt or gift certificate or equivalent (approximately a \$25.00 value).

Fifteen (15) Year Service Anniversary:

- a. A certificate recognizing years of services
- b. Pen & Pencil Set, gift certificate or equivalent (approximately a \$40.00 value). The pen & pencil set will be engraved with the City name.

Twenty (20) Year Service Anniversary:

- a. A Certificate recognizing years of services
- b. Plaque, Desk clock, gift certificate or equivalent (approximately a \$50.00 value). The desk clock will be engraved with the City name.

Twenty Five (25) Year Service Anniversary:

- a. A Certificate recognizing years of services
- b. Watch, gift certificate or equivalent (approximately a \$75.00 value). The watch will be engraved with the City name.

Thirty (30) Year Service Anniversary:

- a. A Certificate recognizing years of services
- b. Gift certificate or equivalent (\$100.00 value).

Thirty Five (35) and Forty (40) Year Service Anniversary:

- a. A Certificate recognizing years of services
- b. Gift certificate or equivalent (\$125.00 value).

Gift Criteria

Any tangible personal property given to an employee as a length-of-service award is excluded from Federal and State tax laws. Cash awards or cash equivalent awards, such as gift certificates, vacation vouchers, tickets to theater or sporting events are subject to Federal and State taxes. Additional information can be found in IRS Publication 535.

Annual Employee Appreciation Event

Once each year, all City employees will be invited to attend an Annual Employee Appreciation event. This event will be sponsored by the city and will provide an opportunity to recognize employees for their years of service award. The event will also provide an opportunity for the City Council to express appreciation and recognition to all City employees for their dedication and hard work throughout the year. Budget for this event shall not exceed \$2,500, unless specifically authorized by the City Council.

According to State rules and guidance from the State Auditor's Office, the City of Windom cannot use public funds to pay for spouses or third parties to attend the recognition event and expenditure of public funds to purchase alcohol is not permitted.

Employee Retirements

Employees may also be recognized for significant years of service at the time of their retirement with a Resolution of Appreciation from the City Council.

Any separate employee event, if desired, will be coordinated by the Department in which the employee worked and in accordance with the retiree's wishes. The retiring employee will notify their Department Head of their anticipated retirement date and the type of celebration, if desired. Employees attending and/or coordinating the retirement event will be responsible for its cost.



REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
state.auditor@state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

Statement of Position Employee Recognition Programs and Events

Local units of government often ask whether they can spend money to hold holiday parties, employee banquets or other employee social events. These questions appear to be motivated by a desire to celebrate a holiday or significant event in an employee's life or to generally boost morale in the workplace. Important limitations exist on the use of public funds for employee social and recognition events.

The key question is whether a local government has legal authority for this type of spending. Generally, in order to spend money, a local government must have authority to do so. Authority for an expenditure may be specifically stated in a statute or charter, or it may be implied as necessary to do what an express power authorizes.

The Minnesota Attorney General's Office has considered the issue several times and has consistently said that local governments do not have implied authority to sponsor employee social events simply because they have the express power to compensate employees.

Instead, the Attorney General's position is that non-monetary benefits must be specifically authorized by law or charter. Based on this rationale, the Attorney General's Office wrote to the Champlin city attorney in 1998, indicating that no statutory authority existed for a city to hold an annual employee appreciation dinner or to award employee recognition gifts to employees. The Attorney General's Office stated: "[W]hile an agreed upon monetary bonus might be provided as part of a salary plan to employees who meet performance or longevity standards, we are at a loss to locate authority for expenditures of funds for in-kind awards or social occasions of the type described."

Limited Statutory Authority Granted to Counties and Cities

Counties and cities do have specific authority for a wellness and employee recognition program under Minn. Stat. § 15.46. This statute states that a county or a statutory or home rule charter city "may establish and operate a program of preventive health and employee recognition services for its employees and may provide necessary staff, equipment, and facilities and may expend funds as necessary to achieve the objectives of the program." Cities were added to the statute in 2007. This statute does not currently extend to other local units of government.

Reviewed: March 2011
Revised: March 2011

2007-1006

This Statement of Position is not legal advice and is subject to revision.

Properly established programs should be in writing and approved by the county board or city council. They should include clear wellness and recognition objectives. The county board or city council must determine what amounts can be expended as “necessary to achieve the objectives of the program.”

The Office of the State Auditor, in reviewing county or city expenditures for wellness and employee recognition programs, will be guided by what is permitted and what is prohibited for state employees. Counties and cities cannot simply provide employee banquets or parties for all employees. County and city funds can be spent only as necessary to achieve the objectives of an established wellness and employee recognition program. The public entity may not pay for spouses or third parties to attend a recognition event. In addition, expenditure of public funds to purchase alcohol is not permitted.

Towns Have Specific Statutory Authority Regarding Volunteers and Retiring Officers

Towns are not mentioned in section 15.46. However, the 2008 Legislature granted town electors the authority to set an amount of money for the town board to spend recognizing “volunteers, service efforts and retiring town officers.” The statute specifically requires the electors to set the amount of money to be spent on these recognitions. Absent such a vote by the electors at an annual or special meeting, towns do not have authority to hold volunteers or retiring officers recognition events.

School Districts Have Separate Specific Authority

A school board may establish and operate an employee recognition program for district employees, including teachers, and may expend funds as necessary to achieve the objectives of the program. The employee recognition program shall not include monetary awards.¹

¹ See Minn. Stat. §123B.02, subd. 14a.

RELEVANT LINKS:

Minnesota Statutes 471.61
 General Counsel Memo to Cities
 Minnesota Statutes 412.111

IV. OTHER EMPLOYEE BENEFITS, EVENTS & PROGRAMS

In the last decade or two, the definition of “employee benefit” has changed substantially. In addition to traditional benefits like health insurance and vacation, many employers have begun adding newer benefits such as child care assistance and tuition reimbursement. A city’s legal ability to add benefits not specifically authorized by statute has been called into question by the Office of the State Auditor (OSA). While the observations of the OSA should be carefully considered, they are generally of an advisory, not legally binding, nature. Before adding any new employee benefits expenditures that are not specifically authorized by statute, the city should review the twofold test for validity. First, there must be a public purpose for the expenditure and second, there must be specific or implied authority for the expenditure found in statute or a city’s charter. The League of Minnesota Cities addresses these issues in a 2002 memo to all City Managers, Administrators and Clerks. To review this memo, click on the link to the left.

A. Service Credit

Some benefit programs are based on an employee’s length of service with the city. Although length of service sounds relatively easy to calculate, it actually can be quite difficult. This is especially true if the city does not have any guidance about what constitutes “service credit” and what does not. Ideally, the city should define service credit in its personnel policy and use that definition consistently across all programs and policies. Sometimes, however, the city’s union contract or a state or federal law will impact how service credit is to be calculated.

HR Reference Manual - Personnel Policies Chapter

Ideally, the city’s personnel policy should address certain questions with regard to service credit and how it is calculated. The HR Reference Manual chapter on Personnel Policies lists some items that a city should cover with regard to service credit calculation (click on the link to the left).

29CFR825.825.215 - What is an equivalent position?

Under certain circumstances, time spent on leave covered by the Family and Medical Leave Act (FMLA) must be counted for purposes of service credit. Qualified military leave for training or active duty also must be counted in many circumstances. These laws are complex and change frequently; the city should consult with an attorney if it is considering denying service credit for time spent on FMLA or military leave.

B. Employee Recognition Awards & Employee Social Events

Minnesota Statutes 43A.17

The League has historically taken the position that cities can sponsor and pay for employee recognition programs (including social events such as employee picnics or holiday parties) if they are structured so that they constitute part of an overall employee compensation program. The Attorney General has taken a very narrow interpretation of the term “compensation” and has suggested that the term means only monetary compensation. However, common usage of the term and even the state’s Public Employee Compensation Statute seem to imply that compensation includes more than just money. Therefore, the city can probably make a good faith argument to support employee recognition programs and social events being a valid form of compensation. To support this argument, a city should:

RELEVANT LINKS:

- Take formal action to adopt a program, preferably well in advance of any actual expenditures, using language that specifies that the program is adopted as “additional compensation” for work performed by the employees; and
- Develop a well-thought out and modestly priced program that applies to all employees who meet certain conditions. For example, “all employees who reach 25 years of service will receive a plaque, thanking them for their dedicated years of service to the community.” Or, “all regular full-time and regular part-time employees will be invited to attend the City’s summer employee picnic to thank them for their work throughout the year.”

Each city council should decide whether it believes these types of employee benefits promote a public purpose and serve the best interests of the citizens of their community. With regard to the authority question, a compelling argument can be made that such expenditures are a natural incident of the employer/employee relationship and that authority for such expenditures is implied as part of the authority to hire, retain and compensate employees.

C. Child Care or Housing Assistance

Some cities provide employees with assistance in locating quality child care or housing in their community. This assistance may take the form of providing information, or paying for the cost of a “search service,” or actually helping to pay the cost of child care or housing. The same arguments with regard to public purpose expenditure and authority apply to these types of programs as discussed in the above section.

D. Credit Union

Many Minnesota cities affiliate with a local credit union as a benefit to their employees. The city’s participation generally takes the form of allowing payroll deductions for that credit union and supplying employees with information about how to join the credit union.

E. Tuition Reimbursement

Tuition reimbursement is another common benefit offered by many Minnesota cities. This benefit usually takes the form of reimbursing an employee for a portion of the costs of college and graduate level courses that are related to the employee’s job with the city. Sometimes, the program allows for reimbursement of courses that relate to a promotional opportunity for the employee. These programs often stipulate that an employee must receive a passing grade or tie the percentage of reimbursement to specific grade levels (e.g., a “C” = 50% reimbursement; “B” = 75% reimbursement, etc.). Some cities require an employee to pay back the reimbursement if they do not remain with the city for a year or longer after completion of the course.

F. Memberships

Cities are authorized to spend funds for membership of the city in county, regional, state and national associations of a civic, educational or governmental nature “which have as their purpose the betterment and improvement” of city operations. The same statute also allows cities to pay the expenses associated with having city representatives attend and participate in meetings of these associations.



Memo

To: Mayor and City Council Members

From: Airport Commission

Date: 12/14/2011

Re: Recommendation to the City Council

The Airport Commission met on December 2nd and discussed hangar rental rates. The Commission agreed to recommend to the City Council to raise the hangar rental rates by \$10.00 per month for each unit.

The Airport Commission recommends that the City Council approve the recommendation and raise the hangar rental rates by \$10.00 per month for each unit, effective January 1, 2012.

RESOLUTION #2011-

INTRODUCED:

SECONDED:

VOTED: Aye:

Nay:

Absent:

CITY OF WINDOM

**RESOLUTION ESTABLISHING
RATES, CHARGES AND FEES FOR
WINDOM MUNICIPAL AIRPORT
SPECIAL REVENUE FUND**

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 Windom Airport Commission recommends to the Windom City Council to change the monthly rates for airport hangar units; 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, as follows:

Increase monthly hangar rental rates \$10.00 per month, effective January 1, 2012.

Adopted this 20th day of December, 2011.

Kirby G. Kruse, Mayor

ATTEST: _____
Steven Nasby, City Administrator

RESOLUTION #2011-

INTRODUCED:

SECONDED:

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

A RESOLUTION APPROVING 2011 TAX LEVY, COLLECTABLE IN 2012

BE IT RESOLVED, by the Council of the City of Windom, County of Cottonwood, Minnesota, that the following sums of money be levied for the current year, collectable in 2012 upon the taxable property in the City of Windom, for the following purposes:

Total Levy	\$1,606,467
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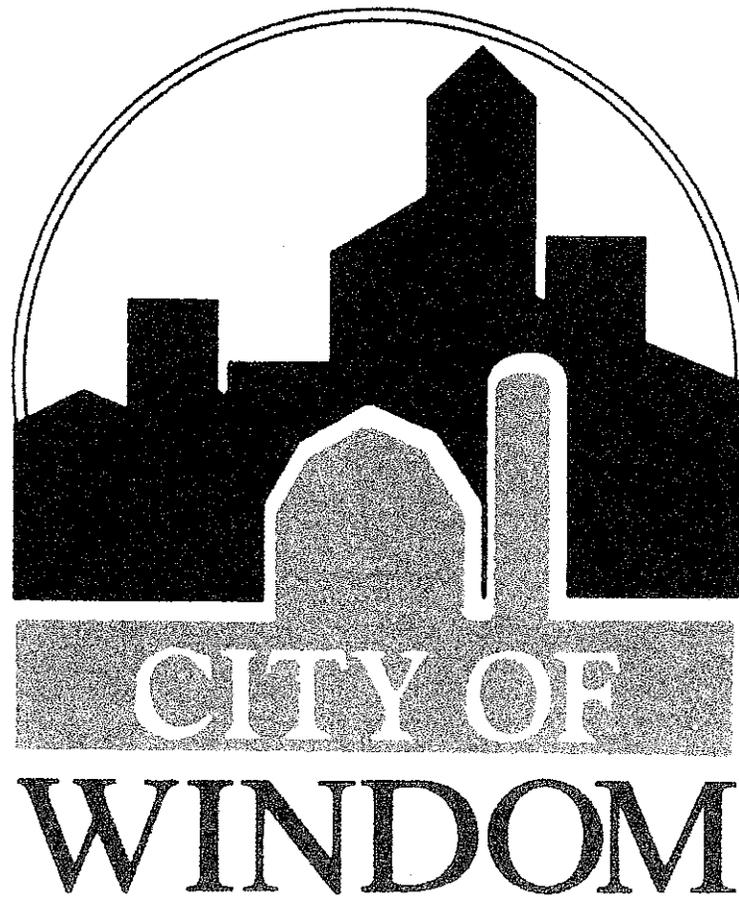
The City Administrator is hereby instructed to transmit a certified copy of this resolution to the County Auditor of Cottonwood County, Minnesota.

Adopted this 20th day of December, 2011.

Kirby G. Kruse, Mayor

Attest: _____
Steve Nasby, City Administrator

2012 BUDGET



CITY OF WINDOM
2012 Budget (includes all funds)

Revenue Sources

General Fund

LGA, Fees, Fines, Permits and Transfers	\$ 1,787,167
Tax Levy (Operations)	\$ 356,848
Tax Levy (Capital Outlay)	\$ 182,195
	<u>\$ 2,326,210</u>

Special Revenue Funds

User Fees	\$ 886,015
Tax Levy (Operations)	\$ 688,850
Tax Levy (Capital Outlay)	\$ 50,730
Ambulance Reserve Funds (Capital Outlay)	\$63,090
	<u>\$ 1,688,685</u>

Enterprise Funds

User Fees	\$ 11,906,671
Special Assessments *	\$ 33,828
	<u>\$ 11,940,499</u>

Debt Service

Special Assessments **	\$ 264,439
Tax Levy	\$ 262,441
	<u>\$ 526,880</u>

Special Projects

TIF Revenues & Revolving Loan Funds	\$ 402,089
-------------------------------------	------------

Grand Total

\$ 16,884,363

***Enterprise Fund Special Assessments**

\$611	Happy Chef
\$5,226	Sykora Addition
\$740	Johnson Auto
\$786	Staples
\$2,602	2009 Street Project
\$14,959	2007 Street Project
<u>\$8,904</u>	2005 Street Project
\$33,828	Sub-total

****General Fund Special Assessments**

\$241,167	Prior Year Projects
<u>\$23,272</u>	2009 Street Project
\$264,439	Sub-total

\$298,267 Total Special Assessments

CITY OF WINDOM
2012 Budget (includes all funds)

	Expenditures
General Fund Operations	\$ 2,144,015
Special Revenue Funds Operations*	\$ 1,412,825
Enterprise Funds Operations*	\$ 9,007,935
Debt Service (All Funds)	\$ 2,150,019
Capital Outlay (All Funds)	\$ 984,405
Miscellaneous Projects	<u>\$ 364,230</u>
Grand Total	\$ 16,063,429

* Does not include depreciation

Preliminary Budget

CITY OF WINDOM
2012 Tax Levy

	<u>Levy Uses</u>	<u>Percent Of Levy</u>
General Fund Operational	\$ 356,848	22.2%
General Fund Capital	\$ 166,420	10.4%
Pay loader Annual Payment #4 of 5	\$ 22,467	1.4%
Special Revenue Fund Operational	\$ 688,850	42.9%
Special Revenue Fund Debt Service & Capital	\$ 50,730	3.2%
<i>Sub Total</i>	<i>\$ 1,285,315</i>	
Street Shop - LMC Loan Payment #1 of 5	\$ 52,452	3.3%
18th Street Stormwater Project Payment #1 of 5	\$ 15,775	1.0%
Plus PERA Reimbursement	\$ 3,500	0.2%
Plus Debt Service*	\$ 262,441	16.3%
Less: Use of General Fund Reserves	\$ (13,016)	-0.8%
2012 Levy	\$ 1,606,467	100.0%

Levy Change from Prior Year 1.67%

<u>Debt Service Levy*</u>	
1994 Project Series #1 (River Road)	\$ 13,050
Equipment Bond - Dump/Snow Plow Truck	\$ 15,841
June Court Improvement Project	\$ 3,782
2003 Street Project	\$ 41,850
2005 Street Project	\$ 47,200
2007 Street Project	\$ 43,320
2009 Street Project	\$ 55,818
GO Equip - Telecom	\$ 41,580
Total	\$ 262,441

RESOLUTION #2011-

INTRODUCED:

SECONDED:

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

A RESOLUTION DESIGNATING GENERAL FUND BALANCE

WHEREAS, only limited revenues are received during the first six months of each budget year and as much as 50% of the expenses occur during that period of time; and

WHEREAS, a minimum level of cash is necessary to pay expenses during that first six months of each year; and

WHEREAS, a reasonable minimum General Fund balance is necessary to begin each budget year for the anticipated expenditures that will occur within the first six months.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Windom, County of Cottonwood, Minnesota, as follows: That the General Fund balance (as of 12/31/11) shall be designated for the purpose of meeting the financial obligations of the City for the upcoming years.

BE IT RESOLVED, that the Windom City Council may change this policy by adoption of resolution so stating.

Adopted this 20th day of December, 2011.

Kirby G. Kruse, Mayor

Attest: _____
Steve Nasby, City Administrator

CITY OF WINDOM
OFFICE OF CITY ATTORNEY
Daniel M. McDonald - City Attorney
Ronald J. Schramel - Ass't. City Attorney
P.O. Box 505
Windom, MN 56101

Phone (507) 831-1301
Fax (507) 831-4200

December 13, 2011

MAYOR KIRBY KRUSE
WINDOM CITY COUNCIL
PO BOX 38
WINDOM MN 56101

SENT VIA FACSIMILE TRANSMISSION ONLY - 831-6127

Dear Mayor and City Council:

This office is fortunate to have hired, as an associate attorney, Kristi Meyeraan, effective December 15, 2011. She will be assisting me on the various tasks of criminal prosecution and other matters. Because the position of city attorney is an appointed one, it is my request that you make that appointment at your December 20th meeting. If there are any questions whatsoever, do not hesitate to contact me. Thank you.

