

Council Meeting
Tuesday, February 21, 2012
City Council Chambers
7:30 p.m.
AGENDA



Call to Order
Pledge of Allegiance

1. Approval of Minutes
 - Council Minutes–February 7, 2012
2. Consent Agenda
 - Minutes
 - Airport Commission – February 7, 2012
 - EDA Commission – February 9, 2012
 - Park & Recreation Commission – February 13, 2012
 - Library Board – February 14, 2012
 - Correspondence
 - City Attorney Dan McDonald
3. License Application
 - Windom Country Club
 - Cigarette License
 - Liquor License Renewal
4. Department Heads
5. 2012 Street & Infrastructure and Highway 60 Watermain Projects – Plans and Specs
6. Street Closure – 2012 Riverfest
7. Pool & Recreation Fees
8. Police Department Donation – Office of Traffic Safety
9. 2012 Mayor Appointments and Reappointments
 - Board & Commission Appointments
10. Personnel Committee Recommendations
11. Spring Clean-Up
12. 2012 Airport Hangar Project
13. Long Range Planning – Strategy V
14. New Business
15. Old Business
16. Regular Bills
17. Contractor Payments
 - Wastewater Treatment Improvements - Robert L. Carr Company \$83,319.75
18. Council Concerns



Adjourn

**Regular Council Meeting
Windom City Hall, Council Chamber
February 7, 2012
8:05 p.m.**

1. Call to Order: The meeting was called to order by Mayor Kruse at 8:05 p.m.

2. Roll Call: Mayor: Kirby Kruse
Council Members: Kelsey Fossing, Corey Maricle and JoAnn Ray
Council Members Absent: Dominic Jones and Bradley Powers
City Staff Present: Steve Nasby, City Administrator; Marv Grunig, Electric Utility Manager; Dan Ortman, Fire Chief; Mark Stevens, First Assistant Fire Chief; Mark Marcy, Second Assistant Fire Chief; Roger Winker, Third Assistant Fire Chief and Jeff Dahna, Telecom

3. Pledge of Allegiance

4. Approval of Minutes:

Motion by Maricle second by Fossing, to approve the City Council minutes from January 17, 2012. Motion carried 3 – 0 (Jones and Powers absent).

5. Consent Agenda:

Kruse said that minutes were received from the following Boards\Commissions:

- Telecommunications Commission – January 24, 2012
- Street Committee – January 24, 2012
- Utility Commission – January 25, 2012
- Joint Governments Meeting – January 30, 2012
- Street Committee – February 2, 2012

Motion by Maricle second by Ray, to approve the Consent Calendar as presented. Motion carried 3 – 0 (Jones and Powers absent).

6. License Applications:

Kruse said there was an application for a temporary On-sale liquor license for the Windom Lions Club for a function at BARC on February 11, 2012.

Motion by Fossing seconded by Ray to approve a temporary on-sale liquor license for the Windom Lions Club for February 11, 2012 at BARC. Motion carried 3 – 0 (Jones and Powers absent).

Kruse noted an application from the China Restaurant to amend their wine license to also include an authorization for strong beer. The fee has been paid and they already have the required wine and beer license, however the insurance certificate had not been received yet. He asked if the Council wanted to table the request or make any approval contingent on getting the insurance certificate.

Motion by Maricle seconded by Fossing, to approve the strong beer authorization for the China Restaurant contingent on the City's receipt of the insurance certificate. Motion carried 3 – 0 (Jones and Powers absent).

7. Department Heads:

None.

8. Ratifications of Fire Department Elections:

Dan Ortman, Fire Chief said that the Windom Fire Department held their annual elections on February 2, 2012. The following persons were elected:

Dan Ortman, Fire Chief
Mark Stevens, First Assistant Chief
Mark Marcy, Second Assistant Chief & Training Officer
Roger Winker, Third Assistant Chief

Motion by Ray, seconded by Fossing to ratify the 2012 Windom Fire Department election of officers. Motion carried 3 – 0 (Jones and Powers absent).

9. Withdrawal from Western Minnesota Municipal Powers Agency (WMMPA):

Marv Grunig, Electric Utility Manager, said that there is a letter in the Council packet pertaining to the City's withdrawal from WMMPA. Windom was a charter member on June 16, 1976 and paid a fee of \$300. Windom has been a non-participant in WMMPA since its inception and as such, WMMPA is requesting Windom's withdrawal because it is a non-purchasing member and has no interests in power contracts. Windom's membership costs WMMPA staff time and legal expenses as it has to explain to bond holders, project partners and others the situation of Windom as its only non-participating WMMPA member. The Windom Utility Commission has discussed this matter several times and had a concern that the charter membership may have some value as WMMPA has grown as an organization and could have assets acquired or leveraged by the initial 1976 investment. A letter from WMMPA addresses this matter and states that Windom's membership has no value. Grunig said that Windom works with Missouri River Energy and WMMPA and would like to maintain a good working relationship with them. Both the Utility Commission

and he are recommending withdrawal from WMMPA. The withdrawal letter is also requesting a waiver of membership expenses from January 1, 2012 to date.

Motion by Maricle seconded by Fossing, to withdraw the City of Windom's membership in WMMPA. Motion carried 3 – 0 (Jones and Powers absent).

10. Renewable Energy Credit Transaction:

Grunig said that Minnesota has one of the more aggressive renewable energy laws in the country as 25% of Minnesota's power has to be renewable by 2025. To meet the compliance the Windom electric utility has worked through its partnership and participation in the Central Minnesota Municipal Power Agency (CMMMPA) on renewable energy such as investing in wind farms and purchasing wind power. One of the wind contracts expires in 2013 so Windom needs to look at options for compliance and one option is the purchase of renewable energy credits. Windom is compliant until 2014/2015 and these credits can be used to meet compliance targets and are good for up to four years. Both the Utility Commission and he agree that replacing the expiring wind contract is a good option due to the current market prices and loss of revenue from selling that power.

Grunig said that he did a request for proposals for the credits and received one response. The offer was for 22,000 renewable energy credits for \$17,000. If these credits were purchased it would keep Windom compliant until 2020. The Utility Commission has recommended approval of the 17,000 credits for \$22,000.

Motion by Maricle seconded by Fossing, to approve the Renewable Energy Credit Transaction Spec Sheet as provided for 22,000 credits at a cost of \$17,000. Motion carried 3 – 0 (Jones and Powers absent).

11. Resolution Accepting Donation for the Windom Library:

Council member Fossing introduced the Resolution No. 2012-04, entitled "AUTHORIZATION TO ACCEPT A CASH DONATION TO THE CHILDREN'S LIBRARY" and moved its adoption. The resolution was seconded by Ray and on roll call vote: Aye: Ray, Fossing and Maricle. Nay: None. Absent: Jones and Powers. Resolution passed 3 – 0.

12. S.E.H. Request for Contract Revision for the Des Moines River Dam Project:

Nasby said the City has a letter from the engineers that outlines additional work for the construction phase of the project. The primary two areas are the extra on-site inspection during construction and the meetings with DNR officials when the amendments were made to the project regarding the elevation at the former dam site. The request is to amend the agreement by increasing their reimbursement from \$79,500 to \$84,000, which is a change of \$4,500. Nasby said the final numbers are being discussed with the DNR and it appears the City will be able to capture all of the construction engineering costs as long as there is not significant work that is needed following the spring thaw.

Preliminary

Motion by Fossing, seconded by Maricle to amend the engineering agreement with S.E.H. for additional work for a total project cost of \$84,000. Motion carried 3 – 0 (Jones and Powers absent).

13. Lease Renewal for City of Windom – Cottonwood County Law Enforcement Center:

Nasby said the lease for the law enforcement center was due and the County has sent a revised agreement, which is included in the packets. The space leased and the terms are outlined in the memorandum. The only changes were to the cost of the lease. The price would go up from \$1,500 to \$1,650 per month starting on January 1, 2013 and then be re-negotiated every two years starting on January 1, 2015. While the price increase is a large percentage, both the City Administrator and Police Chief were recommending approval of the lease as the efficiencies gained by co-location were significant.

Motion by Maricle, seconded by Ray to approve the lease agreement between the City of Windom and Cottonwood County as presented for the Law Enforcement Center. Motion carried 3 – 0 (Jones and Powers absent).

14. Long Range Planning – Strategy V:

Motion by Maricle, seconded by Ray, to table the discussion on Long Range Planning – Strategy V until February 21, 2012 due to the absence of two Council members. Motion carried 3 – 0 (Jones and Ray absent).

15. New Business:

None.

16. Unfinished Business:

None.

17. Regular Bills:

Motion by Ray, seconded by Fossing, to approve the regular bills. Motion carried 3 – 0 (Jones and Powers absent).

18. Contractor Payments:

None.

Preliminary

19. Council Concerns:

Nasby noted the Coalition of Greater Minnesota Cities Legislative Day is February 8th. He and Mayor Kruse are signed up to attend and the primary issues will be Local Government Aid and levy limits.

20. Adjourn:

Kruse adjourned the meeting by unanimous consent. Meeting adjourned at 8:32 p.m.

Kirby Kruse, Mayor

Attest: _____
Steve Nasby, City Administrator

Windom Airport Commission Minutes
February 7, 2012

The Windom Airport Commission met on February 7, 2012, at 8:30 a.m. at the Windom Airport. Members present were Marlyn Bartsch, Brian Underwood, Gerri Burmeister, Scott Fredin and John Holt. Members absent: Merle Wall and Liaison Mayor Kirby Kruse. Others Present- City Staff: Steve Nasby, Denise Nichols and Bruce Caldwell and Kjell Turner.

Chairman Underwood called the meeting to order.

1. **Approve Minutes:** Minutes from December 2, 2011, were reviewed. **Motion by Holt, seconded by Burmeister, to approve the minutes as written. Motion passed 5 ayes, 0 nays.**

2. **2012 Hangar Improvement Project:** Airport Manager Brian Underwood informed the Commission that Big Game had contacted him and they are interested in renting a large hangar space. Underwood reviewed with the Commission the current and possible future rental status of the existing hangars. Several of the current renters have listed or will be listing their planes for sale. He suggested that the Commission consider changing the 2012 Hangar Project and build one large heated and insulated hangar building.

The Commission discussed the options for changing the 2012 Hangar Project. Instead of adding additional hangar space by extending the existing hangars and adding two 50' x 36' hangars, the Commission reviewed two additional options to build a large hangar that could accommodate larger aircraft. Large aircraft activity is needed at the airport to facilitate a runway extension. Without a large hangar space, there is little possibility of attracting a renter that has a King Airplane.

Option #1A – 60' x 60' free standing hangar - \$366,000
Option #1B – 80' x 60' free standing hangar - \$486,000

Windom currently has \$369,024 of Entitlement funding available for airport improvement projects.

Nasby noted he has identified two potential funding options for additional Entitlement funding for the project. He has contacted the Cities of Pipestone and Tracy regarding the use of their Entitlement funding for the project. Pipestone is willing to loan Windom their entitlement funding if they do not proceed with any projects this year and Tracy is also willing to loan their funds to complete the hangar project. The loan would be repaid with Entitlement funding that the City of Windom would receive next year.

The Commission discussed the location of a larger hangar closer to the arrival/departure building. It was suggested that the large hangar be positioned behind the A/D building in the grass area with the doors facing the west. The Commission also agreed that the door height should be increased by at least two feet.

The fueling systems project was also discussed. Due to the increased cost of the larger hangar and available Entitlement funding, the fuel system would need to be delayed. The Commission agreed to include the fuel system bid as an alternate to the hangar project in the event bids for the project came in lower than projected, and the system could then be included in the project.

Motion by Holt, seconded by Burmeister, to approve changing the 2012 Hangar Project to Option #1B. Motion passed 5 ayes, 0 nays.

The Commission requested a hangar rent comparison be completed and a comparable rent be charged for the new hangar.

3. **Other Business:** Underwood shared a letter from Don Kalash regarding the recent hangar rent increase. The Commission took no action.
4. **Commission Concerns:** None.
5. **Adjourn:** Chairman Underwood declared the meeting adjourned at 9:43 a.m.

Brian Underwood, Chairman

Attest: _____
Steve Nasby, City Administrator

**ECONOMIC DEVELOPMENT AUTHORITY OF WINDOM
MINUTES
FEBRUARY 9, 2012**

1. Call to Order: The meeting was called to order by President Erickson at 5:07 p.m.
2. Roll Call & Guest Introductions:
EDAWN Commissioners: Juhl Erickson, Trevor Slette, Sally Larson, Corey Maricle and Kelsey Fossing.

Also Present: EDA Staff – Mary Hensen, Admin. Asst.; City Administrator Steve Nasby, Mayor Kirby Kruse; and Rahn Larson (Citizen).
3. Approval of Minutes:

Motion by Commissioner Larson, seconded by Commissioner Slette, to approve the Minutes of the EDA Meeting held on January 12, 2012. Motion carried 4-0.
(Commissioner Fossing arrived after this vote.)
4. Remick Application – Update: An application was submitted to the Remick Foundation on January 13, 2012. The proposal included the installation of five entrance signs and an accent lighting/stamped concrete streetscape project along a portion of Highways 60/71 in Windom. The amount requested was \$100,000. Since that time, the Trustees for the Remick Foundation held their meeting. City Administrator Nasby advised the Board that he was notified that the application had not been accepted, but could be resubmitted in a pared-down version which provides for matching funds. The Board prioritized items to be retained in the proposal and there was a discussion concerning the possibility of other entities participating in the matching funds. The Board also discussed potential directional signage on the highway for the downtown district and the high school/middle school. It was the consensus of the Board to keep the process moving and revise the proposal to include two entrance signs (west entrance of Highway 60 and east entrance of Highway 60) and directional signage on Highway 60 designating historic downtown business district and possibly school, etc.
5. Office Prospect Visit – Update: City Administrator Nasby reported to the Board concerning a tour of available sites which was conducted for a prospect that is looking for office space options. The prospect is conducting the search in several area communities.
6. River Bluff Townhomes – Management Agreement: The Board received a copy of the current Management Agreement with Van Binsbergen & Associates which is scheduled to expire the end of May. It was the consensus of the Board to keep its options open for management of the townhomes by providing the required notification to Van Binsbergen & Associates.

Motion by Commissioner Larson, seconded by Commissioner Fossing, to send the required 120-day termination notice to Van Binsbergen & Associates concerning the management agreement for the River Bluff Townhomes. Motion carried 5-0.
7. Community Venture Network – Membership: The Community Venture Network (CVN) hosts quarterly meetings to highlight business prospects interested in relocating or expanding their businesses to Greater Minnesota. The EDA has a joint membership with the Mountain Lake EDA and each EDA pays one-half of the \$6,000 annual membership fee. The current membership is scheduled to expire on February 28, 2012, and the Mountain Lake EDA has

expressed an interest in continuing the joint membership. After review of the proposed membership agreement, the Board took the following action.

Motion by Commissioner Slette, seconded by Commissioner Larson, to approve renewal of the joint membership with the Mountain Lake EDA in the Community Venture Network and authorize payment of \$3,000 which represents one-half of the membership fee. Motion carried 5-0.

8. North Windom Industrial Park (NWIP)
 - A. TIF Discussion: In October, 2011, the Board received an estimate concerning potential costs and a sample timetable for the establishment of a TIF District in a portion of the NWIP. Pursuant to TIF regulations, there are specific time lines for construction of improvements after certification of a TIF district. It was the consensus of the Board that EDA Staff should contact the TIF consultants concerning the information they will require to establish a new TIF district.
 - B. Infrastructure – Grant Application – Preliminary Discussion: The Board briefly discussed available utilities in the area of the industrial park, the engineer’s previous infrastructure cost estimates, and potential funding sources for infrastructure installation.
 - C. Spec Warehouse – Preliminary Discussion: City Administrator Nasby advised of an inquiry concerning availability of a 60,000 square foot warehouse. There was a discussion as to what the EDA’s role should be in such a project.
9. Lease Negotiations – Closed Session: President Erickson closed the meeting to the public at 5:42 p.m. The purpose of the closed session was to discuss negotiations in the event of a potential lease. President Erickson re-opened the meeting to the public at 5:56 p.m.
10. Director’s Report: City Administrator Nasby advised of a potential land purchase by a developer and requested input from the Board concerning interest in and requirements for a possible TIF district for the site. The Board requested additional information about the project before further consideration.
11. Executive Director Position
 - A. Review of Applications: The deadline for submission of applications for the EDA Executive Director position was Thursday, February 9, 2012, at 5:00 p.m. The Board received copies of 21 applications for review.
 - B. Selection of Interview Candidates: It was the consensus of the Board that each member review the applications in greater detail and e-mail a list of his/her choices for five interview candidates to City Administrator Nasby. He will then tabulate the results and provide the Board members with the agreed list of candidates to be interviewed.
 - C. Scheduling of Interviews: By consensus, the Board agreed to the scheduling of interviews for Wednesday, February 22, 2012, beginning at 12:30 p.m. Friday, February 24th, was set as an alternate date for any candidates not available to interview on the 22nd. There was a discussion as to whether interviews could be conducted by phone or should be in person which is the preference of the Board. The City Council has requested involvement in the final round of interviews and it is anticipated that those interviews will be scheduled the last week in February.

12. Miscellaneous Information

A. Monthly Budget Recap: The Board received a copy of the monthly budget report for December, 2011.

B. River Bluff Townhomes – Monthly Financial Report: The Board received copies of the financial report provided by Van Binsbergen & Associates for the period ending December 31, 2011.

13. Adjourn: By consensus, President Erickson adjourned the meeting at 6:30 p.m.

Trevor Slette, EDA Secretary-Treasurer

Attest: _____

Juhl Erickson, President

**PARK AND RECREATION COMMISSION MEETING
MINUTES FEBRUARY 13, 2012**

1. Call to Order: The meeting was called to order by Chairman Terry Fredin 5:17 p.m. at City Hall.
2. Roll Call:
Commission Present: Terry Fredin, Angie Blanshan, Kay Clark, Jeff LaCanne & Sherri Zimmerman
Commission Absent: None
City Staff Present: Recreation Director Al Baloun & Park Superintendent Bruce Caldwell
Council Liaisons: Corey Maricle attending & JoAnn Ray absent
Public:
3. Approve Agenda
Motion by Clark, seconded by LaCanne to approve agenda with additions
Motion Carried Unanimous
4. Approve Minutes November 14, 2011 Park & Recreation Commission Meeting
Motion by Clark, seconded by Blanshan
Motion Carried Unanimous
5. Commission Election of Officers and Sub Committees for 2012
 - a. Chair- Terry Fredin
 - b. Vice-Chair Kay Clark
 - c. Secretary Angie Blanshan
6. Appointment of Sub-Committees:
 - a. Ice Hockey- Kay Clark
 - b. Racquetball/Wallyball- Sherri Zimmerman
 - c. Archery-OPEN
 - d. High School- Angie Blanshan
 - e. Summer Programs- Kay Clark
 - f. Fall Programs- Jeff LaCanne
 - g. Swim Lessons/Swimming Pool- Angie Blanshan
 - h. Horse Shows- Kay Clark
 - i. Building and Grounds- Terry Fredin & Jeff LaCanne
 - j. Figure Skating- Angie Blanshan**Motion to Approve 2012 Appointments: Blanshan, seconded by LaCanne**
Motion Carried Unanimous
7. Girls Softball Program Corey Maricle discussed the program due to the absence of the program director Kristi Maricle who was unable to attend. He stated that their group desires the usage of fields by themselves and not combined with other groups at the same time. Kristi ran the program along with three volunteer unpaid instructors last season. The balls, bats, protection equipment and pitching machine from the school softball program were used last season with their approval. Corey stated that they wanted their rates the same as the cities summer recreation program and they want to have more scheduled field time. Baloun stated that he will have to talk to the user groups for the fields and try to design a schedule that will work the best for all the groups. Baloun will report back at the March 12th Commission meeting.

8. Park Superintendent Bruce Caldwell Report:

- a. The commission reviewed a list maintenance items that will be addressed this year.
- b. Island Park Restroom by Large Ball Field; the committee discussed the maintenance items that are needed on the building. With the possibility of constructing a new building in a couple years the Commission said to only do minor repairs to keep the costs down. Painting and repairs on the roof and soffits would be fine. They also discussed how to proceed with the design of plans for a new restroom facility that would include showers and a small storage room. The new structure sewer system would need a lift station due to the depth of the sewer main. Caldwell will take to the user groups to get their ideas on their needs for this building and report back. Fredin said he had a contact that could possibly help on design.

9. Recreation Director's Report- Al Baloun

- a. Ice Season Update – The last day for ice will be on March 12th. The staff will begin to take down the hockey boards on March 5th just prior to the March 10th & 11th figure skate show. Baloun stated he received several positive comments on the new glass and netting that was purchased with the hockey association this past fall.

- b. Pool – Sally Oltmanns, Pool Manager will not be returning this year so the city will need to advertise to fill the position as well as the lifeguard positions. Rates are reviewed annually. The Commission discussed the 2012 pool rates as there has not been any increase since 2008. They stated they want to generate income to pay for the staffing and decrease the deficit. The following are the rate changes for 2012.

	<u>2011 Rates</u>	<u>Proposed 2012 Rates</u>
Daily Child	\$3.00	\$3.50
Daily Adult	\$3.50	\$3.50 (same as 2011)
Family Hour	\$6.00	\$7.00
Daily Wading Pool/Non Swimmer	\$1.00	\$1.00 (same as 2011)
<u>Annual Family Passes</u>	\$85.00	\$95.00
Purchase after 5/31	\$95.00	\$105.00
<u>Annual Individual (Student & Adult)</u>	\$50.00	\$55.00
Purchase after 5/31	\$55.00	\$65.00
Swimming Lessons	\$28.00	\$ 30.00
Punch Card Adult-3 punches per/day	\$25.00	All Users 10 PunchCard-1 punch per/day \$ \$30
Punch Card Youth-2 punches per/day	\$25.00	Not Available
Annual Wading Pool/Non Swimmer	\$25.00	\$25.00 (same as 2011)

Motion by Clark, Seconded by Zimmerman to recommend rate changes, as listed above, for the 2012 pool season.

Motion Carried Unanimous

- c. Spring and Summer Programming – The members reviewed the expenses to run the programs which included program manager, assistant staff, umpires, promotional fees etc. Fees were also discussed. Rates are reviewed annually.

K T Ball- 3 days a week for 45 minutes-\$45
Tykes T Ball- Twice A week for 45 minutes- \$45
Coach Pitch/T Ball- 5 days a week for an hour- \$45
Pony League- \$60
Softball- 1 – 3rd Grade- \$45 Meets daily for an hour
Hershey's Track- \$50(Includes \$5 District Entry Fee)
Flag Football - \$45 - 6 Weeks
 1st - 3rd Grade
 4th – 6th Grade-Program not held in 2011 Due to lack of numbers
Fall Soccer-K – 3rd Grade- \$45
Spring Soccer-K – 6th Grade- \$45

Motion by Clark, Seconded by Blanshan to recommend rate changes, as listed above, for the 2012 Recreation rates.

Motion Carried Unanimous

- d. Long Range Capital Outlay for Improvements- Al handed out copies of the Capital Outlay Sheet requests that have been submitted at budget time since 2007 for Recreation, Pool and the Arena. The City of Windom is doing long range planning for capital outlay. Al sought input from commission members on these areas so he can submit them when the long range planning for capital outlay takes place.

10. Open Mike: None

11. Meeting Adjourned at 7:15 p.m. Motion by Clark, seconded by Blanshan to adjourn.

Windom Library Board Meeting
Windom Library
February 14, 2012
5:05 p.m.

1. Call to order: The meeting was called to order by Mary Erickson at 5:05 p.m.

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

Members Absent: Kathy Hiley Jan Johnson and John Duscher

Library Staff Present: 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 Beth Fleming to approve the financial report

6. Librarians Report:

Saturday, Feb. 11th the Friends hosted the 2nd graders and their families with their dinosaur dioramas. Joan attended a session on how to maintain the library website on the City web page. Next week Joan will attend a session on the new software system for the library. Motion by Beth Fleming and seconded by Anita Winkel to approve the Librarian's report.

7. Old Business:

There was no old business

8. New Business:

There was no new business

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 5:15 p.m.

Respectfully submitted,

Joan Hunter, temp

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

Meeting adjourned at 5:25 p.m.

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

February 17, 2012

MAYOR OF WINDOM
WINDOM CITY COUNCIL
PO BOX 38
WINDOM MN 56101

Dear Mayor Kruse and City Council Members:

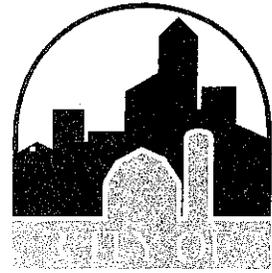
After much deliberation, I have decided to retire from the practice of law. Consequently, effective March 15th, I will be retiring as Windom City Attorney as well. Please take this letter as my formal resignation effective that date.

I want to take the opportunity to thank all of you, your predecessors, and the employees of the City of Windom, who have made my job easier. As you may be aware, my tenure as Windom City Attorney has been well in excess of 20 years. Together we have tackled many controversial and delicate issues, but I have never regretted being your city attorney. My thoughts will continue to be with you.

Very truly yours,


Daniel M. McDonald
Windom City Attorney

DMM:bsw



APPLICATION FOR MUNICIPAL LICENSES
CITY OF WINDOM
WINDOM, MN

STATE OF MINNESOTA
COUNTY OF COTTONWOOD
CITY OF WINDOM

TO: Windom Country Club
2825 Country Club Dr
PO Box 74
Windom, MN 56101

This application is appropriate for item or items checked below, for the term of one year from January 1, 2012 to December 31, 2012.

Cigarette License \$20.00
 Game of Skill \$50.00 for first game and \$15.00 for each additional game
 Theatre \$25.00

Total \$20.00

MN Tax ID # B287739
Federal Tax ID # 41-0673616

Dated this 18th Day of October, 2011.

All applications must be received by November 22, 2011.

C. Thomas Cowan

Signature of Applicant





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



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# 5049
City/County where license approved. Windom

Licensee Name Windom Country Club Inc.

Trade Name Windom Country Club

Licensed Location address 2825 Country Club Rd/PO Box 74

City, State, Zip Code Windom, MN 56101

Business Phone 507/831-3489

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.

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

- 1. Licensee confirms it has no interest whatsoever, directly or indirectly in any other liquor establishments in Minnesota. If so, give details on back of this application.
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 C. Thomas Cowan DOB SS# Date 1-31-2012

(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 Date 02/09/2012

(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.

RESOLUTION #2012-

INTRODUCED:

SECONDED:

VOTED: Aye:
 Nay:
 Absent:

RESOLUTION APPROVING PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENT FOR BIDS FOR THE 2012 STREET & INFRASTRUCTURE IMPROVEMENT AND TRUNK HIGHWAY 60 WATERMAIN PROJECTS

WHEREAS, pursuant to a resolution adopted by the City Council on December 6, 2011, City Engineer Wenck and Associates has prepared plans and specifications for the proposed 2012 Street & Infrastructure Improvement and Trunk Highway 60 Watermain Projects in conjunction with the Cottonwood County Projects #SAP17-613-44 River Road & SAP17-617-16 6th Street, and has presented such plans and specifications to the Council for approval.

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

1. Such plans and specifications, which are made a part hereof by reference as if fully set forth herein, are hereby approved and shall be filed in the office of the City Clerk.
2. The City Clerk shall prepare an advertisement for bids for the making of such improvements, pursuant to the approved plans and specifications, and cause such advertisement to be published in the official paper.
3. Bids will be received and accepted by Cottonwood County until 1:00 p.m. on March 26, 2012. At said time, the bids will be publicly opened by the Cottonwood County Board, County Engineer and City of Windom Engineer in the County Commissioner Room located in the Cottonwood County Courthouse. Bids will then be tabulated and will thereafter be considered by the City Council. Any bidder whose responsibility is questioned during consideration of the bid will be given an opportunity to address the Council on the issue of responsibility. The Cottonwood County Commissioners will approve the bids on March 27, 2012. The Windom City Council will concur with the bid for such improvements on or before April 3, 2012, at the City Council Meeting scheduled for 7:30 p.m.

Adopted by the Council this 21st day of February, 2012.