Very truly yours,



Daniel M. McDonald
Windom City Attorney

DMM:bsw

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount

CITY OFFICE	GLOBAL GOV'T/EDUCATI	HEAD SETS	193.98
CITY OFFICE	MII LIFE	VEBA	237.40
CITY OFFICE	NCPERS MINNESOTA	INSURANCE	80.00
CITY OFFICE	QUILL CORP	SUPPLIES	96.18
	Total for Department 103		607.56*
P & Z / BUILDING OFF	GLOBAL GOV'T/EDUCATI	HEAD SETS	193.98
P & Z / BUILDING OFF	Verizon Wireless	TELEPHONE	34.09
P & Z / BUILDING OFF	MII LIFE	VEBA	178.05
P & Z / BUILDING OFF	NCPERS MINNESOTA	INSURANCE	24.00
P & Z / BUILDING OFF	VET'S WHOA N'GO	GAS	101.38
P & Z / BUILDING OFF	ICC (ATTN: REGISTRAR	REGISTRATION	655.00
	Total for Department 106		1,186.50*
CITY HALL	SANDRA HERDER	CLEANING	315.15
CITY HALL	JOE'S LAWN CARE	BOILER INSPECTION	56.25
CITY HALL	JAY KUEHL	SNOW REMOVAL	30.00
CITY HALL	MELISSA PENAS	CLEANING	315.15
	Total for Department 115		716.55*
POLICE	Verizon Wireless	TELEPHONE	473.60
POLICE	MII LIFE	VEBA	1,901.16
POLICE	NCPERS MINNESOTA	INSURANCE	144.00
POLICE	VET'S WHOA N'GO	GAS	263.30
POLICE	VOYAGER FLEET SERVIC	GAS	375.04
	Total for Department 120		3,157.10*
FIRE DEPARTMENT	Verizon Wireless	TELEPHONE	34.09
FIRE DEPARTMENT	VET'S WHOA N'GO	GAS	1,077.03
FIRE DEPARTMENT	VOYAGER FLEET SERVIC	GAS	37.25
	Total for Department 125		1,148.37*
STREET	Verizon Wireless	TELEPHONE	40.98
STREET	MII LIFE	VEBA	1,069.42
STREET	NCPERS MINNESOTA	ERROR BILLING	-32.00
STREET	NCPERS MINNESOTA	INSURANCE	80.00
STREET	SANFORD LABORATORIES	TESTING	36.96
STREET	VET'S WHOA N'GO	GAS	110.54
STREET	VOYAGER FLEET SERVIC	GAS	239.65
	Total for Department 140		1,545.55*
PARKS	MII LIFE	VEBA	118.70
PARKS	NCPERS MINNESOTA	INSURANCE	16.00
	Total for Department 165		134.70*
	Total for Fund 01		8,496.33*
SEH		18TH AVE STORM WATER PRO	2,323.72
	Total for Department		2,323.72*
	Total for Fund 02		2,323.72*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
LIBRARY	SANDRA HERDER	CLEANING	343.80
LIBRARY	JOAN HUNTER	POSTAGE	46.70
LIBRARY	JOE'S LAWN CARE	BOILER INSPECTION	56.25
LIBRARY	JAY KUEHL	SNOW REMOVAL	30.00
LIBRARY	MELISSA PENAS	CLEANING	343.80
	Total for Department 171		820.55*
	Total for Fund 03		820.55*
AIRPORT	RED ROCK RURAL WATER	WATER	24.00
AIRPORT	SO. CENTRAL ELECTRIC	POWER COST	366.08
AIRPORT	ON-SITE FABRICATTION	HANGAR DOOR REPAIR	24,478.60
AIRPORT	WESTMOR INDUSTRIES,	MAINTENANCE	2,379.00
	Total for Department 174		27,247.68*
	Total for Fund 11		27,247.68*
AMBULANCE	MELVIN KING	REFUND - AMBULANCE	88.65
	Total for Department 176		88.65*
	Total for Fund 13		88.65*
MULTI-PURPOSE BUILDI	Verizon Wireless	TELEPHONE	34.09
MULTI-PURPOSE BUILDI	MII LIFE	VEBA	356.38
MULTI-PURPOSE BUILDI	NCPERS MINNESOTA	INSURANCE	32.00
MULTI-PURPOSE BUILDI	VOYAGER FLEET SERVIC	GAS	95.81
	Total for Department 177		518.28*
	Total for Fund 14		518.28*
N IND PARK	SO. CENTRAL ELECTRIC	POWER COST	51.18
	Total for Department 147		51.18*
	Total for Fund 18		51.18*
LIQUOR	BEVERAGE WHOLESALERS	MERCHANDISE	10,192.52
LIQUOR	WIRTZ BEVERAGE MN WI	MERCHANDISE	2,254.83
LIQUOR	HAGEN DISTRIBUTING	MERCHANDISE	14,619.60
LIQUOR	A H HERMEL CANDY & T	MERCHANDISE	710.62
LIQUOR	JOHNSON BROS.	MERCHANDISE	3,110.69
LIQUOR	MII LIFE	VEBA	475.36
LIQUOR	NCPERS MINNESOTA	INSURANCE	32.00
LIQUOR	QUALITY WINE SPIRITS	MERCHANDISE	5,372.98
LIQUOR	SOUTHERN WINE & SPIR	MERCHANDISE	326.68
	Total for Department 180		37,095.28*
	Total for Fund 60		37,095.28*
WATER	GODFATHER'S PIZZA	EXPENSE	13.97
WATER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	164.59

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
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WATER	Verizon Wireless	TELEPHONE	56.88
WATER	MII LIFE	VEBA	742.73
WATER	NCPERS MINNESOTA	INSURANCE	40.00
WATER	VET'S WHOA N'GO	GAS	254.51
WATER	VOYAGER FLEET SERVIC	GAS	426.79
	Total for Department 181		1,699.47*
	Total for Fund 61		1,699.47*
	ELECTRIC FUND	REFUND-UT PREPAY-CHRIS G	300.00
	ELECTRIC FUND	REFUND-UT PREPAY-OS MORE	212.83
	OSCAR MORELOS	REFUND-UT PREPAYMENT	87.17
	Total for Department		600.00*
ELECTRIC	GODFATHER'S PIZZA	EXPENSE	13.98
ELECTRIC	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	164.59
ELECTRIC	Verizon Wireless	TELEPHONE	39.43
ELECTRIC	MII LIFE	VEBA	1,336.63
ELECTRIC	NCPERS MINNESOTA	INSURANCE	96.00
ELECTRIC	SANFORD LABORATORIES	TESTING	36.96
ELECTRIC	BRAD BUSSA	CLEANING	184.60
ELECTRIC	VET'S WHOA N'GO	GAS	112.61
ELECTRIC	VOYAGER FLEET SERVIC	GAS	71.15
ELECTRIC	DAVID BLACKSTAD	ENERGY REBATE	50.00
ELECTRIC	MARI BYAM	ENERGY REBATE	50.00
ELECTRIC	KATIA HERNANDEZ	ENERGY REBATE	50.00
ELECTRIC	MARK LILLEGAARD	ENERGY REBATE	35.00
ELECTRIC	CAROLYN TORKELOSON	ENERGY REBATE	50.00
ELECTRIC	REBECCA TSCHETTER	ENERGY REBATE	25.00
	Total for Department 182		2,315.95*
	Total for Fund 62		2,915.95*
SEWER	GODFATHER'S PIZZA	EXPENSE	13.97
SEWER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	164.58
SEWER	Verizon Wireless	TELEPHONE	56.88
SEWER	MII LIFE	VEBA	861.41
SEWER	NCPERS MINNESOTA	ERROR BILLING	-16.00
SEWER	NCPERS MINNESOTA	INSURANCE	72.00
SEWER	P.M. REPAIR & DETAIL	TIRE CHANGING MACHINE	50.28
	Total for Department 183		1,203.12*
	Total for Fund 63		1,203.12*
ARENA	COCA-COLA BOTTLING C	MERCHANDISE	535.90
ARENA	Verizon Wireless	TELEPHONE	68.52
ARENA	MII LIFE	VEBA	475.36
ARENA	NCPERS MINNESOTA	INSURANCE	32.00
	Total for Department 184		1,111.78*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
Total for Fund 64			1,111.78*
ECONOMIC DEVELOPMENT	MII LIFE	VEBA	297.03
ECONOMIC DEVELOPMENT	NCPERS MINNESOTA	INSURANCE	24.00
Total for Department 187			321.03*
Total for Fund 67			321.03*
	MN 9-1-1 PROGRAM	911 SERVICE	1,022.02
Total for Department			1,022.02*
TELECOMMUNICATIONS	B B C AMERICA	SUBSCRIBER	20.73
TELECOMMUNICATIONS	COMCAST MEDIA CENTER	SUBSCRIBER	23.10
TELECOMMUNICATIONS	DISCOVERY DIGITAL NE	SUBSCRIBER	37.48
TELECOMMUNICATIONS	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	493.74
TELECOMMUNICATIONS	HUB TELEVISION NETWO	SUBSCRIBER	9.37
TELECOMMUNICATIONS	KARE	SUBSCRIBER	488.00
TELECOMMUNICATIONS	LIFETIME	SUBSCRIBER	683.20
TELECOMMUNICATIONS	LIFETIME MOVIE NETWO	SUBSCRIBER	30.00
TELECOMMUNICATIONS	Verizon Wireless	TELEPHONE	246.92
TELECOMMUNICATIONS	MII LIFE	VEBA	861.27
TELECOMMUNICATIONS	NCPERS MINNESOTA	INSURANCE	64.00
TELECOMMUNICATIONS	OWN	SUBSCRIBER	19.88
TELECOMMUNICATIONS	SHOWTIME NETWORKS IN	SUBSCRIBER	303.60
TELECOMMUNICATIONS	VOYAGER FLEET SERVIC	GAS	269.85
Total for Department 199			3,551.14*
Total for Fund 69			4,573.16*
	NCPERS MINNESOTA	INSURANCE	32.00
Total for Department			32.00*
Total for Fund 70			32.00*
Grand Total			88,498.18*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
CITY OFFICE	DAVIS TYPEWRITER	SUPPLIES	106.02
CITY OFFICE	ELECTRIC FUND	UTILITIES	206.71
	Total for Department 103		312.73*
P & Z / BUILDING OFF	ELECTRIC FUND	MAINTENANCE	15.78
P & Z / BUILDING OFF	ELECTRIC FUND	UTILITIES	49.07
	Total for Department 106		64.85*
CITY HALL	ELECTRIC FUND	UTILITIES	403.79
	Total for Department 115		403.79*
POLICE	ELECTRIC FUND	UTILITIES	68.56
POLICE	WATONWAN COUNTY	MAINTENANCE	78.64
	Total for Department 120		147.20*
FIRE DEPARTMENT	ELECTRIC FUND	UTILITIES	27.79
FIRE DEPARTMENT	CENTURY LINK	TELEPHONE	58.86
	Total for Department 125		86.65*
STREET	ELECTRIC FUND	MAINTENANCE	122.03
STREET	ELECTRIC FUND	UTILITIES	2,794.85
STREET	ERICKSON OIL CO	GAS	160.14
STREET	KOLANDER TREE SERVIC	STUMP REMOVAL	1,923.75
STREET	CENTURY LINK	TELEPHONE	58.86
	Total for Department 140		5,059.63*
PARKS	ELECTRIC FUND	MAINTENANCE	54.31
PARKS	ELECTRIC FUND	UTILITIES	593.56
PARKS	ERICKSON OIL CO	GAS	85.09
	Total for Department 165		732.96*
	Total for Fund 01		6,807.81*
LIBRARY	ELECTRIC FUND	UTILITIES	188.06
	Total for Department 171		188.06*
	Total for Fund 03		188.06*
	TKDA ENGINEERS	'22 AIRPORT LAYOUT PLAN	13,802.99
	Total for Department		13,802.99*
	Total for Fund 11		13,802.99*
POOL	BROWN-NICOLLET COMMU	LICENSE	265.00
POOL	ELECTRIC FUND	UTILITIES	2.31
	Total for Department 175		267.31*
	Total for Fund 12		267.31*
AMBULANCE	ARROW MANUFACTURING	MAINTENANCE	1,500.00
AMBULANCE	ELECTRIC FUND	MAINTENANCE	77.77

CITY OF WINDOM
 FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
AMBULANCE	ELECTRIC FUND	UTILITIES	26.40
AMBULANCE	LONDA FOSHEIM	EXPENSE	7.00
AMBULANCE	MN EMERGENCY MED SER	FORMS	123.16
AMBULANCE	CENTURY LINK	TELEPHONE	58.87
AMBULANCE	KIM POWERS	EXPENSE	43.82
AMBULANCE	ALLAN REMPEL	EXPENSE	20.55
	Total for Department 176		1,857.57*
	Total for Fund 13		1,857.57*
MULTI-PURPOSE BUILDI	ELECTRIC FUND	UTILITIES	1,062.70
MULTI-PURPOSE BUILDI	RIVER BEND LIQUOR	MERCHANDISE	199.41
	Total for Department 177		1,262.11*
	Total for Fund 14		1,262.11*
SCDP	SW MN HOUSING PARTNE	DEED DRAW	14,710.00
	Total for Department 163		14,710.00*
	Total for Fund 17		14,710.00*
LIQUOR	ELECTRIC FUND	UTILITIES	774.08
LIQUOR	HAGEN DISTRIBUTING	MERCHANDISE	4,390.00
LIQUOR	A H HERMEL CANDY & T	MERCHANDISE	259.79
LIQUOR	QUALITY WINE SPIRITS	MERCHANDISE	413.00
LIQUOR	BANK MIDWEST	NSF CHECK-RIVER BEND LIQ	23.30
	Total for Department 180		5,860.17*
	Total for Fund 60		5,860.17*
WATER	ELECTRIC FUND	UTILITIES	2,810.91
WATER	ERICKSON OIL CO	GAS	137.10
WATER	GRAHAM TIRE	TIRES	578.49
WATER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	163.54
WATER	SOURCE ONE SOLUTIONS	POSTAGE	4.03
WATER	SOURCE ONE SOLUTIONS	SPECIAL SERVICE	144.83
WATER	SOURCE ONE SOLUTIONS	UTILITY BILL - SERVICES	705.52
WATER	CENTURY LINK	TELEPHONE	58.87
WATER	KEVIN STEVENS	STEEL TOE BOOT REIMBURSE	50.00
	Total for Department 181		4,653.29*
	Total for Fund 61		4,653.29*
	ELECTRIC FUND	REF-UT PREPAY-D SCHWARTZ	300.00
	NATHAN KOLANDER	REFUND-UTILITY PREPAYMEN	300.00
	Total for Department		600.00*
ELECTRIC	CENTRAL MINNESOTA MU	CIP SERVICE ASSESSMENT	4,083.00
ELECTRIC	CENTRAL MINNESOTA MU	POWER COST	189,971.19
ELECTRIC	ELECTRIC FUND	MAINTENANCE	203.25

CITY OF WINDOM
 FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
ELECTRIC	ELECTRIC FUND	UTILITIES	273.06
ELECTRIC	ERICKSON OIL CO	GAS	918.65
ELECTRIC	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	163.54
ELECTRIC	SOURCE ONE SOLUTIONS	POSTAGE	4.03
ELECTRIC	SOURCE ONE SOLUTIONS	SPECIAL SERVICE	144.83
ELECTRIC	SOURCE ONE SOLUTIONS	UTILITY BILL - SERVICES	1,455.16
ELECTRIC	CENTURY LINK	TELEPHONE	55.40
ELECTRIC	DEPARTMENT OF ENERGY	POWER COST	87,032.01
ELECTRIC	BANK MIDWEST	NSF CHECK	130.20
		Total for Department 182	284,434.32*
		Total for Fund 62	285,034.32*
SEWER	ELECTRIC FUND	UTILITIES	12,064.12
SEWER	GRAHAM TIRE	TIRES	486.07
SEWER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	163.54
SEWER	SOURCE ONE SOLUTIONS	POSTAGE	4.03
SEWER	SOURCE ONE SOLUTIONS	SPECIAL SERVICE	144.83
SEWER	SOURCE ONE SOLUTIONS	UTILITY BILL - SERVICES	705.52
SEWER	MN WATER OPERATORS (DUES	100.00
SEWER	CENTURY LINK	TELEPHONE	260.60
		Total for Department 183	13,928.71*
		Total for Fund 63	13,928.71*
ARENA	BROWN-NICOLLET COMMU	LICENSE	75.00
ARENA	ELECTRIC FUND	MAINTENANCE	15.78
ARENA	ELECTRIC FUND	UTILITIES	6,621.47
		Total for Department 184	6,712.25*
		Total for Fund 64	6,712.25*
ECONOMIC DEVELOPMENT	ELECTRIC FUND	UTILITIES	68.32
ECONOMIC DEVELOPMENT	MARK HANSON	EXPENSE	186.68
		Total for Department 187	255.00*
		Total for Fund 67	255.00*
TELECOMMUNICATIONS	JEFFREY DAHNA	INTERNET ACCESS	151.84
TELECOMMUNICATIONS	ELECTRIC FUND	UTILITIES	1,723.89
TELECOMMUNICATIONS	GODFATHER'S PIZZA	EXPENSE	26.43
TELECOMMUNICATIONS	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	490.63
TELECOMMUNICATIONS	SOURCE ONE SOLUTIONS	POSTAGE	12.09
TELECOMMUNICATIONS	SOURCE ONE SOLUTIONS	UTILITY BILL - SERVICES	1,543.31
TELECOMMUNICATIONS	MN DEPT OF COMMERCE	ASSESSMENT	214.19
TELECOMMUNICATIONS	NATIONAL CABLE TV CO	SUBSCRIBER	25,034.51
TELECOMMUNICATIONS	CENTURY LINK	DIRECTORY LISTING	151.97
TELECOMMUNICATIONS	ONVOY, INC	SS7 SERVICE	2,649.71
TELECOMMUNICATIONS	TOWER DISTRIBUTION C	SUBSCRIBER	216.71
TELECOMMUNICATIONS	BANK MIDWEST	NSF CHECK	306.30

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
TELECOMMUNICATIONS	WOODSTOCK TELEPHONE	SERVICE	205.10
TELECOMMUNICATIONS	ZAYO BANDWIDTH	BANDWIDTH BILLING	7,014.47
		Total for Department 199	39,741.15*
		Total for Fund 69	39,741.15*
	COLONIAL LIFE INSURA	INSURANCE	8.82
		Total for Department	8.82*
		Total for Fund 70	8.82*
		Grand Total	395,089.56*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
MAYOR & COUNCIL	CITIZEN PUBLISHING C	ADVERTISING	410.60
MAYOR & COUNCIL	COALITION OF GREATER	DUES	155.00
MAYOR & COUNCIL	MCDONALD & SCHRAMEL	LEGAL FEES	120.00
MAYOR & COUNCIL	SECR REV FUND/CITY O	MAYORS MEDAL	9.62
MAYOR & COUNCIL	SECR REV FUND/CITY O	SUPPLIES	50.15
	Total for Department 101		745.37*
CITY OFFICE	CITIZEN PUBLISHING C	ADVERTISING	67.20
CITY OFFICE	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
CITY OFFICE	PITNEY BOWES	RENTAL CHARGES	29.84
CITY OFFICE	SECR REV FUND/CITY O	SUPPLIES	5.26
	Total for Department 103		108.80*
P & Z / BUILDING OFF	WINDOM AUTO VALU	MAINTENANCE	111.85
P & Z / BUILDING OFF	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
P & Z / BUILDING OFF	PITNEY BOWES	RENTAL CHARGES	29.84
	Total for Department 106		148.19*
CITY HALL	AMERIGAS - WORTHINGT	WATER TREATMENT	23.46
CITY HALL	CULLIGAN	SERVICE	14.00
CITY HALL	HEARTLAND PAPER COMP	SUPPLIES	65.88
CITY HALL	HOMETOWN SANITATION	HAUL GARBAGE	85.04
CITY HALL	SCHWALBACH HARDWARE	MAINTENANCE	32.05
CITY HALL	SECR REV FUND/CITY O	SUPPLIES	35.40
	Total for Department 115		255.83*
POLICE	COTTONWOOD CO TREASU	DISPATCHING	275.00
POLICE	COTTONWOOD CO TREASU	RENT	1,500.00
POLICE	MCDONALD & SCHRAMEL	LEGAL FEES	4,008.00
POLICE	MCDONALD & SCHRAMEL	LEGAL SUPPLIES	10.00
POLICE	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	22.50
POLICE	PITNEY BOWES	RENTAL CHARGES	29.84
POLICE	SECR REV FUND/CITY O	POSTAGE	115.01
POLICE	STREICHER'S	EQUIPMENT	213.22
POLICE	WINDOM AREA HOSPITAL	TESTING	76.00
POLICE	WINDOM TOWING CO	TIRES	347.34
	Total for Department 120		6,596.91*
FIRE DEPARTMENT	COTTONWOOD CO TREASU	DISPATCHING	212.50
FIRE DEPARTMENT	HARTBERG MEDICAL CLI	TESTING	248.00
FIRE DEPARTMENT	HEIMAN FIRE EQUIP. C	MAINTENANCE	492.40
FIRE DEPARTMENT	MANKATO MOBIL - ALPH	MAINTENANCE	1,386.88
FIRE DEPARTMENT	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
FIRE DEPARTMENT	RUNNING'S SUPPLY	MAINTENANCE	30.70
FIRE DEPARTMENT	SCHWALBACH HARDWARE	MAINTENANCE	4.58
FIRE DEPARTMENT	COUNTRY PRIDE SERVIC	MAINTENANCE	123.81
FIRE DEPARTMENT	WINDOM FARM SERVICE	MAINTENANCE	132.46
FIRE DEPARTMENT	WINDOM FAMILY MEDICA	PHYSICAL	513.00
FIRE DEPARTMENT	GOOZ'S EMBLEMS	MAINTENANCE	561.09
	Total for Department 125		3,711.92*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
EMERGENCY MANAGEMENT	COTTONWOOD CO	TREASU DISPATCHING	12.50
EMERGENCY MANAGEMENT	MANKATO MOBIL	- ALPH MAINTENANCE CONTRACT	200.00
		Total for Department 130	212.50*
ANIMALS	COTTONWOOD-SLAYTON V	VETERINARY SERVICE	720.96
		Total for Department 135	720.96*
STREET	COTTONWOOD COUNTY LA	GARBAGE	4.00
STREET	COTTONWOOD CO	TREASU DISPATCHING	125.00
STREET	GDF ENTERPRISES, INC	MAINTENANCE	559.39
STREET	GCC ALLIANCE CONCRET	MAINTENANCE	2,132.89
STREET	WINDOM AUTO VALU	MAINTENANCE	188.95
STREET	MACQUEEN EQUIP. CO.	MAINTENANCE	1,040.39
STREET	MANKATO MOBIL	- ALPH MAINTENANCE CONTRACT	6.50
STREET	MILLER SELLNER EQUIP	MAINTENANCE	25.62
STREET	PITNEY BOWES	RENTAL CHARGES	29.84
STREET	PRAXAIR DISTRIBUTION	SERVICE	83.80
STREET	RUNNING'S SUPPLY	MAINTENANCE	42.74
STREET	SCHWALBACH HARDWARE	MAINTENANCE	44.84
STREET	SECR REV FUND/CITY O	POSTAGE	.84
STREET	SPLIT ROCK LANDSCAPE	MAINTENANCE	296.21
STREET	STAPLES OIL CO	FUEL	296.56
STREET	COUNTRY PRIDE SERVIC	MAINTENANCE	1,104.16
		Total for Department 140	5,981.73*
RECREATION	MN RECREATION & PARK	DUES	80.00
		Total for Department 150	80.00*
PARKS	COTTONWOOD CO	TREASU DISPATCHING	37.50
PARKS	RUNNING'S SUPPLY	MAINTENANCE	83.48
		Total for Department 165	120.98*
		Total for Fund 01	18,683.19*
LIBRARY	AUDIO GO	BOOKS	112.26
LIBRARY	CENTER POINT LARGE P	BOOKS	87.48
LIBRARY	CUISINE AT HOME	SUBSCRIPTION	24.00
LIBRARY	GALE	BOOKS	522.53
LIBRARY	GOOD HOUSEKEEPING	SUBSCRIPTION	10.00
LIBRARY	HEARTLAND PAPER COMP	SUPPLIES	65.88
LIBRARY	INGRAM	BOOKS	1,502.66
LIBRARY	J & K WINDOWS	CLEANING	20.00
LIBRARY	KDOM RADIO	ADVERTISING	66.00
LIBRARY	MICROMARKETING	BOOKS & AUDIO	754.18
LIBRARY	READERS SERVICE	BOOK	62.17
LIBRARY	VOGUE	SUBSCRIPTION	33.95
LIBRARY	GARDEN GATE	SUBSCRIPTION	24.00
LIBRARY	UNION PEN COMPANY	SUPPLIES	244.71
LIBRARY	THE WEEK	SUBSCRIPTION	19.80
LIBRARY	DISNEY MOVIE CLUB	MOVIES	57.34

CITY OF WINDOM
 FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
		Total for Department 171	3,606.96*
		Total for Fund 03	3,606.96*
AIRPORT	PITNEY BOWES	RENTAL CHARGES	29.84
		Total for Department 174	29.84*
		Total for Fund 11	29.84*
POOL	MN RECREATION & PARK DUES		80.00
		Total for Department 175	80.00*
		Total for Fund 12	80.00*
AMBULANCE	BOUND TREE MEDICAL,	EQUIPMENT	264.76
AMBULANCE	COTTONWOOD CO TREASU	DISPATCHING	200.00
AMBULANCE	LEWIS FAMILY DRUG #5	SUPPLIES	3.49
AMBULANCE	KRUEGER BODY SHOP	MAINTENANCE	75.00
AMBULANCE	MANKATO MOBIL - ALPH	MAINTENANCE	523.24
AMBULANCE	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
AMBULANCE	Verizon Wireless	TELEPHONE	97.95
AMBULANCE	PITNEY BOWES	RENTAL CHARGES	29.84
AMBULANCE	PRAXAIR DISTRIBUTION	SERVICE	200.47
AMBULANCE	SECR REV FUND/CITY O	POSTAGE	2.82
AMBULANCE	WINDOM AREA HOSPITAL	SERVICE	882.48
AMBULANCE	ZOLL MEDICAL CORPORA	SUPPLIES	841.99
		Total for Department 176	3,128.54*
		Total for Fund 13	3,128.54*
MULTI-PURPOSE BUILDI	A & B BUSINESS EQUIP	MAINTENANCE CONTRACT	131.36
MULTI-PURPOSE BUILDI	CITIZEN PUBLISHING C	ADVERTISING	79.20
MULTI-PURPOSE BUILDI	FEDER MECHANICAL INC	MAINTENANCE	468.91
MULTI-PURPOSE BUILDI	HEARTLAND PAPER COMP	SUPPLIES	197.98
MULTI-PURPOSE BUILDI	HOMETOWN SANITATION	HAUL GARBAGE	49.06
MULTI-PURPOSE BUILDI	KDOM RADIO	ADVERTISING	150.80
MULTI-PURPOSE BUILDI	RON'S ELECTRIC INC	MAINTENANCE	393.42
MULTI-PURPOSE BUILDI	RUNNING'S SUPPLY	MAINTENANCE	118.82
MULTI-PURPOSE BUILDI	SCHWALBACH HARDWARE	MAINTENANCE	54.84
MULTI-PURPOSE BUILDI	STONER INDUSTRIAL, I	SERVICE	84.22
MULTI-PURPOSE BUILDI	WINDOM FIRE SAFETY	MAINTENANCE	36.00
		Total for Department 177	1,764.61*
		Total for Fund 14	1,764.61*
LIQUOR	ENVIROMASTER, INC.	SERVICE	39.54
LIQUOR	CITIZEN PUBLISHING C	ADVERTISING	231.30
LIQUOR	CITIZEN PUBLISHING C	COMPUTER SUPPORT	42.74
LIQUOR	HOMETOWN SANITATION	HAUL GARBAGE	130.85
LIQUOR	PITNEY BOWES	RENTAL CHARGES	29.84

CITY OF WINDOM
 FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
LIQUOR	S&K LINES	FREIGHT	820.80
LIQUOR	TOTAL REGISTER SYSTE	SUPPLIES	1,880.00
LIQUOR	WINDOM FIRE SAFETY	MAINTENANCE	33.00
LIQUOR	CAMPUS CLEANERS	SERVICE	40.10
	Total for Department 180		3,248.17*
	Total for Fund 60		3,248.17*
	HD SUPPLY WATERWORKD	MAINTENANCE	96.36
	Total for Department		96.36*
WATER	CALIFORNIA CONTRACTO	SUPPLIES	147.14
WATER	COTTONWOOD CO TREASU	DISPATCHING	100.00
WATER	HAWKINS, INC	CHEMICALS	2,873.33
WATER	GOPHER STATE ONE CAL	LOCATES	9.07
WATER	WINDOM AUTO VALU	MAINTENANCE	805.88
WATER	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
WATER	MN VALLEY TESTING	TESTING	56.25
WATER	PITNEY BOWES	RENTAL CHARGES	29.84
WATER	RON'S ELECTRIC INC	MAINTENANCE	559.48
WATER	RUNNING'S SUPPLY	MAINTENANCE	59.26
WATER	SCHWALBACH HARDWARE	MAINTENANCE	108.41
WATER	SECR REV FUND/CITY O	POSTAGE	10.83
WATER	STAPLES OIL CO	FUEL	135.28
WATER	SVOBODA EXCAVATING,	MAINTENANCE	50.00
WATER	TOWN 'N COUNTRY	TV	187.02
	Total for Department 181		5,138.29*
	Total for Fund 61		5,234.65*
	J. H. LARSON	SUPPLIES/MAINTENANCE	116.57
	RESCO	INVENTORY	1,234.41
	SECR REV FUND/CITY O	REFUND-UTILITY PREPAYMEN	250.00
	STAPLES OIL CO	FUEL	1,071.05
	Total for Department		2,672.03*
ELECTRIC	BORDER STATES ELECTR	INVENTORY	3,975.75
ELECTRIC	COTTONWOOD CO TREASU	DISPATCHING	187.50
ELECTRIC	DICKS WELDING INC	MAINTENANCE	14.92
ELECTRIC	GOPHER STATE ONE CAL	LOCATES	9.06
ELECTRIC	HIGH VOLTAGE EQUIP D	TESTING	3,186.45
ELECTRIC	HIGLEY FORD SALES	MAINTENANCE	159.37
ELECTRIC	HOMETOWN SANITATION	HAUL GARBAGE	84.75
ELECTRIC	WINDOM AUTO VALU	MAINTENANCE	12.60
ELECTRIC	JERRY'S REPAIR	MAINTENANCE	58.00
ELECTRIC	JOHNSON HARDWARE	MAINTENANCE	12.50
ELECTRIC	MCDONALD & SCHRAMEL	LEGAL FEES	24.00
ELECTRIC	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
ELECTRIC	MN DEPT OF COMMERCE	ASSESSMENT	1,187.66
ELECTRIC	PITNEY BOWES	RENTAL CHARGES	29.84

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
ELECTRIC	RETROFIT RECYCLING,	RECYCLING	353.29
ELECTRIC	RUNNING'S SUPPLY	MAINTENANCE	111.73
ELECTRIC	SCHWALBACH HARDWARE	MAINTENANCE	87.94
ELECTRIC	SECR REV FUND/CITY O	POSTAGE	17.70
ELECTRIC	SKARSHAUG TESTING LA	SUPPLIES	198.01
ELECTRIC	STONER INDUSTRIAL, I	SERVICE	68.20
ELECTRIC	WINDOM AREA DEVELOPM	INDUSTRIAL DEVELOPMENT	1,200.00
ELECTRIC	CARQUEST AUTO PARTS	MAINTENANCE	62.99
ELECTRIC	BANK MIDWEST	NSF CHECK	235.90
ELECTRIC	STUART C IRBY CO INC	MAINTENANCE	160.31
ELECTRIC	AMETEK POWER INSTRUM	MAINTENANCE	493.09
	Total for Department 182		11,938.06*
	Total for Fund 62		14,610.09*
SEWER	CALIFORNIA CONTRACTO	SUPPLIES	147.14
SEWER	COTTONWOOD CO TREASU	DISPATCHING	100.00
SEWER	DEFRIES COLLISION CE	MAINTENANCE	70.00
SEWER	ENVIRONMENTAL TOXICI	TESTING	650.00
SEWER	GOPHER STATE ONE CAL	LOCATES	9.06
SEWER	HOMETOWN SANITATION	HAUL GARBAGE	85.04
SEWER	WINDOM AUTO VALU	MAINTENANCE	58.07
SEWER	JOHNSON HARDWARE	MAINTENANCE	23.50
SEWER	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
SEWER	MILLER SELLNER EQUIP	MAINTENANCE	33.17
SEWER	MN VALLEY TESTING	TESTING	4,058.60
SEWER	ODDSON UNDERGROUND I	MAINTENANCE	15,500.00
SEWER	PITNEY BOWES	RENTAL CHARGES	29.84
SEWER	PRAXAIR DISTRIBUTION	SERVICE	70.97
SEWER	RON'S ELECTRIC INC	MAINTENANCE	1,372.05
SEWER	SCHWALBACH HARDWARE	MAINTENANCE	269.62
SEWER	STAPLES OIL CO	FUEL	135.29
SEWER	TOWN 'N COUNTRY	TV	187.03
	Total for Department 183		22,805.88*
	Total for Fund 63		22,805.88*
ARENA	AMERIPRIDE LINEN CO	SERVICE	165.82
ARENA	DICKS WELDING INC	MAINTENANCE	865.49
ARENA	FERRELLGAS	GAS	128.25
ARENA	FRANKS SHOE REPAIR	MAINTENANCE	6.00
ARENA	HEARTLAND PAPER COMP	SUPPLIES	122.66
ARENA	A H HERMEL CANDY & T	MERCHANDISE	121.08
ARENA	HOMETOWN SANITATION	HAUL GARBAGE	130.88
ARENA	WINDOM AUTO VALU	MAINTENANCE	74.61
ARENA	JERRY'S REPAIR	MAINTENANCE	1,193.06
ARENA	KDOM RADIO	ADVERTISING	78.00
ARENA	LAMPERTS YARDS, INC.	MAINTENANCE	93.43
ARENA	MN RECREATION & PARK	DUES	89.00
ARENA	PITNEY BOWES	RENTAL CHARGES	29.84

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
ARENA	RON'S ELECTRIC INC	MAINTENANCE	304.50
ARENA	RUNNING'S SUPPLY	MAINTENANCE	52.72
ARENA	SCHWALBACH HARDWARE	MAINTENANCE	95.05
ARENA	STONER INDUSTRIAL, I	SERVICE	9.55
ARENA	CARQUEST AUTO PARTS	MAINTENANCE	10.52
	Total for Department 184		3,570.46*
	Total for Fund 64		3,570.46*
ECONOMIC DEVELOPMENT	CITIZEN PUBLISHING C	ADVERTISING	140.00
ECONOMIC DEVELOPMENT	PITNEY BOWES	RENTAL CHARGES	29.84
ECONOMIC DEVELOPMENT	RON'S ELECTRIC INC	MAINTENANCE	133.55
ECONOMIC DEVELOPMENT	SECR REV FUND/CITY O	POSTAGE	5.54
ECONOMIC DEVELOPMENT	SECR REV FUND/CITY O	SUPPLIES	18.50
	Total for Department 187		327.43*
	Total for Fund 67		327.43*
TELECOMMUNICATIONS	ADARA TECHNOLOGIES I	EQUIPMENT & PROF SERVICE	10,500.00
TELECOMMUNICATIONS	AZAR COMPUTER SOFTWA	SOFTWARE SUPPORT	1,950.00
TELECOMMUNICATIONS	BIG TEN NETWORK	SUBSCRIBER	1,524.02
TELECOMMUNICATIONS	BLUEHIGHWAYS	SUBSCRIBER	40.26
TELECOMMUNICATIONS	FOX SPORTS	SUBSCRIBER	5,746.20
TELECOMMUNICATIONS	GOPHER STATE ONE CAL	LOCATES	9.06
TELECOMMUNICATIONS	GRAYBAR ELECTRIC CO	MAINTENANCE	534.07
TELECOMMUNICATIONS	HOMETOWN SANITATION	HAUL GARBAGE	73.92
TELECOMMUNICATIONS	KDOM RADIO	ADVERTISING	96.00
TELECOMMUNICATIONS	MESSER MACHINE & MFG	MAINTENANCE	76.78
TELECOMMUNICATIONS	MLB NETWORK	SUBSCRIBER	329.40
TELECOMMUNICATIONS	NATIONAL CABLE TV CO	MAINTENANCE	12,137.26
TELECOMMUNICATIONS	NEW STAR SALES & SER	COPIER MAINTENANCE	35.00
TELECOMMUNICATIONS	NEUSTAR, INC.	MAINTENANCE	16.25
TELECOMMUNICATIONS	CALIX	MAINTENANCE	1,760.11
TELECOMMUNICATIONS	PITNEY BOWES	RENTAL CHARGES	89.52
TELECOMMUNICATIONS	RFD TV	SUBSCRIBER	190.32
TELECOMMUNICATIONS	RUNNING'S SUPPLY	MAINTENANCE	57.12
TELECOMMUNICATIONS	RUSHMORE INDUSTRIES,	FREIGHT	197.56
TELECOMMUNICATIONS	SCHWALBACH HARDWARE	MAINTENANCE	37.98
TELECOMMUNICATIONS	SOUTHWEST/WEST CENTR	SERVICE	833.33
TELECOMMUNICATIONS	STONER INDUSTRIAL, I	SERVICE	38.26
TELECOMMUNICATIONS	BANK MIDWEST	NSF CHECK	241.00
TELECOMMUNICATIONS	FLAG SHOOTER LLC	MAINTENANCE	428.57
TELECOMMUNICATIONS	MANKATO NETWORKS LLC	SERVICE	1,375.00
	Total for Department 199		38,316.99*
	Total for Fund 69		38,316.99*
	Grand Total		115,406.81*



BOLTON & MENK, INC.

Consulting Engineers & Surveyors

12224 Nicollet Avenue • Burnsville, MN 55337

Phone (952) 890-0509 • Fax (952) 890-8065

www.bolton-menk.com

December 9, 2011

Steve Nasby
City of Windom
444 9th St.
Windom, MN 56101-1641

RE: Wastewater Treatment Improvements
City of Windom, Minnesota
Project No.: M21.103066

Dear Mayor and Council Members:

Enclosed is Payment Request No. 1 from Robert L. Carr Co. in the amount of \$42,728.15 for the referenced project. We have reviewed the request and recommend you make full payment.

Please forward one signed copy to Robert L. Carr Co., return one copy to me, and retain the remaining copies for your use.

Sincerely,

BOLTON & MENK, INC.

R. Kelly Yahnke
Project Engineer

RKY:bj

Enclosure

cc: Mike Haugen, City of Windom
Kirk Yahnke, Bolton & Menk, Inc.

Application and Certificate for Payment

Page 1 of 5

TO OWNER: City of Winom, Winom, Minnesota
PROJECT: Wastewater Treatment Imp. Winom, Minnesota

APPLICATION NO: 1
PERIOD TO: 11/25/11
DISTRIBUTION TO:
 OWNER
 ARCHITECT
 CONTRACTOR
 FIELD
 OTHER

FROM CONTRACTOR: Robert L. Carr Co. VIA ARCHITECT: Bolton & Menk, Inc.
CONTRACT FOR:
CONTRACT DATE:
PROJECT NOS:

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

- 1. ORIGINAL CONTRACT SUM \$ 2,260,000.00
- 2. Net change by Change Orders \$ -0-
- 3. CONTRACT SUM TO DATE (Line 1 ± 2) \$ 2,260,000.00
- 4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 44,977.00

5. RETAINAGE:

- a. 5 % of Completed Work (Column D + E on G703) \$ 1,000.00
- b. 5 % of Stored Material (Column F on G703) \$ 1,248.85

Total Retainage (Lines 5a + 5b or Total in Column I of G703) \$ 2,248.85

6. TOTAL EARNED LESS RETAINAGE \$ 42,728.15
 (Line 4 Less Line 5 Total)

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT \$ -0-
 (Line 6 from prior Certificate)

8. CURRENT PAYMENT DUE \$ 42,728.15

9. BALANCE TO FINISH, INCLUDING RETAINAGE \$ 2,217,271.85
 (Line 3 less Line 6)

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$	\$
Total approved this Month	\$	\$
TOTALS	\$	\$
NET CHANGES by Change Order	\$ -0-	

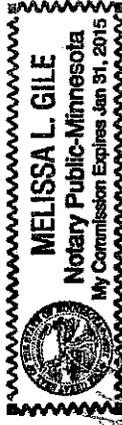
CAUTION: You should sign an original AIA Contract Document, on which this text appears in RED. An original assures that changes will not be obscured.

AIA Document G702™ - 1992. Copyright © 1963, 1963, 1971, 1976, 1983 and 1992 by The American Institute of Architects. All rights reserved. This AIA Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law. Purchasers are permitted to reproduce ten (10) copies of this document when completed. To report copyright violations of AIA Contract Documents, e-mail The American Institute of Architects' legal counsel, copyright@aia.org

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: Robert L. Carr Co.
 BY: *[Signature]*
 State of MINNESOTA

Date: 12/05/11



County of: Lyon
 Subscribed and sworn to before me this 5th day of December
 Notary Public: *[Signature]*
 My Commission expires: 1/31/15

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$ 42,728.15
 (Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT: *[Signature]*
 By: *[Signature]*
 Date: 12-9-11

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

Owner: _____ Date: _____

Wastewater Treatment Improvements
 Windom, Minnesota

APPLICATION NO.
 PERIOD TO: 11/25/11
 APPLICATION DATE: 12/05/11

A	B	C	D	E	F	G	H	
SECT. NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	FROM PREVIOUS APPS.	THIS PERIOD COMPLETED	STORED MATERIALS	TOTAL COMPLETED & STORED	% TO FINISH	BALANCE TO FINISH
	Mobilization	70,000		10,000		10,000	14%	60,000
	General Expenses	85,000		10,000		10,000	12%	75,000
	Allowance	75,000				0	0%	75,000
	Start-up/Testing	10,000				0	0%	10,000
	Demobilization	10,000				0	0%	10,000
	Item A - Intercept Sewer Replacement (Refer to the attached sheet)	147,790			15,408	15,408	10%	132,382
	Item B - River Crossing (Refer to the attached sheet)	58,015			9,569	9,569	16%	48,446
2060	Demolition of Wastewater Eq.	5,000				0	0%	5,000
2061	Structure Removal	12,000				0	0%	12,000
2220	Lift Station & Site Work	140,000				0	0%	140,000
	Subtotal	612,805	0	20,000	24,977	44,977	7%	567,828

Wastewater Treatment Improvements
 Windom, Minnesota

APPLICATION NO.
 PERIOD TO: 11/25/11
 APPLICATION DATE: 12/05/11

A	B	C	D	E	F	G	H
WORK COMPLETED							
SECT. NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	FROM PREVIOUS APPS.	THIS PERIOD	STORED MATERIALS	TOTAL COMPLETED & STORED	BALANCE TO FINISH
							%
16150	Electric Motors	3,000				0	0%
16200	Power Generation Systems	130,000				0	0%
16400	Electric Distribution	20,000				0	0%
16500	Lighting	5,000				0	0%
16900	Starters and Motor Controls	10,000				0	0%
16950	Instrumentation & Controls	450,000				0	0%
Grand Total		2,260,000	0	20,000	24,977	44,977	2%
							2,215,023

Attachment to
Application and Certificate for Payment No. 1 (period to 12/05/11)

Contractor: Robert L. Carr Co.