Kirby G. Kruse, Mayor

Attest: _____
Steven Nasby, City Administrator

RESOLUTION #2012-

INTRODUCED:

SECONDED:

VOTED: Aye:
 Nay:
 Absent:

**STATE AID FOR LOCAL TRANSPORTATION RESOLUTION APPROVING
COUNTY PROJECT WITHIN MUNICIPAL CORPORATE LIMITS**

WHEREAS, Plans For Project No. S.A.P. 17-613-44 showing proposed alignment, profiles and grades and cross-sections for the construction, reconstruction or improvement of County State-aid Highway No. 13 within the limits of the City as a (Federal) (State) Aid Project have been prepared and presented to the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF WINDOM, MINNESOTA, THAT SAID PLANS BE IN ALL THINGS APPROVED.

Adopted by the Council this 21st day of February, 2012.

Kirby G. Kruse, Mayor

Attest: _____
Steven Nasby, City Administrator

CERTIFICATION

STATE OF MINNESOTA)
) ss.
COUNTY OF COTTONWOOD)
)
CITY OF WINDOM)

I hereby certify that the foregoing Resolution is a true and correct copy of a resolution presented to and adopted by the City Council of the City of Windom at a meeting therefor held in the City of Windom, Minnesota, on the 21st day of February, 2012, as disclosed by the records of said City in my possession.

City Clerk

(Seal)

Street Closure Requests for 2012 Riverfest

June 8th Street closure; closure time 5:00 p.m.-9:00 p.m. for the River Fest Soap Box Derby. Change of Location!

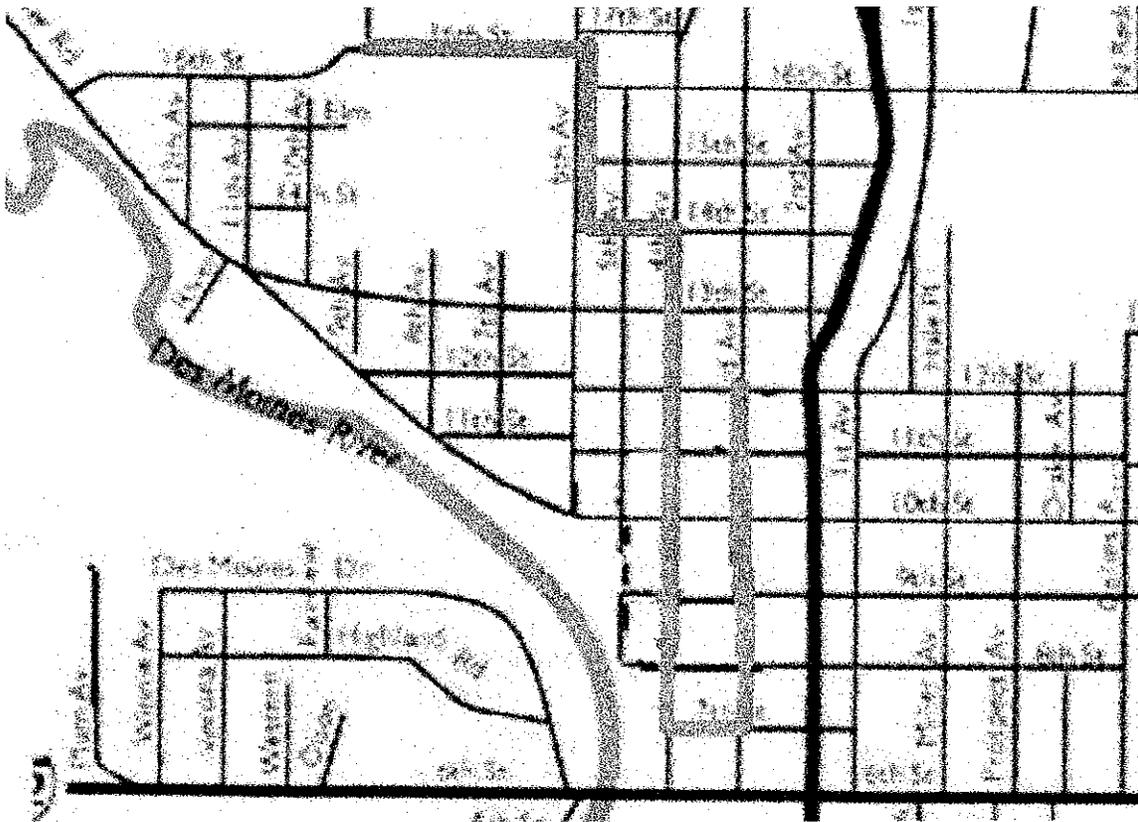
Street to be closed; 4th Avenue starting at 6th Street (highway 62) intersection going north to the middle of 8th and 9th street. The following intersections will be barricaded off during the event - 8th Street, 7th Street and north bound traffic on 4th Avenue at the 6th Street intersection.

Barricades will be manned in the event local property owners need to exit their driveways or if mail trucks need to pass thou the 8th Street intersection going to the post office.

June 9th Street Closure; Closure all day on 9th Street from 3rd Avenue to 4th Avenue.

Closure on and off during the day on 4th Avenue from 9th Street to 10th Street

June 9th Closure late afternoon into the evening for Parade Route "Red Print"



February 16, 2012

Memo: Recreation and Pool Fees



To: Windom City Council

From: Al Baloun, Recreation Director

The Parks and Recreation Commission at their February 13, 2012 meeting reviewed the Recreation and Pool fees. Rates are reviewed annually. The following fee increase recommendations were made and approved by commission members at that meeting:

The Commission discussed the 2012 pool rates as there had not been any increase since 2008. They stated they want to generate income to pay for the staffing and decrease the deficit. The following are the rate changes for 2012.

	<u>2011 Rates</u>	<u>Proposed 2012 Rates</u>
Daily Child	\$3.00	\$3.50
Daily Adult	\$3.50	\$3.50 (same as 2011)
Family Hour	\$6.00	\$7.00
Daily Wading Pool/Non Swimmer	\$1.00	\$1.00 (same as 2011)
<u>Annual Family Passes</u>	\$85.00	\$95.00
Purchase after 5/31	\$95.00	\$105.00
Annual Individual (Student & Adult)	\$50.00	\$55.00
Purchase after 5/31	\$55.00	\$65.00
Swimming Lessons	\$28.00	\$ 30.00
Punch Card Adult-3 punches per/day	\$25.00	All Users 10 PunchCard-1 punch per/day \$ 30
Punch Card Youth-2 punches per/day	\$25.00	Not Available
Annual Wading Pool/Non Swimmer	\$25.00	\$25.00 (same as 2011)

Motion by Clark, Seconded by Zimmerman to recommend rate changes, as listed above, for the 2012 pool season.

Motion Carried Unanimous

The Commission reviewed the expenses to run the programs which included program manager, assistant staff, umpires, promotional fees etc. Fees were also discussed.

- K T Ball- 3 days a week for 45 minutes(2011-\$35)-\$45
- Tykes T Ball- Twice A week for 45 minutes(2011-\$35)- \$45
- Coach Pitch/T Ball- 5 days a week for an hour(2011-\$35)- \$45
- Pony League(2011-\$50)- \$60
- Softball- 1 – 3rd Grade(2011-\$35)- \$45 Meets daily for an hour
- Hershey’s Track(2011-\$40)- \$50(Includes \$5 District Entry Fee)
- Flag Football(2011-\$35) - \$45 - 6 Weeks
 - 1st - 3rd Grade
 - 4th – 6th Grade-Program not held in 2011 Due to lack of numbers
- Fall Soccer-K – 3rd Grade(2011-\$35)- \$45
- Spring Soccer-K – 6th Grade- \$45

Motion by Clark, Seconded by Blanshan to recommend rate changes, as listed above, for the 2012 Recreation rates.



RESOLUTION #2012-

INTRODUCED:

SECONDED:

VOTED: Aye:

Nay:

Absent:

RESOLUTION ESTABLISHING RATES, CHARGES AND FEES FOR SWIMMING POOL USAGE AND RECREATION PROGRAMS

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 Park & Recreation Commission recommends to the Windom City Council to change the following pool rates and recreation fees; and

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

NOW, THEREFORE, BE IT RESOLVED by the City Council of Windom, Minnesota, that the swimming pool rates and recreation fees be amended as follows:

2012 Pool Rates

Daily Child	\$3.50
Daily Adult	\$3.50 (same as 2011)
Family Hour	\$7.00
Daily Wading Pool/Non Swimmer	\$1.00 (same as 2011)
Annual Family Passes	\$95.00
Purchase after 5/31	\$105.00
Annual Individual (Student & Adult)	\$55.00
Purchase after 5/31	\$65.00
Swimming Lessons	\$30.00
Punch Card All Users(10 Punch Card 1-punch per/day)	\$30.00
Annual Wading Pool/Non Swimmer	\$25.00 (same as 2011)

2012 Recreation Fees

K T Ball- 3 days a week for 45 minutes-\$45.00
Tykes T Ball- Twice A week for 45 minutes- \$45.00
Coach Pitch/T Ball- 5 days a week for an hour- \$45.00
Pony League- \$60.00
Softball- 1 – 3rd Grade- \$45.00 Meets daily for an hour
Hershey's Track- \$50.00 (Includes \$5 District Entry Fee)
Flag Football - \$45.00 - 6 Weeks
1st - 3rd Grade
4th – 6th Grade-Program not held in 2011 Due to lack of numbers
Fall Soccer-K – 3rd Grade- \$45.00
Spring Soccer-K – 6th Grade- \$45.00

Adopted this 21st day of February, 2012.

Kirby G. Kruse, Mayor

ATTEST:

Steven Nasby, City Administrator

RESOLUTION #2012-

INTRODUCED:

SECONDED:

VOTED: Aye:
 Nay:
 Absent:

**AUTHORIZATION TO ACCEPT A DONATION FROM THE
OFFICE OF TRAFFIC SAFETY
TO THE WINDOM POLICE DEPARTMENT**

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, the City of Windom has received a donation from the Office of Traffic Safety of two light bars with a retail value of \$3,000 for the Windom Police Department; and

WHEREAS, the donation requires that the light bars be used on a department squad car.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF WINDOM, MINNESOTA, that the City Council accepts the donation of light bars for the Police Department with a retail value of \$3,000 offered by the Office of Traffic Safety.

Adopted by the Council this 21st day of February, 2012.

Kirby G. Kruse, Mayor

Attest: _____
Steven Nasby, City Administrator

Memo

To: City Council Members

Date: 2/17/2012

Re: Mayor's Board and Commission Appointments

The Mayor's list of Board and Commission appointments will be available at the Council meeting on Tuesday, February 21, 2012.

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: February 15, 2012
RE: Personnel Committee Recommendations

Telecommunications Department – Request to Increase Staffing

The Telecommunications Manager has presented information relating to current activities and an operational outlook for 2012 to both the Telecommunications Commission and Personnel Committee. Projections are for revenue to be higher in future years due to the increase in activities and functions in the department. Because of the addition of equipment at the facility and services for SDN, New Ulm Telephone and Onvoy, in addition to the new customers from the Southwest Minnesota Broadband Services group, the Telecommunications Manager is requesting additional staffing. The request is that the part-time Administrative Assistant position (now at 32 hours/week) be increased to full-time. With the addition of these 8 hours on Fridays, the existing technical staff will be able to undertake higher priority functions in place of staffing the office and answering the phones. Cost associated with this change is estimated to be \$6,637 in wages and up to \$12,147 health benefits. Both the Telecommunications Commission and Personnel Committee are recommending approval.

Police Sergeant – Accelerated Step Increase

Chief Peterson said that Sgt. Patterson was promoted to his position in February 2011 and was placed on Grade 16, Step 10. Sgt. Patterson successfully completed his probationary period in August 2011. He should have gotten a step increase to Step 11 at that time but he was new to the position and was unaware of the compensation process.

Sgt. Patterson was given an increase to Step 11 on January 1, 2012 based on the excellent work he has performed for the City of Windom. Due the timing of the step increase that was missed in August 2011, Chief Peterson is recommending that Sgt. Patterson's next step be accelerated by six months. The Personnel Committee is recommending that Sgt. Patterson be moved to Step 12 upon approval by the City Council and effective upon the next available pay period.

Internship Program

The City has received some requests over the years about the possibility of having interns. Some of the requests are through organizations such as the Minnesota City Manager's Association, educational institutions like Minnesota State University – Mankato and we have also had some individuals express an interest. These individuals are typically Windom grads that are in college and home for the summer looking for work.

Most intern programs are designed as a modestly paid, summer or seasonal (e.g. academic quarter or semester); however, there are also short-term (1-2 weeks) unpaid internships in some organizations. If the City of Windom were to offer an internship program the City Administrator's recommendation would be to do it as a modestly paid, temporary position as having someone only a week or two at a time would likely take more staff time to train and direct them than it would return.

There are projects that would be beneficial to both an intern and help existing staff complete. Examples would be follow-up with the codification process as we will need to verify that 30 years of ordinance changes were incorporated into the new code and to check all existing City forms, literature, web sites, etc. are consistent with the new code. Other projects would include records organization, assisting with research, compiling information for reports, etc.

Cost for a summer internship would be about \$4,320 (12 weeks x 40 hours\week x \$9\hr.). This cost could be spread over a couple of departments depending on the projects undertaken by the intern. The Personnel Committee is recommending approval of establishing an internship program.

Memo

To: Mayor and City Council

From: Denise Nichols

CC: Steve Nasby

Date: 2/16/2012

Re: Annual Citywide Cleanup Event

In the process of coordinating the annual Citywide Cleanup event, the City was notified by Cottonwood County that they are currently constructing a new solid waste cell at the County Landfill. Due to limited capacity until the new cell is completed, the County is requesting that each city delay their citywide cleanup until early fall.

The County Commissioners have approved half price tipping fees as an incentive for cities that wait to conduct their cleanup event until after the new cell is constructed. If the City of Windom conducts the city cleanup in the spring, the tipping fees will be at full price. In the past when the event was implemented, the County Commissioners have approved the cost of the tipping fees at one half of the normal tipping fees.

If the Council chooses to accept the higher tipping fee cost and conducts the event this spring, the available dates for the event are April 28, May 5, 12, 19 and 26. In the past, two weekends were needed to complete the citywide event.

Attached please find the correspondence from Ron Gregg, Cottonwood County Engineer/Solid Waste Administrator, and the annual report of costs for the Citywide Cleanup event.

Requested Action – Determine when the Citywide Cleanup event should be conducted. If the event is to be conducted this spring, establish dates for the event.



COTTONWOOD COUNTY HIGHWAY/SOLID WASTE

Ronald Gregg P.E., County Engineer/Solid Waste Administrator
1355 9th Ave □ WINDOM, MN 56101

Ph. (507) 831-1389

Fax (507) 831-2367

February 14th, 2012

Steve Nasby
City Administrator
444 9th Street
PO Box 38
Windom, MN 56101

RE: City Wide Cleanups

Dear Windom City Council:

As the Cottonwood County Solid Waste Administrator I am requesting that each Cottonwood County Municipalities postpone their city wide cleanups until a new solid waste cell is constructed at the landfill. A new solid waste cell will be constructed this summer at the Cottonwood County Landfill.

The Cottonwood County Board of Commissioners has approved half price tipping fees to cities that wait until the waste cell is constructed. Any city wide cleanup disposal prior the new cell construction will be charged full price.

If you have any questions please feel free to give me a call at 507-831-1389.

Sincerely,

Ronald Gregg PE
County Engineer/Solid Waste Administrator

CITY OF WINDOM CITY WIDE CLEAN-UP

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Citizen/KDOM	\$198.00	\$376.20	\$465.60	\$330.00	\$278.10	\$340.20	\$0.00	\$403.20	\$491.40	\$540.00	\$1,992.60	\$2,581.00	\$2,380.05	\$2,013.95	\$1,863.20
Curry Sanitation/Waste Manager	\$1,867.50	\$2,585.00	\$3,860.00	\$4,632.50	\$4,815.00	\$4,637.50	\$0.00	\$4,020.00	\$5,130.00	\$1,417.29	\$8,109.64	\$12,097.00	\$12,662.85	\$11,153.84	\$11,776.85
Cottonwood County Landfill	\$3,983.10	\$4,461.51	\$7,088.64	\$6,216.79	\$6,782.00	\$6,256.85	\$0.00	\$5,504.51	\$2,985.31	\$2,576.56	\$3,785.70	\$4,567.00	\$5,008.44	\$4,286.70	\$4,490.94
Total Cost	\$6,048.60	\$7,422.71	\$11,414.24	\$11,179.29	\$11,875.10	\$11,234.55	\$0.00	\$9,927.71	\$8,606.71	\$4,533.85	\$13,887.94	\$19,345.00	\$20,051.34	\$17,454.29	\$18,130.99
Spring Clean-up fees collected													\$23,324.12	\$25,444.23	\$25,382.39
Tons	74.8	89.2	102.63	113.29	123.59	114.02	0	100.31	87.38	95.31	90.76	110.08	118.23	101.76	107.12
Landfill Cost per Ton	\$53.25	\$50.00	\$69.07	\$50.00	\$50.00	\$50.00	\$0.00	\$50.00	\$34.17	\$27.04	\$41.71	\$42.40	\$42.36	\$42.13	\$41.92
Total Cost per Ton	\$80.86	\$83.19	\$111.22	\$98.68	\$96.08	\$98.54	\$0.00	\$98.97	\$98.50	\$47.57	\$153.02	\$175.74	\$169.60	\$171.52	\$169.26
Cost per Household	\$3.11	\$3.80	\$5.81	\$5.65	\$5.96	\$5.83	\$0.00	\$5.11	\$4.42	\$2.33	\$7.09	\$9.87	\$10.23	\$8.25	\$8.56
Number of Households	1943	1955	1966	1978	1994	1929	1935	1944	1948	1953	1958	1959	1961	* 2116	* 2119

* Based on December monthly billing



Memo

To: Mayor and City Council Members

From: Airport Commission

Date: 2/17/2012

Re: 2012 Airport Hangar Project

The Airport Commission met on February 7th and discussed the proposed 2012 Hangar Project. The Commission agreed to change the 2012 Hangar Project from two 50' x 36' additions to existing multi-unit hangars (Option #2) to an 80' x 60' free standing hangar with an estimated cost of \$486,000 (Option #1B). The new hangar will be located in the grass area behind the arrival/departure building with the doors facing west (see attached map).

Subsequent to the Airport Commission meeting, the City was informed that Congress has changed the local share requirement for entitlement funding from 5% to 10%. This change would increase the local share from \$24,300 to \$48,600.

The Airport Commission requests that the City Council approve the Hangar project revision and the additional matching funds for the project due to the increase in the match requirement for the project from 5% to 10%.

**Windom Municipal Airport
2012 CIP - Hangar Cost Estimates**

Option #1A

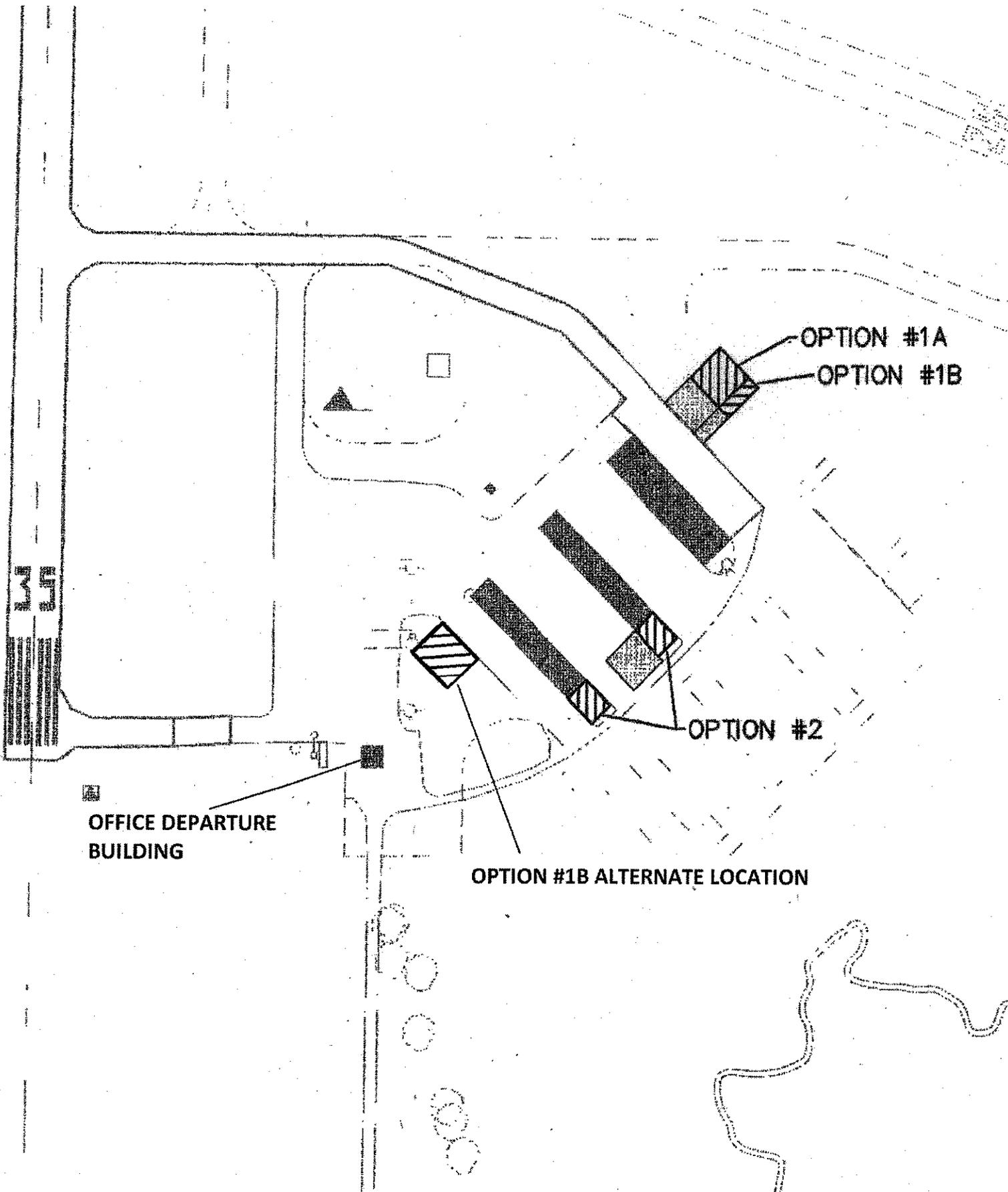
- 60' x 60' Free Standing Hangar
- 60' Wide by 15' High Bi-fold Door
- Concrete Floor/Steel Frame
- Insulated/Heated Building
- Estimate \$75 per square foot - \$270,000
- Site grading and paving - \$35,000
- Construction Total = \$305,000
- **Option #1A Total w/ Engineering & Contingencies (20%) = \$366,000**

Option #1B

- 80' x 60' Free Standing Hangar
- 80' Wide by 15' High Bi-fold Door
- Concrete Floor/Steel Frame
- Insulated/Heated Building
- Estimate \$75 per square foot - \$360,000
- Site grading and paving - \$45,000
- Construction Total = \$405,000
- **Option #1B Total w/ Engineering & Contingencies (20%) = \$486,000**

Option #2

- (2) 50' x 36' additions to existing multi-unit hangar buildings
- 50' Wide by 12' High Bi-fold Doors
- Match Existing Structure Material and Design (Concrete Floor/Steel Frame)
- Non-Insulated/Heated Units
- Estimate - \$45 per square foot - \$81,000 per unit
- Apron Re-grading - \$20,000
- Construction Total = \$182,000
- **Option #2 Total w/ Engineering & Contingencies (20%) = \$218,400**



**2012 CIP - HANGAR OPTIONS
WINDOM MUNICIPAL AIRPORT**



Strategy V

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

Characteristics and descriptions that define this strategy include:

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

Goals

1. Protect Windom's natural resources

Actions:

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

2. Market Windom's geographic location

Actions:

- a. Market and brand Windom as an outdoor destination

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
MAYOR & COUNCIL	CONVENT. & VISTOR BU	LODGING TAX	2,397.11
		Total for Department 101	2,397.11*
CITY OFFICE	ELECTRIC FUND	UTILITY BILLING	204.57
		Total for Department 103	204.57*
P & Z / BUILDING OFF	ELECTRIC FUND	UTILITY BILLING	47.06
P & Z / BUILDING OFF	Verizon Wireless	TELEPHONE	34.36
		Total for Department 106	81.42*
CITY HALL	ELECTRIC FUND	MAINTENANCE	115.06
CITY HALL	ELECTRIC FUND	UTILITY BILLING	468.31
		Total for Department 115	583.37*
POLICE	DONNA MARCY	EXPENSE	30.25
POLICE	ELECTRIC FUND	UTILITY BILLING	68.56
POLICE	Verizon Wireless	TELEPHONE	265.66
POLICE	SOUTHWEST CHIEFS OF	DUES	35.00
POLICE	VOYAGER FLEET SERVIC	GAS	467.60
		Total for Department 120	867.07*
FIRE DEPARTMENT	ELECTRIC FUND	UTILITY BILLING	27.79
FIRE DEPARTMENT	Verizon Wireless	TELEPHONE	34.36
FIRE DEPARTMENT	VET'S WHOA N'GO	GAS	49.00
		Total for Department 125	111.15*
STREET	ELECTRIC FUND	UTILITY BILLING	3,609.92
STREET	ERICKSON OIL CO	GAS	1,045.15
STREET	Verizon Wireless	TELEPHONE	38.88
STREET	POWERPLAN	MAINTENANCE	4,246.46
STREET	SCOTT'S SNOW REMOVAL	SNOW REMOVAL	225.00
STREET	VET'S WHOA N'GO	GAS	190.62
STREET	VOYAGER FLEET SERVIC	GAS	93.45
		Total for Department 140	9,449.48*
PARKS	ELECTRIC FUND	MAINTENANCE	42.59
PARKS	ELECTRIC FUND	UTILITY BILLING	140.23
PARKS	ERICKSON OIL CO	GAS	82.68
		Total for Department 165	265.50*
		Total for Fund 01	13,959.67*
LIBRARY	CITIZEN PUBLISHING C	SUBSCRIPTION	43.00
LIBRARY	ELECTRIC FUND	UTILITY BILLING	249.03
		Total for Department 171	292.03*
		Total for Fund 03	292.03*
AIRPORT	ELECTRIC FUND	MAINTENANCE	29.12
		Total for Department 174	29.12*

CITY OF WINDOM
 FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
Total for Fund 11			29.12*
AMBULANCE	ELECTRIC FUND	UTILITY BILLING	26.40
AMBULANCE	TIM HACKER	EXPENSE	7.18
AMBULANCE	BUCKWHEAT JOHNSON	EXPENSE	29.94
AMBULANCE	KIM POWERS	EXPENSE	89.02
AMBULANCE	ALLAN REMPEL	EXPENSE	55.74
Total for Department 176			208.28*
Total for Fund 13			208.28*
MULTI-PURPOSE BUILDI	ELECTRIC FUND	UTILITY BILLING	1,010.77
MULTI-PURPOSE BUILDI	Verizon Wireless	TELEPHONE	34.40
MULTI-PURPOSE BUILDI	RIVER BEND LIQUOR	MERCHANDISE	65.56
Total for Department 177			1,110.73*
Total for Fund 14			1,110.73*
LIQUOR	BEVERAGE WHOLESALERS	MERCHANDISE	3,309.65
LIQUOR	COLLINS BROTHERS, IN	SUPPLIES	348.70
LIQUOR	ELECTRIC FUND	MAINTENANCE	46.58
LIQUOR	ELECTRIC FUND	UTILITY BILLING	761.55
LIQUOR	EXTREME BEVERAGE, LL	MERCHANDISE	100.50
LIQUOR	FIELDSTONE VINEYARDS	MERCHANDISE	425.16
LIQUOR	WIRTZ BEVERAGE MN WI	MERCHANDISE	807.34
LIQUOR	HAGEN DISTRIBUTING	MERCHANDISE	12,885.20
LIQUOR	JOHNSON BROS.	MERCHANDISE	1,519.00
LIQUOR	PHILLIPS WINE & SPIR	MERCHANDISE	1,367.72
LIQUOR	QUALITY WINE SPIRITS	MERCHANDISE	938.91
LIQUOR	THE AMERICAN BOTTLIN	MERCHANDISE	113.44
Total for Department 180			22,623.75*
Total for Fund 60			22,623.75*
WATER	DATA-PAC MAILING SYS	RESET FEE	1.50
WATER	MN DEPT OF NAT RES-	PERMIT FEE	2,638.00
WATER	ELECTRIC FUND	MAINTENANCE	11.39
WATER	ELECTRIC FUND	UTILITY BILLING	3,109.35
WATER	GOPHER STATE ONE CAL	LOCATES	1.08
WATER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	191.67
WATER	Verizon Wireless	TELEPHONE	58.10
WATER	VOYAGER FLEET SERVIC	GAS	328.84
Total for Department 181			6,339.93*
Total for Fund 61			6,339.93*
ELECTRIC	DATA-PAC MAILING SYS	RESET FEE	1.49
ELECTRIC	ELECTRIC FUND	UTILITY BILLING	275.41
ELECTRIC	ERICKSON OIL CO	GAS	222.08
ELECTRIC	GOPHER STATE ONE CAL	LOCATES	1.08