Re: Wastewater Treatment Improvements
Windom, Minnesota

Subject: Unit price billing

Item A: Interceptor Sewer Replacement	Actual Qty/Unit	Unit Price	Amount
1. Remove Sanitary Manhole	_____	\$500.00	\$0.00
2. 8" PVC Sanitary Sewer Pipe	_____	\$45.00	\$0.00
3. 21" PVC Sanitary Sewer Pipe	_____	\$215.00	\$0.00
4. Sanitary Manhole, DES 4007-48"	_____	\$510.00	\$0.00
5. Sanitary Sewer Manhole DES Special	_____	\$1,100.00	\$0.00
6. Sanitary Sewer Outside Drop	_____	\$200.00	\$0.00
7. Sanitary Sewer Inside Drop	_____	\$1,750.00	\$0.00
8. Sanitary Sewer Manhole Casting Assembly	_____	\$500.00	\$0.00
9. Chimney Seal, Sanitary Manhole	_____	\$300.00	\$0.00
10. Cleanout	_____	\$800.00	\$0.00
Total - Item A			\$0.00
Item B: Inverted Siphon/River Crossing Replacement			
1. Remove Sanitary Manhole	_____	\$500.00	\$0.00
2. 18" PVC Sanitary Sewer Pipe	_____	\$48.00	\$0.00
3. 6" HDPE DR 11 (DIPS) Trenchless Sanitary Sewer Pipe	_____	\$75.00	\$0.00
4. 14" HDPE DR 11 (IPS) Trenchless Sanitary Sewer Pipe	_____	\$130.00	\$0.00
5. Sanitary Manhole, DES 4007-48"	_____	\$250.00	\$0.00
6. Sanitary Manhole, Siphon Inlet Structure	_____	\$910.00	\$0.00
7. Sanitary Sewer Manhole Casting Assembly	_____	\$500.00	\$0.00
8. Chimney Seal, Sanitary Manhole	_____	\$300.00	\$0.00
Total Item B			\$0.00

STORED MATERIAL INVENTORY

Wastewater Treatment Improvements
 Windom, Minnesota

ATTACHMENT TO APPLICATION AND CERTIFICATE
 PER PAY REQUEST NO. 1

Period to: 11/25/11

Item No.	Description	1st Pay No.	Supplier	Invoice No.	Invoice Amount	Amount Stored Prev. App.	Amount Installed Prev. App.	Net Amt. Stored This App.
A	Interceptor Sewer	1	HD Supply (Schmidt)	4029734	24,977.32			15408
B	River Crossing	1	HD Supply (Schmidt)	Inc. Above	Inc. Above			9569

TOTALS

24,977.32 0.00 0.00 24,977.00

11/28/2011 Page 1



sheet INVOICE

Bank: CITI CARD - Citibank Card
 Local Service, Nationwide
 P.O. Box 1419
 Thomasville, Ga 31795-1419
 Type Date Check
 CHK 07/07/2011 62114000

Branch Address:
 HDSW - ST MICHAEL MN
 Branch - 243
 16195 54th Street N.E.
 St Michael MN 55376 .00
 763/428-7473

INVOICE#	4029734
INVOICE DATE	11/23/11
ACCOUNT #	100714
SALESPERSON	RICK KIEMELE
BRANCH#	243
Total Amount Due	24,977.32

Remit To:
 HD SUPPLY WATERWORKS, LTD.
 PO BOX 91036
 CHICAGO, IL
 60693-1036

SCHMIDT CONSTRUCTION
 30103 US HIGHWAY 71
 REDWOOD FALLS MN 56283-2402

Shipped to:
 C/O- WINDOM WASTEWATER PLANT
 400 DRAKE AVENUE
 JEFF SCHMIDT 507-430-2743
 WINDOM, MN

CUSTOMER JOB- WINDOM WINDOM WWTP
 Thank You For The Opportunity To Serve You.
 We appreciate your prompt payment.

Return Top Portion With Payment For Faster Credit

Date Ordered	Date Shipped	Customer PO No.	Job Name	Job No.	Bill of Lading	Shipped Via	Order Number
11/09/11	11/18/11	SEE BELOW	WINDOM WWTP	WINDOM		MORRELL-ALLOWED	4029734
Product Code	Description	Quantity Ordered	Quantity Shipped	Back-Ordered	Price	Per	Amount
	CUSTOMER PO#-WINDOM WASTEWATER PLNT						
	Stored Material Pay Request No. 1						
	Item A - Interceptor Sewer				\$ 17,108.00		
	Item B - River Crossing				\$ 9,569.00		
					\$ 24,977.00		
This transaction is governed by and subject to HD Supply Waterworks standard terms and conditions, which are incorporated herein by this reference and accepted. To review these terms and conditions, please point your web browser to http://waterworks.hdsupply.com/TandC/ .						Terms	Subtotal
						NET 30	23,370.59
Freight	Delivery	Handling	Restock	Misc	Tax	INVOICE TOTAL	24,977.32
					1,606.73		
						INVOICE:	4029734

HDSW - ST MICHAEL MN
 Branch - 243
 16195 54th Street N.E.
 St Michael MN 55376



INVOICE

Local Service, Nationwide
 P.O. Box 1419
 Thomasville, Ga 31799-1419

Branch Address:

HDSW - ST MICHAEL MN
 Branch - 243
 16195 54th Street N.E.
 St Michael MN 55376

763/428-7473

INVOICE#	4029734
INVOICE DATE	11/23/11
ACCOUNT #	100714
SALESPERSON	RICK RIEMBLE
BRANCH#	243
Total Amount Due	24,977.32

Remit To:

HD SUPPLY WATERWORKS, LTD.
 PO BOX 91036
 CHICAGO, IL

60693-1036

SCHMIDT CONSTRUCTION
 30103 US HIGHWAY 71
 REDWOOD FALLS MN 56283-2402

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Shipped to:
 C/O: WINDOM WASTEWATER PLANT
 400 DRAKE AVENUE
 JEFF SCHMIDT 507-430-2743
 WINDOM, MN

CUSTOMER JOB- WINDOM WINDOM WWTP

Thank You For The Opportunity To Serve You.
 We appreciate your prompt payment.

Return Top Portion With Payment For Faster Credit

Date Ordered	Date Shipped	Customer PO No.	Job Name	Job No.	Bill of Lading	Shipped Via	Order Number
11/09/11	11/18/11	SEE BELOW	WINDOM WWTP	WINDOM		MORRELL-ALLOWED	4029734
Product Code	Description	Quantity Ordered	Quantity Shipped	Back-Ordered	Price	Per	Amount
	CUSTOMER PO#-WINDOM WASTEWATER PLANT						
04083514	8X14' SDR35 PVC SWR PIPE (G)	140	140		3.76000	FT	526.40
04213514	21X14' PVC SWR PIPE (G) F679	336	336		26.99000	FT	9,068.64
29APLQ	LUBE 1 QT F/WATER/SWR PIPE	15	15		N/C	EA	
2808CCLCI	1002-88 8 FLEX CPLG CLKCI/PVC	2	2		13.25000	EA	26.50
2708T08GG26	6X8 HW SWR SDR26 TEE GXGXG	1	1		63.90000	EA	63.90
04082614	8X14' SDR26 HW PVC SWR PIPE (G)	14	14		4.99000	FT	69.86
27089GG26	8 HW SWR SDR26 90 GXG	1	1		91.50000	EA	91.50
78REIF11	IF-11 INTRAFLOW INSIDE DROP	2	2		1335.00000	EA	2,670.00
78REIFB	IF-B INTRAFLOW 7FT INT SECTION	1	1		599.00000	EA	599.00
78MHINT26S	26" INT CHMY SEAL S-SLEEVE	6	6		190.00000	EA	1,140.00
2708W08GG	8X8 PVC SDR35 SWR WYE GXG	1	1		60.75000	EA	60.75
27084GS	8 PVC SDR35 SWR 45 GXSP	1	1		30.75000	EA	30.75
2708CO	8 SDR35 CLEANOUT ADPT HKF L/PL	1	1		40.90000	EA	40.90
2708PM	8 PVC SWR CLEANOUT PLUG MIPT	1	1		28.70000	EA	28.70
2708PS	8 PVC SDR35 SWR SPIGOT PLUG	1	1		15.95000	EA	15.95
04183514	18X14' PVC SWR PIPE (G) F679	56	56		18.59000	FT	1,041.04
0940P0611B	4000 6" SDR11 DIPS HDPE BLUE	210	210		6.87000	FT	1,442.70
DBWIRE12GHDD500	12GA EHS HDD WIRE 500'-GREEN 1245G-EHS-500-XTRA HI STRENGTH	1000	1000		.25000	FT	250.00
0941P1411	4100 14" SDR11 IPS HDPE PIPE	220	220		28.20000	FT	6,204.00

Item A
 ↑
 ↓
 Item B



Cottonwood County Recycling Pick-up Schedule

The new Single-Sort Recycling program for Cottonwood County will commence on January 9, 2012 with the first Residential Pick-up in the City of Windom. The pickup schedule is shown below and will start on January 9th and continue every-other-week through out the County. See your City of Rural drop site below:

<u>City</u>	<u>Pickup Day</u>	<u>Frequency</u>
WINDOM	Monday Tuesday Wednesday	Every Other Week (see the Windom service map)
Delft	Wednesday	Every Other Week
Mountain Lake	Wednesday	Every Other Week
Bingham Lake	Wednesday	Every Other Week
Jeffers	Thursday	Every Other Week
Storden	Thursday	Every Other Week
Westbrook	Thursday	Every Other Week

Pickup will always be on the Even Week of the month. The day will remain the same throughout the year with the exception of weeks where a Holiday falls prior to your pickup day, and then your pickup day will be one day later. See the attached calendar for WM Recognized Holidays.



Cottonwood County Rural Recycling Drop Site

- City of Westbrook
- City of Jeffers
- City of Storden
- City of Delft
- City of Mountain Lake
- City of Windom
- City of Bingham Lake
- City of Comfrey

also, locations at

- Schoper Bush and Talcot Lake

Pickup at the Drop Sites will be weekly on Fridays.

If you have any questions, please call Waste Management at:

507-929-3770

or

507-344-2232

or

Cottonwood County at 507-831-1389



2012

Single SortSM Calendar

Your collection week is the Gold Week

Gold Week
 Holiday
 Holiday Week

January							July						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7	1	2	3	4	5	6	7
8	9	10	11	12	13	14	8	9	10	11	12	13	14
15	16	17	18	19	20	21	15	16	17	18	19	20	21
22	23	24	25	26	27	28	22	23	24	25	26	27	28
29	30	31					29	30	31				

February							August						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4				1	2	3	4
5	6	7	8	9	10	11	5	6	7	8	9	10	11
12	13	14	15	16	17	18	12	13	14	15	16	17	18
19	20	21	22	23	24	25	19	20	21	22	23	24	25
26	27	28	29				26	27	28	29	30	31	

March							September						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3							1
4	5	6	7	8	9	10	2	3	4	5	6	7	8
11	12	13	14	15	16	17	9	10	11	12	13	14	15
18	19	20	21	22	23	24	16	17	18	19	20	21	22
25	26	27	28	29	30	31	23	24	25	26	27	28	29
							30						

April							October						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7	1	2	3	4	5	6	
8	9	10	11	12	13	14	7	8	9	10	11	12	13
15	16	17	18	19	20	21	14	15	16	17	18	19	20
22	23	24	25	26	27	28	21	22	23	24	25	26	27
29	30						28	29	30	31			

May							November						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5					1	2	3
6	7	8	9	10	11	12	4	5	6	7	8	9	10
13	14	15	16	17	18	19	11	12	13	14	15	16	17
20	21	22	23	24	25	26	18	19	20	21	22	23	24
27	28	29	30	31			25	26	27	28	29	30	

June							December						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
						1							1
3	4	5	6	7	8	9	2	3	4	5	6	7	8
10	11	12	13	14	15	16	9	10	11	12	13	14	15
17	18	19	20	21	22	23	16	17	18	19	20	21	22
24	25	26	27	28	29	30	23	24	25	26	27	28	29
							30	31					



Recycling is easy with Single Sort™!

Put your recyclables together in your green and yellow cart:

- Glass bottles and jars
- Metal cans
- Mixed Plastics Recycling: plastic bottles, containers, lids, and tubs (3-7)
- Paper: mail, office and school papers; magazines and catalogs; newspapers and inserts; shredded paper in closed paper bags.
- Phone books
- Boxes: cardboard boxes; cereal, cracker, pasta and cake mix boxes; shoe, gift and electronic boxes.
- Pop and beer cartons
- Milk, juice, soup and broth cartons

How to Prepare

- Remove caps and lids
- No need to remove labels
- Rinse cans, bottles and jars
- No plastic bags or foam cups

Please Help!

Extra cardboard boxes can be flattened, tied into bundles no more than three feet wide by one foot tall and then placed next to your Single Sort™ cart.

Service Questions

Contact Customer Service at www.wmnorthland.com or toll free at 800-777-8408 if you have any program or service questions.

2012 Holiday Schedule:

New Year's Day —

Sunday, January 1, 2012

No delay in service. Holiday falls on a Sunday.

Memorial Day —

Monday, May 28, 2012

Service will be delayed by one day all week.

Independence Day —

Wednesday, July 4, 2012

Wednesday - Friday service will be delayed by one day.

Labor Day —

Monday, September 3, 2012

Service will be delayed by one day all week.

Thanksgiving Day —

Thursday, November 22, 2012

Thursday & Friday service will be delayed by one day.

Christmas Day —

Tuesday, December 25, 2012

Tuesday - Friday service will be delayed by one day.



Single-Stream Recycling

Reciclaje de un solo flujo



DO NOT INCLUDE: food waste, films, plastic bags, plastic wrap, or foam cups and containers

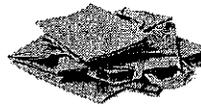
NO INCLUYA: residuos de alimentos, películas, bolsas o envolturas de plástico, vasos o recipientes de unicel, poliestireno.



Magazines
Revistas



Office Paper
Papel de oficina



Brown Paper Bags
Bolsas de papel



Newspapers
Periódicos



Paperboard
Cartón



Junk Mail
Correo no deseado



Phone Books
Directorios



Paper Cardboard, Dairy and Juice Containers
Envases de cartón de lácteos y de jugos



Aluminum Cans
Latas de aluminio



Tin or Steel Cans
Latas de hojalata y acero



Glass Bottles and Jars
Botellas y frascos de vidrio



Cardboard
Cajas de cartón



Plastic Bottles and Containers #1-7
Botellas de plástico y recipientes #1-7

Please call with any questions. Please save this for reference.
Favor de llamar al con cualquier pregunta. Por favor, guarde este inserto como referencia.

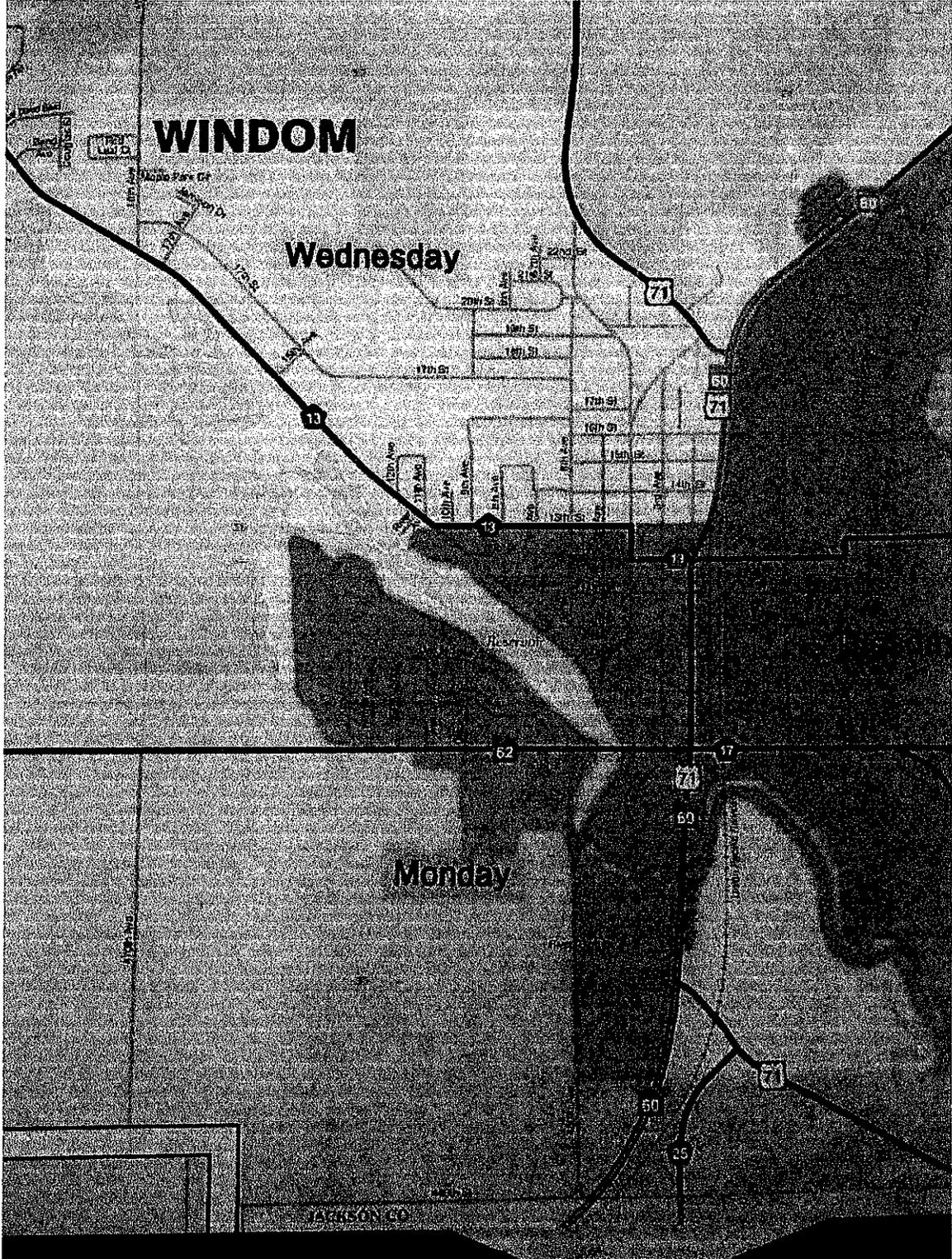


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THINK GREEN.®

WMCOMPR547GA

Windom Pickup Zones – Monday, Tuesday and Wednesday





Coalition of Greater Minnesota Cities

CGMC in Brief

December 15, 2011

Contact: Tim Flaherty
651-225-8840

Tim's Tour Continues

CGMC Lobbyist Tim Flaherty continues his tour around greater Minnesota meeting with legislators about the CGMC's goals for the legislative session. This week he met with Senator Gimse and Representative Vogel in Willmar. Many thanks to Willmar Mayor Frank Yanish and City Administrator Charlene Stevens for assisting with a successful meeting.

House GOP Calls for Short Legislative Session

Yesterday GOP leadership in the House of Representatives submitted their schedule for the upcoming legislative session. It will begin on January 24 and adjourn on April 30. There will be two separate week long breaks during the session, one for precinct caucuses and one for Easter/Passover break. This schedule is only a goal and was not agreed to yet by the Senate GOP leadership. But it does signal legislative interest in a short focused session ending early with plenty of time for campaigning in the newly drawn legislative districts.

You can read the announcement and the schedule in these documents <http://bit.ly/tpXRuW> and <http://bit.ly/u6KTOq>.

Biwabik Joins Coalition!

We are pleased to announce Biwabik on Minnesota's Iron Range is the newest CGMC member. A special thanks to Hoyt Lakes Mayor Marlene Pospeck and Councilwoman Melissa Skelton for their help in encouraging Biwabik to join. Our recruitment efforts continue, so if you think there is a city who is a good member candidate near you that you can help recruit please be in touch with Bradley Peterson of Flaherty & Hood.

Talking to your Legislator

Tim Flaherty recently sent an action alert out to all mayors and managers requesting that they contact their legislator and ask the legislators to support the interests of greater Minnesota when they return to the Capitol. Specifically, we are requesting that cities ask legislators for the following commitments:

- Oppose additional cuts to LGA in 2012
- Support increased LGA funding in 2013
- Oppose constitutional amendments that limit the legislature's authority to spend or raise revenue
- Support Greater Minnesota Economic Recovery plan

After your city has met with your legislator, please be sure to contact Tim and let him know how the conversation went. Tim can be reached at tpflaherty@flaherty-hood.com or 651-259-1901. We have attached a copy of the action alert lobbying packet that was recently sent out.



The state cut property tax aids and credits by \$638 million for the 2012-2013 biennium. This action resulted in large local property tax increases on homeowners, businesses, and renters. Greater Minnesota businesses were hit disproportionately hard -- making them less competitive and hurting the economic recovery.

CGMC's Proposals for Economic Recovery for the 2012 Legislative Session

Protect and Restore

Local Government Aid

State LGA cuts of over \$1.2 billion since 2003 have had a devastating impact on cities in greater Minnesota. The 2011 budget deal:

- Cut property tax aids and credits by \$638 million for 2012-2013 biennium
- Cut \$365 million from the Market Value Homestead Credit (MVHC)
- Cut over \$200 million from Local Government Aid (LGA)

What is needed now for economic recovery:

- **Oppose all cuts to LGA - additional cuts should be completely off the table in 2012 regardless of any new state budget deficit**
- **Restore LGA to per capita 2000 funding levels (an additional \$156 million) with at least half of this amount beginning in 2013**

Please remember Senator Julianne Ortman's commitment to future Local Government Aid and County Program Aid funding levels during the 2011 Special Session tax floor debate:

"All of our cities and counties know that the 2010 levels are permanent. That they will be paid out at those levels in 2011 and 12, and 13, and 14, and 15."

Adopt a Greater Minnesota Economic Recovery Plan

While protecting and restoring LGA is the most important approach to helping greater Minnesota's economy recover, here are additional initiatives to boost job creation:

Workforce Development and Training - Create a Greater Minnesota Employer Internship Tax Credit and a New Employees Job Training Program Tax Credit

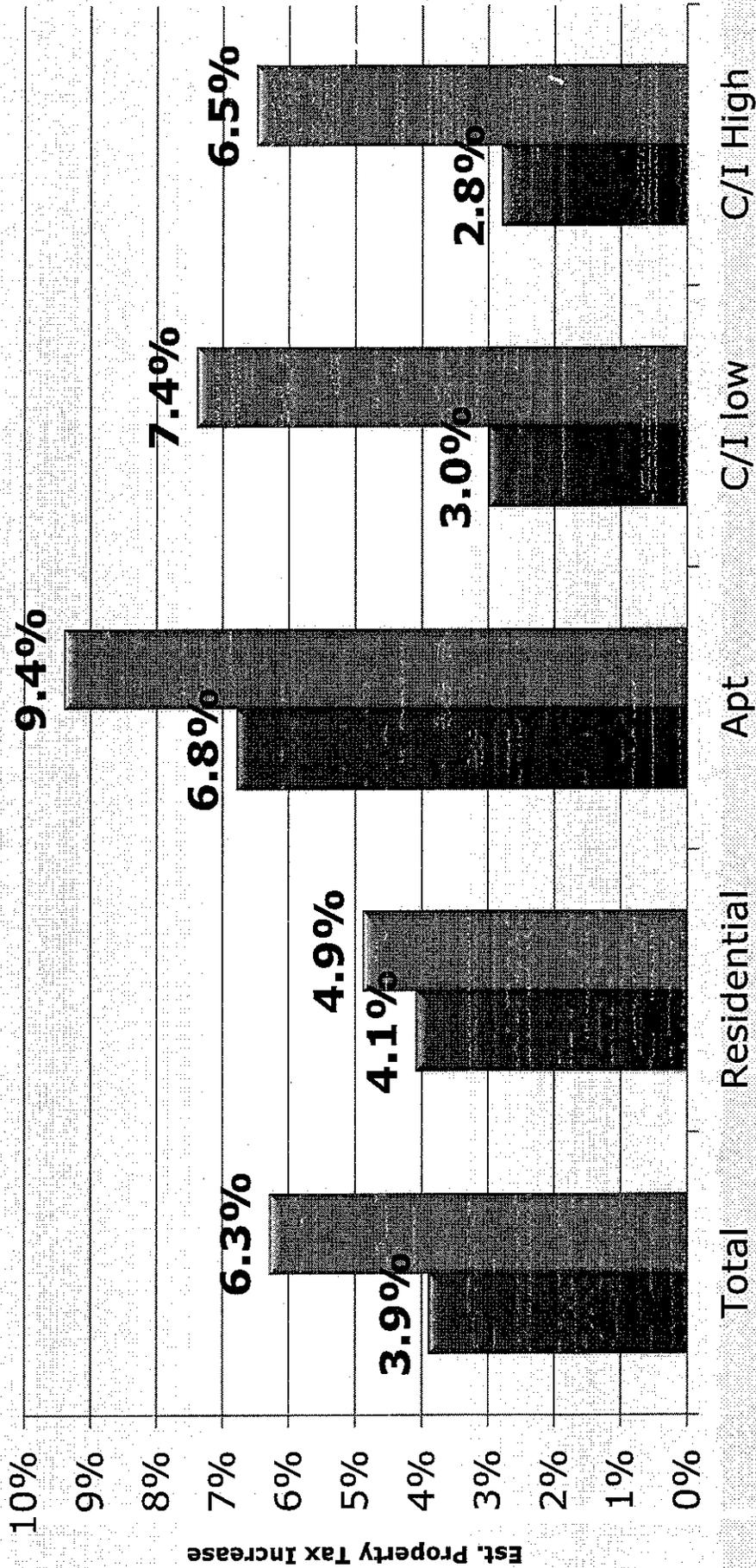
Entrepreneurial Enhancement - Increase angel investment tax credit for investments in greater Minnesota businesses to address the imbalance of credits issued since the program's inception in 2010

Regulations/Permitting - Reform and coordinate state regulatory permitting process

Infrastructure Development Bonding -

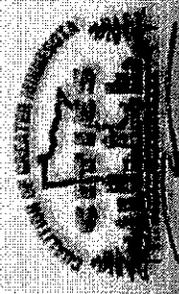
- Greater MN Business Development Public Infrastructure (BDPI) Grant Program - \$15 million
- Greater Minnesota General Bonding Program - at least \$350 million for higher education, economic development, and transportation
- Greater Minnesota Interchange Program - \$35 million for interchange projects to promote economic development, increase employment and improve public safety
- Municipal Wastewater and Sewer Infrastructure - \$200 million for a municipal wastewater and sewer infrastructure grant program

Property Tax Impacts of Budget



Source: House Research Simulation Report: Property Tax, #11EZ, July 18, 2011

12/11



Oppose Potential Constitutional Limits on Spending and Raising Revenue in 2012



Limited state revenue will push cost to local governments

- With decreased state revenue, aids to local governments, colleges and other programs with alternative revenue sources would likely be reduced. This would increase local taxes and tuition. In addition, mandates passed down from the state would be even less likely to have funding, increasing unfunded mandates.

Budgeting through the Constitution

- If it becomes easier to pass a constitutional amendment (requiring only simple majority) than a tax increase (requiring a supermajority of legislature), there likely will be many more budget related constitutional amendments. This could include mandated funding for education or dedicated tax increases to programs. This could squeeze programs with less special interest backing and money.

Aid and credit reductions used as “revenue” for other budget areas

- Because of the nature of the legislative process it is usually the Omnibus Tax Bill – where LGA and other property tax aids and credits programs are handled – that is the last one to be completed. This means that as other budget bills spend dollars for priorities in those areas it will become necessary to find dollars from other areas. So, in an environment where taxes can't be raised, the dollars set aside for LGA are ripe to become “revenue” to balance the books in other areas of state government.

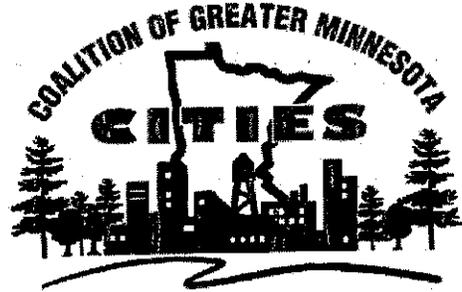
Property Tax Relief Will Need its Own Constitutional Protection

If Legislature passes a limitation on raising revenue then property tax relief will need constitutional protection

A constitutional amendment for property tax relief should:

- ✓ Dedicate 1.5 cents of existing sales tax to “Property Taxpayers Trust Fund”
- ✓ Trust Fund allocated by law, but must be:
 - 50% to LGA type program that takes into account a city's tax base and needs
 - 50% to direct tax relief to homeowners and renters

GREATER MINNESOTA ECONOMIC RECOVERY PLAN



Disparities in income and educational attainment levels, population shifts and other demographic variables in greater Minnesota calls for a fresh look at job creation by rural legislators at the Capitol. Accordingly, the Coalition of Greater Minnesota Cities proposes the following roadmap for the 2012 legislative session to help boost job-creation in greater Minnesota.

Protect and Restore Local Government Aid

Cuts in Local Government Aid (LGA) lead to property tax increases on local businesses and cuts to local services. These property tax increases fall disproportionately on greater Minnesota businesses. CGMC opposes any additional cuts to LGA in 2012 and supports an increase for LGA beginning in 2013.

Workforce Development and Training

- **Greater Minnesota Employer Internship Tax Credit - \$2.5 million/year for 3 years**
Employers in greater Minnesota who hire a student enrolled at a four-year university/college or two-year technical/community college as an intern would receive a refundable tax credit for a percentage of the salary paid to the intern. Certain qualifications would be attached to the intern, as well as the employer. Additionally, the amount of the credit and number of credits issued would be limited and available on a first-come, first-serve basis. A report to the Legislature is required.
- **New Employees Job Training Program – Cost Unknown**
A portion of a new employee's withholding tax is reinvested in the company to help pay for costs related to training of new employees. Businesses can use the funding to support its own training costs or contract with a training institution or private party to deliver the training. Applies to greater Minnesota businesses only. A report to the Legislature is required.

Entrepreneurial Enhancement

- **Greater Minnesota Angel Investment Tax Credit Expansion – No Cost**
Adjust angel investment tax credit statute to provide for 50% tax credit for investors in a qualified small business in greater Minnesota. The 25% tax credit in current law would remain for investments in Metro Area qualified businesses. Adjustment reflects significant shortage of investments in greater Minnesota since program's creation in 2010.

Regulations/Permitting

- **Reform and Coordination of the Permitting Process – No Cost**
Support legislative efforts designed to improve efficiency and coordination within the state regulatory permitting process. This involves the use of existing or new technologies to better track and process permits, as well as providing greater transparency and accountability. Emphasize public-private partnership opportunities with the State Chamber of Commerce and other groups.

Infrastructure Development

- **Greater MN Business Development Public Infrastructure (BDPI) Grant Program - \$15 million (G.O.)**
Request a \$15 million general obligation bond appropriation for the BDPI grant. Also, emphasize legislative or administrative solution allowing for receipt of BDPI grants where a city does not yet have a commitment from a tenant(s) at the industrial park.
- **Greater Minnesota General Bonding Program – at least \$350 million (G.O.)**
2012 is a traditional bonding year at the Capitol. One-half of the bonding bill, or at least \$350 million, should be designated for various greater Minnesota infrastructure projects. This would include funding for higher education, economic development, and transportation. Estimated amount and projects loosely based on 2012 agency and local government capital investment requests submitted to the Department of Minnesota Management and Budget in June, 2011.
- **Greater Minnesota Interchange Program – \$35 million (T.H. Bonds)**
Approximately \$35 million in trunk highway bonding for interchange projects in greater Minnesota where the interchange will promote economic development, increase employment and improve public safety. No project specifically earmarked. Repeal of Motor Vehicle Sales Tax exemption for collector cars or other revenue should be considered to help pay for debt service on the trunk highway bonds. (Debt service is approximately \$3.6-3.7 million per year.)
- **Municipal Wastewater and Sewer Infrastructure Bonding - \$100 million/year for 2 years (G.O.)**
General obligation bond request of \$200 million for a municipal wastewater and sewer infrastructure grant program. The grant would call for a local match of at least 25%. These resources would be in addition to the yearly Public Facilities Authority base request for funding of waste water and sewer projects. Funding would operate through the Wastewater Infrastructure Fund (WIF) fund, with modified eligibility criteria. The program is designed to address wastewater treatment facility improvement funding shortfalls, and incentivize project development.

12/11



December 12, 2011

NEWS RELEASE
For Immediate Release

Contact: Dan Olsen, General Manager
507-662-7000 or dano@windomnet.com

FIRST BROADBAND CUSTOMERS IN LAKEFIELD

Pastor Andrew and Lisa Schensted First Southwest Minnesota Broadband Customers

Lakefield, MN – Southwest Minnesota Broadband Services (SMBS) fiber-to-home project became a reality on Thursday, December 7, 2011, with Pastor Andrew and Lisa Schensted being connected to SMBS internet and cable TV services.

Pastor Andrew and Lisa are impressed. Andrew said that their fiber-to-home connection provides, “obnoxiously fast internet.” The Schensteds moved to Lakefield from the Twin Cities and Andrew said that their SMBS internet is “at least ten times faster,” than what they had in the metropolitan area. They have been streaming video in full HD from TV streaming websites. Lisa said that, “It’s just so great. I was feeling under the weather and all of the different channels kept me entertained!”

Dan Olsen, Windomnet Operations Manager/SMBS General Manager said that work on the fiber ring has been “fast and furious since ground breaking on July 22. We are thankful that the Schensteds have agreed to be our trial customer. They have been asked to use as much data as possible. SMBS is now analyzing the system to see if any adjustments need to be made before additional customers are connected.” Another small group of customers will be connected by the end of December with community wide installation fully underway in January.

SMBS is also working on a wireless trial that will launch in the Bingham Lake area by the end of December. Olsen said, “The demand for higher speed internet in our rural area is daunting. People not only want faster speeds, they need it for their business operations.” If the wireless trial is successful it could provide a better option to those not on the fiber system.

About Southwest Minnesota Broadband Services: Southwest Minnesota Broadband Services (SMBS) is a consortium of 8 communities including Bingham Lake, Brewster, Heron Lake, Jackson, Lakefield, Okabena, Round Lake and Wilder. The 125-mile, \$12.8 million dollar fiber ring is expected to be completed in September 2012. The fiber-optic communication network has the capacity to bring fast, competitively priced services for internet, phone and cable TV to residential subscribers as well as businesses and other community institutions. This government grant supported project is intended to provide Southwest Minnesota with the telecommunication connectivity required to remain competitive in the global marketplace. For more information on Southwest Minnesota Broadband Services, visit their website at mysmbs.com



CITIES BULLETIN

Issue 43

December 14, 2011

Print a Copy



Download/print a pdf of all articles in this issue.

League Board of Directors Adopts 2012 Legislative Priorities

The priorities list helps focus the League's advocacy efforts during what is certain to be an intense 2012 legislative session. [Read more.](#)

In Other News

Clarifying the Impact of New HMVE on Levy Limits, Debt Limits, and TIF Districts

The League is working on legislation to address issues that have arisen with the implementation of the new homestead market value exclusion. [Read more.](#)

City of St. Paul Offers Training for Development of Sustainable Building Policy

The City of St. Paul has developed a model sustainable building policy, and is offering to train local governments to develop such policies of their own. [Read more.](#)

State Division Seeks to Clarify Definition of 'Excavation'

The Office of Pipeline Safety will host an online meeting next week to discuss new language to clarify the term "excavation" as it relates to machine-powered equipment. [Read more.](#)

Push for Electronic Pull Tabs Gains Steam as Possible Stadium Solution

The League is working to make sure cities aren't negatively affected by the use of charitable gambling proceeds to fund a new Vikings stadium. [Read more.](#)

New State Stormwater Permit Adoption Timeline Pushed Back

The agency and Legislature will take a closer look at permit requirements because of concerns raised by cities and others. [Read more.](#)

Is Your City Seeking Special TIF Legislation? Let the League Know

The current economy has dried up many development projects, causing some cities to seek an extension on their TIF deadlines. [Read more.](#)

LGA Study Group Holds First Meeting

The study group must give its LGA reform recommendations to the Legislature by the end of 2012. [Read more.](#)

House Committee Holds Hearing on Local Innovation and Redesign

The League and others shared their perspectives about local government redesign. [Read more.](#)

More Information and Resources

[Brand New! Public Safety Risk Management Blog from LMCIT](#)

[Environmental Projects Funding from Minnesota's Environment and Natural Resources Trust Fund](#)

[New City Officials—Join Us in January for a Crash Course on Governing and Managing](#)

[Land Use Basics: E-Learning Course Open Now](#)

[Register Now—Conference for Experienced Officials in January](#)

Training, Conferences, Events

[Upcoming League Events](#)

[Online Training/E-Learning](#)

[Co-Sponsored Events](#)

[Events Sponsored by Other Organizations](#)

Featured Events

Leadership Conference for Newly Elected Officials
Jan. 27-28—Brooklyn Center

Leadership Conference for Experienced Officials
Jan. 27-28—Brooklyn Center

Quick Links

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

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lelmstrand@lmc.org
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Contact IGR Staff

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

League Board of Directors Adopts 2012 Legislative Priorities



The priorities list helps focus the League's advocacy efforts during what is certain to be an intense 2012 legislative session.

In addition to adopting the 2012 City Policies on Nov. 17, the League Board of Directors adopted a diverse list of legislative priorities. The priorities list helps focus the League's advocacy efforts during what is certain to be an intense legislative session.

The legislative priorities are based on the Board's assessment of member interest gleaned from discussions that occurred during the policy committee process as well as discussions with members during the fall regional meetings and other membership interaction. The priority list is not comprehensive in that issues addressed do not reflect the entire scope of anticipated intergovernmental relations (IGR) activities at the Legislature during the 2012 legislative session. Additionally, the list may be modified by Board action.

The issues outlined below (listed alphabetically) are those designated by the Board of Directors as League priorities.

Bonding/capital investment

The League will work to ensure that if there is a bonding bill in 2012, water and transportation infrastructure programs are adequately funded and that federal matching funds are maximized.

Broadband

The League supports the recommendations of the Minnesota Ultra High-Speed Broadband Task Force and urges the Legislature, the governor, and state agencies to work closely with the Governor's Broadband Task Force. The task force was created this year to develop policies and programs aimed at achieving these broadband goals.

City revenue diversification

The League supports eliminating the need for state approval for local sales taxes, and will work to secure authority for any city to impose other types of taxes such as a local payroll tax or an entertainment tax. Cities should also be able to modify the use of their local lodging tax revenues and have general authority to create utilities, similar to the storm sewer utility authority, in order to fund local services where benefit or usage of the service can be measured.

Economic development/job creation

The League will advocate for term extensions for redevelopment tax increment financing (TIF) districts, which are taking longer to develop as a result of the economic crisis, and support increased bonding appropriations for proven Department of Employment and Economic Development programs such as the Redevelopment Fund and the Minnesota Investment Fund. Additionally, the League will work to fix the negative impacts on housing TIF districts, and economic development authority/housing redevelopment authority levies that are a result of the switch from the market value homestead credit to the homestead market value exclusion.

Election issues

The League supports measures to expedite and make the process of conducting post-election audit reviews as transparent and uncomplicated as possible. The League encourages the elimination of redundant audio testing of Auto-MARK voting equipment on Election Day. Finally, the League supports an earlier deadline for ending in-person absentee voting prior to Election Day.

Employment mandate relief

The League urges the Legislature to recognize the need for local decision-making authority by local elected officials with regard to the terms and conditions of employment for local government employees. The League will seek relief from expensive and, in some cases duplicative, personnel mandates.

Foreclosure prevention and neighborhood recovery

The League will work to secure state and federal resources and provide financing tools to help cover city costs associated with foreclosures and neighborhood recovery. The League will also support the establishment of a non-competitive program to provide a match for city-subsidized affordable housing projects.

Funding local government aid (LGA)/LGA reform

The League supports a strong state-local partnership, and supports modifications that strive to accentuate accountability, certainty, adequacy, flexibility and equity in the state-local finance system.

Land use authority

The League will work to preserve the ability of city governments to continue to make land use decisions.

MnDOT rights-of-way maintenance

The League supports legislation that would require the Minnesota Department of Transportation (MnDOT) to maintain state rights-of-way located within city limits in a manner consistent with local ordinances governing private property when requested by the city. MnDOT must be provided with adequate funds to maintain state rights-of-way.

Procurement/contracting

The League will advocate to secure broad design-build authority for cities. The League will oppose legislation that explicitly removes local authority to use procurement methods other than competitive bidding.

Railroad stormwater fee exemption

A bill that would exempt railroads from any levy, special assessment, or charge related to storm sewers was introduced in the 2011 session. The legislation would set railroads apart from all other property owners, including the federal government and tax-exempt properties such as churches, when it comes to paying a portion of the cost of federal stormwater management mandate compliance. The League vigorously opposed this legislation in 2011 and will do so again in 2012.

Redesigning and reinventing government

One component of government redesign efforts is assisting local governments with collaborative initiatives through incentives and statutory changes. Along with these ideas, real mandate relief must be part of the discussion about doing things differently. The League will work with legislators and other advocacy groups to advance workable solutions, and to continue to defend cities against new mandates.

Responsibility for locating underground facilities

The League supports clarifying state regulations to specify that excavators are responsible for locating and protecting any private service laterals that are potentially impacted by excavation activities conducted on private property. The League will also defend existing state laws and rules that hold contractors and excavators liable for damages resulting from their actions that do not comply with state pipeline safety measures and local permit requirements.

State budget stability

The League will advocate for structural solutions to the state's budget imbalance, and will support the following options: considering all state revenue options, reinstating the inflation factor in the budget projections for state expenditures, building a 5 percent state budget reserve, and modifying the state unallotment statute to place a reasonable statutory limit on the timing of unallotment and the percentage of the state's budget that can be unallotted during a biennium without legislative approval.

State/local fiscal relations

The League supports a strong state-local partnership, and believes any modifications to the current system should be consistent with the following principles: accountability, certainty, adequacy, flexibility, and equity. Given the city program cuts already enacted for the 2012-2013 biennium, the League will oppose further reductions in property tax relief programs to cities.

Street improvement district authority

The League will advocate in 2012 that cities must have an additional funding tool for local street maintenance and reconstruction. The League supports legislation that would allow cities to establish street improvement districts to fund the cost of transportation projects within districts.

Sustainable development and green construction

The League supports efforts to promote sustainable development where cities are provided tools and flexibility to determine what works best for their community and the effectiveness of the proposed practice is supported by sound science. The League opposes mandates that supersede or limit the authority of cities to determine what practices will best meet the needs of their communities.

Water quality

The League will work to make sure that if changes to water regulations for cities are proposed, they are supported by sound science, result in actual environmental benefits, and are economically and technically feasible.

During what is certain to be a challenging legislative session, the League will work to represent cities' interests in the legislative process, keep members informed of proposals being discussed at the Capitol, and help city officials understand the implications of decisions being made.

Members are encouraged to use the League's many communication tools to stay informed and get involved. Most importantly, the League needs city officials to share information and concerns with state leaders so they can make informed decisions about Minnesota's future.

The final *LMC 2012 City Policies* document will soon be available on the League's website at www.lmc.org/policies (Link to: <http://www.lmc.org/page/1/legislative-policies.jsp>) . The January-February 2012 issue of *Minnesota Cities* magazine will contain a comprehensive 2012 legislative preview.

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

Clarifying the Impact of New HMVE on Levy Limits, Debt Limits, and TIF Districts



The League is working on legislation to address issues that have arisen with the implementation of the new homestead market value exclusion.

(Published Dec 14, 2011)

The 2011 omnibus tax bill (**First Special Session Chapter 7** (Link to: <https://www.revisor.mn.gov/laws/?id=7&doctype=Chapter&year=2011&type=1>)) enacted significant changes to the state's property tax system, including the elimination of the existing market value homestead credit (MVHC) and the transition to the new homestead market value exclusion (HMVE).

Although there have already been calls by legislators to restore MVHC or to expand other programs such as the property tax refund program to buffer tax shifts, there are a host of other unforeseen consequences of these changes that need to be addressed by the 2012 Legislature:

For example, state statutes include numerous references to a city's market value that are used to calculate levy limits, debt limits, and even state aids. Under the new HMVE program, it is not entirely clear as to whether the market value used in many of these statutes is the market value of the city before or after the homestead market value exclusion or other tax base exclusions. For many cities, the new exclusion will result in a tax base reduction of less than 10 percent, but in some cities, the new exclusion can reduce the city's tax base by 30 percent to nearly 40 percent. If these statutes are interpreted to use market value after the homestead exclusion, these cities could experience a significant reduction in their levy or debt authority.