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
ELECTRIC	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	191.67
ELECTRIC	Verizon Wireless	TELEPHONE	39.70
ELECTRIC	VOYAGER FLEET SERVIC	GAS	44.37
ELECTRIC	DAPHE COMEAU	ENERGY REBATE	50.00
ELECTRIC	TRACY HORKEY	ENERGY REBATE	25.00
ELECTRIC	BONNIE MEYER	ENERGY REBATE	35.00
ELECTRIC	JIM MILLER	ENERGY REBATE	50.00
ELECTRIC	TERRY ODDSON	ENERGY REBATE	25.00
ELECTRIC	ALLEN PETERSON	ENERGY REBATE	25.00
ELECTRIC	RON SCHRAMEL	ENERGY REBATE	35.00
ELECTRIC	SANDY SMEDSRUD	ENERGY REBATE	50.00
ELECTRIC	RON TIBODEAU	ENERGY REBATE	50.00
ELECTRIC	JIM VELLEMA	ENERGY REBATE	60.00
	Total for Department 182		1,180.80*
	Total for Fund 62		1,180.80*
SEWER	DATA-PAC MAILING SYS	RESET FEE	1.49
SEWER	ELECTRIC FUND	MAINTENANCE	21.30
SEWER	ELECTRIC FUND	UTILITY BILLING	12,890.18
SEWER	GOPHER STATE ONE CAL	LOCATES	1.09
SEWER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	191.67
SEWER	Verizon Wireless	TELEPHONE	58.09
	Total for Department 183		13,163.82*
	Total for Fund 63		13,163.82*
ARENA	AL BALOUN	SUPPLIES	67.17
ARENA	ELECTRIC FUND	MAINTENANCE	12.06
ARENA	ELECTRIC FUND	UTILITY BILLING	6,721.04
ARENA	A H HERMEL CANDY & T	MERCHANDISE	276.92
ARENA	JANITOR'S CLOSET, LT	SUPPLIES	111.83
ARENA	Verizon Wireless	TELEPHONE	69.06
ARENA	SOUTHERN MN REC & PA	DUES	15.00
ARENA	WINDOM YOUTH HOCKEY	ADVERTISING	30.00
ARENA	KIM SYMENS	REFUND - 2ND SESSION SKA	21.00
	Total for Department 184		7,324.08*
	Total for Fund 64		7,324.08*
ECONOMIC DEVELOPMENT	ELECTRIC FUND	UTILITY BILLING	66.30
ECONOMIC DEVELOPMENT	2SMARTWOMEN.COM, LLC	TRAINING FOR MIRC GRANT	1,200.00
ECONOMIC DEVELOPMENT	WINDOM EDUCATION & C	EXPENSE FOR MIRC GRANT	300.00
	Total for Department 187		1,566.30*
	Total for Fund 67		1,566.30*
TELECOMMUNICATIONS	DATA-PAC MAILING SYS	RESET FEE	4.47
TELECOMMUNICATIONS	ELECTRIC FUND	UTILITY BILLING	1,825.20
TELECOMMUNICATIONS	GOPHER STATE ONE CAL	LOCATES	1.10

CITY OF WINDOM
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Department	Vendor Name	Description	Amount
TELECOMMUNICATIONS	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	574.99
TELECOMMUNICATIONS	Verizon Wireless	TELEPHONE	243.02
TELECOMMUNICATIONS	VOYAGER FLEET SERVIC	GAS	262.72
		Total for Department 199	2,911.50*
		Total for Fund 69	2,911.50*
	COLONIAL LIFE INSURA	INSURANCE	8.82
		Total for Department	8.82*
		Total for Fund 70	8.82*
		Grand Total	70,718.83*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
MAYOR & COUNCIL	KIRBY KRUSE	EXPENSE	168.72
	Total for Department 101		168.72*
CITY HALL	ELECTRIC FUND	MAINTENANCE	62.66
	Total for Department 115		62.66*
POLICE	FLEET ONE LLC	GAS	204.76
	Total for Department 120		204.76*
FIRE DEPARTMENT	MN WEST COLLEGE - CA TRAINING		1,900.00
FIRE DEPARTMENT	CENTURY LINK	TELEPHONE	58.87
FIRE DEPARTMENT	FLEET ONE LLC	GAS	97.84
	Total for Department 125		2,056.71*
STREET	CENTURY LINK	TELEPHONE	58.87
STREET	MN ENERGY RESOURCES	HEATING	900.72
	Total for Department 140		959.59*
	Total for Fund 01		3,452.44*
AMBULANCE	JODI JOHNSON	EMT CLOTHING	75.00
AMBULANCE	LORI KNUDSON	EMT CLOTHING	75.00
AMBULANCE	Verizon Wireless	TELEPHONE	99.16
AMBULANCE	CENTURY LINK	TELEPHONE	58.87
AMBULANCE	FLEET ONE LLC	GAS	1,618.14
	Total for Department 176		1,926.17*
	Total for Fund 13		1,926.17*
LIQUOR	BELLBOY CORP	MERCHANDISE	60.00
LIQUOR	BEVERAGE WHOLESALERS	MERCHANDISE	4,040.05
LIQUOR	FIELDSTONE VINEYARDS	MERCHANDISE	247.68
LIQUOR	WIRTZ BEVERAGE MN WI	MERCHANDISE	2,915.50
LIQUOR	HAGEN DISTRIBUTING	MERCHANDISE	2,773.65
LIQUOR	JOHNSON BROS.	MERCHANDISE	1,937.28
LIQUOR	PBC - PEPSI BEVERAGE	MERCHANDISE	173.60
LIQUOR	QUALITY WINE SPIRITS	MERCHANDISE	3,579.52
	Total for Department 180		15,727.28*
	Total for Fund 60		15,727.28*
WATER	H P SUDS CLUB, LLC. +		227.08
WATER	CENTURY LINK	TELEPHONE	58.87
	Total for Department 181		285.95*
	Total for Fund 61		285.95*
ELECTRIC	H P SUDS CLUB, LLC. +		227.09
ELECTRIC	CENTURY LINK	TELEPHONE	55.40
ELECTRIC	HSBC BUSINESS SOLUTI	SUPPLIES	384.25
ELECTRIC	COMMISSIONER OF TRAN	ENERGY REBATE	4,702.00

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
		Total for Department 182	5,368.74*
		Total for Fund 62	5,368.74*
SEWER	H P SUDS CLUB, LLC. +		227.08
SEWER	MN POLLUTION CONTROL REGISTRATION		600.00
SEWER	CENTURY LINK TELEPHONE		260.60
SEWER	MN ENERGY RESOURCES HEATING		752.64
		Total for Department 183	1,840.32*
		Total for Fund 63	1,840.32*
ARENA	FLEET ONE LLC GAS		45.14
		Total for Department 184	45.14*
		Total for Fund 64	45.14*
ECONOMIC DEVELOPMENT	ESSEX CAPITAL, LLC DUES		3,000.00
		Total for Department 187	3,000.00*
		Total for Fund 67	3,000.00*
	NELSON AUTO CENTER PICK UP		25,563.12
		Total for Department	25,563.12*
TELECOMMUNICATIONS	BIG TEN NETWORK SUBSCRIBER		1,774.80
TELECOMMUNICATIONS	BLUEHIGHWAYS SUBSCRIBER		123.66
TELECOMMUNICATIONS	COMCAST MEDIA CENTER SUBSCRIBER		23.80
TELECOMMUNICATIONS	DISCOVERY DIGITAL NE SUBSCRIBER		37.89
TELECOMMUNICATIONS	FOX SPORTS SUBSCRIBER		7,584.48
TELECOMMUNICATIONS	H P SUDS CLUB, LLC. BILLING CONTRACT SERVICE		450.00
TELECOMMUNICATIONS	HUB TELEVISION NETWO SUBSCRIBER		10.58
TELECOMMUNICATIONS	LIFETIME SUBSCRIBER		824.40
TELECOMMUNICATIONS	LIFETIME MOVIE NETWO SUBSCRIBER		30.00
TELECOMMUNICATIONS	MLB NETWORK SUBSCRIBER		398.46
TELECOMMUNICATIONS	NATIONAL CABLE TV CO SUBSCRIBER		26,138.46
TELECOMMUNICATIONS	DAN OLSEN EXPENSE		24.58
TELECOMMUNICATIONS	OWN SUBSCRIBER		22.20
TELECOMMUNICATIONS	RPD TV SUBSCRIBER		221.21
TELECOMMUNICATIONS	TOWER DISTRIBUTION C SUBSCRIBER		253.83
		Total for Department 199	37,918.35*
		Total for Fund 69	63,481.47*
		Grand Total	95,127.51*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
MAYOR & COUNCIL	CITIZEN PUBLISHING C	ADVERTISING	586.50
MAYOR & COUNCIL	MCDONALD & SCHRAMEL	LEGAL FEES	180.00
	Total for Department 101		766.50*
CITY OFFICE	INDOFF, INC	CARTRIDGE	48.59
CITY OFFICE	INDOFF, INC	SUPPLIES	117.98
CITY OFFICE	LEAGUE OF MN CITIES	REGISTRATION	95.00
CITY OFFICE	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
CITY OFFICE	MANTRONICS MAILING S	SERVICE CONTRACT	29.33
CITY OFFICE	DENNIS L. RICK LTD	AUDIT SERVICE	500.00
	Total for Department 103		797.40*
P & Z / BUILDING OFF	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
P & Z / BUILDING OFF	MANTRONICS MAILING S	SERVICE CONTRACT	29.33
	Total for Department 106		35.83*
CITY HALL	AMERIGAS - WORTHINGT	WATER TREATMENT	23.46
CITY HALL	CULLIGAN	SERVICE	14.00
CITY HALL	HOMETOWN SANITATION	HAUL GARBAGE	85.04
	Total for Department 115		122.50*
POLICE	CITIZEN PUBLISHING C	ADVERTISING	80.00
POLICE	COTTONWOOD CO TREASU	DISPATCHING	275.00
POLICE	COTTONWOOD CO TREASU	RENT	1,500.00
POLICE	GALLS	SUPPLIES	58.75
POLICE	KDOM RADIO	ADVERTISING	180.60
POLICE	MCDONALD & SCHRAMEL	LEGAL SUPPLIES	78.50
POLICE	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	22.50
POLICE	MANTRONICS MAILING S	SERVICE CONTRACT	29.33
POLICE	POSITIVE ID INC	SUPPLIES	48.40
POLICE	STREICHER'S	EQUIPMENT	308.02
POLICE	UNIFORM UNLIMITED	CLOTHING	3,472.74
POLICE	WATONWAN COUNTY	COMPUTER SUPPORT	153.02
POLICE	COUNTRY PRIDE SERVIC	MAINTENANCE	546.72
POLICE	WINDOM QUICK PRINT	SUPPLIES	370.63
POLICE	RADAR ROAD TEC	MAINTENANCE	112.22
	Total for Department 120		7,236.43*
FIRE DEPARTMENT	COTTONWOOD CO TREASU	DISPATCHING	212.50
FIRE DEPARTMENT	INDOFF, INC	SUPPLIES	57.78
FIRE DEPARTMENT	HEIMAN FIRE EQUIP. C	MAINTENANCE	1,336.38
FIRE DEPARTMENT	L & L SERVICE, INC	SUPPLIES	71.00
FIRE DEPARTMENT	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
FIRE DEPARTMENT	MN WEST COLLEGE - CA	TRAINING	275.00
FIRE DEPARTMENT	RIDGEWATER COLLEGE	TRAINING	625.00
FIRE DEPARTMENT	RUNNING'S SUPPLY	MAINTENANCE	30.05
	Total for Department 125		2,614.21*
EMERGENCY MANAGEMENT	COTTONWOOD CO TREASU	DISPATCHING	12.50
EMERGENCY MANAGEMENT	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	200.00
	Total for Department 130		212.50*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
ANIMALS	COTTONWOOD-SLAYTON V VETERINARY SERVICE		128.33
	Total for Department 135		128.33*
STREET	ALTERNATIVE TECHNOLO	TESTING	10.00
STREET	CITIZEN PUBLISHING C	ADVERTISING	89.00
STREET	COTTONWOOD COUNTY LA	GARBAGE	15.50
STREET	COTTONWOOD CO TREASU	DISPATCHING	125.00
STREET	DICKS WELDING INC	MAINTENANCE	687.90
STREET	GDF ENTERPRISES, INC	MAINTENANCE	-32.06
STREET	GEMPLER'S	SAFETY SUPPLIES	610.46
STREET	GRAHAM TIRE	+	578.49
STREET	HOMETOWN SANITATION	HAUL GARBAGE	130.85
STREET	WINDOM AUTO VALU	MAINTENANCE	66.65
STREET	LAMPERTS YARDS, INC.	MAINTENANCE	508.38
STREET	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
STREET	MANTRONICS MAILING S	SERVICE CONTRACT	29.33
STREET	M-R SIGNS CO., INC	MAINTENANCE	1,264.67
STREET	NORTHLAND CHEMICAL C	SUPPLIES	272.53
STREET	PAMIDA	SUPPLIES	35.18
STREET	PRAXAIR DISTRIBUTION	SERVICE	31.38
STREET	RIVERSIDE TIRE	MAINTENANCE	5,690.90
STREET	RON'S ELECTRIC INC	MAINTENANCE	743.71
STREET	RUNNING'S SUPPLY	MAINTENANCE	422.93
STREET	TOWMASTER	MAINTENANCE	985.69
STREET	UNITED RENTALS INC	MAINTENANCE	190.26
STREET	COUNTRY PRIDE SERVIC	MAINTENANCE	2,133.03
STREET	CARQUEST AUTO PARTS	MAINTENANCE	78.95
STREET	WINTER EQUIPMENT COM	MAINTENANCE	637.28
STREET	HERCULES HARDWARE	MAINTENANCE	243.25
	Total for Department 140		15,555.76*
RECREATION	CITIZEN PUBLISHING C	COMPUTER SUPPORT	90.00
RECREATION	MAXIMUM SOLUTIONS, I	SOFTWARE/MAINT/AGREEMENT	593.44
RECREATION	PIONEER MFG CO	MAINTENANCE	119.70
	Total for Department 150		803.14*
PARKS	COTTONWOOD CO TREASU	DISPATCHING	37.50
PARKS	LAMPERTS YARDS, INC.	MAINTENANCE	645.37
PARKS	RUNNING'S SUPPLY	MAINTENANCE	57.77
	Total for Department 165		740.64*
	Total for Fund 01		29,013.24*
LIBRARY	ARTHRITIS TODAY	SUBSCRIPTION	19.95
LIBRARY	AUDIO GO	BOOKS	112.26
LIBRARY	CENTER POINT LARGE P	BOOKS	87.48
LIBRARY	CITIZEN PUBLISHING C	ADVERTISING	41.00
LIBRARY	INDOFF, INC	SUPPLIES	660.48
LIBRARY	GALE	BOOKS	497.03
LIBRARY	INGRAM	BOOKS	1,366.68

CITY OF WINDOM
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Department	Vendor Name	Description	Amount
LIBRARY	J & K WINDOWS	CLEANING	20.00
LIBRARY	KDOM RADIO	ADVERTISING	138.00
LIBRARY	LADIES HOME JOURNAL	SUBSCRIPTION	16.97
LIBRARY	MICROMARKETING	BOOKS & AUDIO	667.29
LIBRARY	NATL GEOGRAPHIC SOCI	SUBSCRIPTION	34.00
LIBRARY	PLUM CREEK LIBRARY	BAR CODE LABELS	62.66
LIBRARY	PLUM CREEK LIBRARY	E MAIL ADDRESS	48.00
LIBRARY	PLUM CREEK LIBRARY	WRP INCENTIVES	123.43
LIBRARY	PLUM CREEK LIBRARY	WRP MANUAL	10.00
LIBRARY	RECORDED BOOKS, LLC	AUDIO	140.40
LIBRARY	READERS SERVICE	BOOK	41.22
LIBRARY	READERS DIGEST - AUD	SUBSCRIPTION	29.96
LIBRARY	SPORTS ILLUSTRATED	SUBSCRIPTION	89.04
LIBRARY	COOKS COUNTRY	SUBSCRIPTION	24.95
LIBRARY	GLAMOUR	SUBSCRIPTION	15.00
LIBRARY	WORKING MOTHERS	SUBSCRIPTION	15.97
LIBRARY	WOODWORKER'S JOURNAL	SUBSCRIPTION	19.95
	Total for Department 171		4,281.72*
	Total for Fund 03		4,281.72*
	HOLT ELECTRIC	SERVICE	294.19
	MTI DISTRIBUTING, IN	MAINTENANCE	21,101.22
	LONDON FOG, INC	BUG SPRAYER	10,250.00
	Total for Department		31,645.41*
	Total for Fund 04		31,645.41*
	TKDA ENGINEERS	ENGINEERING	1,297.19
	Total for Department		1,297.19*
AIRPORT	MANTRONICS MAILING S	SERVICE CONTRACT	29.33
	Total for Department 174		29.33*
	Total for Fund 11		1,326.52*
POOL	K.R. SCHOELER ENTERP	MAINTENANCE	1,915.60
	Total for Department 175		1,915.60*
	Total for Fund 12		1,915.60*
AMBULANCE	BOUND TREE MEDICAL,	EQUIPMENT	462.76
AMBULANCE	COTTONWOOD CO TREASU	DISPATCHING	200.00
AMBULANCE	EMERGENCY MEDICAL PR	SUPPLIES	240.75
AMBULANCE	LEWIS FAMILY DRUG #5	SUPPLIES	481.95
AMBULANCE	GALLS	SUPPLIES	53.42
AMBULANCE	MCDONALD & SCHRAMEL	LEGAL FEES	7,008.00
AMBULANCE	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
AMBULANCE	MANTRONICS MAILING S	SERVICE CONTRACT	29.33
AMBULANCE	MN EMERGENCY MED SER	FORMS	73.51

CITY OF WINDOM
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Department	Vendor Name	Description	Amount
AMBULANCE	PRAXAIR DISTRIBUTION SERVICE		380.03
AMBULANCE	SOUTH CENTRAL COLLEGE	REGISTRATION	1,945.50
AMBULANCE	WINDOM AREA HOSPITAL SERVICE		1,000.22
AMBULANCE	COUNTRY PRIDE SERVICE	MAINTENANCE	20.00
AMBULANCE	CARQUEST AUTO PARTS	MAINTENANCE	17.09
	Total for Department 176		11,919.06*
	Total for Fund 13		11,919.06*
MULTI-PURPOSE BUILDING	CITIZEN PUBLISHING CO	ADVERTISING	150.00
MULTI-PURPOSE BUILDING	CITIZEN PUBLISHING CO	COMPUTER SUPPORT	339.46
MULTI-PURPOSE BUILDING	INDOFF, INC	SUPPLIES	196.45
MULTI-PURPOSE BUILDING	BATCHELLER'S EVERGREEN	SERVICE	285.43
MULTI-PURPOSE BUILDING	HEARTLAND PAPER COMPANY	SUPPLIES	154.00
MULTI-PURPOSE BUILDING	HOMETOWN SANITATION	HAUL GARBAGE	51.52
MULTI-PURPOSE BUILDING	WINDOM AUTO VALVE	MAINTENANCE	86.88
MULTI-PURPOSE BUILDING	KDOM RADIO	ADVERTISING	164.50
MULTI-PURPOSE BUILDING	LIVEWIRE PRINTING	AD	97.20
MULTI-PURPOSE BUILDING	STONER INDUSTRIAL, INC	SERVICE	126.33
	Total for Department 177		1,651.77*
	Total for Fund 14		1,651.77*
LIQUOR	ADRIAN'S PLUMBING & MAINTENANCE		70.54
LIQUOR	ENVIROMASTER, INC.	SERVICE	39.54
LIQUOR	CITIZEN PUBLISHING CO	ADVERTISING	32.00
LIQUOR	INDOFF, INC	SUPPLIES	6.39
LIQUOR	GOPHER ALARMS	SERVICE	51.30
LIQUOR	HOMETOWN SANITATION	HAUL GARBAGE	48.06
LIQUOR	MANTRONICS MAILING SERVICES	SERVICE CONTRACT	29.33
LIQUOR	PEICHEL LAWN IRRIGATION	SERVICE	125.00
LIQUOR	DENNIS L. RICK LTD	AUDIT SERVICE	1,500.00
LIQUOR	S&K LINES	FREIGHT	774.40
LIQUOR	CAMPUS CLEANERS	SERVICE	40.10
	Total for Department 180		2,716.66*
	Total for Fund 60		2,716.66*
	HD SUPPLY WATERWORKS MAINTENANCE		2,020.45
	Total for Department		2,020.45*
WATER	CALIFORNIA CONTRACTORS	SUPPLIES	179.40
WATER	COTTONWOOD COUNTY TREASURY	DISPATCHING	100.00
WATER	INDOFF, INC	CARTRIDGE	48.57
WATER	LEWIS FAMILY DRUG #5	SUPPLIES	9.60
WATER	HAWKINS, INC	CHEMICALS	3,330.03
WATER	HACH COMPANY	SUPPLIES	91.53
WATER	HOMETOWN SANITATION	HAUL GARBAGE	85.04
WATER	WINDOM AUTO VALVE	MAINTENANCE	15.80
WATER	MANKATO MOBILITY - ALPHA	MAINTENANCE CONTRACT	6.50

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Department	Vendor Name	Description	Amount
WATER	MANTRONICS MAILING S	SERVICE CONTRACT	29.33
WATER	MN VALLEY TESTING	TESTING	56.25
WATER	DENNIS L. RICK LTD	AUDIT SERVICE	1,000.00
WATER	RUNNING'S SUPPLY	MAINTENANCE	19.88
WATER	SUPERIOR LAMP & SUPP	MAINTENANCE	108.66
WATER	UNITED RENTALS INC	MAINTENANCE	40.77
WATER	CARQUEST AUTO PARTS	MAINTENANCE	265.35
	Total for Department 181		5,386.71*
	Total for Fund 61		7,407.16*
	B & B TRANSFORMER	INVENTORY	4,114.69
	J. H. LARSON	MAINTENANCE	452.51
	RESCO	INVENTORY	849.33
	WERNER ELECTRIC	MAINTENANCE	781.61
	STUART C IRBY CO INC	MAINTENANCE	720.44
	SERGIO TORRES	REPUND - UTILITY PREPAYM	125.00
	Total for Department		7,043.58*
ELECTRIC	CANNON TECHNOLOGIES	SOFTWARE SUPPORT	4,055.00
ELECTRIC	CENTRAL MINNESOTA MU	CIP SERVICE ASSESMENT	3,287.00
ELECTRIC	CENTRAL MINNESOTA MU	POWER COST	222,457.56
ELECTRIC	COLE PAPER INC.	SUPPLIES	96.80
ELECTRIC	COTTONWOOD COUNTY LA	GARBAGE	6.40
ELECTRIC	COTTONWOOD CO TREASU	DISPATCHING	187.50
ELECTRIC	INDOFF, INC	CARTRIDGE	48.57
ELECTRIC	HOMETOWN SANITATION	HAUL GARBAGE	84.75
ELECTRIC	WINDOM AUTO VALU	MAINTENANCE	157.10
ELECTRIC	IRBY CONSTRUCTION CO	REAPIR DAMAGE/TRANSMISSI	22,109.12
ELECTRIC	JOHNSON HARDWARE	MAINTENANCE	456.12
ELECTRIC	LAKEVIEW CEMETERY AS	MAINTENANCE	100.00
ELECTRIC	MCDONALD & SCHRAMEL	LEGAL FEES	24.00
ELECTRIC	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
ELECTRIC	MANTRONICS MAILING S	SERVICE CONTRACT	29.38
ELECTRIC	MMUA	CONNECTOR LAYOUT	250.00
ELECTRIC	DENNIS L. RICK LTD	AUDIT SERVICE	1,000.00
ELECTRIC	RETROFIT RECYCLING,	RECYCLING	834.23
ELECTRIC	RUNNING'S SUPPLY	MAINTENANCE	376.49
ELECTRIC	STONER INDUSTRIAL, I	SERVICE	102.30
ELECTRIC	THE STAG CLOTHIERS	CLOTHING	336.00
ELECTRIC	WERNER ELECTRIC	MAINTENANCE	112.69
ELECTRIC	DEPARTMENT OF ENERGY	POWER COST	93,291.63
ELECTRIC	WINDOM AREA DEVELOPM	INDUSTRIAL DEVELOPMENT	1,200.00
ELECTRIC	COUNTRY PRIDE SERVIC	MAINTENANCE	65.19
ELECTRIC	WINDOM QUICK PRINT	SUPPLIES	205.04
ELECTRIC	CARQUEST AUTO PARTS	MAINTENANCE	117.36
ELECTRIC	BANDIT INDUSTRIES, I	SUPPLIES	225.28
	Total for Department 182		351,222.01*
	Total for Fund 62		358,265.59*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
	HD SUPPLY WATERWORKD	MAINTENANCE	1,346.76
	Total for Department		1,346.76*
SEWER	CALIFORNIA CONTRACTO	SUPPLIES	179.40
SEWER	COTTONWOOD CO TREASU	DISPATCHING	100.00
SEWER	INDOFF, INC	CARTRIDGE	48.57
SEWER	INDOFF, INC	SUPPLIES	12.79
SEWER	ENVIRON INTERNATIONA	MAINTENANCE	1,052.95
SEWER	HACH COMPANY	SUPPLIES	164.34
SEWER	MICHEAL HAUGEN	REGISTRATION	60.00
SEWER	WINDOM AUTO VALU	MAINTENANCE	58.82
SEWER	MANKATO MOBIL - ALPH	MAINTENANCE CONTRACT	6.50
SEWER	MANTRONICS MAILING S	SERVICE CONTRACT	29.33
SEWER	MN VALLEY TESTING	TESTING	2,614.40
SEWER	PRITTS ELECTRIC MOTO	REPAIR	56.08
SEWER	DENNIS L. RICK LTD	AUDIT SERVICE	1,000.00
SEWER	RUNNING'S SUPPLY	MAINTENANCE	169.00
SEWER	SUPERIOR LAMP & SUPP	MAINTENANCE	108.66
SEWER	UNITED RENTALS INC	MAINTENANCE	40.77
SEWER	WINDOM FARM SERVICE	MAINTENANCE	239.29
SEWER	CARQUEST AUTO PARTS	MAINTENANCE	265.36
	Total for Department 183		6,206.26*
	Total for Fund 63		7,553.02*
ARENA	AMERIPRIDE LINEN CO	SERVICE	85.06
ARENA	BARGEN INC	ARENA ROOF	1,635.46
ARENA	CARLSON & STEWART RE	MAINTENANCE	2,810.73
ARENA	CITIZEN PUBLISHING C	ADVERTISING	82.00
ARENA	CITIZEN PUBLISHING C	COMPUTER SUPPORT	90.00
ARENA	FERRELLGAS	GAS	448.87
ARENA	GDF ENTERPRISES, INC	MAINTENANCE	308.73
ARENA	HEARTLAND PAPER COMP	SUPPLIES	420.31
ARENA	KDOM RADIO	ADVERTISING	78.00
ARENA	LAMPERTS YARDS, INC.	MAINTENANCE	45.66
ARENA	LARSON SHARPENING SE	MAINTENANCE	256.00
ARENA	MANTRONICS MAILING S	SERVICE CONTRACT	29.33
ARENA	MAXIMUM SOLUTIONS, I	SOFTWARE/MAINT/AGREEMENT	593.44
ARENA	R & R SPECIALTIES	SUPPLIES	540.84
ARENA	RUNNING'S SUPPLY	MAINTENANCE	59.77
ARENA	STONER INDUSTRIAL, I	SERVICE	9.55
ARENA	CARQUEST AUTO PARTS	MAINTENANCE	37.99
ARENA	MIDWEST GARAGE DOORS	MAINTENANCE	272.96
	Total for Department 184		7,804.70*
	Total for Fund 64		7,804.70*
ECONOMIC DEVELOPMENT	CITIZEN PUBLISHING C	ADVERTISING	239.30
ECONOMIC DEVELOPMENT	KDOM RADIO	ADVERTISING	129.00
ECONOMIC DEVELOPMENT	MCDONALD & SCHRAMEL	LEGAL FEES	24.00

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
ECONOMIC DEVELOPMENT	MANTRONICS MAILING S	SERVICE CONTRACT	29.33
	Total for Department 187		421.63*
	Total for Fund 67		421.63*
	NATIONAL CABLE TV CO	EQUIPMENT	703.24
	Total for Department		703.24*
TELECOMMUNICATIONS	INDOFF, INC	CARTRIDGE	48.57
TELECOMMUNICATIONS	E-911	MONTHLY 911 SERVICE	43.95
TELECOMMUNICATIONS	GRAYBAR ELECTRIC CO	EQUIPMENT	87.56
TELECOMMUNICATIONS	HOMETOWN SANITATION	HAUL GARBAGE	73.92
TELECOMMUNICATIONS	KDOM RADIO	ADVERTISING	96.00
TELECOMMUNICATIONS	MANTRONICS MAILING S	SERVICE CONTRACT	87.99
TELECOMMUNICATIONS	META SWITCH NETWORKS	SUPPORT / SERVICE	3,000.00
TELECOMMUNICATIONS	NATIONAL CABLE TV CO	EQUIPMENT	2,955.67
TELECOMMUNICATIONS	ONVOY, INC	SS7 SERVICE	954.25
TELECOMMUNICATIONS	ONVOY, INC	WHOLE 800 SWITCH	1,827.33
TELECOMMUNICATIONS	DENNIS L. RICK LTD	AUDIT SERVICE	2,000.00
TELECOMMUNICATIONS	SDN COMMUNICATIONS	SERVICE	2,839.78
TELECOMMUNICATIONS	SOUTHWEST/WEST CENTR	SERVICE	833.33
TELECOMMUNICATIONS	STONER INDUSTRIAL, I	SERVICE	57.39
TELECOMMUNICATIONS	WINDOM QUICK PRINT	SUPPLIES	151.39
TELECOMMUNICATIONS	WOODSTOCK TELEPHONE	SERVICE	205.10
TELECOMMUNICATIONS	ZAYO BANDWIDTH	BANDWIDTH BILLING	3,507.48
TELECOMMUNICATIONS	ZAYO BANDWIDTH	SS7 SERVICE	3,507.48
TELECOMMUNICATIONS	MANKATO NETWORKS LLC	SERVICE	1,150.00
TELECOMMUNICATIONS	HURRICANE ELECTRIC L	INTERNET SERVICE	1,000.00
TELECOMMUNICATIONS	NECA	SERVICE	150.00
	Total for Department 199		24,577.19*
	Total for Fund 69		25,280.43*
	Grand Total		491,202.51*



BOLTON & MENK, INC.