After the passage of the special session tax bill, the League contacted the Minnesota Department of Revenue (DOR) to clarify the interpretation of a statute that limits the levy authority of economic development authorities (EDAs) to a set percentage of "taxable market value." The Department took a position that statutory limits on property tax levies computed based on "taxable market value" or "percent of market value of taxable property" will be based on the taxing jurisdiction's total market value *after* reducing the value of qualifying homesteads by the new homestead market value exclusion.

The DOR's interpretation of statutes would potentially reduce the allowable tax levies for a variety of entities, including EDAs, housing and redevelopment authorities (HRAs), and port

authorities. Levy limits for other entities, including but not limited to watershed management districts, watershed management organizations, county historical societies, and county libraries may also be impacted.

In addition, there are similar issues related to debt limits based on a city's "market value," "taxable market value," and "market valuation." For example, the general net debt limit for cities, as well as equipment certificate limits and debt and bonding limits for HRAs, could be reduced by the new homestead market value exclusion.

Another issue related to the new HMVE program involves its impact on tax increment financing (TIF) districts that contain homesteaded property. The DOR has initially interpreted that the TIF statutes do not provide for any adjustment to a TIF district's original net tax capacity resulting from the new market value exclusion. However, the current year value of the district will reflect the impact of the new market value exclusion. As a result of this interpretation, the application of this market value exclusion will reduce increments in districts containing homesteaded property that qualifies for the exclusion.

The League hopes to have a bill draft completed in the near future for introduction early in the 2012 session. If you have questions about any related issues, contact Gary Carlson (see right).

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

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City of St. Paul Offers Training for Development of Sustainable Building Policy



The City of St. Paul has developed a model sustainable building policy, and is offering to train local governments to develop such polices of their own.

(Published Dec 14, 2011)

With a grant from the Minnesota Pollution Control Agency, the City of St. Paul has created a model sustainable building policy designed to be replicable by other local governments.

Studies show that green buildings can reduce energy use by 24 to 50 percent, water use by 40 percent, and solid waste by 70 percent. These savings benefit not only the environment, but a city's bottom line. While cities are prohibited from adopting local building codes that exceed that State Building Code, they can impose additional requirements on municipal buildings and as

a condition of receiving city financing.

The St. Paul model policy:

- Applies to all new municipal buildings and to new construction projects that receive public financing.
- Uses proven and recognized green building standards such as LEED, the State of Minnesota Sustainable Building Guidelines (“B3”), and Enterprise Community Partners’ “Green Communities,” so there is no need to create a new standard.
- Gives developers flexibility.
- Does not require a high level of technical expertise from city staff.
- Is supported by online resources.
- Is easily modified to reflect local needs.

Learn more about St. Paul’s model policy (*Link to: <http://www.sustainablebuildingpolicy.umn.edu/saintpaul/>*)

The City of St. Paul is offering training about this model policy to other local governments. It may be customized for policymakers or staff, and can be lengthened or abbreviated to accommodate schedules. The training is made available through a grant from the Minnesota Department of Employment and Economic Development and the United States Department of Labor. For more information about the training, contact Kurt Schultz at the City of St. Paul (see right).

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

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State Division Seeks to Clarify Definition of ‘Excavation’

The Office of Pipeline Safety will host an online meeting next week to discuss new language to clarify the term “excavation” as it relates to machine-



powered equipment.

(Published Dec 14, 2011)

City officials—particularly public works directors, city utility (electric, gas, water, and wastewater systems) managers and operators, and city engineers—have an important opportunity to participate in a public meeting to review the current definition of the term “excavation.”

The online meeting, hosted by the Minnesota Office of Pipeline Safety (MNOPS), will take place at 1 p.m. on Dec. 20. The purpose of the meeting is to help determine whether MNOPS should adopt a new state rule to clarify the definition of excavation as it relates to “machine-powered equipment of any kind.” The discussion is intended to address whether the addition of a new Minnesota rule is needed to clarify this definition found in *Minnesota Statutes*, section 216D.01, subdivision 5.

The current statutory definition of excavation is: “an activity that moves, removes, or otherwise disturbs the soil by use of a motor, engine, hydraulic or pneumatically powered tool, or machine-powered equipment of any kind, or by explosives. Excavation does not include: (1) the extraction of minerals; (2) the opening of a grave in a cemetery; (3) normal maintenance of roads and streets if the maintenance does not change the original grade and does not involve the road ditch; (4) plowing, cultivating, planting, harvesting, and similar operations in connection with growing crops, trees, and shrubs, unless any of these activities disturbs the soil to a depth of 18 inches or more; (5) gardening unless it disturbs the soil to a depth of 12 inches or more; or (6) planting of windbreaks, shelterbelts, and tree plantations, unless any of these activities disturbs the soil to a depth of 18 inches or more.”

Minnesota rules related to pipeline safety are found in:

- Chapter 7530: Pipeline safety enforcement and sanctions.
- Chapter 7535: Model pipeline setback ordinance.
- Chapter 7560: Excavation notice system.

Proposed language

A proposal rule would add “Subpart 13: Machine-powered equipment of any kind” to Minnesota Rule 7560.0100. The proposed language says that machine-powered equipment “means any mechanical device, including simple machines and tools that provides a mechanical advantage, when used for the purpose of moving, removing, or otherwise disturbing the earth (except for the statutorily required activities associated with marking, locating and pot holing) and is capable of damaging an underground facility.”

- **Learn more from the MNOPS website** (Link to: <https://dps.mn.gov/divisions/ops/laws/Pages/rules.aspx>)
- **Find out how to connect to the Dec. 20 online meeting with MNOPS** (Link to: <https://dps.mn.gov/divisions/ops/forms-documents/Documents/MSRule%20Webcast%20Info%2012202011.pdf>)

For more information, contact Jeff Murray with MNOPS (see right).

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

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Push for Electronic Pull Tabs Gains Steam as Possible Stadium Solution



The League is working to make sure cities aren't negatively affected by the use of charitable gambling proceeds to fund a new Vikings stadium.

(Published Dec 14, 2011)

Charitable gambling is surfacing as a possible way to fund a new Vikings stadium, and the League is monitoring this new development to make sure cities aren't hurt by it.

Cities play an important role in regulating charitable gambling, and receive substantial revenue that supports parks and recreational activities, youth programs, and first responders. The partnership between cities, the state, and charitable gambling organizations ensures the success of charitable gambling in Minnesota.

Legislation sponsored by Allied Charities of Minnesota would allow charitable gambling organizations to offer electronic pull tabs and linked bingo at their licensed locations. It is estimated that this change will bring in over \$70 million in additional state tax revenue once the program is fully operational.

Legislators and Gov. Dayton have identified this additional revenue as a possible source of funding for a new Vikings stadium. The revenue estimates assume that there will be no changes in existing law related to charitable gambling, and the League is working with stakeholders and legislators to keep it that way.

- **View the League's letter to the governor and legislative leaders (pdf)** (*Link to:*

http://www.lmc.org/media/document/1/lmcletter_charitablegambling.pdf)

Under current law, an applicant for a state charitable gambling license must receive approval of

the host municipality as a condition for the license. This ensures that cities can limit charitable gambling in their communities if they want.

Current law also allows a city to establish a local trade area and a 10 percent city contribution fund so that local dollars benefit local charities and citizens. In addition, cities have the right to impose a 3 percent tax to offset the cost of local administration of charitable organizations. Cities use this money to perform site inspections and compliance reviews, and to respond to citizen complaints.

With every stadium dollar at a premium, there may be temptation to increase the state's share of the revenue at the expense of cities or the charitable organizations. Thus far, no one has indicated a plan to change the role of cities, but the League is closely monitoring the progress of stadium negotiations to make sure that doesn't happen.

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

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New State Stormwater Permit Adoption Timeline Pushed Back

The agency and Legislature will take a closer look at permit requirements because of concerns raised by cities and others.

(Published Dec 14, 2011)

On Dec. 8, the **Minnesota Pollution Control Agency** (*Link to: <http://www.pca.state.mn.us/>*) (MPCA) held the first of two meetings with stakeholders to address concerns raised by cities and others about the state's proposed new municipal stormwater (MS4) permit. A number of city stormwater officials participated in the meeting.

As part of that meeting, the agency made it clear that they expect to redo the public comment period on the permit, an indication that they intend to make substantial changes to the initial draft permit. The second meeting will be held from 1 to 4 p.m. on Dec. 14 at the Roseville Public Library.

Additionally, the **Senate Environment and Natural Resources Committee** (*Link to:*) has scheduled a hearing prior to the start of the next legislative session to discuss the draft permit. That hearing is scheduled on Jan. 5, 2012 at 9:00 am in Room 107 of the State Capitol.



About the new permit

The MPCA has been working over the past year and a half to draft and put on public notice the state's new MS4 (Municipal Separate Storm Sewer System) permit, as required under the federal Clean Water Act. This permit affects all cities located within urbanized areas, as defined in the latest census, as well as any city with a population of 10,000 or more. It also applies to cities of 5,000 or more in population if their stormwater discharge goes to a lake or river that is listed as being impaired if urban stormwater is a contributor to the pollutants causing the water to fail to meet water quality standards.

Cities falling into the categories listed above do need to have an MS4 permit in place to be in compliance with federal law and avoid citizen lawsuits, so this is not something the state can simply ignore. However, the language in the new permit needs to be changed to make the permit feasible and reasonable for those who have to operate under it. The League of Minnesota Cities will continue to work with the Minnesota Cities Stormwater Coalition (MCSC), other stakeholders, the MPCA, and the state Legislature to develop the MS4 permit in a manner that works for cities.

Timeline

The draft permit was put out for public comment on May 31, 2011. The League, together with MCSC, filed extensive comments. The 107 points raised in those comments focused on the cost, timelines, and feasibility of the new requirements contained in the permit. Our comments also addressed areas where we found that the currently proposed regulations:

- Do not necessarily result in improved environmental conditions.
- Contain language that leaves doubt as to how to proceed in a manner that would assure cities are in compliance.
- Are being placed before science supports those requirements.
- Contain permit conditions that may exceed the agency's authority under state and federal water law.

Since the public comment period closed in August, MPCA officials have said they agree that there needs to be significant work done to address some of the concerns raised by cities and others during the comment period. In particular, the costs and timelines involved are expected to receive added attention, as well as making sure the language is less ambiguous about permit requirements.

The permit was initially slated to be acted on by the MPCA Citizen Board in January of 2012. That timeline had shifted back to May 2012 due to the state shutdown. Having the permit go through public comment again likely moves final action on the permit back to late 2012.

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

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Is Your City Seeking Special TIF Legislation? Let the League Know



The current economy has dried up many development projects, causing some cities to seek an extension on their TIF deadlines.

(Published Dec 14, 2011)

The League recently learned of a metro city that will be seeking special legislation in 2012 for an extension of the deadline for certification of a redevelopment tax increment financing (TIF) district. We would like to hear if there are other cities planning to do the same.

The current economy has dried up many development and redevelopment projects, making the timelines that exist in TIF law (**chapter 469** ([Link to: https://www.revisor.mn.gov/statutes/?id=469](https://www.revisor.mn.gov/statutes/?id=469))) hard to meet in many instances. Almost every year, there are cities that come in with individual legislative requests, and a number of these end up in the tax bill.

Current TIF law allows an authority (or developer) to demolish substandard buildings before creating a TIF district, if the authority first finds that the buildings are substandard. The TIF district needs to be certified within three years after demolition. The aforementioned metro city is asking for an extension of about four years because it does not yet have a developer.

The League's policies on tax increment financing recognize TIF as an important redevelopment tool, and one of the few cities have. While the League does not advocate for individual or city-specific projects, these special bills brought forward by cities are often good examples of what is going on in the market. The 2012 session has the potential to be extremely short, and cities with special legislation—tax increment or otherwise—will want to be in contact with their legislators as soon as possible.

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

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LGA Study Group Holds First Meeting



The study group must give its LGA reform recommendations to the Legislature by the end of 2012.

(Published Dec 14, 2011)

The **LGA Study Group** ([Link to: http://www.commissions.leg.state.mn.us/lga/lga.html](http://www.commissions.leg.state.mn.us/lga/lga.html)) met on Dec. 7 and heard brief testimony from the League, the Coalition of Greater Minnesota Cities, the Association for Small Cities, and Metro Cities.

Much of the meeting was taken up by a presentation on the history of local government aid (LGA) by Pat Dalton of the House of Representatives Research Department and Jack Paulson of Senate Fiscal Analysis. The 2008 tax bill called for the formation of a group to consider the LGA formula and make recommendations for reform. The deadline for the group has been extended a couple of times and is now set for the end of 2012.

Chair Rep. Linda Runbeck ([Link to: http://www.house.leg.state.mn.us/members/members.asp?id=10575](http://www.house.leg.state.mn.us/members/members.asp?id=10575)) (R-Circle Pines) indicated that she would call for a January meeting and asked members to submit ideas for what the goals and objectives of the study group should be going forward. The draft goals the League submitted to guide the group's work are:

- Reach agreement on goals and purpose of LGA.
- Examine LGA in light of all state property tax relief programs, including fiscal disparities, direct property tax relief programs, homestead market value exclusion program, etc.
- Decide whether a more modest update of the existing formula or a full-blown rebuilding of LGA system is needed.
- Consider whether dedicated funding mechanisms for LGA are viable.
- Consider whether the study group should form a technical subcommittee to explore formula models for LGA. (A technical subcommittee could meet separately to work on technical details, and bring ideas back to full group.)
- Identify a process to solicit and consider other perspectives such as individual cities and stakeholder groups like the Minnesota Taxpayers Association.
- Consider distribution formulas that use easily measurable factors that are updated regularly, that minimize reliance on side pots of aid, and that reduce tax burden disparities between cities and between cities and townships.

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

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House Committee Holds Hearing on Local Innovation and Redesign



The League and others shared their perspectives about local government redesign.

(Published Dec 14, 2011)

The House State Government Finance Committee ([Link to: http://www.house.leg.state.mn.us/comm/committee.asp?comm=87018](http://www.house.leg.state.mn.us/comm/committee.asp?comm=87018)) last week heard testimony from the League and others involved with the recent meetings around the state on local innovation and redesign.

LMC Executive Director Jim Miller testified on behalf of the League, along with Austin City Councilmember Marian Clennon, who attended the Rochester meeting in early November. The committee spent close to two hours listening to a variety of perspectives, including those from foundations, individuals, Bob Meeks of the Minnesota School Boards Association (MSBA), and Jeff Spartz of the Association of Minnesota Counties.

Reps. Carol McFarlane ([Link to: http://www.house.leg.state.mn.us/members/members.asp?id=15278](http://www.house.leg.state.mn.us/members/members.asp?id=15278)) (R-White Bear Lake) and **Diane Loeffler** ([Link to: http://www.house.leg.state.mn.us/members/members.asp?id=12270](http://www.house.leg.state.mn.us/members/members.asp?id=12270)) (DFL-Minneapolis) kicked off the testimony. The two of them represented the bipartisan House Redesign Caucus that started in 2010. Others testifying were: Peter Hutchinson of the Bush Foundation; Carleen Rhodes of St. Paul and Minnesota Community Foundations; Laura LaCroix-Dulluhn, project manager; Kevin Donovan, Mahtomedi School Board member/MSBA Board of Directors; and Tony Murphy, administrator of Beltrami County.

All involved presented their own experiences with local innovation, as well as the meetings. The statewide associations' executive directors were able to quickly update the committee on their own initiatives, for example the League's **Cities, Services & Funding** ([Link to: http://www.lmc.org/page/1/cities-services-funding.jsp](http://www.lmc.org/page/1/cities-services-funding.jsp)) project.

The morning committee meeting was well-attended by legislators as many had to go to the Vikings stadium hearing that afternoon. While not many questions were asked, certain legislators did push the various local government groups on the importance of being quick to change, and questioned whether counties and cities were really ready for the "new normal" (meaning all the demographic changes) as this information has been known for some time.

This hearing was a preliminary one as a report has not yet been written about the various ideas. A report is expected to be ready in January, and it's likely another hearing will happen in the weeks ahead leading to session.

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

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Current Grant Opportunities

Health Care Innovation Challenge Grant

The White House recently announced the Health Care Innovation Challenge—a new initiative that will invest up to \$1 billion in support of local innovation in communities across the nation to achieve better care, better health, and lower costs through continuous improvement. Funded by the Affordable Care Act, this initiative will award grants in March. Local governments are eligible to apply. All applications must be submitted electronically through www.grants.gov (Link to: <http://www.grants.gov>). Applicants are strongly encouraged to review criteria information provided in the “Application Review Information” section in the funding opportunity announcement, to help ensure that the proposal adequately addresses all the criteria that will be used in evaluating the proposals.

Important deadlines

- Letter of Intent—**Dec. 19**
- Application—**Jan. 27**
- Anticipated Award Date—**March 30**

Learn more about the Health Care Innovation Challenge and submit your Letter of Intent

(Link to: <http://www.innovation.cms.gov/initiatives/innovation-challenge/index.html>)

DEED Redevelopment Grants

The Minnesota Department of Employment and Economic Development (DEED) will be awarding \$2 million in general fund dollars as well as additional bond dollars for grants through the Redevelopment Grant Program. Under the program, your project can receive up to 50 percent of costs to pay for land acquisition, demolition, infrastructure and other project-related improvements related to redeveloping the property. The deadline for applications is 4 p.m. on **Jan. 3**. For more information, contact Irene Dassier, DEED, at (651) 259-7449 or Irene.Dassier@state.mn.us (Link to: <mailto:Irene.Dassier@state.mn.us>)

- **Read about Redevelopment Grant workshops DEED is offering** (Link to: <http://www.lmc.org/page/1/redevelopmentgrants.jsp>)
- **Learn more about the grant program** (Link to: http://www.positivelyminnesota.com/Government/Financial_Assistance/Site_Cleanup_Redvelopment_Funding/Redevelopment_Grant_Program.aspx)
- **Access an application for the grant** (Link to: http://www.positivelyminnesota.com/Government/Financial_Assistance/Site_Cleanup_Redvelopment_Funding/Redevelopment_Grant_Program_2.aspx)

MnDOT Routes of Regional Significance

The 2011 Legislature approved \$10 million of state transportation bond funds in the Local Road Improvement Program (LRIP). These funds are used to assist townships, cities, and counties in paying the costs of constructing or reconstructing local road projects with statewide or regional significance.

MnDOT State Aid for Local Transportation is accepting applications from cities, counties, townships, and other local agencies until **Feb. 3**. Applications should be for projects eligible for funding under the Routes of Regional Significance Account of the LRIP for the 2012-2013 biennium. Criteria for submitting projects includes:

- Projects must be approved for construction letting by June of 2013.
- The road improvement must qualify as regionally significant.
- The project must correct a transportation deficiency and incorporate a safety strategy as part of the proposed improvement project.

Learn more and apply for this funding program (*Link to: http://www.dot.state.mn.us/stateaid/sa_lrip11.html*)

(Link to:)

Environmental Projects Funding from Minnesota's Environment and Natural Resources Trust Fund

The Legislative-Citizen Commission on Minnesota Resources (LCCMR) has issued its 2012-2013 Request for Proposal (RFP) for funding from Minnesota's Environment and Natural Resources Trust Fund beginning July 1, 2013. Proposals are being sought that provide multiple ecological and other public benefits in specific areas. Proposals are due by **April 6, 2012**. Anyone with a project idea consistent with the RFP may submit a proposal for consideration by the LCCMR. LCCMR staff are available to assist proposers, answer questions, or review and provide feedback on drafts of proposals. Proposers are encouraged to submit proposal drafts to help ensure proposals are focused, clear, and contain all necessary information. Drafts must be received by Monday, April 2, 2012 to allow adequate time for staff to review.

Learn more about the LCCMR's proposal and funding process and access the RFP (*Link to:*

<http://www.lccmr.leg.mn>)

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

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MN Local Government Innovation Forum

Partners, Supporters and Funders

Minnesota Local Government Innovation Forums are a joint effort of Association of Minnesota Counties (AMC), League of Minnesota Cities (LMC), and the Minnesota School Boards Association (MSBA), known as the Big Three. The Minnesota House Redesign Caucus and InCommons have provided support for these forums and the Beyond the Bottom Line Partnership has provided funding.

Partners

About AMC

The Association of Minnesota Counties (AMC) is a voluntary, non-partisan statewide organization that has assisted the state's 87 counties in providing effective county governance to the people of Minnesota since 1909. The association works closely with the legislative and administrative branches of government in seeing that legislation and policies favorable to counties are enacted. AMC also provides educational programs, training, research and communications for county officials.

AMC's REDESIGN History

In 2003, AMC's Board of Directors began a movement to cultivate a culture of innovation and set up programs at AMC to explore and embrace innovative proposals (*i.e. the Minnesota County FUTURES Task Force*). County officials recognized at that time that the current state/county relationship would not be sustainable over the long-term and that counties had to be proactive in being part of the changes that were sure to come.

In 2008, AMC coined the phrase "REDESIGN" as we began the official "Minnesota REDESIGN Project" with the mission of redesigning and restructuring the delivery of public services in Minnesota. It's always been the hope of county officials that these efforts will create a change culture in which the relationship between the state

and counties can be enhanced, innovation encouraged and rewarded, and public policy and program outcomes valued more than inputs. County officials continue to believe that the current local government service delivery models are not sustainable in the future as times, conditions and citizen expectations change. Citizens demand that government provide services as effectively and efficiently as possible.

AMC and its members are fully committed to REDESIGN now and into the future for the betterment of our state, communities, and citizens. As a nation, as a state and as communities, we recognize the responsibility to care and protect those most in need, to provide a public infrastructure that moves goods to market and allows citizens to meet their personal and community goals and preserves the vision that we share with our nation's founders.