Consulting Engineers & Surveyors

12224 Nicollet Avenue • Burnsville, MN 55337

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

www.bolton-menk.com

February 8, 2012

City of Windom
444 9th Street
PO Box 38
Windom, MN 56101

Re: Payment Request No. 3
Wastewater Treatment Improvements
Windom, Minnesota
BMI Project No. M21.103066

Attn: Steve Nasby, City Administrator

Dear Mayor and Council Members:

Enclosed is Payment Request No. 3 from Robert L. Carr Company, in the amount of \$83,319.75 for the referenced project. We have reviewed the request and recommend you make full payment.

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

Respectfully Submitted,

BOLTON & MENK, INC.


R. Kelly Yahnke
Project Engineer

Enc.

cc: Mike Haugen, Wtr-WW Supt.
Kirk Yahnke, Bolton & Menk, Inc.

G:\WIND\M21103066\8_Constr_Phase\Pay Estimates\Payreq 3.doc



AIA Document G702™ - 1992

Application and Certificate for Payment

Page 1 of 5

TO OWNER: City of Windom
Windom, Minnesota
PROJECT: Wastewater Treatment Imp. APPLICATION NO. 3
Windom, Minnesota
PERIOD TO: 1/27/12

FROM CONTRACTOR: Robert L. Carr Co. VIA ARCHITECT: Bolton & Menk Inc.
CONTRACT FOR:
CONTRACT DATE:
PROJECT NOS: / /
DISTRIBUTION TO:
OWNER
ARCHITECT
CONTRACTOR
FIELD
OTHER

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) \$ 280,771.00
5. RETAINAGE:
 - a. 5 % of Completed Work (Column D + E on G703) \$ 11,068.50
 - b. 5 % of Stored Material (Column F on G703) \$ 2,970.05

Total Retainage (Lines 5a + 5b or Total in Column I of G703) \$ 14,038.55

6. TOTAL EARNED LESS RETAINAGE \$ 266,732.45
(Line 4 Less Line 5 Total)
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT \$ 183,412.70
(Line 6 from prior Certificate)

8. CURRENT PAYMENT DUE \$ 83,319.75

9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6) \$ 1,993,267.55

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 © 1953, 1963, 1965, 1971, 1978, 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. City of Windom By: _____ Date: _____

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: *Robert L. Carr*
State of: Minnesota
County of: Lyon
Date: 2/1/12

Notary Public: *Melissa L. Gile*
My Commission expires: 1/31/15
MELISSA L. GILE
Notary Public-Minnesota
My Commission Expires Jan 31, 2015

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 \$ 83,319.75
(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: *Robert L. Carr*
By: *Robert L. Carr*
Date: 2-9-12

This Certificate is 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.

APPLICATION NO. 3
 PERIOD TO: 1/27/12
 APPLICATION DATE: 2/1/12

Wastewater Treatment Improvements
 Windom, Minnesota

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
5500	Metals	10,725				0	10,725
9900	Painting	15,000				0	15,000
11280	Hydraulic Gates	25,000				0	25,000
11310	Submersible Centrifugal Pumps	215,000				0	215,000
11312	Vortex Pumps	50,000				0	50,000
11321	Grit Separation	50,000				0	50,000
11335	Mechanical Bar Screen	175,000				0	175,000
15060	Process Piping Lift Station	40,000			1,705	1,705	38,295
	Wastewater	20,000				0	20,000
16010	Electrical General Provisions	14,470				0	14,470
16100	Basic Material & Methods	45,000				0	45,000
	Subtotal	1,642,000	130,370	91,000	59,401	280,771	1,361,229

Wastewater Treatment Improvements
 Windom, Minnesota

APPLICATION NO. 3
 PERIOD TO: 1/27/12
 APPLICATION DATE: 2/1/12

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	130,370	91,000	59,401	280,771	12%
							1,979,229

Attachment to
 Application and Certificate for Payment No. 3 (period to 1/27/12)

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	206 LF	\$75.00	\$15,450.00
4. 14" HDPE DR 11 (IPS) Trenchless Sanitary Sewer Pipe	206 LF	\$130.00	\$26,780.00
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			\$42,230.00

STORED MATERIAL INVENTORY

Wastewater Treatment Improvements
 Windom, Minnesota

ATTACHMENT TO APPLICATION AND CERTIFICATE
 PER PAY REQUEST NO. 3

Period to: 01/27/12

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	15,408		15,408
3200	Concrete Reinforcement	2	Ambassador Steel	2997058	26,047.58	25,000	5,000	20,000
A	Interceptor Sewer	2	Hancock (Schmidt)	169184	5,982.09	2,991		2,991
B	River Crossing	2	Hancock (Schmidt)	Inc. Above	Inc. Above	2,991		2,991
A	Interceptor Sewer	2	Hancock (Schmidt)	169207	4,964.24	4,964		4,964
A	Interceptor Sewer	2	Hancock (Schmidt)	169208	7,507.15	5,909		5,909
B	River Crossing	2	Hancock (Schmidt)	Inc. Above	Inc. Above	1,598		1,598
A	Interceptor Sewer	2	Hancock (Schmidt)	169214	3,835.38	3,835		3,835
15060	Process Piping	3	HD Supply Waterworks	4285494	1,704.90			1705

TOTALS

75,018.66 62,696.00 5,000 59,401



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

INVOICE

BRANCH ADDRESS
 HDSWW - ST MICHAEL MN
 Branch - 243
 16195 54th St NE
 St Michael MN 55376
 763/428-7473

INVOICE #	4285494
INVOICE DATE	1/20/12
ACCOUNT #	099283
SALESPERSON	RICK KIEMELE
BRANCH #	243
Total Amount Due	\$1,704.90

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

E0363X 10363 D427622289 P973482 0001:0001



R L CARR COMPANY
 PO BOX 1215
 MARSHALL MN 56258-1015

Shipped to:

C/O: WINDOM WASTEWATER PLANT
 400 DRAKE AVENUE
 RYAN ANDERSON 507-828-9116
 WINDOM, MN

CUSTOMER JOB- WINDOM WINDOM WWTP

Return Top Portion With Payment For Faster Credit

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

JAN 26 2012

Date Ordered	Date Shipped	Customer PO No.	Job Name	Job No.	Bill of Lading	Shipped Via	Order Number
1/13/12	1/18/12	SEE BELOW	WINDOM WWTP	WINDOM		LME:32525559486	4285494
Product Code	Description	Quantity Ordered	Quantity Shipped	Back-Ordered	Price	Per	Amount
21AMF820SLDE20	CUSTOMER PO#- WINDOM WWTP 20" OMNI 20 ONE-LOK DI RESTRAINT SLDE20 SIGMA (DIP)	2	2		207.90000	EA	415.80
21AMG120	20" MJ REGULAR GASKET F/DI	2	2		8.50000	EA	17.00
74WSO2420HA	24X20 OMNI-SLEEVE HUB ASSEMBLY	1	1		726.67000	EA	726.67
/19210311328	24"X1'9-7/8" PEXPE BIT/CEM	1	1		349.20000	EA	349.20

4285494	1,508.67
3720	
291	
1704.90	

Stored Material
 Pay Request No. 3

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	1,508.67
Freight	86.56
Delivery	
Handling	
Restock	
Misc.	
Tax	109.67
INVOICE TOTAL	\$1,704.90

HDSWW - ST MICHAEL MN
 Branch - 243
 16195 54th St NE
 St Michael MN 55376

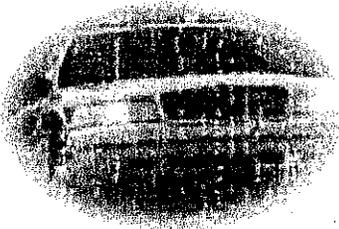
THANK YOU FOR YOUR ORDER
 VISIT
 WATERWORKS.HDSUPPLY.COM
 FOR OTHER SERVICES OFFERED

INVOICE:	4285494
-----------------	---------

Windom Police Department & Cottonwood County Sheriff's Office

CITIZENS POLICE ACADEMY

A 6 Week Program of a
Behind-the-Scenes Look at
POLICE WORK



Including:

- Patrol Procedures
- Narcotics Investigation
- Domestic Violence
- Defensive Tactics
- Jail/911 Center Tours
- Mock Traffic Stops

This program is FREE to citizens of Windom and Cottonwood County and will be held
on Wednesdays from April 18, 2012 to May 23, 2012
from 6:30 PM to 9:00PM at the Cottonwood County Law Enforcement Center
Basement Classroom, 902 5th Ave, Windom

Must be 18 to apply—Applications due March 23, 2012



Applications available at the Cottonwood County LEC at
905 5th Ave, Windom



Published on *Northfield News: News, sports, entertainment and advertising from Northfield, Minnesota* (<http://northfieldnews.com>)

[Home](#) > Recreation program may get hospital funding

Recreation program may get hospital funding

By *Suzy Rook*

Created 02/13/2012 - 14:29

Submitted by Suzy Rook on Mon, 02/13/2012 - 14:29

By SUZANNE ROOK, srook@northfieldnews.com [1]

Months of negotiations could soon pay off for the city of Northfield and its recreation programs.

On Tuesday, the City Council will discuss a proposed agreement with the Northfield Hospital that could add as much as \$105,000 to its budget.

The money, according to a draft agreement, must be used to help pay the city's obligation to the school district, which operates recreation programs in Northfield. Paying for recreation is compatible with the hospital's mission of promoting health and wellness.

Funds currently paid to Northfield Schools could then be used elsewhere in the city's budget, said City Administrator Tim Madigan. In recent years the city has had to trim its budget to reflect cuts in state aid.

The hospital, which has tentatively agreed to the one-year commitment, may continue the payments in future years, according to a memo from the Ad Hoc Finance Study Group, a committee of Northfield residents helping the city find ways to cut costs and uncover alternative revenue sources.

The committee will also update its discussion of instituting a franchise fee for streetlights in the city and progress on selling the Northfield Community Resource Center to its tenants. The largest of those is the Northfield Senior Center.

The council will also discuss:

- Whether to consider relinquishing its contract to operate transit in Northfield. That would allow another operator to take on the contract as was done in Faribault earlier this year.
 - Work on citywide redistricting maps being done by a council subcommittee. The maps must be approved by the council by March 20.
- Tuesday's meeting begin at 7 p.m. in council chambers at City Hall, 801 Washington St.

— *Suzanne Rook can be reached at 507-645-1113. Follow her on Twitter @rooksuzy*

[News](#) [2] [Government](#) [3]

REGISTER ONLINE AT WWW.LMC.ORG/JLC12



LEGISLATIVE CONFERENCE

for CITIES, COUNTIES, SCHOOLS, AND TOWNSHIPS

REGISTER TODAY!

PRELIMINARY AGENDA

- WEDNESDAY, MARCH 21**
5:00 - 7:00 p.m. Legislative Reception at Crowne Plaza (optional)
Mingle with legislators and colleagues in local government at this reception on the eve of the joint conference.
- THURSDAY, MARCH 22**
7:00 a.m. Registration Open
7:30 a.m. Joint Association Breakfast
7:55 a.m. Conference Welcome
8:00 a.m. Leadership Panel on the 2012 Legislative Session
Hear insights from legislative leaders on the top issues facing cities, counties, school districts, and townships.
Panelists:
• Sen. David Senjem, Senate Majority Leader
• Rep. Larry Howes, House Capital Investment Committee Chair
• Sen. Tom Bakk, Senate Minority Leader
• Rep. Paul Thissen, House Minority Leader
9:15 a.m. Individual Association Breakout Sessions
• Association of Minnesota Counties
• League of Minnesota Cities
• Minnesota School Boards Association
• Minnesota Association of Townships
11:30 a.m. Luncheon Program
• Planning for Tax Reform with MN Department of Revenue Commissioner Myron Frans
• Remarks from Governor Mark Dayton (invited)
1:00 p.m. Meet with Senators & Representatives at the Capitol
Shuttle busing provided from the Crowne Plaza
4:00 - 6:00 p.m. Social Hour at the Kelly Inn (optional)

MAKE THE MOST OF YOUR TIME IN ST. PAUL!

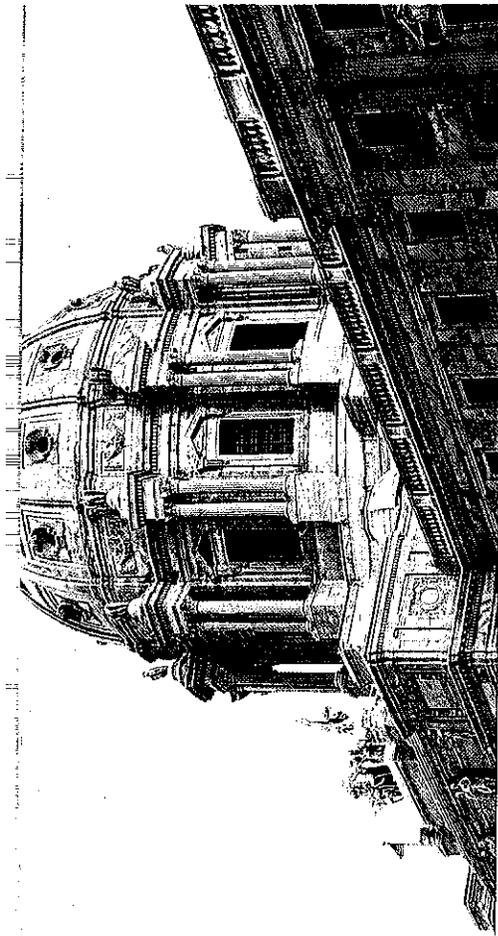
Come a day early to attend the **FREE**

Minnesota Mayoral Summit

Wednesday, March 21
11:00 a.m. - 6:00 p.m.

A conversation on out-of-school time and learning beyond the classroom.

Visit www.lmc.org/MMS12



Legislative Conference Registration Fee:

\$95 per person. Conference fee includes breakfast, lunch, and transportation to and from the Capitol. Lodging is not included.

Parking: Parking in the Crowne Plaza hotel ramp is available for a fee of \$17 per day for all overnight guests and \$18 for the general public. Clearance of the parking ramp is 5' 9".

Free parking is available in the League parking lot. Buses will be available to transport conference attendees from the League of Minnesota Cities building to the Crowne Plaza hotel on Thursday morning and from the hotel to the Capitol after lunch. Visit www.lmc.org/JLC12 for details.

Lodging Information: Rooms are available at a special conference rate. Please contact the hotel directly to make your lodging reservations. Ask for the "2012 Legislative Conference" group block. The deadline for reservations is February 21, 2012.

Crowne Plaza Saint Paul Riverfront

11 East Kellogg Boulevard

Saint Paul, MN 55101

Phone: (651) 292-1900 or (866) 422-3185

Website: www.crowneplaza.com/stpaul

Standard room—\$135 plus tax

Executive room—\$145 plus tax

Questions? Contact Amy Mamsager at (651) 281-1240 or (800) 925-1122 or amamsager@lmc.org

LEGISLATIVE CONFERENCE

for CITIES, COUNTIES, SCHOOLS, AND TOWNSHIPS

Get updates on the top legislative priorities affecting cities and meet with your legislators at the Capitol!

MARCH 22, 2012 · SAINT PAUL



145 University Ave. West
St. Paul, MN 55103-2044

www.lmc.org

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TWIN CITIES MN
PERMIT NO. 3223

ALL FOR AADC 553 *8 0001196
STEVE NASBY ADMIN
CITY OF WINDOM
PO BOX 38
WINDOM MN 56101-0038



REGISTER TODAY!

LEGISLATIVE CONFERENCE

for CITIES, COUNTIES, SCHOOLS, AND TOWNSHIPS

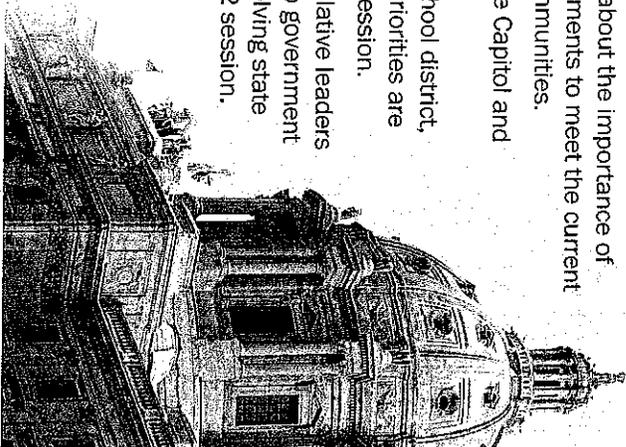
MARCH 22, 2012

SAINT PAUL -
CROWNE PLAZA SAINT PAUL RIVERFRONT

Join hundreds of city, county, school, and township officials in Saint Paul to bring attention to the legislative priorities of our Minnesota local governments.

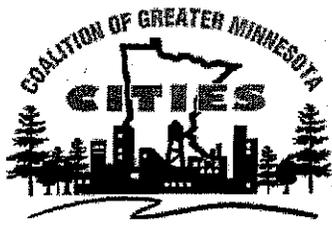
This joint legislative event is an opportunity for you to network with other local elected and appointed officials and a chance to express our common legislative agenda to state decision-makers. You'll also help educate state leaders about the importance of partnering with local governments to meet the current and future needs of our communities.

- Take your messages to the Capitol and visit with your legislators.
- Learn how city, county, school district, and township legislative priorities are faring at the Capitol this session.
- Hear from a panel of legislative leaders about initiatives related to government reform, bonding, and resolving state budget issues in the 2012 session.



This joint legislative conference is sponsored by the League of Minnesota Cities, the Association of Minnesota Counties, the Minnesota School Boards Association, and the Minnesota Association of Townships.

REGISTER ONLINE AT WWW.LMCGORG/IC12



Coalition of Greater Minnesota Cities

CGMC in Brief

February 16, 2012

Contact: Tim Flaherty
651-225-8840

GOP Property Tax Relief Bill Update

On Feb. 14, the House Tax committee took testimony on Chair Davids' property tax relief bill, H.F. 1941. The bill provides \$80 million in property tax relief to businesses though an exclusion of the first \$150,000 in value for the statewide business property tax, increases the Homeowner Property Tax Refund Program by \$5 million per year, provides a one-time \$3.5 million increase in to the Targeting program and phases-out the entire statewide business property tax over ten years. The bill also freezes LGA for every city to the level it received in the prior year and eliminates the current LGA formula.

Steve Peterson, Senior Policy Analyst for Flaherty & Hood, P.A. testified on behalf of CGMC on the bill. Mr. Peterson stated that Greater Minnesota businesses would welcome the property tax relief created from the exclusion, but that CGMC did not support the full phase-out of the statewide business property tax without a replacement revenue source. The phase-out would increase already-projected future state budget deficits, as the tax currently generates \$1.6 billion a biennium. Further, the vast majority of the bill's property tax relief goes to the metro area after the first year. Mr. Peterson also objected to the bill's elimination of the LGA formula before a replacement formula can be created. No action was taken on the bill and it remains in the purview of the House Tax Committee.

The CGMC website has been updated with the most current comparison of our cities' LGA and MVC losses and levy increases. View it here:
<http://bit.ly/zf9gBj>

Bill to Require Additional Budget Reporting Working its Way Through House

H.F. 1954 (Downey) would require cities over 2,500 in population and all counties to publically report budget information by expenditure type such as salary, benefits, pension costs, supplies, and professional services, in addition to doing so by program area. The bill requires that at the time a city certify its preliminary levy in September, it also posts four years of data on its website or other official publication: the two most recently completed years, an estimate for the current year, and a projection for the next budget year.

The bill was heard on Feb. 14 in the House Government Operations and Election Committee. Several local government officials, including Glencoe Administrator Mark Larson, testified in opposition to the bill. They noted that very rarely are cities ever asked for that level of detail in their budgets by the public and pointed out the burdens of compiling data in this way is another unfunded mandate with an unknown cost in staff time and expense. Clearly, compliance with this mandate would be difficult for smaller cities with only one or two (if any) dedicated finance staff.



The bill was heard in the House State Government Finance Committee on Feb. 16. It has several committee stops to go before reaching the House floor.

This legislation seems to be primarily the brainchild of the Minnesota Taxpayers Association and NAIOP – the commercial real estate association. More about MTA and NAIOP's plan can be found at www.opengovernmentmn.com.

CGMC will continue to monitor the progress of this bill and work with LMC and other local government organizations to limit its impact on cities and counties. Contact Bradley Peterson with any questions or comments.

Redistricting Maps To Be Released Next Tuesday

Talks at the legislature to reach a compromise deal on redistricting have failed. What this means is that the Judicial Panel on Redistricting will be deciding how legislative and congressional lines will be drawn. On Tuesday, February 21, the Panel will release its opinion containing the maps in the regular course of the business day. We will provide more detailed information on the redistricting plan in next week's CGMC in Brief.

Conservation Rate Policy

Last week, the CGMC adopted a policy regarding the conservation rate structure, asking that it be made voluntary rather than mandatory. This week, the bill regarding conservation rates moved forward in the Senate after it was amended into a larger permitting bill, S.F. 1567. Currently, the bill would remove the conservation rate structure completely. That language is being negotiated. Several DFL legislators have strongly objected to a complete repeal and are urging the Governor to veto the bill. In an effort to save the bill from veto, there are behind-the-scenes negotiations with the DNR to make the language more palatable. The new proposal would still require that cities take aim at water conservation, but provide options other than a conservation rate to achieve that affect. We will continue to update you on progress. If you have questions, please contact Elizabeth Wefel at ewefel@flaherty-hood.com

CGMC Testifies in Support of BDPI Grant

CGMC lobbyist J.D. Burton testified in the House Jobs and Economic Development Finance Committee on Tuesday in support of a \$15 million appropriation for the Greater Minnesota Business Development Public Infrastructure (BPDI) grant program. This legislation is a component of the CGMC's Greater Minnesota Economic Recovery Plan.

This legislation (H.F. 2162) is authored by Rep. Rich Murray (Albert Lea), who presented the bill in committee. In his testimony, Rep. Murray noted the program has a tremendous record of success and cited two examples of communities in his district that have utilized the grant in the past. J.D. Burton also highlighted the program's need and use and articulated the importance of giving Greater Minnesota communities a chance to bring new jobs and industry to their regions.

The BDPI funding is provided through general obligation bonds, so the legislation was laid-over for possible inclusion in the House Capital Investment bill. Sen. Jeremy Miller (Winona) has introduced the Senate companion (S.F. 1715). For more information, please contact J.D. Burton with Flaherty & Hood, P.A.



Greater MN Intern Bills Introduced, Garners Bipartisan Support

This week, legislation to create a Greater Minnesota Internship Tax Credit program was introduced by a bipartisan group of legislators in the House and Senate. Both bills were referred to their respective Higher Education Committees. Each bill is also coauthored by the Chairs of those Higher Ed Committees. This legislation is part of the CGMC's Greater Minnesota Economic Recovery Plan.

The bills (H.F. 2210 / S.F. 1869) would provide a small tax credit to businesses in Greater Minnesota that employ a college student from a Minnesota public university as an intern. The student would be paid and receive academic credit. The program is designed to connect Greater Minnesota businesses with students in order to facilitate connections that may lead to future employment. Currently, there are more people with at least a two- or four-year degree in the metro area compared to Greater Minnesota (48% - 32%).

The chief authors of the bills are Rep. King Banaian (St. Cloud) and Sen. Jeremy Miller (Winona). For more information, please contact J.D. Burton with Flaherty & Hood, P.A.

Legislation to Replace JOBZ Advances in House

With the JOBZ program scheduled to sunset in 2015, the Legislature is moving forward on a replacement program that would apply statewide.

The Performance Rewards on Fast Investment Today (PROFIT) program would provide tax benefits for businesses in selected industries statewide that create at least 10 jobs at specified wage levels and invest \$500,000 in an eligible construction project. Local governments would work with eligible applicants for initial approval. The tax benefits include refunds of state and local sales taxes on all services and purchases, motor vehicle sales taxes and state and local property taxes. The refunds are provided once two-year goals are achieved. The legislation does not directly repeal the JOBZ program, but it has been described as a tool to replace JOBZ for the future.

The House bill (H.F. 1676, Gunther) was approved in the House Jobs and Economic Development Finance Committee on Tuesday, where it was subsequently referred to the House Tax Committee. No hearing has been scheduled yet for the Senate companion (S.F. 1421, Senjem). For more information, please contact J.D. Burton with Flaherty & Hood, P.A.

Meetings continue with Greater Minnesota Chambers

Flaherty & Hood staff continues to reach out and meet with Greater Minnesota chambers of commerce to build support for CGMC programs and positions. In the past week, Tim Flaherty has traveled to Bemidji to meet with the City, Chamber, and newspaper regarding CGMC's opposition to a supermajority constitutional amendment and support for increased LGA and the Greater Minnesota Economic Recovery Plan. He also met with the Cloquet Area Chamber about these initiatives.

The support of local chambers of commerce is an important tool in our lobbying efforts at the State Capitol and can play a significant role in persuading legislators to support CGMC positions. We continue to encourage Greater Minnesota cities to partner with their area chambers to advocate for our priorities!



Chamber Resolutions

The Luverne Area Chamber has adopted resolutions in support of the CGMC Greater Minnesota Economic Recovery plan, increased funding for LGA, and in opposition to a supermajority constitutional amendment. It has also included these items in its 2012 Legislative Priorities. We thank the Luverne Area Chamber for their support of CGMC positions and continue to encourage other local chambers to adopt similar resolutions.

Media Round-up

- Rep. Davids' bill phasing out the statewide business property tax and freezing LGA has garnered significant media attention. Here is the Grand Forks Herald coverage of the legislation: <http://bit.ly/ADgaZJ>
- The Rochester Post Bulletin covered the hearing (mentioned above) of CGMC's proposal providing \$15 million for BDPI grants for rural economic development: <http://bit.ly/A2e1r1>
- The Winona Daily News covered the introduction of CGMC's Greater MN Intern bill, mentioned above: <http://bit.ly/xajQ7p>
- Janesville Mayor Mark Novak submitted an excellent column recapping local leaders' efforts on CGMC's Legislative Action Day: <http://bit.ly/waXPmR>
- The Bemidji Pioneer noted CGMC's efforts against a supermajority constitutional amendment: <http://bit.ly/AnEfRr>. This piece was also featured in the Pioneer Press and MinnPost.

Legislative Action Day Photos

Click here to view photos from the 2012 CGMC Legislative Action Day! <http://bit.ly/yaEP8D> By clicking on the individual images, you can get a narrative of the photo.





CITIES BULLETIN

Issue 5

February 8, 2012

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Land for Economic Development Purposes: More Time Needed?

The League would like to hear from cities needing more time on lands being held for economic development purposes. [Read more.](#)

Tort Bills Approved in House

The litigation bills would require most lawsuits to be filed sooner, and have the potential to reduce city liability. [Read more.](#)

OSA Releases Annual Tax Increment Report

The 16th annual report shows trends on the use of tax increment, and provides an easy-to-understand explanation of a complicated finance tool. [Read more.](#)

Governor Forms Mayors Advisory Group on LGA as Part of Tax Reform

The executive branch's newly appointed LGA working group could offer a different take on the aid front than other current reform efforts. [Read more.](#)

House Committee Considers Sales Tax "Affiliate Nexus" Bill

The proposed legislation would begin to address the collection responsibility of non-Minnesota businesses. [Read more.](#)

Featured Events

2012 Safety & Loss Control Workshops
March-April—Various dates and locations

Legislative Conference for Cities, Counties, Schools, and Townships
March 22—St. Paul

2012 Annual Conference and Marketplace
June 20-22—Duluth

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Certified Property Taxes Increase at Near Record Low Levels



Statewide 2012 property tax levies for all taxing entities are increasing by 1.2 percent over last year, while city levies are increasing 0.9 percent.

Property tax levies statewide for 2012 are increasing by an average of only 1.2 percent, or \$96.1 million, compared to the final certified 2011 levels. In 2011, property taxes for all entities increased by 1.9 percent over the 2010 certified levels.

The Minnesota Department of Revenue revealed these numbers late last week when it released the final certified property tax levies for all cities, counties, school districts, townships, special taxing districts, and the state.

Cities decreased their final proposed property tax levies by \$20.6 million, leaving a statewide increase of \$16.8 million, or 0.9 percent—by far the smallest levy increase in at least the past 15 years.

The table below summarizes the preliminary and the final property tax levies by jurisdiction. The small increase by all jurisdictions is notable given the deep reductions in state aid imposed since 2008. The small increases are also notable due to the fact that for pay 2012, there were no state-imposed general levy limits impacting the decisions of local officials.

Statewide Summary of Certified Levy Changes Certified 2011 to Certified 2012 by Taxing Jurisdiction

Jurisdiction	Preliminary % Change	Preliminary \$ Change	Final % Change	Final \$ Change
Cities	+2.0%	+\$37.4 million	+0.9%	+\$16.8 million
School Districts	+1.9%	+\$42.8 million	+1.8%	+\$41.2 million
Counties	+1.2%	+\$31.2 million	+0.4%	+\$11.7 million
Townships	+3.3%	+\$7.3 million	+3.3%	+\$7.2 million
Special Districts	+0.2%	+\$0.5 million	-0.5%	-\$1.6 million
State Property Tax	+2.6%	+\$20.8 million	+2.6%	+\$20.8 million
Total Increase	+1.7%	+\$140.0 million	+1.2%	+\$96.1 million

The House is currently debating a bill that would impose levy limits for 2013 and beyond. These figures will add to the debate on the need for future levy limits.

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

Bill Aims to Clarify Issues with New Homestead Exclusion



The bill makes corrections and clarifications to levy and debt limitation statutes in the wake of the new homestead market value exclusion.

(Published Feb 8, 2012)

Rep. Greg Davids ([Link to: http://www.house.leg.state.mn.us/members/members.asp?district=31B](http://www.house.leg.state.mn.us/members/members.asp?district=31B)) (R-Preston) last week introduced **HF 2072** ([Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF2072&ssn=0&y=2011](https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF2072&ssn=0&y=2011)), a bill developed by the League and the Minnesota Inter-County Association to address a host of technical issues with the implementation of the new homestead market value exclusion (HMVE).

In general terms, the new exclusion reduces the tax base market value of local units of government, which in turn, will impact function-specific levy limits and debt limits that are based on market value. In addition, the new homestead exclusion can impact certain tax increment financing districts. HF 2072 attempts to restore these and other property tax components to the status that existed prior to the new homestead exclusion.

The bill includes clarifications for several state aid programs. The bill clarifies that fire state aids are computed based on market value prior to the homestead market value exclusion. For the local government aid (LGA) and county program aid (CPA) systems, the bill clarifies that the value used to compute state aids is based on the jurisdiction's market value after the homestead exclusion, which is consistent with the LGA/CPA changes approved in last July's tax bill and is identical to the current treatment of property classification changes.

This bill does not address the restoration of the homestead credit, nor does it provide any additional business or homeowner tax relief. Separate bills, **HF 1776** ([Link to:](https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF1776&ssn=0&y=2011)

https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF1776&ssn=0&y=2011) (**Rep. Ann Lenczewski** ([Link to: http://www.house.leg.state.mn.us/members/members.asp?leg_id=10369](http://www.house.leg.state.mn.us/members/members.asp?leg_id=10369)), DFL-Bloomington) and **HF 1775** ([Link to:](https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF1775&ssn=0&y=2011)

https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF1775&ssn=0&y=2011) (**Rep. Paul Marquart** ([Link to: http://www.house.leg.state.mn.us/members/members.asp?leg_id=10401](http://www.house.leg.state.mn.us/members/members.asp?leg_id=10401)), DFL-Dilworth), would restore the previous homestead credit system. And Rep. Davids has also introduced **HF 1914** ([Link to:](https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF1914&ssn=0&y=2011)

https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF1914&ssn=0&y=2011), a bill that would expand the homeowner property tax refund program and the targeting program, and provide relief to business properties by excluding the first \$100,000 of property value from the state property tax.

Restoring city market value for certain purposes

The HMVE program has been interpreted by the Minnesota Department of Revenue to reduce the "market value" of each city used to compute levy limits for economic development authorities (EDAs), housing and redevelopment authorities (HRAs), and port authorities. In addition, the statutory net debt limit for each city will now be based on the reduced market value after consideration of the homestead market value exclusion.

For some cities, the new homestead exclusion can reduce the city's market value by more than 15 to 20 percent, which would have a corresponding reduction in levy authorities and debt limits. HF 2072 attempts to restore the use of the city's full "estimated market value" for the calculation of these levy and debt limits.

The bill would also modify the treatment of the new homestead exclusion for tax increment financing (TIF) districts that contain owner-occupied homesteads. After the passage of last July's tax bill, the current year value of homestead property in a TIF district is reduced by the exclusion, but there is no corresponding reduction in the district's original net tax capacity. As a

result, the increment generated by the increase in value in the district is reduced due to the new exclusion.

Under the bill, a district with homesteads that qualify for the new homestead market value exclusion would have a corresponding reduction in the original net tax capacity, thereby restoring the increment lost due to the exclusion. This adjustment is similar to the current law TIF adjustments that occur due to classification changes and property exemptions that impact a TIF district.

Clarification of many statutes

HF 2072 clarifies the treatment of the new HMVE program for a wide array of statutes. The following statutes that are amended under the bill may be of interest to cities:

- EDAs under *Minnesota Statutes*, section 469.107.
- HRAs under *Minnesota Statutes*, section 469.033.
- Port authorities under *Minnesota Statutes*, section 469.053.
- Watershed management districts in townships under *Minnesota Statutes*, section 103B.245.
- Watershed management organizations in townships under *Minnesota Statutes*, section 103B.251.
- Watershed districts under *Minnesota Statutes*, section 103D.905.
- City levies for county historical society under *Minnesota Statutes*, section 138.053.
- First class city hospitals under *Minnesota Statutes*, section 447.10.
- Tourist campgrounds in cities under *Minnesota Statutes*, section 450.19.
- St. Cloud transit commission under *Minnesota Statutes*, section 458A.10.
- Duluth transit commission under *Minnesota Statutes*, section 458A.31.
- First class city publicity boards under *Minnesota Statutes*, section 469.187.
- Permanent Improvement Fund in taconite cities under *Minnesota Statutes*, section 471.571.
- County libraries under *Minnesota Statutes*, section 383B.245.
- Regional railroad authorities under *Minnesota Statutes*, section 398A.04.
- Pedestrian malls under *Minnesota Statutes*, section 430.102.
- Museum, gallery, or school of arts or crafts under *Minnesota Statutes*, section 450.25.

In addition, the statute has nearly identical language applicable to debt limits based on a local government unit's "market value," "taxable market value," and "market valuation." Accordingly, the following debt limits based on taxable market value would potentially be impacted by this interpretation:

- The general net debt limit for cities under *Minnesota Statutes*, section 475.53.
- Housing and redevelopment authority bond limits under *Minnesota Statutes*, section 469.034.
- Equipment certificate limit under *Minnesota Statutes*, section 412.301 (statutory cities).
- Equipment certificate limit under *Minnesota Statutes*, section 410.32 (charter cities).

The companion bill will be introduced in the Senate in the near future, and bills are expected to be heard in the tax committees in the coming weeks.

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

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Energy Forward Pricing Bill Passes First Committee



Procurement legislation would allow cities to purchase fuel, natural gas, and other energy sources via option or futures contracts.

(Published Feb 8, 2012)

HF 560 (*Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF560&ssn=0&y=2011*), authored by **Rep. Keith Downey** (*Link to: http://www.house.leg.state.mn.us/members/members.asp?leg_id=15311*) (R-Edina), would allow cities to purchase energy using forward pricing mechanisms, such as futures or option contracts. Currently, only state agencies, the Metropolitan Council, and Hennepin County have authority to make such purchases.

The legislation expands the types of energy that can be purchased with forward pricing mechanisms and allows all political subdivisions, including cities, to use this alternative method.

Energy forward pricing contracts allow entities to lock in energy purchases at fixed costs, and can provide budget stability and protection against rising energy prices. Before using forward pricing mechanisms, a city would have to establish an oversight process, including internal and external audit reviews, annual review by an investment committee, and internal management control. This oversight process was added during the legislative committee process to ensure that entities fully understand the implications of entering into contracts that can result in an entity purchasing energy at above-market prices in certain circumstances.

The bill was referred to the **House State Government Finance Committee** (*Link to: <http://www.house.leg.state.mn.us/comm/committee.asp?comm=87018>*) for further consideration. There is currently no Senate companion bill.

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

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League to Advocate for Extension of Transportation Design-Build Law



The state's design-build pilot program allowed for nine transportation projects by 2012, but to date, only two projects have been let.

(Published Feb 8, 2012)

In 2009, the Legislature authorized a pilot project that would allow local units of government to build nine transportation projects using the design-build procurement method before 2012. The measure represented a collaborative effort by the League, the City Engineers Association of Minnesota, the Association of Minnesota Counties, the County Engineers Association, the Associated General Contractors, and the Minnesota Department of Transportation (MnDOT).

While there have been a number of local units of government interested in participating in the pilot, the planning and approval process is slow, and to date, only two projects have been let under the pilot program. Unless the pilot project is extended by the 2012 Legislature, it will sunset in October.

The League is working with other stakeholders on legislation that would extend the design-build pilot until all nine projects are built. The extension of the sunset is being jacketed for introduction and may be introduced as soon as next week.

The pilot program is an outgrowth of a desire by local units of government to deliver construction projects faster and more efficiently. Local officials and some legislators believe the use of design-build contracting might be appropriate under limited circumstances. The pilot program should provide insight to guide future use of design-build.

Minnesota Statutes, section 161.3410 (Link to: <https://www.revisor.mn.gov/statutes/?id=161.3410>), the section of law that authorizes MnDOT to use design-build contracting for a limited number of projects, provides the following definition of design-build:

“‘Design-build contract’ means a single contract between the Department of Transportation and a design-build company or firm to furnish the architectural or engineering and related design services as well as the labor, material, supplies, equipment, and construction services for the transportation project.”

For more information about the design-build pilot program or to learn how to participate, contact MnDOT Deputy State Aid Engineer Rick Kjonaas (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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For More Information

For more information about the design-build pilot program or to learn how to participate:

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**Land for Economic Development
Purposes: More Time Needed?**



The League would like to hear from cities needing more time on lands being held for economic development purposes.

(Published Feb 8, 2012)

League lobbyists would like to hear from those cities or economic development authorities up against deadlines for holding lands tax-exempt.

Last year, legislation was brought forward by the City of Brainerd, and supported by the League, that would give cities extra time. The bill called for two years, but ultimately the extension was made for one extra year (from eight years to nine). The League's Improving Local Economies policies support more time due to the recent economic slow-down on local development.

This year, a few cities have contacted the League about pursuing more time on this exemption, but we'll need to hear from cities with real examples on what is going on with those lands in industrial parks and other locales, to get any real traction on the issue. Over the last year, some legislators have been critical of any municipal involvement in this area. Similar to tax increment bills, it is always helpful when cities have their legislators introduce special bills for them as well. Any new legislation on this issue would amend *Minnesota Statutes, section 272.02, subdivision 39* (Link to: <https://www.revisor.mn.gov/statutes/?id=272.02>).

Please contact League staff member Jennifer O'Rourke (see right) with your example or story.

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

Your LMC Resource

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Tort Bills Approved in House



The litigation bills would require most lawsuits to be filed sooner, and have the potential to reduce city liability.

(Published Feb 8, 2012)

The House of Representatives approved four bills related to tort reform on Feb. 1. The League generally supports several of the measures because they have the potential of reducing city civil liability.

The bills were introduced in consultation with the Insurance Federation of Minnesota, the Minnesota Chapter of the National Federation of Independent Businesses, and the Minnesota Chamber of Commerce. Following is a summary of the four proposals.

SF 530 (Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=Senate&f=SF0530&ssn=0&y=2012) / **HF 770** (Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF0770&ssn=0&y=2012&ls=87) : **Interest rate on awards and judgments**

Authored by **Sen. Julianne Ortman** (Link to: http://www.senate.leg.state.mn.us/members/member_bio.php?leg_id=10802) (R-Chanhassen) and **Rep. Pat Mazorol** (Link to: http://www.house.leg.state.mn.us/members/members.asp?leg_id=15359) (R-Bloomington), this bill amends the law providing for interest on verdicts, awards, and judgments. From the time that a verdict is awarded until the time that judgment is finally entered, interest on the award accrues at the higher of either 4 percent or the yield of a one-year Treasury bill. From the time that judgment is entered until the award is paid, the interest rate for claims of \$50,000 or less is the same; for claims greater than \$50,000, the interest rate on any unpaid balance is 10 percent.

In addition, the interest statute would not apply to a judgment or award upon which interest is entitled to be recovered under the law governing breach of an insurance policy. This section would be effective as of Aug. 1, 2011, and apply to judgments and awards entered on or after that date.

The current language in the bill does not affect local units of government. However, last session during hearings in the House, the bill was amended to set the interest rate on all awards and judgments over \$50,000 to the one-year treasury yield plus 8 percent, including awards and judgments involving cities and counties. Under the amendment, awards and judgments under \$50,000 would have continued to use the greater of 4 percent or the one-year treasury yield.

Rep. Mazorol opted to take up the Senate version of the bill, which did not include any amendments to the interest rate that applies to local units of government and, therefore, the League was neutral on the legislation. The bill was approved by a vote of 75 to 55.

SF 149 (Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=Senate&f=SF0149&ssn=0&y=2012) / **HF 211** (Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF0211&ssn=0&y=2012)

to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF0211&ssn=0&y=2012&ls=87) : **Conciliation court thresholds and class action reforms**

Authored by Sen. Ortman and Rep. Doug Wardlow (Link to: http://www.house.leg.state.mn.us/members/members.asp?leg_id=15372) (R-Eagan), this bill would revise the monetary thresholds for filing a civil action in conciliation court and would modify the class action lawsuit process.

The bill would increase the cap on damages in a conciliation court action from \$7,500 to \$10,000 and also raise the cap for consumer credit transaction claims from \$4,000 to \$5,000. By increasing the conciliation court caps, the bill would allow more legal actions to avoid the more costly and complex district court process. Conciliation court actions must be conducted without a jury and by a simple and informal procedure. In addition, the filing fee in conciliation court ranges from \$65 to \$75 compared to district court filing fees exceeding \$300.

Among the reforms to the class action process, the bill would permit an immediate appeal as a matter of right by a defendant of a court order related to certification of a class in a class action suit before the case moves forward. Under existing court rules, a defendant is permitted to apply for an appeal of class certification, but the Court of Appeals is not required to hear the appeal immediately, and in some cases may not do so until after completion of trial.

The class action modifications would apply to court orders related to class certification issued on or after July 1, 2012. The bill was approved by a vote of 72 to 59.

SF 373 (Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=Senate&f=SF0373&ssn=0&y=2012) / **HF 654** (Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF0654&ssn=0&y=2012&ls=87) : **Statute of limitations**

Authored by Sen. Ortman and Rep. Wardlow, this legislation would reduce the general statute of limitations from six years to four years for the majority of civil claims.

The League's legislative policies support changes to the civil liability statutes, but do not specifically address changes to the statute of limitations. The League's executive committee considered this legislation and based on the generally positive impact on cities, the executive committee adopted a position supporting the legislation. The bill was approved by a vote of 71 to 56.

SF 429 (Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=Senate&f=SF0429&ssn=0&y=2011&ls=87) / **HF 747** (Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF747&ssn=0&y=2011) : **Attorney fee reforms**

Authored by Rep. Mazorol and Sen. Scott Newman (Link to: http://www.senate.leg.state.mn.us/members/member_bio.php?leg_id=10819) (R-Hutchinson), these bills modify the factors that the court must consider when awarding attorney fees. Specifically, the legislation requires that the court must consider the reasonableness of the attorney fees sought in relation to the amount of damages awarded to the prevailing party, and the relation between the amount of damages sought and the amount of damages actually awarded.

The legislation also provides a limit on attorney fees awarded in certain cases in which an offer of judgment is made but rejected. Under Rule 68 of the Minnesota Rules of Civil Procedure, an offer of judgment may be made at any time more than 10 days before trial begins and must be

accepted or rejected within 10 days after service of the offer. If the party claiming attorney fees does not obtain a verdict in excess of the offer (exclusive of attorney fees), no attorney fees may be awarded for fees incurred after the service of the offer for judgment.

The League's legislative policies support changes to state law to place reasonable limits on the amount and circumstances in which statutory attorney fees may be awarded in order to decrease the likelihood of litigation and encourage settlement. The bill was approved by a vote of 76 to 49.

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

Your LMC Resource

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IGR Representative

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

OSA Releases Annual Tax Increment Report

The 16th annual report shows trends on the use of tax increment, and provides an easy-to-understand explanation of a complicated finance tool.
(Published Feb 8, 2012)



The Office of the State Auditor (OSA) on Feb. 1 released its annual report on the use of tax increment financing (TIF) for redevelopment and development needs in Minnesota. The 2010 Tax Increment Financing Legislative Report highlighted a number of trends, and included some information on the 2010 jobs state stimulus package for those components that relate to tax increment.

Due to a legislative change, some of the report forms were changed for the 2010 reporting year, so comparisons to previous years' reports are not possible.

Some current trends include:

- For 2010, the makeup of TIF districts was: 49 percent redevelopment; 29 percent housing; 18 percent economic development; 2 percent pre-1979 districts; 1 percent renewal/renovation; and 1 percent soils condition. The metro area had a heavier use of

redevelopment districts, and Greater Minnesota used economic development districts and housing districts more than the metro area.

- In calendar year 2010, development authorities returned \$17,189,994 in tax increment revenue to the county auditor for redistribution to the city, county, and school district as property taxes.
- Thirty-nine TIF districts were certified in Minnesota during calendar year 2010, while 147 TIF districts were decertified.
- In 2010, 34 percent of the total number of TIF districts were located in the metro area; 66 percent were located in Greater Minnesota. However, 82 percent of the tax increment revenue generated in 2010 was from districts located within the metro area.
- In 2010, development authorities were given temporary expanded authority under the Jobs Stimulus Program to use tax increment in ways not previously authorized. As of late January, the OSA had received TIF plans for 31 economic development districts created, and 35 spending plans have been submitted to the OSA under the jobs stimulus program.

The long-term trends include:

- The total number of TIF districts certified between 2006 and 2010 decreased by 57 percent.
- During the five-year period between 2006 and 2010, the number of economic development districts certified decreased by 57 percent. The number of housing districts certified decreased by 67 percent. The number of redevelopment districts certified decreased by 46 percent.
- Over the 10-year period covering 2001 through 2010, the number of districts certified decreased by 74 percent.

The report is 94 pages in length, and in addition to providing the numerical data, it does a good job explaining the various types of districts.

- **Access the full TIF report from the OSA website** (*Link to: <http://www.osa.state.mn.us/default.aspx?page=20120201.003>*)

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

Your LMC Resource

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**Governor Forms Mayors Advisory
Group on LGA as Part of Tax
Reform**



The executive branch's newly appointed LGA working group could offer a different take on the aid front than other current reform efforts.

(Published Feb 8, 2012)

Revenue Commissioner Myron Frans announced on Feb. 2 the creation of the Tax Reform Advisory Group for Local Government Aid (LGA)—a committee made up entirely of mayors. In recent months, the revenue commissioner has been traveling the state talking about the need for general reforms to Minnesota's tax system.

Co-chairs of the advisory group are Mayor R.T. Rybak of Minneapolis and Mayor Dave Kleis of St. Cloud. Others members appointed to the advisory group are:

- Mayor Bruce Ahlgren, Cloquet
- Mayor Dave Bartholomay, Circle Pines
- Mayor Beth Baumann, South St. Paul
- Mayor ReNae Bowman, Crystal
- Mayor Ardell Brede, Rochester
- Mayor Chris Coleman, St. Paul
- Mayor Debbie Goettel, Richfield
- Mayor Don Ness, Duluth
- Mayor Joyce Nyhus, Buffalo Lake
- Mayor Alan Oberloh, Worthington
- Mayor Marlene Pospeck, Hoyt Lakes
- Mayor Mary Rossing, Northfield
- Mayor Dave Smiglewski, Granite Falls.

The group is scheduled to start meeting in late February and is slated to work over the next several months with likely recommendations on how LGA would fare in a tax reform package to be introduced for the 2013 session.

- **Learn more about the Tax Reform Advisory Group for Local Government Aid** *(Link to: <http://mn.gov/governor/newsroom/pressreleasedetail.jsp?id=102-35148>)*

Another committee, the **LGA Study Group** *(Link to: <http://www.commissions.leg.state.mn.us/lga/lga.html>)*, was appointed a few years back by the Legislature; at the time it was brought forward by then-property tax committee chairs Rep. Paul Marquart (DFL-Dilworth) and Sen. Rod Skoe (DFL-Clearbrook).

When the Republicans took over and committee chairs changed, different appointments were made. The group has started to meet again and will have its next meeting on Feb. 17. The League has appointments to that group, and will be monitoring the work of both LGA groups. Stay tuned for more information.

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

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

House Committee Considers Sales Tax "Affiliate Nexus" Bill



The proposed legislation would begin to address the collection responsibility of non-Minnesota businesses.

(Published Feb 8, 2012)

A bill introduced last week would modify the state's sales tax statutes to establish an "affiliate nexus" relationship between out-of-state vendors and Minnesota affiliates. The proposal would allow the state to require non-Minnesota online and catalog vendors that have affiliate nexus relationships with Minnesota businesses to collect and remit the state sales tax.

Rep. Greg Davids (*Link to: http://www.house.leg.state.mn.us/members/members.asp?leg_id=10123*) (R-Preston), author of **HF 1849** (*Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF1849&ssn=0&y=2011*), presented the proposal at the Feb. 1 hearing of the full **House Taxes Committee** (*Link to:*

<http://www.house.leg.state.mn.us/comm/committee.asp?comm=87021>).

According to estimates for 2011 prepared by the Minnesota Department of Revenue, the state lost an estimated \$149 million in revenue to untaxed e-commerce sales, and an additional \$245 million in sales tax on catalog sales and remote sales of products. This sales tax revenue loss has increased with the rapid growth of Internet sales.

History of the issue

Since the 1992 U.S. Supreme Court *Quill v. North Dakota* decision, states have been prohibited from compelling retailers that do not have a physical presence in the state from collecting state and local sales taxes. The Supreme Court determined that requiring remote sellers to collect the sales tax was an undue burden on interstate commerce.

Under the complementary use tax, individuals that purchase taxable items are legally required to remit the tax on these purchases. However, due to the fact that states have limited information on consumer purchases via Internet and catalog sales, the use tax is difficult for states to enforce.

Multi-state effort

The rapid growth in electronic commerce has heightened concerns among states about erosion of sales tax revenues and about tax fairness between main street businesses and Internet retailers.

As a result, more than 40 states, including Minnesota, have been working to develop a consistent set of sales tax guidelines among the states to address constitutional interstate commerce issues identified in the Supreme Court's 1992 decision in the Quill case.

The goal of the multi-state effort, known as the Streamlined Sales Tax Project (SSTP), is to simplify state sales tax systems so that either Congress and the President will ultimately pass legislation to require remote sellers to collect sales tax for states that have simplified their systems, or alternatively that the federal courts will overturn the Quill decision and determine that the simplification is sufficient to remove any undue burden on interstate commerce.

Congressional proposals

There are several pending bills before Congress, including the Main Street Fairness Act (HR 2701), the Marketplace Equity Act (HR 3179) and the Marketplace Fairness Act (S 1832) but unfortunately, Congress has not yet acted on the SSTP. While states wait for congressional action, at least nine states have adopted the "affiliate nexus" approach to compel collection of sales taxes.

The Davids bill was supported by several small companies, including Creative Kidstuff but also by Best Buy and Target, whose representatives testified that they are at a competitive disadvantage due to the fact that companies like Amazon can offer products without charging the state sales tax. The Minnesota Chamber of Commerce and the Minnesota Business Partnership also testified in support of the bill.

League supports the bill

The League has a policy supporting both the affiliate nexus approach as well as congressional action on legislation such as the Main Street Fairness Act, that would compel all retailers, regardless of location, to collect the sales tax for states like Minnesota that have adopted the nationwide streamlined sales tax system. The League also testified in support of the Davids bill, which was laid over for possible inclusion in the omnibus tax bill.

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

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LMC Awards Programs

Nominate Your City or Official for a 2012 League Award!

The League each year honors the special achievements of cities and city leaders. Entries are now being accepted for the City of Excellence Awards, C.C. Ludwig Awards, and Leadership Awards.

Chief appointed and chief elected officials in every member city will receive entry brochures in the mail. You may also download the brochure here. The deadline to enter is **May 11**.

- **View the City of Excellence Awards entry form (pdf)** (*Link to: <http://www.lmc.org/media/document/1/cityofexcellenceapp.pdf>*)
- **View the C.C. Ludwig & Leadership Awards entry form (pdf)** (*Link to: <http://www.lmc.org/media/document/1/ludwigleadershipapp.pdf>*)

About City of Excellence Awards

The **City of Excellence Awards** (*Link to: <http://www.lmc.org/page/1/city-of-excellence-awards.jsp>*) recognize cities for programs that have helped their cities progress in some way. Awards are given in three different population categories and by one special topic, which is different each year. Topical categories in recent years have included serving senior populations and doing more with less.

Read more about the City of Excellence Awards (*Link to: <http://www.lmc.org/page/1/city-of-excellence-awards.jsp>*)

About C.C. Ludwig and Leadership Awards

The **C.C. Ludwig Awards** (*Link to: <http://www.lmc.org/page/1/ludwig-awards.jsp>*) recognize elected officials who have made significant contributions to Minnesota city government. Similarly, the **Leadership Awards** (*Link to: <http://www.lmc.org/page/1/ludwig-awards.jsp>*) honor appointed city officials who have gone above and beyond the call of duty for their community.