About LMC

The League of Minnesota Cities is a statewide membership organization dedicated to promoting excellence in city government. The League serves its more than 830 member cities through advocacy, education and training, policy development, risk management, and other services.

LMC's REDESIGN History

The League has taken a proactive role in supporting local government redesign and innovation efforts, both through state commissions and in its own programs. In 2010, as part of a coalition of local government associations that also includes the Association of Minnesota Counties and the Minnesota School Boards Association, the League commissioned the Hubert H. Humphrey Institute at the University of Minnesota to produce "Navigating the New Normal: Minnesota Local Government Innovation and Redesign Guide." Additionally, in 2010, the League launched its Cities, Services and Funding initiative. Part of the initiative's purpose is to gather ideas from Minnesota citizens about the future of city services—including thoughts about service redesign—through a series of statewide community conversations.

About MSBA

"The Minnesota School Boards Association (MSBA), headquartered in St. Peter and founded in 1920, is the eighth-oldest school boards organization in the United States. MSBA's mission is to support, promote and enhance the work of public school boards and public education."

MSBA's REDESIGN History

The Minnesota School Boards Association represents locally elected school board members. Board members take an oath of office and are responsible for the management of local students and schools. School districts have few standard levies and have to go to the voters for additional revenue for local priorities.

Supporters

About MN House Redesign Caucus

The Minnesota House Redesign Caucus was established in 2010 to discover,

Public elementary and secondary education is provided via a financial partnership between the state and 337 local school districts and 149 charter schools. These school districts and charter schools exhibit diversity in terms of enrollment, local property wealth, and expenditure levels. In 2008-09, a full-time equivalent teaching staff of 52,414 served approximately 825,000 students. In 2009, the state and federal governments share in financial partnerships with local districts and charter schools to fund elementary and secondary education. For the 2008-09 school year, the state provided approximately 67 percent of the total costs of elementary and secondary education. Local revenue sources (primarily property taxes and fees for services such as school lunch) provided approximately 27 percent of 2008-09 operating revenues, and the federal government provided approximately 6 percent. In FY 2011-2012, Minnesota schools will receive \$14 billion from the state of Minnesota.

School districts know a lot about change. Minnesota has been key first of adopters of redesign by cooperating and consolidation of local school districts, which were reduced from more than 8,000 independent school districts to approximately 337. Over the last few years the Minnesota School Board Association has supported and been part of the Minnesota State Auditor Collaborative Governance Council and the Collaborative Redesign and Innovation Guide with the League of Minnesota Cities and the Association of Minnesota Counties. The future will present an opportunity to sharpen its focus — or even refocus altogether — to ensure it is providing the services citizens want efficiently and effectively. We simply need to think more broadly about the possibilities.

encourage and implement the best ideas and innovations in the area of public sector redesign. The caucus co-chairs are

Representatives Carol McFarland, Paul Marquardt, Dean Urdahl and Diane Loeffler.

MN House Redesign Caucus's RESIGN History

The Minnesota House Redesign Caucus has been meeting with various stakeholders to hear others ideas for improving government services without jeopardizing the quality of services Minnesotans have come to rely upon. The Co-Chairs of the House Redesign Caucus have supported local government efforts to examine and explore opportunities for redesign and innovation. The House Redesign Caucus will continue their work once session begins in 2012.

About InCommons

InCommons is people and communities learning together and helping each other turn challenge into opportunity. It's a way of being together – in both in-person gatherings and online communities. And, it's

a network of people who share credible tools, knowledge and resources to implement community solutions.

InCommons is a community of purpose, where people come together based on everything we have in common and everything we hope to achieve.

Ways to Connect through InCommons

- Host or participate in a facilitated community gathering.
- "Search and connect" with people and resources on InCommons.org.
- Share your ideas during online Challenges.
- Interact with the growing InCommons community on Facebook and Twitter.
- Share your story. Call us at 612.520.1756, email us at info@incommons.org, post on Facebook...we want to hear from you.

Funders

About the Beyond the Bottom Line Partnership

The Beyond the Bottom Line Partnership is a coalition of six of Minnesota's leading foundations – the Bush, Blandin, Minneapolis, Minnesota Community, Northwest Area and St. Paul Foundations – working to make government more efficient while protecting public services statewide. The foundations are committed to providing ideas, information and resources to state and local leaders, and to educating the public about the possibilities of redesigned public services. The work is founded on three key principles for effective redesign:

- **Make Strategic Choices.** Prioritization is a critical element of government redesign, from assessing the highest public needs to evaluating the best way of providing services.
- **Innovate.** Governments need to think

long-term with their budget challenges, and to be willing to toss out the old rules and try new program structures and delivery systems.

- **Deliver Better Outcomes.** Paying for processes and continuing with the current results won't be enough. Minnesotans want their government to get the greatest possible outcome for every tax dollars they spend.

History

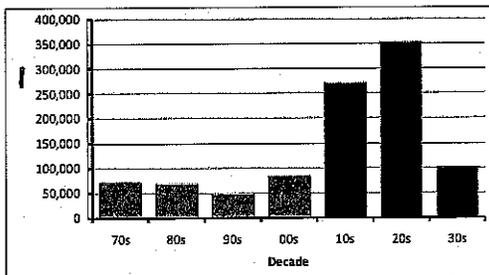
In 2011 the foundations released the Beyond the Bottom Line, a report of 16 public service redesign ideas – including re-thinking the state-local government regulatory relationship – with the potential to save state government more than \$20 billion over the coming bienna.

Local Government Redesign Innovation Sessions, November 2011

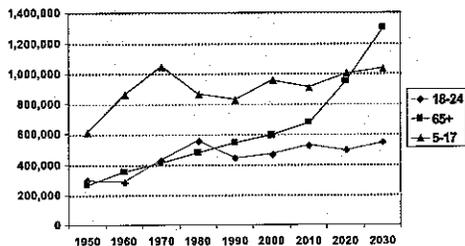
We Are Headed to a New Normal

- The Great Recession is over, but we will not return to where we once were
- We are moving to a New Normal
- Minnesota is not alone—this is a global phenomenon
- Those who recognize this and adapt first will be most successful
- The next four years will be critical

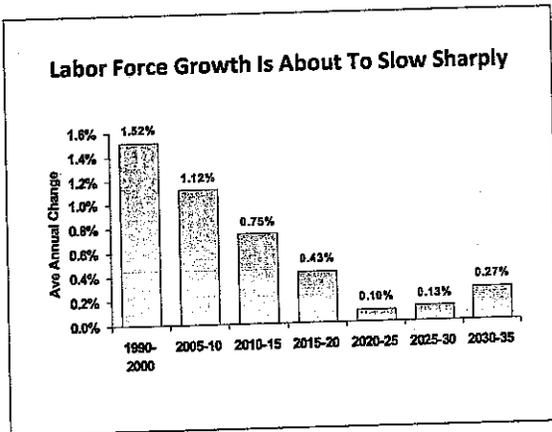
This Decade and Next Will See Unprecedented Increases in Minnesota's 65+ Population



More 65+ Than School Age by 2020



Census counts & State Demographer projection, revised 2007



- ### The "New Normal" Probably Means
- Slower economic growth
 - Labor and talent will be the scarce resources
 - A single-minded focus on productivity
 - Chronic government deficits & cuts in service
 - Worries about how to pay for past promises
 - Disruptive events/innovations more frequent
 - A whole new set of opportunities

- ### Productivity Is Not Just Making Things Cheaper
- Productivity is also
 - Making things better—**Quality**
 - Examples; increased high school graduation rate, reduce recidivism rates
 - Making better things—**Innovation**
 - Examples; creative alternatives to the current judicial system, cures for chronic diseases
 - ✗ The pressure for disruptive innovation is increasing

Local Government Redesign Innovation
Sessions, November 2011

**"I skate to where the puck will be,
not to where it has been."**

**Wayne Gretzky
Famous Canadian Philosopher**

Navigating the New Normal

A free online resource for finding new and better ways to deliver public services in Minnesota cities, counties, and schools

This new innovation guide covers:

- Why innovation and redesign are critical to the future of local government in Minnesota.
- What “innovation” and “redesign” really mean.
- A five-step approach to developing innovation and redesign solutions.
- In-depth exploration of seven innovation and redesign tools local governments can use.
- Eight factors leading to successful implementation.
- Many examples of successful innovation and redesign efforts for cities, counties, and schools to work from.

Navigating the New Normal is segmented into shorter sections to improve readability and to allow you to target specific innovation topics of interest or relevance to you.

**Explore *Navigating the New Normal*
at www.lmc.org/innovation**

Finding New and Better Ways to Deliver Public Services

As a Minnesota city, county, or school official, you've dealt with serious fiscal situations in the past few years and you know more challenges lie ahead. ***Navigating the New Normal: Minnesota Local Government Innovation & Redesign Guide*** was developed to assist you in finding new and better ways to deliver public services.

True innovation and redesign is not about line-item budget changes; it is about rethinking problems and deciding whether traditional solutions are working. This means taking risks and providing wholly new solutions to public problems. *Navigating the New Normal* is a guide—a compass—pointing you toward those new solutions.

What's in the Guide

Definitions of Key Concepts

In management, words like "improvement," "reengineer," "innovation," "restructure," and "redesign" are used interchangeably. But there are important differences in these concepts that are critical for local government officials to understand.

A good way to think about innovation and redesign is as a spectrum that spans from simple productivity improvements to complex system reform—or, in other words, from *incremental* to *fundamental* change. These concepts and this spectrum of change are explored more fully in the guide.

Redesign is less about improving individual components of existing business processes and more about improving the entire business process using new thinking.

A Five-Step Approach to Innovation

Navigating the New Normal outlines a five-step approach to help you think in new ways that lead to true innovation:

- **Step 1:** Clearly define the problem.
- **Step 2:** State the desired measurable outcome.
- **Step 3:** Investigate why traditional approaches are not working.
- **Step 4:** Identify alternative theories or assumptions that address the problem.
- **Step 5:** Innovate and redesign.

This five-step approach is used throughout the guide to illustrate the innovation and redesign concepts. Examples of real-life problems help bring this process to life.

New Tools for New Solutions

Navigating the New Normal discusses seven innovation and redesign tools. More than half of the guide is devoted to describing these important tools and providing many real-life city, county, and school examples for using them. The tools are:

- **Charges, incentives & targeting:** “Results-inducing incentives” can be better than compliance in achieving public good. This section shows a methodology of using incentives within an organization, with employees and with citizens.
- **Collaboration:** Collaboration and other forms of service sharing are popular redesign approaches. This section provides examples of joint efforts and discusses how they might best be accomplished.
- **Competitive contracting:** Local government needs to decide what is done, but it doesn’t always need to perform the service directly. This section outlines what to consider when it comes to contracting.
- **Prevention:** Not often thought of in terms of innovation and redesign, changing the focus to prevention can lead to effective new approaches. This section reviews the possibilities.
- **Community responsibility:** Over the years, local governments have assumed more and more of what was once private activity. This section suggests ways of focusing on what local government should and should not do.
- **Consumer choice:** For some services, it is possible—and potentially better—to let citizens choose a service provider. This section discusses the benefits and limitations of consumer choice.
- **Performance accountability:** Performance data is needed to define problems and to assess alternatives. This section presents a performance management system for local government use.

To achieve true innovation, you need to think in new ways. Consider what Henry Ford said: “If I asked my customers what they wanted, they’d have said ‘a faster horse.’”

**Explore *Navigating the New Normal*
at www.lmc.org/innovation**

A Collaborative Effort

Navigating the New Normal was written by Jay Kiedrowski of the University of Minnesota's Humphrey School of Public Affairs and Public and Nonprofit Leadership Center and funded by the McKnight Foundation.

The guide was collaboratively created to assist local government officials and staff who believe that innovation is necessary within their jurisdiction but are unsure about how to transform that belief into a successful outcome. Representatives and staff from the Association of Minnesota Counties, the League of Minnesota Cities, and the Minnesota School Boards Association reviewed drafts of the guide and provided feedback from the perspective of local officials. The local officials who served on the project's advisory committee were:

Carol Bomben, School Board Member, Eden Prairie
Kevin Donovan, School Board Member, Mahtomedi
Sara Folsted, County Administrator, Renville County
Matt Fulton, City Manager, Coon Rapids
Shawn Gillen, City Administrator, Grand Rapids
David Minke, Deputy County Administrator, Anoka County
Tom Nelson, Interim School Superintendent, Stillwater
Roz Peterson, School Board Member, Lakeville
Tom Renier, President, Northland Foundation, Duluth
Terry Schneider, Mayor, Minnetonka
Nancy Straw, West Central Initiative, Fergus Falls
Jack Swanson, Commissioner, Roseau County

**Explore *Navigating the New Normal*
at www.lmc.org/innovation**

Program Redesign

Minnesota could realize better outcomes from its state government while spending less money if we take advantage of the opportunities to redesign both:

- I. the programs we use to deliver service; and
- II. the administrative systems of government.

It is time to look at the bureaucratic maze that government programs have become over time and create new ways to deliver service with a focus on outcomes for Minnesotans. The following are seven clear opportunities to redesign our service delivery that create more value and are much more efficient.

1 Buying Health Not Sicknes

What if Minnesota used the recent shifts in federal policy to convert the entire Minnesota market to one driven by incentives for providers to improve the health status of their clients and, just as critical, serious incentives for each individual to take responsibility for better health? What if the state could save two billion dollars per biennium while seeing health outcomes get better?

Minnesota has the opportunity to **spend \$2 billion less per biennium and get better health outcomes** by focusing on payment reform using a total cost of care approach rather than pay for episodes of illness on a fee-for-service basis. Minnesota's exchange design should focus on better outcomes for Minnesotans through access, quality and price of care. Minnesota should also prioritize Medicaid reform. A serious "incentive," capping or eliminating the tax-free treatment of employer-provided health insurance would help Minnesotans realize the per capita "bite" that result from their health care decisions.

2 Delivering Integrated Human Services

Minnesota's human services system is a tangled intergovernmental puzzle in which responsibility is fragmented and results are elusive. Would the state knock down the silos and give counties real flexibility as well as responsibility, if the state could get better results while saving between \$350-360 million less per biennium?

Minnesota can **spend \$350-360 million less per biennium and get better human services results** for Minnesotans by seeking maximum flexibility through a global Medicaid waiver and through the creation of an innovation fund to invest in promising projects. Minnesota already has several flexible redesign projects underway, including a 12-county project in southeast Minnesota and a Lutheran Social Service project.

3 Tax Expenditures are Minnesota's Hidden Spending

When the budget goes through the grinder every biennium and debates break out over priorities, why does the first \$22.8 billion of revenue slide right by, untouched, not even examined for costs and benefits?

Minnesota has a big opportunity to get better outcomes while spending up to \$22.8 billion less per biennium by targeting tax expenditures to those things that get the best results/\$. Examples of large tax expenditures that produce few results include the mortgage interest deduction and the tax-free treatment of employer-provided health insurance. Minnesota could get better housing results and better balance the budget through an approach different than the mortgage interest deduction.

4 Dramatically Different Medical Assistance

Medicaid, designed to protect low-income Minnesotans, gets more expensive every year without delivering better health to those it's supposed to protect. Should Minnesota seek a federal "global waiver" so it can redesign the system to get better results and spend \$500 million less?

Minnesota has a significant opportunity to spend \$500 million less in FY 2014-15 and get better results by pursuing a whole-cloth Medicaid waiver to provide maximum flexibility and innovation possibilities for designing Medicaid delivery. Rhode Island has already secured a global waiver. This is a key enabling initiative to drive innovation in other redesign areas.

5 Special Education

Will Minnesota invest in a proven program that reduces the need for special education, avoiding costs ranging up to \$300 million per biennium within eight years, while improving the education prospects for thousands of Minnesota children in their earliest years of school?

Prevention Improves Outcomes and Lowers Costs. Minnesota can get better special education outcomes and spend \$300 million less per biennium, by lowering the price of mis-identifying youth as needing special education instruction by initiating a response to intervention prevention model rather than waiting for students to fail before providing assistance. Minnesota can also adopt the federal definition of "students with disabilities" and lower the price of the adversarial system through vouchers.

Freeing Counties to Focus on Results

Might the state get better results on every front by replacing mandates with real flexibility, focusing just on measurable results? What if these governments could, as some pilots now promise, be even more accountable for results than they are today while yielding savings for the state reaching \$540 million per biennium?

Minnesota could spend up to \$540 million less per biennium in local aids and get better local government results by creating a new state-county relationship that holds counties accountable for results (rather than mandated levels of service) in exchange for increased flexibility.

T Staying Safe by Shifting Resources from Prisons to Community Interventions

Is there evidence that by shifting more criminal proceedings to community-based interventions, Minnesota could actually have safer communities, stop the growth in prisons, and save \$300 million a biennium within eight years?

Minnesota could reduce recidivism and spend \$15 million less in the next biennium and up to \$300 million less per biennium within eight years by avoiding building new prisons and reduce recidivism by shifting resources from prisons to community and local corrections and investing in substance abuse programs. Recent studies show these interventions result in significant reductions in rearrest (37%), reconviction for new crimes (43%) and reduced risk of reincarceration for a new felony (57%).

System Redesign

The systems and culture of our state government are basically barren ground for the seedlings of redesign. It can be done; but it takes a lot of leadership and effort pushing back against an existing system that is strongly stacked in favor of the status quo. Therefore, it will support redesign and generally help our state government become an engine of innovation if we begin to make some basic changes in state government's systems and culture. What follows are a series of interventions — ways to change the system and culture — that have proven successful in other jurisdictions. Where we know of measurable short-term benefits to the bottom line, we have so noted. Others have longer term, less individually discernible benefits.

1 Budgeting for Outcomes

Minnesota can **get better value for the limited funds available** if the Governor and the legislature engage in a dramatically different budget process. By asking the question "*what's the best way to produce the most value with the dollars we have?*" new possibilities for redesign emerge. The way we currently deliver services does not have to be the starting point for the next biennial budget. Rather, the state's priorities should be the starting point. This approach has demonstrated significant savings and better results in other states.

2 Performance Contracting

Minnesota can **save 10-20% on its service contracts and obtain better results** by engaging in performance contracting. Performance contracting involves paying for results rather than activity and giving providers as much freedom as possible in how they provide those results.

3 Civil Service Reform

Minnesota's state government has the opportunity to be more **adaptive, innovative and results-oriented** if we begin modernizing our civil service system, which was designed in the early 1900s. This opportunity includes moving toward a system giving managers more freedom while holding them accountable for results, broader job classifications and pay bands to allow more flexibility and mobility in the work force, and linking compensation to team performance.

4 Charter Agencies

Minnesota has a great opportunity to pilot, with select agencies, a results-based approach to producing measurable results (and improvements in those results) in exchange for increased flexibility in the form of waivers from bureaucratic red tape (e.g. needing to seek approval from other agencies before taking action).

5 Performance Management

Minnesota has an **opportunity to make results matter** by regularly reporting on outcomes. Minnesota can establish a set of data measures that matter to Minnesotans to measure, track and publish over time and contract with the Wilder Foundation and its Compass project to provide the information publicly.

6 Innovation Fund

All of the redesign and other changes proposed here require investments that may be capitalized from an innovation fund requiring a **disciplined investment approach** demanding **measurable returns and outcomes for investors** and for Minnesotans. Failure to invest in change is a sure way to keep the status quo.

7 Entrepreneurial Management

Minnesota can **save from 10-20% of everything it spends on internal support services** by using a set of practices called entrepreneurial management. Minnesota can organize its internal support services into oversight services, marketplace services and utility services, and create a small group of deputy commissioners to provide stronger accountability for cost and service quality across these areas.

Winning Compliance

Minnesota can **spend from 10-20% less on all of its internal and external regulatory activities, increase compliance and reduce complier burden** by adopting proven modern compliance practices. Minnesota has the opportunity to adopt more creative and less expensive means of ensuring compliance rather than defaulting to the most expensive method (promulgate a rule and enforce it through penalization). Environmental permitting is one example of a policy area that could benefit from this type of systems redesign, where we could improve compliance with environmental standards and achieve an added benefit of improved economic development.

Service Sharing

Minnesota has **opportunities other than consolidation** to achieve efficiencies while delivering the same or better outcomes for its citizens. Minnesota could significantly increase choice and competition in local governments by either forbidding local governments from providing services directly but allowing them to contract with whomever they want or limiting suppliers to a reasonable number and have local governments compete to be among that number. Minnesota is particularly likely to see savings and improved outcomes where there are currently duplicative backroom services being provided in the metro area's 170 cities and 347 school districts.



Governance, Transparency, Flexibility, Innovation & Outcomes

Minnesota Accountable Government Innovation and Collaboration (MAGIC) Act

“Unleashing the Creative Power of Minnesota’s Governments”

The **Minnesota Accountable Government Innovation and Collaboration (MAGIC) Act** is a practical application of the Minnesota Redesign Project which focuses on finding better ways to provide services for all Minnesotans through:

- Bold **local** leadership.
- Increased **collaboration**.
- Improved process **efficiencies**.
- Structural **changes** to the status quo

The MAGIC Act is a legislative initiative that will enable counties and the state to cooperatively test and implement more efficient models of program delivery.

The MAGIC Act recognizes that the state should focus on deciding **WHAT** to do and then enable counties to determine **HOW** to best achieve those desired outcomes.

Collective county support for and action under the Redesign Project banner has to date resulted in select opportunities to focus on the outcomes associated with innovative local government efforts instead of maintaining long-held fixations on the inputs that are ultimately a poor indicator of government effectiveness. As the next phase of progress in Redesigning government in Minnesota, the MAGIC Act unifies those various Redesign efforts through a holistic approach that incentivizes local government innovation to the fullest extent possible. Ultimately, the MAGIC Act creates a framework within which government will harness the creative potential of state and county professionals by encouraging them to create new business models that enhance the provision of government services in Minnesota in ways that can be tested, measured and replicated.