Read more about the C.C. Ludwig & Leadership Awards (*Link to: <http://www.lmc.org/page/1/ludwig-awards.jsp>*)

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

Your LMC Resource

Let us know if you have questions or suggestions about our LMC Awards Programs.

Contact Claudia Hoffacker

Web Content & Publications Manager

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Current Grant Opportunities

Transit-Oriented Development Grant

The new transit-oriented development (TOD) grant program was created to assist Livable Communities participants implement transit-oriented development that demonstrates how increasing density around transit stations can reduce dependence on automobile ownership, vehicular traffic, and associated parking requirements that would otherwise be necessary to support a similar level of more traditional development, and encourage more transit ridership. Applications for this first funding round are due by **Feb. 15**.

Learn more about TOD grants (*Link to: <http://www.metrocouncil.org/services/livcomm/TOD.htm>*)

Community Forest Bonding Grants

The Minnesota Department of Natural Resources is now accepting applications for the Community Forest Bonding Grants. There are two types of project grants a community can apply for:

- Planting for diversity or to replace trees lost to storms. All cities, counties, and townships are eligible to apply, as well as park and recreation boards in cities of the first class. All trees planted using bonding funds must be species native to Minnesota, and be planted on public property.
- Emerald ash borer (EAB) infested ash removal and replanting projects. All cities, counties, and townships, as well as park and recreation boards in cities of the first class are eligible that have a known EAB infestation within their boundaries or have public lands within a one-mile radius of state-designated "known EAB-infested areas."

Applications must be received by 4:30 p.m. on **Feb. 17**.

Learn more from the DNR website (*Link to: <http://www.dnr.state.mn.us/grants/forestmgmt/commforestbondgrant/index.html>*)

(*Link to:*)

Staffing for Adequate Fire and Emergency Response Grants

The Federal Emergency Management Agency is now accepting applications for the Staffing for Adequate Fire and Emergency Response Grants (SAFER). SAFER was created to provide funding directly to fire departments and volunteer firefighter interest organizations in order to help them increase the number of trained, frontline firefighters available in their communities. The goal of SAFER is to enhance the local fire departments' abilities to comply with national staffing, response, and operational standards. The deadline to apply is **Feb. 24**.

Learn more and access the SAFER application (*Link to: <http://www.fema.gov/firegrants/safer/index.shtml>*)

DNR Parks and Trails Grants

The Department of Natural Resources (DNR) has grant funding opportunities for park and trail projects across Minnesota. Applications are now being accepted for the following grant programs: outdoor recreation, natural and scenic areas, local trail connections, federal recreational trails, regional trails, public boat accesses, clean vessel, boating infrastructure, fishing pier, and shore fishing areas. Deadlines

for these grants are in February and March.

Learn more and access applications from the DNR website (*Link to: <http://www.dnr.state.mn.us/grants/index.html>*)

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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DNR Offers Required Lake Service Provider Training

Training and permitting requirements for people who install and remove water-related equipment will be implemented by the Minnesota Department of Natural Resources (DNR) this summer.

The Minnesota Legislature passed a number of new laws in 2011 related to prevention and management of aquatic invasive species (AIS). The laws apply to not only boaters and property owners, but also lake service providers and others involved with transportation of water-related equipment.

Lake service providers are individuals or businesses hired to install or remove water-related equipment such as boats, docks, boat lifts, or structures from waters of the state. They are now required by state statute to obtain a permit from the DNR before providing any services. The DNR will begin to implement and enforce this during the 2012 open water season. All service providers must complete invasive species training and pass an examination to qualify for a permit.

The DNR has partnered with Minnesota Waters, a nonprofit organization promoting responsible stewardship of Minnesota's water resources, to provide training and testing of service providers. Minnesota Waters increases the DNR's capacity to fully implement this training and permit requirements in 2012.

The DNR would appreciate cities' help in letting lake service providers know about these requirements by including the information on community boards and other communication vehicles and announcing it at city meetings.

- **Access more information, including applications, training dates, and locations** ([Link to: http://www.dnr.state.mn.us/lsp/index.html](http://www.dnr.state.mn.us/lsp/index.html))

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))

For More Information

Contact Nathan Olson

Invasive Species Specialist

MN Dept. of Natural Resources

(218) 739-7576 ext. 259

nathan.olson@state.mn.us ([Link to: mailto:nathan.olson@state.mn.us](mailto:nathan.olson@state.mn.us))



Apply for the Innovations in American Government Awards

Applications are now being accepted for the Innovations in American Government Award, offered by the Harvard Kennedy School's Ash Center for Democratic Governance and Innovation. The award recognizes programs that demonstrate creative and effective government at its best. Applications are due **March 1**.

This year, the Center's Innovations Program will also continue to identify and promote promising government efforts and partnerships through the Bright Ideas program. All units of government—federal, state, local, tribal, and territorial—from all policy areas are eligible to apply for recognition.

The top winner of the Innovations in American Government Award will receive a \$100,000 grant to support replication and dissemination activities. Top finalists will also receive monetary grants.

- **Learn more and access applications** (*Link to: <http://www.innovationsaward.harvard.edu>*)

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

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Steve Nasby

From: Cederholm, Heather <hcederholm@lmc.org>
Sent: Friday, February 10, 2012 12:58 PM
To: General legislative
Cc: Directors
Subject: [legislative] Friday Fax--February 10, 2012

Friday Fax: Issue 3 (Week of February 6-10, 2012)

This week the House and Senate reconvened at noon on Tuesday after attending precinct caucuses in their home districts. This coming week, your help is needed especially related to **TIF extensions** (do you have a project that would benefit from an extension?) and **eminent domain** (do you have any concerns about the bill that is described below?). Contact Jennifer (jorourke@lmc.org) or Patrick (phynes@lmc.org) with your input on those two issues.

House Property Tax Division considers tax relief bill

On Wednesday evening, the Property Tax Division of the House Tax Committee convened to consider HF 1914, a bill offered by Rep. Greg Davids (R-Preston) that, as introduced, would reduce and then phase-out the state business property tax, exclude the first \$100,000 of commercial/industrial property value from the state property tax, and increase the homeowner property tax refund and targeting programs.

During the committee discussions, Representative Davids offered an amendment that would freeze the Local Government Aid (LGA) distribution for each city at the 2012 level and would repeal the LGA calculation and the existing standing appropriation language. Freezing the distribution and eliminating the formula will modify the current law estimates of the 2013 LGA distribution, creating winners and losers relative to current law. The League testified, indicating that League policies do not support an artificial freeze in the formula. The League also raised concerns about the permanent nature of the distribution freeze due to the repeal of the existing formula and appropriation.

The Davids amendment also increased the amount of commercial/industrial value excluded from the state general property tax from the first \$100,000 of market value to the first \$150,000 of market value, and shortened the phase-out of the state business property tax to 12 years. The bill does not alter the seasonal-recreational (cabin) portion of the state general levy, which will continue to be computed per the current law structure.

The exclusion of the first \$150,000 of business property value from the state property tax will not impact the amount of property taxes paid by qualifying property owners to cities, counties, schools and other local property tax entities. In addition, the exclusion of the first \$150,000 will not shift the state business property tax to higher value businesses due to the fact that the overall state property tax levy is reduced by an amount roughly equal to the state taxes currently paid on the first \$150,000 of value.

The author's amendment would also fund the property tax changes for the 2012-2013 biennium largely through changes in the state's renters' refund program and also through the savings of roughly \$1.2 million that would be realized by freezing the LGA formula at the 2012 level. The renters' refund program will be reduced by decreasing the percent of rent assumed to be attributable to property taxes from 17 percent to 15 percent. The amendment also creates a separate renters refund system for elderly and disabled renters. These changes are estimated to reduce the state cost to the program by roughly \$70 million per year.

The homeowner property tax refund (PTR) would be increased by modifying the maximum refund for homeowners with household incomes from \$37,280 to \$100,779, which would be effective for refunds based on taxes payable in 2012. A separate program known as the targeting program, which provides a state-paid tax credit for homeowners with large tax

increases, would also be modified. Under current law, the targeting refund is triggered if a homeowner's taxes increase by more than 12 percent and the increase is in excess of \$100, in which case the state will issue a refund equal to 60 percent of the increase over 12 percent and \$100. The bill modifies the state refund by increasing the 60 percent to 90 percent.

During the committee hearing, Rep. Ann Lenczewski (DFL-Bloomington) offered an amendment to address the marriage penalty in the income tax code. Her amendment was funded largely by modifying the state's treatment of foreign operating corporations and the foreign royalty deduction. These funding mechanisms were opposed by the Minnesota Business Partnership and the Minnesota Chamber of Commerce.

The bill is scheduled for a hearing on Tuesday, February 14 in the full House Tax Committee.

Questions? Contact Gary N. Carlson at (651) 281-1255 or gcarlson@lmc.org.

House member looking to introduce general TIF extension bill

League staff has been asked, directly by a House member, if there is interest among cities in extending the 2010 flexibilities that were made for the use of increment, and for economic development districts. The legislator specifically said his own city was interested, but he wanted to help others, as well, if there was that demand. **Interested cities should contact Jennifer O'Rourke at jorourke@lmc.org as soon as possible.** The League, Metro Cities, and the Coalition of Greater Minnesota Cities lobbyists were successful in getting an extra year onto the flexibilities from the 2010 Jobs bill—but were told in 2011 by the bill's authors and others, that they would work against any future extension.

As always, the local examples tell the best stories—so if your city has a project in the works and simply needs more time to use the flexibility offered under Minn. Stat. 469.176, subd. 4m and 469.1763, subd. 2, it is time to make sure that your legislators and League staff know about it. A few bills focused on the metro area have been introduced already this year. For the third year in a row, job creation is a priority—and allowing the local flexibility is an item that most legislators see as not having a direct cost.

Questions? Contact Jennifer O'Rourke at (651) 281-1261 or jorourke@lmc.org.

Legislation modifying eminent domain process passes Senate Committee

A bill that makes changes to the statute governing the appeal of disputes over a person's right to relocation assistance under eminent domain law passed the Senate Judiciary Committee on Thursday. The bill, SF 1620 (Sen. Benjamin Kruse, R-Brooklyn Park), would require that an acquiring authority initiate a contested case hearing if the authority's denial of eligibility for relocation assistance is challenged. Under current law, a person has a right to a contested case hearing if he disputes the amount of relocation assistance granted by an authority, but does not have the right to a contested case hearing to challenge a denial of eligibility. As is currently the case, the acquiring authority is required to pay the costs related to the hearing.

As drafted, the new procedure would apply to claims pending on or made after the date of enactment. While this could result in some additional claims being filed, the financial impact to cities is expected to be minimal and the League of Minnesota Cities did not oppose the bill in committee. Senator Kruse has committed to working with the League on any issues that are raised about the legislation, **so cities should contact League staff with any concerns about how the bill may impact ongoing or planned projects.**

Questions? Contact Patrick Hynes at 651-281-1260 or phynes@lmc.org.

Governor Dayton vetoes four bills related to tort reform

On Friday morning, Governor Mark Dayton vetoed four litigation reform bills that were introduced in consultation with the Insurance Federation of Minnesota, the Minnesota Chapter of the National Federation of Independent Businesses and the Minnesota Chamber of Commerce.

Among the vetoes were bills that included attorney fee reforms and modifications to the state's statute of limitations. Both bills, described below, would have potentially reduced city liability.

SF 429/HF 747: Attorney fee reforms

Authored by Rep. Pat Mazorol (R-Bloomington) and Sen. Scott Newman (R-Hutchinson), these bills would have modified the factors that the court must consider when awarding attorney fees. Specifically, the legislation would have required the court to consider the reasonableness of the attorney fees sought in relation to the amount of damages awarded to the prevailing party, and the relation between the amount of damages sought and the amount of damages actually awarded. The bill would have also provided a limit on attorney fees awarded in certain cases in which an offer of judgment is made but rejected.

The League's legislative policies support changes to state law to place reasonable limits on the amount and circumstances in which statutory attorney fees may be awarded in order to decrease the likelihood of litigation and encourage settlement.

SF 373/HF 654: Statute of limitations

Authored by Sen. Julianne Ortman (R-Chanhassen) and Rep. Doug Wardlow (R-Eagan), this legislation would have reduced the general statute of limitations from six years to four years for the majority of civil claims. The League's legislative policies support changes to the civil liability statutes, but do not specifically address changes to the statute of limitations. The League's executive committee considered this legislation and based on the generally positive impact on cities, the executive committee adopted a position supporting the legislation.

Questions? Contact Gary N. Carlson at (651) 281-1255 or gcarlson@lmc.org.

Rulemaking moratorium legislation passes Senate Jobs Committee

A bill that would impose a two-year moratorium on the adoption of most new state rules was debated and passed by the Senate Jobs and Economic Growth Committee. Authored by Sen. Ted Lillie (R-Lake Elmo), SF 1631 would prohibit state agencies from conducting rulemaking or adopting rules from July 1, 2012 until June 30, 2014. Rules relating to serious and immediate threats to public health, necessary for compliance with court orders or federal law, or that do not alter the sense, meaning, or effect of an existing rule would be exempted. The Legislature could also direct an agency to undergo rulemaking on specific issues during the moratorium. The intent of the bill is to "provide for a stable and predictable regulatory environment for businesses" in Minnesota. According to Senate Republicans, the legislation is part of a package of bills designed to increase job growth.

The moratorium would have a significant impact on all levels of government. For example, the State Building Code is updated through the rulemaking process, and the moratorium would prevent the 2006 Building Code from being updated. The process of updating the Building Code has been underway for a number of months, and it would have to cease at the end of June.

Representatives of Governor Dayton stopped short of threatening a veto of the bill, but stated that the Governor would "strongly safeguard" the executive branch's authority related to rulemaking, and referenced similar vetoes previously exercised by both Governors Dayton and Pawlenty. The bill was referred to the Committee on State Government Innovation and Veterans for further review. There is no House companion at this time.

Questions? Contact Patrick Hynes at 651-281-1260 or phynes@lmc.org.

State releases tax expenditure report

This week, the Commissioner of the Minnesota Department of Revenue, Myron Frans, presented the updated state tax expenditure report to the House and Senate Tax Committees. The report quantifies the amount of taxes foregone due to various state tax code exemptions, deductions, credits, and preferential tax rates.

These provisions are called "tax expenditures" due to the fact that they are similar to direct spending programs. According to the report, "tax expenditures and direct state expenditures are used to achieve public policy goals, such as funding or encouraging specified activities or providing financial assistance to persons, businesses, or groups in particular situations." Perhaps the most obvious tax expenditure is the exemption of food and clothing from the Minnesota sales tax.

The report includes estimates of more than 300 tax expenditures that impact individual income taxes, corporate franchise taxes, estate taxes, the general sales and use tax, motor vehicle sales tax, property taxes, and a host of other state taxes. The report is frequently used by lawmakers and the Governor to structure budget proposals.

Questions? Contact Gary N. Carlson at (651) 281-1255 or gcarlson@lmc.org.

Fiscal Disparities study to be heard in committees

Next week, no less than three committee hearings will be devoted to the recently-released report on the metropolitan Fiscal Disparities program. The report was mandated by the 2010 legislature and includes information and analysis on growth trends in the Twin Cities metro region, fiscal and economic conditions in the region, basics of the Fiscal Disparities program, the potential "overburden" on jurisdictions from different types of land uses, and major policy considerations for the program.

The hearings are scheduled for:

Wednesday, February 15, 2012 8:15 AM

House Property and Local Tax Division

Room: 10 State Office Building

Agenda: Presentation on the Study of the Metropolitan Area Fiscal Disparities Program - Department of Revenue and TischlerBise (consultant who conducted the study)

Following the presentation the committee will take member questions and, if time remains, testimony from interested parties.

Wednesday, February 15, 2012 10:15 AM

House Taxes Committee

Room: 200 State Office Building

Agenda: Presentation on the Study of the Metropolitan Area Fiscal Disparities Program - Department of Revenue and TischlerBise (consultant who conducted the study)

Following the presentation the committee will take member questions and, if time remains, testimony from interested parties.

Thursday, February 16, 2012 8:30 AM

Senate Committee on Taxes

Room 15 Capitol

Agenda: Presentation of Fiscal Disparities Program report

Testifiers: Julie Herlands and L.Carson Bise II from TischlerBise

Eric Willette, Property Tax Research Director, MN Dept. of Revenue

Other public testimony will be taken.

Questions? Contact Gary N. Carlson at (651) 281-1255 or gcarlson@lmc.org.

Applications for Staffing for Adequate Fire & Emergency Response Grants (SAFER) Grants due February 24

SAFER Grants are administered through the Federal Emergency Management Agency (FEMA). They provide funding directly to fire departments and volunteer firefighter interest organizations to help them increase the number of trained, "front line" firefighters available in their communities. The goal of SAFER is to enhance local fire departments' abilities to comply with staffing, response and operational standards established by the National Fire Protection Association (NFPA) and the Occupational Safety and Health Administration (OSHA) (NFPA 1710 and/or NFPA 1720 and OSHA 1910.134).

For information on how to apply, see the FY 2011 SAFER Grant Program Guidance and Application Kit. Applicants may choose from a variety of resources available on the SAFER Grants Web page to help them develop an application, including SAFER Frequently Asked Questions (FAQs), a SAFER Quick Guide, a Recruitment and Retention of Volunteers video, applicant self-evaluations, and more. SAFER Help Desk specialists can answer questions by telephone (toll-free at 1-866-274-0960) or by e-mail (firegrants@dhs.gov.) The Help Desk hours of operation during the application period are Monday through Friday, from 8 a.m. to 4:30 p.m. Eastern Time.

Questions? Contact Anne Finn at (651)281-1263 or afinn@lmc.org.

Registration is now open for Joint Legislative Conference

Registration is now online for the Legislative Conference (Thursday, March 22, 2012 in St. Paul). Don't miss this great opportunity to learn about legislative issues, network with other local officials, and talk to state decision-makers about the legislative priorities of Minnesota local governments! We are returning to a format of breakout sessions allowing you to hear from each associations' legislative staff about issues they are working on at the Capitol. The keynote speakers are Myron Frans, MN Department of Revenue Commissioner, and Governor Mark Dayton (invited). Let us know: What's the best thing about attending the Legislative Conference? What inspired you to register?

Share your comments or questions with Heather Cederholm at (651)281-1256 or hcederholm@lmc.org

Resources

Access the combined schedule for the House and Senate to know what is happening and when. Find out who your representatives are and introduce yourself over the phone or in an e-mail.

If you ever find yourself in St. Paul, take a few minutes to visit your legislators' offices and let their staff members know you are a constituent and a city official. Follow IGR staff and the #lmcleg hashtag on Twitter for the latest on city related legislation.

Don't forget! City officials from member cities can park at the League's lot for free when you visit the Capitol. Please sign in at the front desk. There are printed daily schedules of hearings and maps of the Capitol at the Front Desk. The IGR department is located right behind the desk--stop by and say hello.

You are currently subscribed to legislative as: snasby@windom-mn.com
To unsubscribe send a blank email to leave-202061-26555.93b11c0513adfa6f2b53b35dd3d472bb@listserv.lmc.org



Coalition of Greater Minnesota Cities
CGMC in Brief

February 9, 2012

Contact: Tim Flaherty
651-225-8840

Legislative Action Day

Seventy-two city officials representing 40 Greater Minnesota cities participated in this year's CGMC Legislative Action Day on February 8. Members discussed the legislative priorities of the CGMC:

- Increased funding for LGA
- Opposition to a supermajority constitutional amendment
- Support for the Greater Minnesota Economic Recovery Plan

City officials made appointments with key legislators to share their positions on these issues. Commissioner of Revenue Myron Frans was the featured speaker during lunch, providing insight on the Administration's tax reform efforts. Later in the afternoon, Rep. Marquart and Rep. Runbeck served on a panel discussion on property taxes and local government aid. As always, the Legislative Reception and Dinner at Mancini's was a fun opportunity for socialization and collaboration between state legislators and city officials.

Again, thanks to all who came and advocated for the needs of Greater Minnesota Cities!

CGMC Sends Letter to Greater MN Legislators on Property Tax Proposal

The CGMC analyzed a property tax relief proposal by Rep. Greg Davids and Sen. Julianne Ortman (H.F. 1914/S.F. 1596). Before the bill's hearing in the House Property Tax Division on February 8, the CGMC sent a letter to all Greater Minnesota legislators highlighting a number of objections with the proposal. Some of these points were addressed in an author's amendment at the committee hearing. A copy of this letter is attached to this email.

CGMC Testifies at House Property Tax Division

On the night of February 8, the House Property Tax Division, chaired by Rep. Linda Runbeck (R-Circle Pines) heard House Tax Chair Davids' property tax relief bill (H.F. 1914). The bill provides \$80 million in property tax relief to businesses through an exclusion of the first \$150,000 in value for the statewide business property tax, increases the Homeowner Property Tax Refund Program by \$5 million a year, and provides a one-time \$3.5 million increase to the Targeting program. (The value exclusion under this bill will not create a shift in property taxes similar to the shift created by the homestead market value exclusion because it only applies to the state business property tax portion of the property bill and not to local taxes. The property tax rate applied to the properties under the statewide business tax will remain the same, only less tax dollars will be collected.)



The bill starts a ten year phase-out of the entire statewide business property tax (this tax generates \$1.6 billion to the General Fund for this biennium). It also freezes LGA for every city to the amount it received in their prior year into perpetuity and eliminates the current LGA formula.

CGMC President Alan Oberloh, Mayor of Worthington, testified on behalf of CGMC on the bill. Mayor Oberloh stated that the CGMC supported the bill's effort to relieve business property taxes in Greater Minnesota due to the increases felt by legislative changes last session and that the exclusion on the first \$150,000 for the statewide business property tax is something the CGMC could support. The Mayor also made it clear that the CGMC did not support increasing the Homeowner Property Tax Refund program and that money should be put into LGA. He stated the CGMC's objection to eliminating the LGA formula and the phase-out of the statewide business property tax without a replacement revenue source.

New Handouts on Supermajority

Attached is a handout containing quotes from a Minnesota Taxpayers Association analysis showing that supermajority constitutional amendments do not reduce taxes or spending. This document also provides quotations from a New Hampshire Fiscal Policy Institute report showing that adoption of a supermajority constitutional amendment can downgrade a state's bond rating.

This week, the Minnesota Budget Project released a report showing that property taxes have increased faster in states with supermajority constitutional amendments than those without. The full report can be found here:

<http://bit.ly/xovL1D>

CGMC Adopts Environmental Policy Position

Last week, CGMC Staff Environmental Lobbyist Elizabeth Wefel conducted an informal survey of the CGMC Environment Committee and then the CGMC membership regarding conservation water rates after being questioned about the issue in a Senate Environment Committee. We heard from cities across the state. Some cities expressed neutrality, but many expressed frustration. Reviewing these responses, the committee co-chairs and Ms. Wefel recommended that the CGMC board adopt a policy on this issue. At the February 8 meeting, the Board adopted the following policy which will be incorporated into the CGMC's 2012 Environment and Energy policies:

The CGMC supports protecting the state's water supply. As the main water suppliers in their communities, cities understand the needs of their water users and are best positioned to address water conservation on the local level. The CGMC believes that conservation rate structures should be voluntary, not mandatory.

As a result of this policy, the CGMC will express its affirmative support for legislation seeking to repeal the water conservation rate structure (H.F. 1923 and S.F. 1560). We appreciate all of the comments we received from members on implementing the structure.



If your city has any feedback on the water conservation rate structure or your experience with implementing it, we'd still like to hear from you. Please contact Elizabeth Wefel at eawefel@flaherty-hood.com or 651-259-1924.

Fergus Falls and International Falls Join Economic Partnership Program

The Fergus Falls Economic Improvement Commission and International Falls Economic Development Authority have joined CGMC's Economic Development Partnership Program. The CGMC thanks these groups for their support of our collaborative efforts to promote job growth and investments rural communities! We encourage other member cities, Chambers of Commerce, and EDA's join this partnership

East Grand Forks, Worthington EDC adopt CGMC positions

The City of East Grand Forks has adopted a position in opposition to a supermajority constitutional amendment and in support of increased funding for local government aid.

The Worthington Regional Economic Development Corporation has passed resolutions in support of increased local government aid and the Greater Minnesota Economic Recovery Plan and in opposition to a supermajority constitutional amendment.

The CGMC continues to encourage other member cities and local Chambers to adopt these positions. This is a great way to demonstrate strong support in our lobbying efforts.

Media Round-Up

Editorials against the supermajority and constitutional amendments continue to appear in Greater Minnesota newspapers:

- West Central Tribune: **This idea is a bad one: Just legislate**
<http://bit.ly/yw2riP>
- Crookston Daily Times: **A supermajority amendment or a super-stupid approach?** (Mayor Genereux guest column)
<http://bit.ly/yCKTtA>
- Winona Daily Times: **Reserve amendments for the common good**
<http://bit.ly/xfpxzA>
- Mankato Free Press: **Amend politics, not the constitution**
<http://bit.ly/xlQgVr>



What Financial Experts Say About Supermajority Requirements...

Minnesota Taxpayers Association

At best, supermajorities appear unnecessary. At worst they can severely hamstring the ability of government to modify tax policy in response to demographic conditions, economic realities, and federal changes.

"A 2009 study examining the Revenue impact of supermajority requirements found no statistically significant impacts on the growth in sales taxes, income taxes, total revenue or total revenue per capita."

Megan Jordan. "The Revenue Impact of State Legislative Supermajority Voting Requirements." *Mid-south Political Science Review*, 2009 Vol. 10.

States with supermajority rules "do not tax or spend on general projects different than states without them."

John Bradbury and Joseph Johnson. "Do Supermajority Rules Limit or Enhance Majority Tyranny? Evidence from the United States: 1960-1997"

Researchers conclude state governments have innate political limits within their institutions, processes, and above all, re-election cycles that act just as effectively as a brake on raising taxes.

The New Hampshire Fiscal Policy Institute

In particular, the proposed supermajority requirement would increase the likelihood that the legislature will resort to one-time fixes or accounting gimmicks to address future budget shortfalls.

In downgrading Arizona's bonding rating last year, Moody's Investors Service noted that its assessment reflected, among other factors, "a requirement for a 2/3 majority vote of the state legislature or vote of the people to increase revenue"

Moody's Investor Services, Global Credit Research Press Release "Moody's Downgrades Arizona's Issuer Rating to Aa3 from Aa2" July 15, 2010

Moody's similarly cited Nevada's two-thirds supermajority requirement in lowering its bond rating just last month, observing that it "presents a hurdle to achieve balance on an ongoing basis moving forward."

Moody's Investor Services, Global Credit Research Press Release "Moody's Downgrades State of Nevada's General Obligation Bonds to Aa2 from Aa1," March 24, 2011

A 1999 study found that states "that restrict tax increases or require supermajorities to increase taxes face higher borrowing costs"....and such states are "likely to face borrowing rates more than seventeen basis points higher than those in other states," which is equal to "an extra \$1,750 in interest payments per million dollars of debt issued."

Porteba, James M. and Rueben, Kim S., *Fiscal Rules and State Borrowing Costs: Evidence from California and Other States*, Public Policy Institute of California, 1999 p. vi

Instituting a supermajority seems at best unnecessary and, at worst, harmful to the state's long-term fiscal help.

Sources: Minnesota Taxpayers Association Fiscal Focus, November-December 2011, Vol. XXXVII No. 6; New Hampshire Fiscal Policy Institute "Proposed Supermajority Requirement to Increase Taxes at Odds with Sound Fiscal Policy," March 11, 2011

Prepared by Flaherty & Hood, P.A. for the Coalition of Greater Minnesota Cities, 2/5/12



Dedicated to a Strong Greater Minnesota

February 6, 2012

Dear Greater Minnesota legislator:

Greater Minnesota legislators need to be wary of the proposals relating to property taxes currently under discussion at the Legislature. Property taxes are growing faster in Greater Minnesota and are poised to continue to do so if we do not change course.

Last year's tax bill negatively impacted Greater Minnesota more than the metro area for three reasons:

- 1). The permanent reduction in the local government aid (LGA) allocation to what was paid in 2010 will have long-term consequences as communities strive to provide services at an affordable price. (This cut will hurt Greater Minnesota more, as we receive more LGA because we have a significantly lower tax base than the metropolitan area.)
- 2). The elimination of the Market Value Homestead Credit was detrimental to Greater Minnesota because most of the dollars that actually were being paid out were going to Greater Minnesota communities.
- 3). While the Legislature did put additional money into the Property Tax Refund program (PTR or "circuit breaker"), 73% of this new money went to the metro area, according to a Department of Revenue Analysis.

Other actions taken last year also disadvantaged Greater Minnesota. For instance, where LGA took a permanent reduction, Metro Transit is scheduled to see its General Fund cuts – almost \$26 million/year-restored in FY 2014.

The bottom line is that property tax relief programs that benefit Greater Minnesota got cut, while the Property Tax Refund program that benefits the metro area got an increase. In fact, the PTR has been essentially growing on auto-pilot for the last several years, with many of the new benefits going to higher-income metro residents. This must change.

The first step in helping Greater Minnesota residents, businesses and communities must be an increase in LGA.

Unfortunately, the main proposal currently under consideration ignores this crucial program for Greater Minnesota. H.F. 1914 (Davids)/S.F. 1596 (Ortman) compounds the structural deficit with the phase-out

of the statewide business property tax and puts more money into the PTR for eligible taxpayers at higher income levels. This is the wrong approach and will likely lead to another shift in advantage to metro property taxpayers, especially homeowners.

Also being ignored is the fact that many communities in Greater Minnesota are projected to see a significant decrease in their LGA. Whereas the most recent House Research simulation (dated 1/24/12) projects that communities like Anoka, Elk River, Stillwater, and Circle Pines will receive six figure increases in LGA from 2012 to 2013, communities like Moorhead, Rochester, St. Cloud, Albert Lea, Bemidji, Marshall, New Ulm, Willmar, and Worthington are slated to see six-figure reductions from 2012 to 2013.

Unlike the closed-door, hurried process that finalized the state budget last year, there is time to fix these problems. The first step is to table the discussion of H.F. 1914/S.F. 1596. At the time this letter is being written, no research summary or fiscal analysis of H.F. 1914/S.F. 1596 has been made publicly available, even though the bill is poised for its first hearing on Wednesday, February 8 in the House Property and Local Tax Division. This is not the way to start a transparent public discussion.

Please contact your colleagues on the House Property Tax Division and urge them to take no action on H.F. 1914 on Wednesday night. Encourage the Tax Chairs to work with CGMC by going back to the drawing board to craft a solution that includes LGA and provides help for the entire state.

We are counting on you to help our communities. It is time for Greater Minnesota legislators to take a leadership role in these discussions--we can't count on metro legislators to look out for our interests.

Sincerely,



Alan Oberloh, Mayor of Worthington
President, Coalition of Greater Minnesota Cities

CC: All Greater Minnesota legislators
Governor Mark Dayton
Sen. David Senjem, Senate Majority Leader
Rep. Kurt Zellers, Speaker of the House
Sen. Tom Bakk, Senate Minority Leader
Rep. Paul Thissen, House Minority Leader
Sen. Julianne Ortman, Chair, Senate Tax Committee
Rep. Greg Davids, Chair, House Tax Committee
Rep. Linda Runbeck, Chair, House Property and Local Tax Division

Steve Nasby

From: Cederholm, Heather <hcederholm@lmc.org>
Sent: Friday, February 03, 2012 1:42 PM
To: General legislative
Cc: Directors; AMM
Subject: [legislative] Friday Fax--February 3, 2012

Friday Fax: Issue 2 (Week of January 30-February 3, 2012)

Minnesota House and Senate members are officially on break—from Feb. 2nd through noon on Feb. 8 so that all 201 legislators may attend their precinct caucuses. **Use this time to connect with your legislators about what is going on in your city related to budget concerns, bonding projects, or some of the legislation heating up at the Capitol that is referenced in this Friday Fax and a recent 15 minute advocate.** Not sure who your legislator is? Use this online tool.

The special redistricting panel will make its redistricting announcement on Feb. 21, which will add another level of campaign complexity since some legislators will find themselves campaigning against another sitting legislator or possibly in a completely new district.

Questions? Contact Heather Cederholm at (651) 281-1256 or hcederholm@lmc.org.

Calling all local TIF bills

Cities in need of legislative changes for their individual TIF districts, should work with their local legislators (and their staff) as soon as possible to discuss those topics and have bills introduced. Some cities have already introduced local bills this session in the House and Senate, and having those individual requests out there is always a good teaching tool for legislators on the complexities of these districts, and how the economy has affected them. Usually, each tax committee holds a hearing and brings in a number of these cities at once. Some legislators have indicated a possible interest in special TIF extensions; and others sent a message last year that they were not interested in anymore of the general time extensions that were tacked onto the 2010 Jobs bill.

Questions? Contact Jennifer O'Rourke at (651) 281-1261 or jorourke@lmc.org.

Land for economic development purposes—deadlines approaching?

League lobbyists would like to hear from those cities or EDAs are facing deadlines for holding lands property-exempt. Last year, legislation was brought forward by the City of Brainerd, and supported by the League—that would give cities extra time. The bill called for two years, but ultimately the extension was made for one extra year (from eight to nine). A few cities have contacted the League about pursuing more time on this, but we'll need to hear from cities with examples on what is going on with those lands in industrial parks and other locales to get any real traction on the issue. Some legislators have been extremely critical of municipal involvement in this area at all. Similar to tax increment bills, it is always helpful when cities have their legislators introduce special bills for them, as well. Any related bills on this would amend Minn. Stat 272.02, subd. 39.

Please e-mail Jennifer O'Rourke at jorourke@lmc.org with your example.

Bill calling for amending state constitution to require voter photo ID raises concerns

On Wednesday, Sen. Scott Newman (R-Hutchinson) presented his bill (SF 1577) to the Senate Local Government & Elections Committee proposing to amend the state constitution to require voter photo identification. Local election administrators studying the proposal have focused on several new details that raise serious concerns that the outcome

of elections may be delayed and that eligible voters may not have a reasonable opportunity to have their ballots counted.

The League urges cities to monitor closely the debate over the details of this legislation and encourages local officials to raise concerns with their legislators regarding the impact and likely increased cost for cities to administer a provisional voting process. Use of provisional voting will also delay the canvassing of the result of city, as well as state and federal, elections.

LMC election policy SD-60 cautions against the use of a provisional balloting process that has been proposed by legislators seeking to implement voter photo ID requirements. The process is currently the method that would likely be made available to provide voters without the required voter photo identification to cast a ballot to be counted only if they can provide authorities with valid photo ID within a week following the election.

The LMC/MCFOA (Minnesota Clerks and Finance Officers Association) Elections Task Force has identified the following concerns about the implications for voters and the outcome of the election process based on requirements of SF 1577:

- New limitations or restrictions on the process of Election Day registration;
- Requirements that all voters, even those already registered, would be subject to “identical eligibility verification standards” at the time of voting, raising concerns about how absentee voting would be affected;
- Concern that voters who reside in nursing homes or other residential group facilities may not be able to register.

Questions? Contact Ann Higgins (651) 281-1257 or ahiggins@lmc.org.

Homestead exclusion technical bill introduced

Rep. Greg Davids (R-Preston) introduced HF 2072, a bill developed by the League and the Minnesota Inter-County Association to address a host of technical issues with the implementation of the new homestead market value exclusion.

The 2011 special session law change that eliminated the existing market value homestead credit and replaces it with a new homestead market value exclusion will have additional impacts on cities beyond the general budget and property tax shift impacts highlighted by the League in previous Cities Bulletin articles. Specifically, there are numerous market value-based levy limits and debt limits that will be reduced, for some cities significantly, unless these changes are implemented.

In addition, tax increment financing districts that include owner-occupied housing could experience a reduction in available increment without the corrections in HF 2072, due to the fact that the current year value will reflect the homestead exclusion but the base year value has no corresponding adjustment.

The homestead market value exclusion has been interpreted by the Minnesota Department of Revenue to reduce the “market value” of each city used to compute levy limits for economic development authorities (EDAs), housing and redevelopment authorities (HRAs) and port authorities. In addition, the statutory net debt limit for each city will now be based on the reduced market value after consideration of the homestead market value exclusion.

For some cities, the new homestead exclusion can reduce the city’s market value by more than 20 percent, which would have a corresponding reduction in levy authorities and debt limits. HF 2072 attempts to restore the use of the city’s full “estimated market value” for the calculation of these levy and debt limits. The bill would also reduce housing TIF losses by adjusting the district’s base year value to reflect the homestead exclusion.

We expect a hearing on the bill in the near future.

Questions? Contact Gary N. Carlson at (651) 281-1255 or gcarlson@lmc.org

Levy limit hearing

On Wednesday morning, the Property Tax Division of the House Tax Committee met to consider HF1911, a bill authored by Rep. Greg Davids (R-Preston) that would impose levy limits on all cities and counties and also special taxing districts beginning with taxes payable in 2013.

The levy limit for a city, county or special taxing district would start with the greater of the city's 2011 or its 2012 certified levy, to avoid penalizing a jurisdiction that chose to reduce its levy in 2012. That levy amount would then be increased by 1.9 percent to compute the base 2013 levy limit. For levies payable in 2014 and beyond, the base levy limit will be the computed levy limit in the previous year which will then be increased by 1.9 percent.

The bill allows for an increase in the city's levy above the 1.9 percent limit for increases in a city's debt service on obligations, certificates of indebtedness, capital notes, or other debt instruments sold prior to May 1, 2012, or to make payments on installment purchase contracts or lease purchase agreements entered into before May 1, 2012. The bill also allows for adjustments for jurisdiction consolidations, annexations and transfers of governmental functions from another jurisdiction.

The bill would also require a referendum before incurring any new debt after May 1, 2012 if the obligation would require a levy "first becoming payable in 2013 or thereafter." Specifically, local taxing authorities are prohibited from selling obligations, certificates of indebtedness, capital notes, or other debt instruments nor may it enter into installment purchase contracts or lease purchase agreements if issuing those debt instruments or entering into those contracts would require a levy first becoming payable in 2013 or thereafter, unless approved by the voters at a general or special election held on the first Tuesday after the first Monday in November of any year.

Although the committee ran out of time before all scheduled testifiers, including the League, were able to present their arguments on the bill, several groups did present their concerns, including the president of the Minnesota Institute of Public Finance (MIPF), Jenny Boulton, an attorney with the law firm of Kennedy and Graven who raised a number of technical issues with the referendum provisions in the bill as well as concerns about two of the negative impacts of the levy limits on the general obligation bond pledge of local units of government.

The League's legislative policies (such as FF-17) oppose state-imposed levy limits, and staff will express concerns with the legislation when the committee reconvenes to consider the bill.

Questions? Contact Gary N. Carlson at (651)281-1255 or gcarlson@lmc.org.

Water conservation rate requirements discussed

Committees in the House and Senate held hearings this week on legislation that would repeal the requirement for public water systems outside the metropolitan area that serve more than 1000 people to design rate structures that incent water conservation by January 1, 2013. HF 1923 (Rep. Tim O'Driscoll, R- Sartell) and SF 1560 (Sen. John Pederson, R – St. Cloud) were heard in their respective body's Environment and Natural Resources committees on January 21. The house bill was set aside for inclusion in a future omnibus policy bill. The Senate version was grouped with two other bills and sent to the Jobs and Economic Growth committee as part of SF 1567. A number of city staff and elected officials testified at the hearings and made the case for other ways that water conservation goals are being achieved other than through rate mandates. The Department of Natural Resources continues to oppose the legislation, but discussions with the Department are slated to continue next week.

Questions? Contact Craig Johnson at (651) 281-1259 or cjohnson@lmc.org.

Affiliate nexus bill heard

At the Wednesday hearing of the full House Tax Committee, Rep. Greg Davids (R-Preston) presented his bill that would establish an "affiliate nexus" relationship between out-of-state vendors and Minnesota affiliates that would effectively allow the state to require non-Minnesota on-line and catalog vendors to collect and remit the state sales tax.

Since the 1992 U.S. Supreme Court *Quill v North Dakota* decision, states have been prohibited from compelling retailers that do not have a physical presence in the state from collecting state and local sales taxes. The rapid growth in electronic commerce has heightened concerns among states about erosion in sales tax revenues, and has raised concerns about tax fairness between main street businesses and Internet retailers.

There are currently several pending bills before Congress, including the Main Street Fairness Act (H.R. 2701), the Marketplace Equity Act (H.R. 3179) and the Marketplace Fairness Act (S.1832) but unfortunately, Congress has not yet acted on the Streamlined Sales Tax Project (SSTP). While states wait for Congressional action, at least nine states have adopted the "affiliate nexus" approach to compel collection of sales taxes.

The Davids bill was supported by several small companies, including Creative Kidstuff, but also by Best Buy and Target, who testified that they are at a competitive disadvantage due to the fact that companies like Amazon can offer products without charging the state sales tax. The Minnesota Chamber of Commerce and the Minnesota Business Partnership also testified in support of the bill.

The League has a policy (FF-12) supporting both the affiliate nexus approach as well as Congressional action on legislation such as the Main Street Fairness Act, that would essentially compel all retailers, regardless of location, to collect the sales tax for states like Minnesota that have adopted the nationwide streamlined sales tax system. The League also testified in support of the Davids bill, which was laid over for possible inclusion in the omnibus tax bill.

Questions? Contact Gary N. Carlson at (651) 281-1255 or gcarlson@lmc.org

Public Value Impact Statement bill passes second House committee

Legislation requiring legislators to include a Public Value Impact Statement (PVIS) for bills that would result in new or increased public spending or impose a new or increased financial obligations on a local unit of government passed its second House committee on Tuesday. The bill, HF 673 (Rep. Banaian, R-St. Cloud), would also require bill authors to outline the anticipated costs and benefits to the state of bills that impose additional regulatory burdens on the private sector. Members of the House State Government Finance Committee had a lengthy debate on the merits of the bill, and adopted an amendment offered by Rep. Nora Slawik (DFL-Maplewood). Rep. Slawik's amendment would expand the PVIS requirement to bills that decreased public spending, ensuring that the impact of bills reducing state government spending, such as the recent elimination of the Market Value Homestead Credit, would also be subject to the PVIS requirement. The amendment passed unanimously and the bill was re-referred to the Ways and Means Committee.

While the League of Minnesota Cities does not have a formal position on this legislation, it is consistent with League policies related to mandate relief. The Senate companion to the PVIS bill, SF 1671 (Sen. Chamberlain, R-Lino Lakes), was introduced on Thursday.

Questions? Contact Patrick Hynes at (651) 281-1260 or phynes@lmc.org.

Governor announces Mayors' Advisory Group on LGA as part of his tax reform

On Thursday morning, Revenue Commissioner Myron Frans announced a new LGA advisory group as part of a tax reform effort and introduced a number of mayors who have been appointed. The revenue commissioner has been traveling the state in recent months talking about the need for general reforms to Minnesota's tax system.

Co-chairs of the advisory group are Mayors **R.T. Rybak** (Minneapolis) and **Dave Kleis** (Saint Cloud). Others named are: Mayor **Bruce Ahlgren**, Cloquet; Mayor **Dave Bartholomay**, Circle Pines; Mayor **Beth Baumann**, South Saint Paul;

Mayor **ReNae Bowman**, Crystal; Mayor **Ardell Brede**, Rochester; Mayor **Chris Coleman**, Saint Paul; Mayor **Debbie Goettel**, Richfield; Mayor **Don Ness**, Duluth; Mayor **Joyce Nyhus**, Buffalo Lake; Mayor **Alan Oberloh**, Worthington; Mayor **Marlene Pospeck**, Hoyt Lakes; Mayor **Mary Rossing**, Northfield; and Mayor **Dave Smiglewski**, Granite Falls.

The group is scheduled to start meeting in late February and is slated to work over the next several months in order to have a tax reform package ready to go for the 2013 session. You may remember another LGA Reform Working Group, which was appointed a few years back by the legislature. They continue to meet, and have their next meeting coming up on February 17th. The League has appointments to that group, and will be monitoring the work of both. Stay tuned for more information.

Questions? Contact Jennifer O'Rourke at (651)281-1261 or jorourke@lmc.org

Organized collection bills introduced

One bill was introduced this week to make transitions to reduce mandates and obstacles to cities establishing organized solid waste collection programs That bill is HF 2063 (Rep. Greiling, D – Roseville). Another pair of bills were introduced that would subject cities doing so to inverse condemnation damages for affected garbage haulers. Those bills are SF 1664 (Sen. Ortman, R – Chanhassen) and HF 2084 (Rep.Stensrud, R – Eden Prairie).

The League has a specific policy opposing (SD-23)the inverse condemnation legislation and supportive of allowing organized solid waste collection.

Questions? Contact Craig Johnson at (651) 281-1259 or cjohnson@lmc.org.

League to advocate for extension of transportation design-build law

In 2009, the legislature authorized a pilot project that would allow local units of government to build nine transportation projects using the design-build procurement method before 2012. The measure represented a collaborative effort between the League, the City Engineers Association of Minnesota, the Association of Minnesota Counties, the County Engineers Association, the Associated General Contractors and the Minnesota Department of Transportation (Mn/DOT). While there have been a number of local units of government interested in participating in the pilot, the planning and approval process is slow and, to date, only two projects have been let under the pilot program. Unless the pilot project is extended, it will sunset in October, 2012.

The League is working with other stakeholders on legislation that would extend the design-build pilot until all nine projects are built. The extension of the sunset is being jacketed for introduction and may be introduced as soon as next week.

The pilot program is an outgrowth of a desire by local units of government to deliver construction projects faster and more efficiently. Local officials and some legislators believe the use of design-build contracting might be appropriate under limited circumstances. The pilot program should provide insight to guide future use of design-build.

Design-build is Minnesota Statutes § 161.3410, the section of law that authorizes Mn/DOT to use design-build contracting for a limited number of projects, provides the following definition of design-build:

“Design-build contract’ means a single contract between the Department of Transportation and a design-build company or firm to furnish the architectural or engineering and related design services as well as the labor, material, supplies, equipment, and construction services for the transportation project.”

Questions? Contact Anne Finn at (651) 281-1263 or afinn@lmc.org.

Governor's Task Force on Election Integrity Releases First Report

The Minnesota Office of the Secretary of State, in conjunction with the Governor's Task Force on Election Integrity, delivered the first interim report and initial recommendation to Governor Dayton on Monday, January 30th. View the [news release](#) and the [full report](#) online.

This past June, Thomas Ferber (retired Bloomington City Clerk and current consultant to cities on redistricting on behalf of counties) and Judy Schwartau (Election Specialist in Minneapolis) were appointed by the League to serve on the Election Integrity Task Force. Deb Skogen (City Clerk of Fridley) and Grace Wachlarowicz (Supervisor of Licensing and Elections of White Bear Lake) were appointed as alternates.

The Election Integrity Task Force is charged with studying and making recommendations for modernizing Minnesota's elections, including how to prevent fraudulent and felon voting. The Task Force will make a final report to the Legislature by Jan. 15, 2013. The Task Force consists of 15 members, including city, county, and township representatives.

Questions? Contact Ann Higgins at (651) 281-1257 or ahiggins@lmc.org

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Steve Nasby

From: League of Minnesota Cities <members=lmc.org@mail70.us2.mcsv.net> on behalf of League of Minnesota Cities <members@lmc.org>
Sent: Friday, February 03, 2012 10:30 AM
To: Steve
Subject: ADV: Upcoming Events & Training - Week of February 3

New, monthly heads-up about upcoming events & training opportunities through the League of Minnesota Cities!

Can't see this e-mail?
[View it as a web page.](#)



February Spotlight

Legislative Conference for Cities, Counties, Schools, and Townships

Thursday, March 22—St. Paul

Learn about legislative issues, network with other local officials, and talk to state decision-makers about the legislative priorities of Minnesota local governments.

State Budget Forecast Webinar

Monday, March 5

The February state budget forecast—as well as other legislative issues—will be discussed at this free, live webinar. Stay tuned for more details in the coming weeks!

Minnesota Mayoral Summit

Wednesday, March 21—St. Paul

Are you coming to St. Paul for the Joint Legislative Conference on March 22? Make the most of your time and come a day early to attend the free Minnesota Mayoral Summit—a conversation on out-of-school time and learning beyond the classroom.

Safety & Loss Control Workshops

Monday, March 27-Thursday, April 26 (dates and locations vary)

The most affordable real-world training for city staff is coming to a location near you! Learn how to reduce risk and increase safety for a whole cross-section of municipal employees.

Minnesota Mayors Association Annual Conference

Friday, April 27-Saturday, April 28—Winona

Build the networks and alliances mayors need to be effective and hear the latest on Minnesota's jobs and economic development programs. More information will be available soon. *This event is held by the Minnesota Mayors Association.*

LMC Annual Conference and Marketplace

Wednesday, June 20-Friday, June 22—Duluth

Join your colleagues at this year's Annual Conference and Marketplace to develop ways that Minnesota cities can connect, explore, grow, and guide their way to a brighter future! A sneak peek of this year's agenda is available online now. Registration will open March 5.

Clerks' Orientation Conference

Wednesday, June 20-Friday, June 22—Duluth

If you're a new city clerk, this three-day orientation—offered during the League's Annual Conference—is a must-attend event. You'll learn about council-staff relations, human resources, Open Meeting Law, legal compliance issues, internal controls, financial management, and insurance and loss control basics. Registration will open March 5.

E-Learning Courses

Ongoing

The League's City Learning Point online training program provides city officials and staff with professional development opportunities created specifically for them. Courses include:

- Respectful Workplace
- Human Resources Basics for Managers Series
- Land Use Basics

Webinar Recordings

Ongoing

Did you miss a live webinar but are still interested in learning what information was shared? You can get LMC webinar recordings and slides here—as well as materials and handouts from other recent League events. Recent webinars include:

- In the Driver's Seat: Beating Driver Fatigue
- State Economic Forecast & Other Considerations for Local Budgets
- City Employees & Military Service—What Your City Needs to Know

**** On the first Friday of every month, the League of Minnesota Cities will send you this e-mail highlighting all of our upcoming event and training opportunities.***

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Upcoming Events

REGISTER NOW FOR THESE LEAGUE EVENTS:

- **Legislative Conference for Cities, Counties, Schools, and Townships**

March 22—St. Paul

Read more and register for the Joint Legislative Conference (*Link to:*

<http://www.lmc.org/page/1/legislativeconf12.jsp>)

- **2012 Safety & Loss Control Workshops**

March 27—Bemidji

March 28—Fergus Falls

April 3—Springfield

April 4—Willmar

April 11—Brooklyn Park

April 17—St. Paul

April 19—Biwabik

April 24—Rochester

April 26—St. Cloud

Read more and register for the 2012 Safety & Loss Control Workshops (*Link to:*

<http://www.lmc.org/page/1/2012LCWorkshops.jsp>)

REGISTER NOW FOR THESE EVENTS CO-SPONSORED BY THE LEAGUE:

- **Minnesota Mayoral Summit—March 21, 2012**

March 21—St. Paul

Read more and register for the 2012 Minnesota Mayoral Summit (*Link to:*

<http://www.lmc.org/page/1/MNMayoralSummit12.jsp>)

SAVE THE DATE FOR THESE LEAGUE EVENTS:

- **2012 Annual Conference & Marketplace**

June 20-22—Duluth

Read more about the 2012 Annual Conference (*Link to:* <http://www.lmc.org/page/1/ac2012.jsp>)

Read about events co-sponsored by the League (*Link to:* <http://www.lmc.org/page/1/cosponsored-events.jsp>)

Read about events sponsored by other organizations (*Link to:* <http://www.lmc.org/page/1/other-events.jsp>)

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LMC Annual Conference and Marketplace: Dates & Places

- *June 20-22, 2012—Duluth*
- *June 19-21, 2013—St. Paul*

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CITIES BULLETIN

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Issue 6

February 15, 2012

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City Operations

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Legislation repealing the state's water conservation rate requirement drew testimony and discussion by cities and the Department of Natural Resources. [Read more.](#)

Debate Begins on Legislation Restricting Ability of Cities to License Occupations

The proposed legislation creates a "right to engage in a lawful occupation" and requires governments to regulate occupations in the "least restrictive" way possible. [Read more.](#)

Special TIF Bills Need to be Introduced ASAP

Senate tax staff recently alerted the League that they intend to hold a hearing for all the bills on special tax increment changes before the end of February. [Read more.](#)

State Tax Collections Down for January

Although the report is only a snapshot of the January tax collections, lawmakers are closely watching the state's revenues and expenditures for long-term trends. [Read more.](#)

State Releases Biennial Tax Expenditure Report

The report provides lawmakers with a wealth of information on foregone tax revenues due to tax exemptions, deductions, and preferential tax rates. [Read more.](#)

Fiscal Disparities Study Heard in House Committee

Long-standing program distributes commercial and industrial tax base growth throughout the seven-county metropolitan area. [Read more.](#)

Complete Streets Website Offers Information, Assistance

The new Complete Streets website is designed to document complete streets efforts and provide assistance to communities. [Read more.](#)

More Information and Resources

[2012 Joint Legislative Conference Happens in March: Register Now!](#)

[Don't Miss the Most Affordable Real-World Training for City Staff—LMCIT's Safety & Loss Control Workshops](#)

[Cities Invited to Participate in Federal Summer Jobs Program](#)

[Minnesota Mayors Association Annual Conference, April 2012: Registration Now Open](#)

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Training, Conferences, Events

[Upcoming League Events](#)

[Online Training/E-Learning](#)

Featured Events

2012 Safety & Loss Control Workshops
March–April—Various dates and locations

Legislative Conference for Cities, Counties, Schools, and Townships
March 22—St. Paul

2012 Annual Conference and Marketplace
June 20–22—Duluth

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- [Archive of Previous Issues](#)
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Object Code Mandate Bill Clears First Committee Stop



A new mandate bill that would require cities and counties to use object coding in their budgets passed out of House Government Operations on an 8-6 partisan vote.

The House Government Operations and Elections Committee *(Link to:*

<http://www.house.leg.state.mn.us/comm/committee.asp?comm=87009>) on Feb. 14 passed **HF 1954** *(Link to:*

https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF1954&ssn=0&y=2011) **(Rep. Keith Downey** *(Link to: <http://www.house.leg.state.mn.us/members/members.asp?id=15311>)*, R-Edina), a bill that would require cities and counties to use object coding in their budgets.

The bill, brought forward by the National Association of Industrial and Office Parks (NAIOP) and Minnesota Taxpayers Association, cleared the committee on an 8-6 partisan vote, and was sent on to the House State Government committee—where it is scheduled for a hearing at 8:15 a.m. on Feb. 16.

Local governments oppose the bill

City and county interests testified against HF 1954, citing a number of reasons why the bill does not necessarily provide what the authors and advocates intend—which is more transparency in local government costs. Members of the League's Improving Fiscal Futures Policy Committee might remember the presentation at the August meeting by NAIOP and the Minnesota Taxpayers Association, where the idea was first vetted with cities.

The bill was not amended in its first committee stop. As drafted, the bill requires cities over 2,500 in population and counties to place budget information organized by both function and object code on the local government's website, or in the newspaper. Examples of function include public works, general administration, parks and recreation. Examples of object code include salaries, benefits, supplies, capital costs, and debt service.

The League testified against the bill in its current form, explaining that cities did not have a problem with transparency and they already providing information and data to the public and to the Office of State Auditor in a variety of formats and on topics. However, cities are concerned about this requirement as another unfunded mandate.

On counties' behalf, Keith Carlson of the Minnesota Inter-County Association (MICA) provided great details on the expenses involved for both big and small counties.

Along with the testimony, a letter from the City of Crystal was handed out that explained the difficulties in comparing cities' expenses. In that letter, the finance director explained that the city's fire department shares services with New Hope, and it is difficult to cost-compare that agreement with like-sized cities because there are many factors in play such as how on-call volunteer fire fighters are treated compared to full-time paid fire fighters, and the different equipment needs of individual cities.

Also testifying with concerns about the implementation of the bill was Mark Larson, city

administrator in Glencoe, and Sue Iverson, finance director for Arden Hills. Both explained the efforts they make to provide good information about budgets, expenditures, and revenues to taxpayers—and how many of the traditional formats, such as truth-in-taxation hearings, have worked in the past. Arden Hills' Iverson, having worked in a number of different sized cities, was able to answer many of the questions the committee had about the real-life applicability. Scott County Finance Director Cindy Geis explained how the four-year comparisons outlined in the bill couldn't work for them given their new software upgrades in the past year.

Members of the committee seemed to understand the complexities of local government budgets, and the delicate balance local governments already have in trying to provide enough information to the public without overwhelming them. Ultimately, though, the committee voted to pass the bill out.