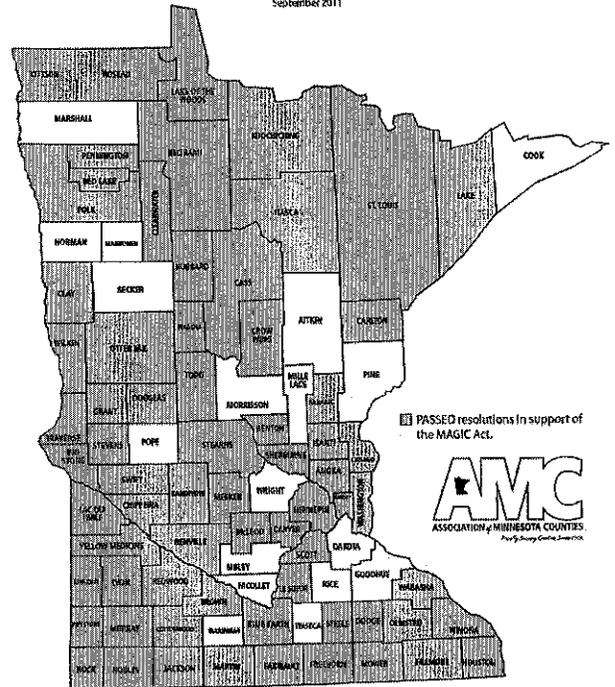
The MAGIC act has two major components designed to address a specific barrier to innovation under the current state supervised-county administered model of service delivery:

- 1) **Implement the Cooley Doctrine** which would allow counties to do anything for the health, safety and general welfare of the public that is not prohibited or prescribed by state law. Currently Minnesota operates under the Dillon Rule which prohibits counties from doing anything unless it is explicitly authorized by state law and replacing it with the Cooley Doctrine.
- 2) **Authorizes counties to receive waivers from current rules by adhering to a strict process** that includes the submission of detailed business plan with clear outcomes and performance measures, a mechanism for state input and a reporting component to allow for adequate legislative oversight of this new framework and a methodology for sharing the results of the experiments in innovation.

This legislation will create an environment where state and county employees focus their energy on outcomes rather than processes and where decisions are made by local communities to the extent possible. This represents an important shift in philosophy that will encourage state agencies to act as technical advisors to counties who are investing resources to explore new service delivery systems. At the same time, county boards and employees will be required to accept a heightened level of accountability in exchange for the freedom to innovate.

MAGIC Act Resolutions

September 2011



Action Alert: Lobbying state legislators and local Chamber of Commerce

Please meet with your state legislators and local Chamber prior to the start of the 2012 legislative session on Tuesday, January 24.

Present specific information on your city's property taxes and services, include:

- Levy amount (up, down, or same)
- Services/programs/staff cut back or eliminated
- Infrastructure repairs or improvements on hold
- Property tax increases on different property types due to MVHC and LGA cuts

Ask legislators for a commitment to:

- Oppose additional cuts to LGA in 2012
- Support increased LGA funding in 2013
- Oppose constitutional amendments that limit the legislature's authority to spend or raise revenue
- Support Greater Minnesota Economic Recovery plan

Meet with local Chamber of Commerce:

- Ask for support of the sample resolution on LGA (see attached)

Attached lobbying materials:

- CGMC's proposals for LGA and economic recovery for the 2012 legislative session (1 page handout)
- Property Tax Impacts of 2011 Budget graph
- Constitutional amendment information sheet
- Sample Chamber of Commerce resolution on LGA
- Greater Minnesota economic recovery plan (2 page handout)

Please contact Tim Flaherty or Steve Peterson at 651-225-8840 or tpflaherty@flaherty-hood.com or smpeterson@flaherty-hood.com with questions on LGA or property taxes. Please contact J.D. Burton with questions on the economic recovery plan at 651-225-8840 or jdburton@flaherty-hood.com

The state cut property tax aids and credits by \$638 million for the 2012-2013 biennium. This action resulted in large local property tax increases on homeowners, businesses, and renters.

Greater Minnesota businesses were hit disproportionately hard -- making them less competitive and hurting the economic recovery.

CGMC's Proposals for Economic Recovery for the 2012 Legislative Session

Protect and Restore

Local Government Aid

State LGA cuts of over \$1.2 billion since 2003 have had a devastating impact on cities in greater Minnesota. The 2011 budget deal:

- Cut property tax aids and credits by \$638 million for 2012-2013 biennium
- Cut \$365 million from the Market Value Homestead Credit (MVHC)
- Cut over \$200 million from Local Government Aid (LGA)

What is needed now for economic recovery:

- **Oppose all cuts to LGA - additional cuts should be completely off the table in 2012 regardless of any new state budget deficit**
- **Restore LGA to per capita 2000 funding levels (an additional \$156 million) with at least half of this amount beginning in 2013**

Please remember Senator Julianne Ortman's commitment to future Local Government Aid and County Program Aid funding levels during the 2011 Special Session tax floor debate:

"All of our cities and counties know that the 2010 levels are permanent. That they will be paid out at those levels in 2011 and 12, and 13, and 14, and 15."

Adopt a Greater Minnesota Economic Recovery Plan

While protecting and restoring LGA is the most important approach to helping greater Minnesota's economy recover, here are additional initiatives to boost job creation:

Workforce Development and Training - Create a Greater Minnesota Employer Internship Tax Credit and a New Employees Job Training Program Tax Credit

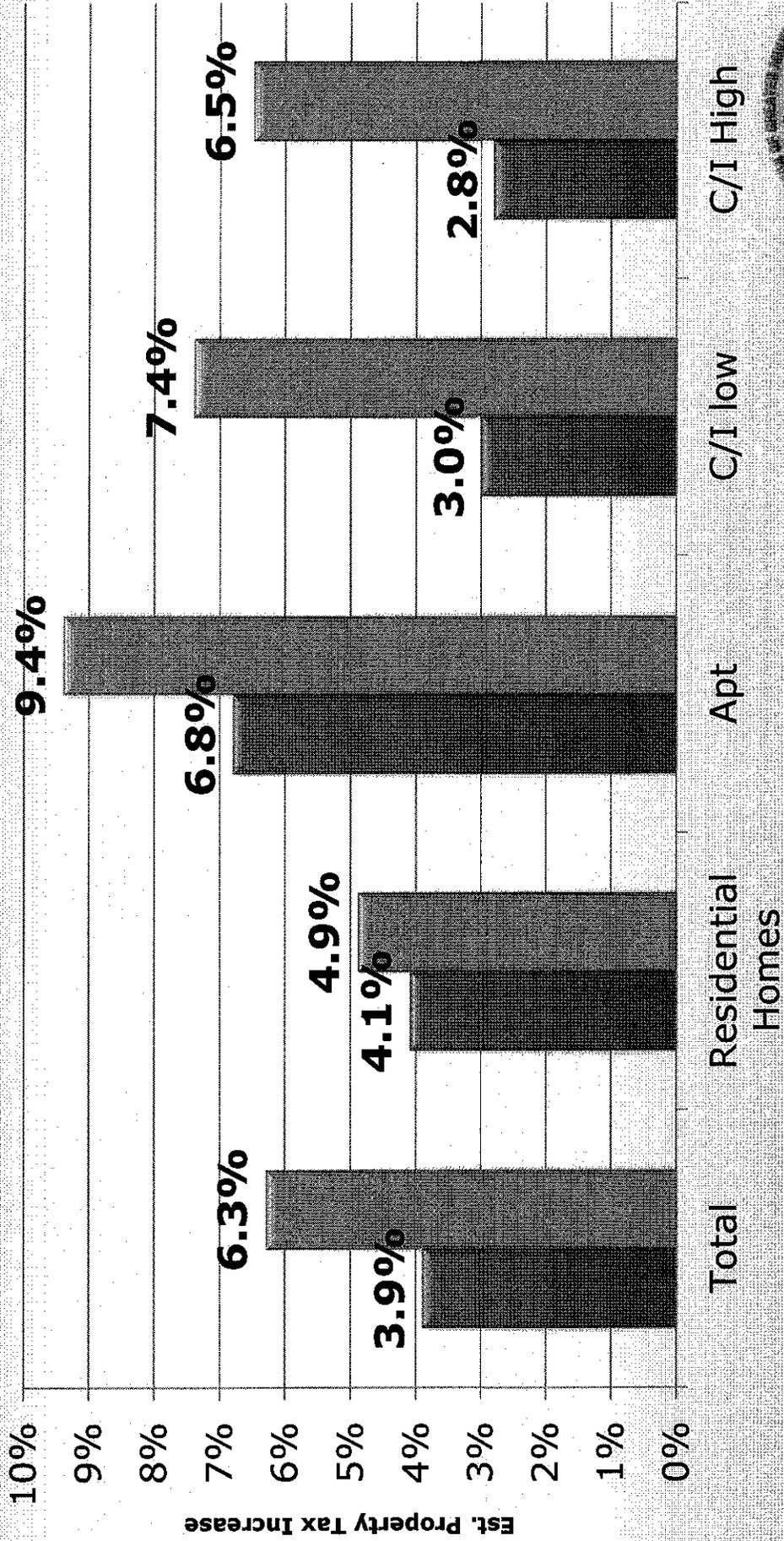
Entrepreneurial Enhancement - Increase angel investment tax credit for investments in greater Minnesota businesses to address the imbalance of credits issued since the program's inception in 2010

Regulations/Permitting - Reform and coordinate state regulatory permitting process

Infrastructure Development Bonding -

- Greater MN Business Development Public Infrastructure (BDPI) Grant Program - \$15 million
- Greater Minnesota General Bonding Program - at least \$350 million for higher education, economic development, and transportation
- Greater Minnesota Interchange Program - \$35 million for interchange projects to promote economic development, increase employment and improve public safety
- Municipal Wastewater and Sewer Infrastructure - \$200 million for a municipal wastewater and sewer infrastructure grant program

Property Tax Impacts of Budget

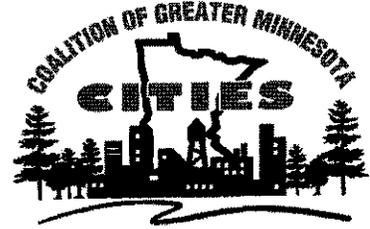


Metro
 Greater MN Cities



12/11

Oppose Potential Constitutional Limits on Spending and Raising Revenue in 2012



Limited state revenue will push cost to local governments

- With decreased state revenue, aids to local governments, colleges and other programs with alternative revenue sources would likely be reduced. This would increase local taxes and tuition. In addition, mandates passed down from the state would be even less likely to have funding, increasing unfunded mandates.

Budgeting through the Constitution

- If it becomes easier to pass a constitutional amendment (requiring only simple majority) than a tax increase (requiring a supermajority of legislature), there likely will be many more budget related constitutional amendments. This could include mandated funding for education or dedicated tax increases to programs. This could squeeze programs with less special interest backing and money.

Aid and credit reductions used as “revenue” for other budget areas

- Because of the nature of the legislative process it is usually the Omnibus Tax Bill – where LGA and other property tax aids and credits programs are handled – that is the last one to be completed. This means that as other budget bills spend dollars for priorities in those areas it will become necessary to find dollars from other areas. So, in an environment where taxes can't be raised, the dollars set aside for LGA are ripe to become “revenue” to balance the books in other areas of state government.

Property Tax Relief Will Need its Own Constitutional Protection

If Legislature passes a limitation on raising revenue then property tax relief will need constitutional protection

A constitutional amendment for property tax relief should:

- ✓ Dedicate 1.5 cents of existing sales tax to “Property Taxpayers Trust Fund”
- ✓ Trust Fund allocated by law, but must be:
 - 50% to LGA type program that takes into account a city's tax base and needs
 - 50% to direct tax relief to homeowners and renters

Sample Chamber of Commerce Resolution on LGA

WHEREAS, LGA is a state funded property tax relief program that helps reduce the property tax burden on businesses as well as homeowners in the City of (city name), and

WHEREAS, LGA cuts of over \$1.2 billion since 2003 have disproportionately hurt cities in greater Minnesota, and

WHEREAS, the 2011 Legislature passed a budget agreement that cut over \$600 million in property tax relief programs, which has already caused service cuts and property tax increases in 2012, and

WHEREAS, additional LGA cuts will result in higher property taxes and lower services that will make businesses in (city name) even less competitive compared to businesses in suburban cities and in cities in other states, and

WHEREAS, many of the services provided by (city name), including fire, police, street maintenance and upkeep of infrastructure, are critical to our businesses, and

WHEREAS, other quality of life services, such as parks, recreation and programs for young people and seniors, are needed to attract and retain businesses, customers and a quality work force, and

WHEREAS, (city name) has set its budget based on the \$_____ the state has already certified that (city name) will receive in LGA for 2012,

NOW, THEREFORE BE IT RESOLVED THAT, the Chamber of Commerce in the City of (city name) urges the Legislature to maintain funding for LGA at its current level and should the state face another deficit in 2012, any further cuts or unallotment to LGA should not be under consideration, and

BE IT FURTHER RESOLVED THAT, beginning in 2013 funding for LGA should be restored to 2000 funding levels, and

BE IT FURTHER RESOLVED THAT, upon passage, this resolution be forwarded to the State Chamber of Commerce, the Governor, the Speaker of the House, the Senate Majority Leader, and to members of the State Legislature representing the City of (city name).

GREATER MINNESOTA ECONOMIC RECOVERY PLAN



Disparities in income and educational attainment levels, population shifts and other demographic variables in greater Minnesota calls for a fresh look at job creation by rural legislators at the Capitol. Accordingly, the Coalition of Greater Minnesota Cities proposes the following roadmap for the 2012 legislative session to help boost job-creation in greater Minnesota.

Protect and Restore Local Government Aid

Cuts in Local Government Aid (LGA) lead to property tax increases on local businesses and cuts to local services. These property tax increases fall disproportionately on greater Minnesota businesses. CGMC opposes any additional cuts to LGA in 2012 and supports an increase for LGA beginning in 2013.

Workforce Development and Training

- **Greater Minnesota Employer Internship Tax Credit - \$2.5 million/year for 3 years**
Employers in greater Minnesota who hire a student enrolled at a four-year university/college or two-year technical/community college as an intern would receive a refundable tax credit for a percentage of the salary paid to the intern. Certain qualifications would be attached to the intern, as well as the employer. Additionally, the amount of the credit and number of credits issued would be limited and available on a first-come, first-serve basis. A report to the Legislature is required.
- **New Employees Job Training Program – Cost Unknown**
A portion of a new employee's withholding tax is reinvested in the company to help pay for costs related to training of new employees. Businesses can use the funding to support its own training costs or contract with a training institution or private party to deliver the training. Applies to greater Minnesota businesses only. A report to the Legislature is required.

Entrepreneurial Enhancement

- **Greater Minnesota Angel Investment Tax Credit Expansion – No Cost**
Adjust angel investment tax credit statute to provide for 50% tax credit for investors in a qualified small business in greater Minnesota. The 25% tax credit in current law would remain for investments in Metro Area qualified businesses. Adjustment reflects significant shortage of investments in greater Minnesota since program's creation in 2010.

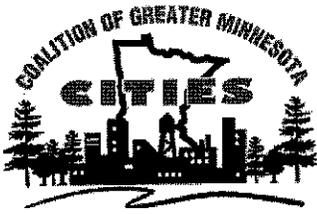
Regulations/Permitting

- **Reform and Coordination of the Permitting Process – No Cost**
Support legislative efforts designed to improve efficiency and coordination within the state regulatory permitting process. This involves the use of existing or new technologies to better track and process permits, as well as providing greater transparency and accountability. Emphasize public-private partnership opportunities with the State Chamber of Commerce and other groups.

Infrastructure Development

- **Greater MN Business Development Public Infrastructure (BDPI) Grant Program - \$15 million (G.O.)**
Request a \$15 million general obligation bond appropriation for the BDPI grant. Also, emphasize legislative or administrative solution allowing for receipt of BDPI grants where a city does not yet have a commitment from a tenant(s) at the industrial park.
- **Greater Minnesota General Bonding Program – at least \$350 million (G.O.)**
2012 is a traditional bonding year at the Capitol. One-half of the bonding bill, or at least \$350 million, should be designated for various greater Minnesota infrastructure projects. This would include funding for higher education, economic development, and transportation. Estimated amount and projects loosely based on 2012 agency and local government capital investment requests submitted to the Department of Minnesota Management and Budget in June, 2011.
- **Greater Minnesota Interchange Program – \$35 million (T.H. Bonds)**
Approximately \$35 million in trunk highway bonding for interchange projects in greater Minnesota where the interchange will promote economic development, increase employment and improve public safety. No project specifically earmarked. Repeal of Motor Vehicle Sales Tax exemption for collector cars or other revenue should be considered to help pay for debt service on the trunk highway bonds. (Debt service is approximately \$3.6-3.7 million per year.)
- **Municipal Wastewater and Sewer Infrastructure Bonding - \$100 million/year for 2 years (G.O.)**
General obligation bond request of \$200 million for a municipal wastewater and sewer infrastructure grant program. The grant would call for a local match of at least 25%. These resources would be in addition to the yearly Public Facilities Authority base request for funding of waste water and sewer projects. Funding would operate through the Wastewater Infrastructure Fund (WIF) fund, with modified eligibility criteria. The program is designed to address wastewater treatment facility improvement funding shortfalls, and incentivize project development.

12/11



Coalition of Greater Minnesota Cities

CGMC in Brief

December 8, 2011

Contact: Tim Flaherty
651-225-8840

CGMC Economic Development Meeting with Commissioner Frans

The CGMC is proposing jobs training legislation that would take a portion of a new employee's withholding tax and reinvest it in the company to help defray costs related to the training of these new employees. The program is modeled on a similar North Dakota law and would only apply to greater Minnesota businesses.

On Wednesday, CGMC lobbyists J.D. Burton and Tim Flaherty and Moorhead city officials Scott Hutchins and Michael Redlinger met with Department of Revenue Commissioner Myron Frans and the Director of Office Business Development with DEED, Kevin McKinnon, to discuss the CGMC's new jobs training legislative proposal. Rep. Morrie Lanning (R – Moorhead), who is considering becoming the chief author of the legislation, organized and attended the meeting to learn more about fiscal costs and administrative challenges associated with implementation of this program. Commissioner Frans expressed interest in the proposal and directed his staff to continue working the CGMC to further develop the legislation.

The jobs training program is part of the CGMC's larger "Greater Minnesota Economic Recovery Plan." For more information, please contact J.D. Burton with Flaherty & Hood, P.A.

CGMC Lobbyists travel the state

Tim Flaherty has been traveling across the state meeting with greater Minnesota legislators to secure authors and support for our legislative proposals. To date, Tim has met with Representatives Greg Davids, Morrie Lanning, Bob Gunther, Rod Hamilton and Paul Torkelson.

CGMC Lobbyist Elizabeth Wefel also traveled to several northern cities this week meeting with city officials and legislators in Grand Rapids and Hoyt Lake.

LGA Study Group Resumes Work

On Wednesday, Steve Peterson of Flaherty & Hood, attended as a member the first meeting of the newly re-constituted LGA Study Group. The group was originally formed in 2010 as the result of a provision in the tax bill. It consists of the chairs of the property tax divisions from the House and Senate plus an additional legislator from each party and representatives of local government groups, including the CGMC. The group received an extensive briefing on the history of LGA and the LGA formula by House Research and Senate Council. In addition the study group took testimony from the CGMC, the League of MN cities, Metro Cities, and small cities. Steve Peterson testified on behalf of the CGMC. His testimony focused on the goals of the LGA program to reduce disparities in property tax rates among cities and strengths and weaknesses of the current LGA formula.



Editors across the state recognize legislative impact on property taxes

Last week's announcement of a state budget surplus was greeted with caution in many corners of the state. Newspapers across the state recognized that this surplus only occurred because of the cuts to local aids and credits which drove up property taxes in many communities. These papers also continue to cover the painful increases many property taxpayers are facing.

- The Albert Lea Tribune echoed CGMC President Oberloh's thoughts on how to use the state budget surplus. We couldn't agree more. State lawmakers, we urge you to follow Oberloh's advice. <http://bit.ly/vYnvto>
- The St. Paul Pioneer Press provided a story of the pain caused in the metro area by property tax increases. <http://bit.ly/s5Ky1p>
- The Bemidji Paper dispelled the notion that the surplus resulted from careful budgeting by the legislature <http://bit.ly/siz6Hj>

Welcome New CGMC member Cities

CGMC would like to welcome three recent new members: Wheaton, Pelican Rapids, and Two Harbors. Over the past couple of months CGMC members and staff have been out recruiting new cities for the Coalition and our efforts are starting to pay off. We would especially like to thank Mayor Bruce Ahlgren of Cloquet for his help in encouraging Two Harbors to join and Fergus Falls Mayor Hal Leland and Administrator Mark Sievert for their assistance in presenting to the Pelican Rapids City Council. If there are cities near you who should be members please contact Bradley Peterson at Flaherty & Hood.

Interactive Redistricting Maps Now On-line

If you are interested in looking at the redistricting proposals more in-depth, the proposals submitted to the judicial panel are now available on-line in an interactive format. You can find them at <http://bit.ly/jQxj03>. Martin et al represent the DFL. Hippert et al represent the GOP. Britton et al is a group of democrats not officially associated with the DFL Party. If you have any questions regarding redistricting, please contact Elizabeth Wefel at Flaherty & Hood.