Next steps for the bill

Next steps? It's unclear whether this bill will travel on its own or be included in an omnibus bill down the road. After its stop in State Government later this week, it could go on to the full House Taxes Committee for more discussion—or to the floor as a stand-alone bill, or laid over for a state government finance bill.

There are several issues related to the Office of State Auditor (OSA) that will likely be discussed. For instance, the OSA is designated with coming up with the object codes. As far as the cost to locals, League staff have made a request for a local impact note to be prepared on HF 1954—and may be looking to city finance directors and administrators to help Minnesota Management and Budget prepare that.

The idea was included in the **“Reform 2.0” agenda** ([Link to: http://www.lmc.org/page/1/reform2-agenda.jsp](http://www.lmc.org/page/1/reform2-agenda.jsp)) that House Republicans put forward in mid-January along with several other ideas. The Senate version has been introduced by **Sen. Ted Daley** ([Link to: http://www.senate.leg.state.mn.us/members/member_bio.php?mem_id=1181&ls=](http://www.senate.leg.state.mn.us/members/member_bio.php?mem_id=1181&ls=)) (R-Eagan) as **SF 1741** ([Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=Senate&f=SF1741&ssn=0&y=2012](https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=Senate&f=SF1741&ssn=0&y=2012)) and has been referred for its first committee stop in the **Local Government and Elections Committee** ([Link to: http://www.senate.leg.state.mn.us/committees/committee_bio.php?cmte_id=3052&ls=](http://www.senate.leg.state.mn.us/committees/committee_bio.php?cmte_id=3052&ls=)).

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))

Pension Commission Considers Excluding Overtime Pay from Pension Contribution



The League testified that the bill, which would not apply to police and fire plan members, would add more complexity and create expensive, time-consuming administrative burdens.

(Published Feb 15, 2012)

The Legislative Commission on Pensions and Retirement on Feb. 14 considered and laid over a bill that would restrict contributions to statewide retirement plans to the base salary of

employees.

The measure, **HF 2179** (Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?House&f=HF2179&ssn=0&y=2011) (**Rep. Mary Kiffmeyer** (Link to: http://www.house.leg.state.mn.us/members/members.asp?leg_id=15302), R-Big Lake), would amend portions of *Minnesota Statutes*, Chapters 352, 352D, 353, 354, 354A, and 490, by defining “irregular compensation” as overtime pay and non-base pay amounts, and excludes irregular compensation from general employee defined benefit retirement plan coverage. The bill as drafted would not apply to employees participating in statewide police, fire, and corrections retirement plans.

The Legislative Commission on Pensions and Retirement considers and oversees all aspects of pension planning to establish and maintain sound pension policy for all funds. All public pension legislation is reviewed by the commission before action in policy making committees. The commission consists of five members of the Senate and five members of the House of Representatives. Members are appointed at the commencement of each biennium.

Rep. Kiffmeyer indicated the legislation is aimed at keeping contributions to plans more predictable for fund managers and at preventing employees from using overtime to maximize their “high five,” which refers to the employee’s highest five earning years used to calculate pension benefits. She also said the measure would improve fairness by treating employees the same regardless of overtime exemption status.

The League testified that the bill would create expensive and time-consuming administrative burdens, and would add another layer of complexity to an already confusing pension system.

From an informal survey of city and county human resource managers, the League heard a number of concerns about the legislation. Existing payroll systems are not built to separate base pay and overtime pay for purposes of making pension contributions. Adding this feature would be costly and involve training for employees.

Several cities commented that police and fire tend to earn much more overtime than other non-exempt employees; therefore, if HF 2179 is intended as a cost-saving measure to control the “high five,” it should include all non-exempt employees. Finally, the respondents expressed concern about further complicating the pension system.

The bill was laid over for possible inclusion in the omnibus pension bill, which will be assembled in early March.

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

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Gov. Dayton Vetoes Four Bills Related to Tort Reform



The governor scrapped the entire package of Republican tort reform legislation.

(Published Feb 15, 2012)

Gov. Dayton vetoed four litigation reform bills that had the potential to reduce city civil liability.

The bills were introduced in consultation with the Insurance Federation of Minnesota, the Minnesota Chapter of the National Federation of Independent Businesses, and the Minnesota Chamber of Commerce. Republicans in the Legislature pushed the bills in order to improve the business climate, arguing the legislation would create needed jobs.

The bills generally passed on party-line votes, making a veto override attempt possible, but not likely. Gov. Dayton argued in his veto messages that the bills were unnecessary as court filings for injury claims in Minnesota have decreased more than 40 percent since 1997. He also noted that the U.S. Chamber of Commerce ranked Minnesota among the top states for treatment of businesses in the courtroom.

Of most interest to cities were bills that shortened the state's general statute of limitations for filing lawsuits and that changed the manner in which courts award attorney fees.

Reduction of statute of limitations

SF 373 (Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=Senate&f=SF0373&ssn=0&y=2012), authored by **Sen. Julianne Ortman** (Link to: http://www.senate.leg.state.mn.us/members/member_bio.php?leg_id=10802) (R-Chanhassen) and **Rep. Doug Wardlow** (Link to: http://www.house.leg.state.mn.us/members/members.asp?leg_id=15372) (R-Eagan), would have reduced the general statute of limitations from six years to four years for the majority of civil claims. The League's legislative policies support changes to the civil liability statutes, but do not specifically address changes to the statute of limitations.

The League's executive committee considered this legislation and based on the generally positive impact on cities, the executive committee adopted a position supporting the legislation. Gov. Dayton noted that the six-year statute of limitation has been in place since 1841, and was in line with other states.

Attorney fee award modifications

SF 429 (Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=Senate&f=SF0429&ssn=0&y=2012) would have required that a judge consider the reasonableness of the attorney fees sought in relation to the amount of damages awarded to the prevailing party, and the relation between the amount of damages sought and the amount of damages actually awarded. The bill also would have provided a limit on attorney fees awarded in certain cases in which an offer of judgment under the rules of civil procedure is made but rejected.

Gov. Dayton expressed concern that the law would make it difficult for citizens to bring

“important and meritorious claims of small value.”

The League’s legislative policies support changes to state law to place reasonable limits on the amount and circumstances in which statutory attorney fees may be awarded in order to decrease the likelihood of litigation, and encourage settlement.

Other vetoed provisions

The governor also vetoed legislation that would have increased the cap on damages in a conciliation court action from \$7,500 to \$10,000, and the cap for consumer credit actions from \$4,000 to \$5,000. A similar recommendation was rejected by the Minnesota Supreme Court Civil Justice Task Force, which reviews and recommends changes to the Minnesota Rules of Civil Procedure. Similarly, legislation changing the class action lawsuit appeal process, which was earlier rejected by the Task Force, was vetoed by the governor.

The final piece of the vetoed package would have reduced the amount of prejudgment interest awarded to a prevailing party in a lawsuit. The governor argued that current low interest rates did not reflect the true cost of pursuing an expensive lawsuit. He also noted that lowering the interest rate created an incentive to delay payment to injured parties.

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

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Water Conservation Rate Mandate Repeal Moves Forward

Legislation repealing the state’s water conservation rate requirement drew testimony and discussion by cities and the Department of Natural Resources.

(Published Feb 15, 2012)

Legislators have introduced a bill that repeals the requirement for public water suppliers to increase the per-gallon charge if water use rises above a certain level. The requirement, which was enacted in 2008, was intended to promote water conservation.



HF 1923 (Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF1923&ssn=0&y=2011) (**Rep. Tim O'Driscoll** (Link to: http://www.house.leg.state.mn.us/members/members.asp?leg_id=15364), R-Sartell)/ **SF 1560** (Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=Senate&f=SF1560&ssn=0&y=2011&ls=87) (**Sen. John Pederson** (Link to: http://www.senate.leg.state.mn.us/members/member_bio.php?leg_id=15336), R-St. Cloud) were both heard on Jan. 31 in the environment and natural resources committees of their respective bodies. The Senate rolled SF 1560 into another environmental bill, **SF 1567** (Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=Senate&f=SF1567&ssn=0&y=2012), which deals with streamlining environmental permitting and is authored by **Sen. Bill Ingebrigtsen** (Link to: http://www.senate.leg.state.mn.us/members/member_bio.php?leg_id=15239) (R-Alexandria), chair of the **Senate Environment and Natural Resources Committee** (Link to: http://www.senate.leg.state.mn.us/committees/committee_bio.php?cmte_id=1006&ls=87).

The House Environment, Energy and Natural Resources Policy and Finance Committee (Link to: <http://www.house.leg.state.mn.us/comm/committee.asp?comm=87007>) laid over its version of the bill for possible inclusion in an omnibus environmental bill later in the session. City officials from St. Cloud, Sartell, and Waite Park attended these hearings to express their support for repealing the law, explaining that many city utilities are already achieving good water conservation without the new rate structure. The Department of Natural Resources (DNR) opposed the new legislation, but was sympathetic to the situation described by the cities.

Following those hearings, the League coordinated a discussion among DNR staff, public water utility staff, and city staff to look for ways to achieve the goals of cities in a manner that would not draw opposition from the DNR.

The issue was complicated by the fact that half of the cities in the metro area and 49 cities outside the metro area have already changed to using conservation water rate structures. A number of those cities noted that they did not want the requirement completely repealed, as that left them exposed to criticism and a possible need to again change their rate structures, which would undo benefits they had seen from the change.

As a result, new language was developed that allows a city to use water conservation rates or use uniform rates while demonstrating that other water demand reduction efforts are delivering conservation results. It also clarifies that the process is meant to be collaborative between the city and DNR and will be discussed as part of the community's water use plan so that unique city circumstances are addressed.

The language appears to work for cities that have a conservation rate structure and want to keep it, those that want to change either toward or away from such a structure, and those that do not want to adopt a conservation rate structure. It is also acceptable to the DNR, which is a key step in making sure that the administration and the governor do not oppose the legislation.

The compromise language is being finalized and is expected to be inserted to replace the current bill language in both the House and Senate version in the next week.

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

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Debate Begins on Legislation Restricting Ability of Cities to License Occupations



The proposed legislation creates a “right to engage in a lawful occupation” and requires governments to regulate occupations in the “least restrictive” way possible.
(Published Feb 15, 2012)

SF 1629 (Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=Senate&f=SF1629&ssn=0&y=2012) (**Sen. Chris Gerlach** (Link to: http://www.senate.leg.state.mn.us/members/member_bio.php?leg_id=10208), R-Apple Valley) is aimed at reducing the regulation and licensing of occupations in Minnesota by creating a right to engage in a lawful occupation.

The legislation is sponsored in consultation with the Minnesota Chapter of the Institute for Justice, an organization that frequently brings lawsuits challenging the validity of local, state, and federal laws and regulations.

The Senate Commerce and Consumer Protection Committee (Link to:

http://www.senate.leg.state.mn.us/committees/committee_bio.php?cmte_id=1024&ls=), chaired by Sen. Gerlach, heard the bill on Feb. 15 and passed it on to the **Judiciary and Public Safety Committee** (Link to:

http://www.senate.leg.state.mn.us/committees/committee_bio.php?cmte_id=3053&ls=).

Sen. Gerlach criticized excessive licensing of occupations, which can impede entry into the market. As an example, he referred to the licensure of hair braiders—a program that was invalidated after a legal challenge by the Institute for Justice—and the licensure of tree trimmers. The legislation creates a hierarchy of occupational regulations, listed from least restrictive to most restrictive as follows:

- A provision for private civil action to remedy consumer harm.
- A requirement for inspections.
- A requirement for bonding.
- Registration according to terms outlined in the bill.
- Voluntary certification.
- Licensing.

Under the legislation, an individual has the right to engage in a lawful occupation free from substantial burden unless the government demonstrates a compelling interest in protecting

against harm to the public health or safety, and the regulation it imposes is the least restrictive means (according to the hierarchy above) of furthering that interest. A person can bring a court action for injunctive relief against any existing or future occupational regulation that the person claims is a substantial burden on his or her occupation. The government would have to demonstrate by clear and convincing evidence that it has a compelling interest and that the regulation is the least restrictive means of regulation.

The bill significantly changes the long-standing rights of cities to regulate certain occupations, and raises the burden of proof that a city must meet when defending an ordinance against legal challenge. Traditionally, courts do not substitute their judgment for the judgment of local elected officials, and will only invalidate laws that are arbitrary and capricious. The bill would give courts substantial authority to make determinations about the needs of government to regulate occupations.

The League has many concerns with the legislation. In addition to a fundamental objection to infringing on local authority, the language of the bill is broad, and could be interpreted to apply to business or rental licenses, building permits, or land use regulations. League staff have raised these concerns with the bill author, and is working to clarify the language, although the League still opposes the legislation.

The House companion, **HF 2002** ([Link to: https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF2002&ssn=0&y=2011](https://www.revisor.mn.gov/revisor/pages/search_status/status_detail.php?b=House&f=HF2002&ssn=0&y=2011)) (**Rep. Keith Downey** ([Link to: http://www.house.leg.state.mn.us/members/members.asp?leg_id=15311](http://www.house.leg.state.mn.us/members/members.asp?leg_id=15311)), R-Edina), has yet to be scheduled for a hearing.

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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Special TIF Bills Need to be Introduced ASAP

Senate tax staff recently alerted the League that they intend to hold a hearing for all the bills on special tax increment changes before the end of February.

(Published Feb 15, 2012)



Cities or development authorities in search of flexibility on a local tax increment financing (TIF) project should be in contact with their legislators as soon as possible and work on legislation to make that happen.

The Senate Taxes Committee ([Link to: http://www.senate.leg.state.mn.us/committees/committee_bio.php?cmte_id=1019&ls=](http://www.senate.leg.state.mn.us/committees/committee_bio.php?cmte_id=1019&ls=)) plans

to hold a hearing soon, possibly before the end of February to take up those bills. This is similar to years past, when the Tax committees in both bodies have held hearings on those local bills.

In almost all instances, it involves the city working with its local legislator to carry the bill. A handful of cities have already introduced legislation, and the League has heard from a number of cities that have local projects in need of more time on the tax increment flexibilities that were part of the 2010 jobs bill.

While the League and other city groups were successful in getting an extra year tacked on in 2011, they were cautioned not to come back asking for more time in 2012. Individual cities are going to have to do a good job of making their case if they are looking for more time.

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 Tax Collections Down for January

Although the report is only a snapshot of the January tax collections, lawmakers are closely watching the state's revenues and expenditures for long-term trends.

(Published Feb 15, 2012)



State general fund revenues totaled \$1.497 billion in January—\$107 million, or 6.7 percent, less than forecasted in the November, according to the state's January tax collection memo released Feb. 10 by Minnesota Management and Budget (MMB).

Net individual income tax receipts (after tax refunds already issued) in January were \$112.5 million less than forecast while sales tax receipts were \$12.5 million above projections. The table below summarizes the January state tax collections.

State Receipts for January 2012 (\$ in millions)

Type of Tax	Estimated	Actual	Variance (\$)	Variance (%)
Individual Income Tax	\$995.7	\$883.2	-\$112.5	-11.3%
Sales Tax	\$452.5	\$465.0	+\$12.5	+2.8%
Corporate Income Tax	\$24.4	\$24.7	+\$0.3	+1.2%
Other Revenue	\$132.2	\$124.5	-\$7.7	-5.8%
Total	\$1,604.8	\$1,497.4	-\$107.4	-6.7%

The 6.7 percent reduction in state tax collections appears somewhat alarming, especially given the economic warnings contained in the November state budget forecast. However, when the January collection downturn is considered in the context of the revenue collections for the first seven months of the state's biennium (July 2011 through January 2012), the state has collected \$45.5 million less than forecast—only slightly below the levels forecasted in the November state budget forecast.

In addition, the MMB warns that the results summarized in the January memo are preliminary and subject to revision. Also, the monthly revenue variances may reflect differences in the timing of receipts or the payment of refunds rather than an actual structural reduction in revenues.

More than half of the \$112.5 million shortfall in net income tax receipts in January is due to higher than projected income tax refund payments already issued in January. Typically, tax filings and associated tax refunds do not begin to substantially increase until February. The MMB indicates that the size of the January refund variance by itself likely has little relation to final tax year 2011 liability and, therefore, subsequent monthly collections reports may show higher monthly net income tax collections .

The updated state budget forecast, which the state plans to release on Feb. 29, will analyze both revenues and state expenditures for the remainder of the current 2012-2013 biennium. That forecast will become the foundation for any budget adjustments that the governor and Legislature may pursue for the balance of the 2012 legislative session.

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

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State Releases Biennial Tax Expenditure Report

The report provides lawmakers with a wealth of information on foregone tax revenues due to tax exemptions, deductions, and preferential tax rates.

(Published Feb 15, 2012)



Department of Revenue Commissioner Myron Frans and Tax Research Division Director Paul Wilson last week presented the *State of Minnesota Tax Expenditure Budget: Fiscal Years 2012 to 2015* to the House and Senate Taxes committees.

The tax expenditure report is the 13th update of the biennial report, which is due by Feb. 1 of each even-numbered year. The report periodically refines estimates of taxes foregone due to various state tax exemptions, deductions, credits, and preferential tax rates, and now covers 307 separately identified provisions in Minnesota's tax code, including tax expenditures in the areas of the individual income tax, corporate franchise tax, estate tax, the general sales and use tax, motor vehicle sales tax, property tax, and a host of other state taxes.

These provisions are referred to as tax expenditures because they can be similar to direct state spending programs in that they are structured to achieve public policy goals, such as funding; encouraging specified activities; or providing financial assistance to persons, businesses, or groups in particular situations. Examples include the exemption of food and clothing from the Minnesota sales tax, the home mortgage interest deduction, the child care credit, and the income tax exemption on local government bonds.

Although tax expenditures can be similar to direct expenditure programs, the Legislature frequently does not review whether tax expenditures are achieving the intended goal, whether the tax expenditure could be redesigned to achieve the goal in a more cost-effective manner, whether a direct expenditure program would achieve the goal in a more cost-effective manner, or whether the tax expenditure should be expanded, modified, or repealed.

In addition, the tax expenditure report can be used to identify ways to reform the tax system. For example, if the goal of tax reform were to simplify Minnesota taxes, the tax expenditure budget can assist legislators in determining how to broaden a tax base and simultaneously adjust the tax rates to meet the goals of reform.

This year's report includes several new features, including the growing tax expenditure related to digital goods, many of which are currently not subject to sales tax in the state of Minnesota. The report also includes an expanded section providing information on the property tax system, including tables showing the impact of the state's property classification system and the new homestead market value exclusion.

View the Tax Expenditures Budget report (pdf) *(Link to:*

http://taxes.state.mn.us/legal_policy/Documents/2012_tax_expenditure_links.pdf)

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

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Fiscal Disparities Study Heard in



House Committee

Long-standing program distributes commercial and industrial tax base growth throughout the seven-county metropolitan area.

(Published Feb 15, 2012)

The Property Tax Division of the House Taxes Committee received a presentation on Feb. 15 about a legislatively mandated study of the Metropolitan Tax Base Sharing program, also known as the fiscal disparities program.

The fiscal disparities program essentially requires each local unit of government to contribute an amount equal to 40 percent of the jurisdiction's commercial and industrial tax base growth since 1971 to a tax base pool that is then redistributed back to each jurisdiction inversely based on its relative share of equalized (for differences in local assessment practices) market value per capita. In other words, a city with more market value per capita than the metro average would receive a lower per capita distribution while a city with less market value per capita would receive a higher per capita distribution.

The tax base is converted into property taxes for each jurisdiction by applying the jurisdiction's prior year tax rate to the distributed value. This "distribution levy" reduces the city's certified levy before the local tax rates are computed.

The report was mandated by the 2010 Legislature and includes information and analysis on growth trends in the Twin Cities metro region, fiscal and economic conditions in the region, basics of the fiscal disparities program, the potential "overburden" on jurisdictions from different types of land uses, and major policy considerations for the program.

The report was conducted by TischlerBise, a Bethesda, Md., based economic analysis firm that specializes in local government research and analysis across the country. Preparation of the report was assisted by the Minnesota Department of Revenue and the House of Representatives Research Department.

The report reviews the structure of the current program as well as the goals of the original program, which included orderly urban development by reducing the impact of fiscal considerations on the location of businesses and residential growth. The report indicates that the program has also been viewed as a method to encourage the entire seven-county metro area to work together for the growth of the entire area and also as a tool to assist communities at different stages of development, including initial development of a city as well as later redevelopment stages.

The report also looks at growth trends in the seven-county metropolitan area as well as a variety of fiscal and economic indicators and overburden factors that can impact local jurisdictions.

Much of the committee discussion surrounded the analysis of the impacts of eliminating the program. The report provides an analysis of the resulting changes in average local tax rates if the program were to be eliminated. That analysis indicates that average total tax rates would rise in

Anoka, Carver, Dakota, Ramsey, Scott, and Washington counties while the average total local rate would decline in Hennepin County, which is the largest contributing county.

The report will likely result in future legislative proposals to change aspects of the current system, such as eliminating the 1971 base year, reducing the 40 percent commercial/industrial contribution percentage or redefining the distribution formula, expansion of the program beyond the seven-county metro area or allowing certain regional properties with higher local costs to be excluded from the program.

Access the full text of the fiscal disparities report (*Link to: <http://taxes.state.mn.us/property/Pages/fiscal-disparities-study.aspx>*)

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

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Complete Streets Website Offers Information, Assistance

The new Complete Streets website is designed to document complete streets efforts and provide assistance to communities.

(Published Feb 15, 2012)

If you'd like to learn more about implementing "complete streets" concepts in your city, check out the new Complete Streets website. The Minnesota Department of Transportation (MnDOT) worked with transportation partners and stakeholders to help develop the new website.

Complete streets are roadways that are designed and operated to be safe and accessible for pedestrians, transit riders, bicyclists, and drivers—all users, regardless of age or ability.

Minnesota's Complete Streets law (**Chapter 351 of 2010 Session Law** (*Link to:*

<https://www.revisor.mn.gov/laws/?id=351&doctype=Chapter&year=2010&type=0>) went into effect in 2010. The law allows, but does not require, state and local transportation projects to incorporate complete street concepts.

MnDOT now has a website to show some of the work that has been done and to give guidance to communities interested in learning more about incorporating complete streets concepts. The newly released **2012 Complete Streets Legislative Report** (*Link to:*

<http://www.dot.state.mn.us/planning/completestreets/2012report.html>) documents recent efforts and is available on the website.



So far, more than 25 Minnesota communities have passed or adopted complete streets policies, resolutions, or ordinances.

Visit the Complete Streets website (*Link to: <http://www.dot.state.mn.us/planning/completestreets/>*)

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

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Cities Invited to Participate in Federal Summer Jobs Program

As part of a new program called Summer Jobs+ 2012, the Obama administration is asking local and state governments, private businesses, and nonprofits to consider ways to provide youth with paid summer jobs, internships, and job shadowing experiences. These types of experiences will help young people develop a range of skills they can use to connect to the world of work.

Secretary of Labor Hilda Solis said Summer Jobs+ is part of the administration's efforts to put people back to work. The program is specifically designed to help provide low-income youth with summer jobs. The initiative is especially timely this year, as the federal government no longer funds a summer jobs program due to cuts to the Workforce Investment Act, Solis said.

Cities can be a great resource for young people who are interested in summer jobs and career exploration. For example, the City of St. Paul's Parks and Recreation Department currently operates the Youth Job Corps program, which aims to find summer employment for youth in various industries throughout the city.

Learn more about the St. Paul Youth Job Corps (*Link to: <http://www.stpaul.gov/index.aspx?NID=2928>*)

The goals of Obama's Summer Jobs+ program are to help increase the number of young people who obtain summer jobs, and decrease substantially the overall unemployment rate.

Learn more and sign up to participate in Summer Jobs+ 2012 (*Link to: <http://www.dol.gov/summerjobs/Employers.htm>*)

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

MESERB CURRENT

Minnesota Signs Onto Agricultural Water Quality MOU

MESERB staff attended EPA Administrator Lisa Jackson's conversation with University of Minnesota Water Resources Center Co-Director Deborah Swackhamer on January 17. The same day, Administrator Jackson and U.S. Department of Agriculture Secretary Tom Vilsack signed a Memorandum of Understanding with Governor Dayton. Quoting from the Governor's press release:

"The MOU ... is the first step toward implementation of the Minnesota Ag Water Quality Certification Program. The initiative will be designed to accelerate progress toward water quality goals while also giving Minnesota farmers greater regulatory and cost stability. Participating farmers will be prioritized for cost-share funding from federal and state agencies reducing the uncertainty of their operating environment.

"... Program details will be developed cooperatively in the months ahead among state and federal regulatory agencies, the partners will establish a Technical Advisory Committee to develop the certification program. The concept is that farmers who implement and maintain approved conservation plans will be assured that their operations meet water quality goals and standards. So long as the participating farmers meet program obligations, they will not be required to implement additional water-quality practices for the duration of their agreements."

A copy of the MOU is attached electronically. This MOU has caused great concern among municipal groups, as the development of the pilot program contemplated by this MOU will in effect exempt farmers from TMDL requirements for years, further intensifying the focus on regulated point sources. MESERB staff will watch the progress of pilot development closely and will seek participation in any stakeholder group that is formed.

January 2012

The MESERB Current is a newsletter for the Minnesota Environmental Science & Economic Review Board (MESERB).

ABBREVIATIONS:

CGMC: Coalition of Greater Minnesota Cities
EPA: U.S. Environmental Protection Agency
MCSC: Minnesota Cities Stormwater Coalition
MDH: Minnesota Department of Health
MN-ELAP: Minnesota Environmental Lab Accreditation Program
MOU: Memorandum of Understanding
MPCA: Minnesota Pollution Control Agency
MS4: Municipal Separate Storm Sewer System
RFP: Request for Proposals
SONAR: Statement of Need and Reasonableness
TALUs: Tiered Aquatic Life Uses
TMDL: Total Maximum Daily Load

Questions?

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Draft 2012 Impaired Waters List Update

The meetings on the draft 2012 303(d) impaired waters list, which were announced in the December 2011 edition of the *Current*, have now been completed. MESERB staff attended the January 12 meeting at MPCA headquarters in St. Paul.

The information shared by MPCA staff focused less on the draft list itself, and more on how the draft 2012 list and future lists will be compiled. Among other changes, MPCA intends to draw on the wealth of data being provided by the 10-year rotating watershed monitoring program as well as local monitoring efforts to base impairment determinations on multiple lines of evidence.

The focus will shift more to overall water conditions at a watershed level, and the 303(d) list will become an output of protection efforts rather than a driver. A 303(d) listing will not always result in a full-blown TMDL: sometimes it may result in an effort to identify the stressor causing the impairment. Where listings are based on turbidity, low dissolved oxygen, or fish tissue impairments, the MPCA will tend to defer to TALUs to more specifically identify a watershed's needs and how to protect them.

MPCA also called attention to two particularly useful resources: the MPCA's Environmental Data Access (EDA) page and the Impaired Waters Viewer (IWAV). Both can be accessed from the "Current Issues" page on meserb.org. Also on this page is a link to the draft 303(d) list and Guidance Manual, which will be available for public comment until February 27.

Environmental Laboratories Update

Staff received no responses to our November 2011 call for a volunteer to replace Scott Gilbertson as MESERB's representative on the MN-ELAP Advisory Committee. Scott's term expired December 31, 2011.

MESERB staff heard no news on the development of updated policies to assist with the alternative accreditation process provided under Minn. Laws Ch. 9, Art. 2, Secs. 15 – 18. Inquiries to MPCA and MDH staff revealed that MPCA is discussing internally whether to take over the accreditation program from MDH, at least as it relates to small municipal laboratories. No firm decisions on how to proceed have yet been made.

In the spring of 2011, several MESERB members responded to the CGMC's call for comments on what is problematic and unworkable in the 2003 NELAC standard. The wealth of useful comments received was compiled and made anonymous so as not to identify any particular city. These comments had somehow not filtered through to the particular state agency staff MESERB contacted, so on January 13 these were forwarded to both the MPCA and MDH staff contacts for review and discussion.

Operator Certification Rulemaking

In the January 23 edition of the *Minnesota State Register*, the MPCA and MDH issued a dual notice of their intent to amend Minnesota Rules Pt. 9400.1500, relating to conditional certificates. The proposed amendment spells out in more detail the requirements and duration of a conditional certificate, and under what conditions it remains valid. The SONAR indicates that MPCA intends to relieve some of the regulatory burden that is making it difficult for cities to retain adequately certified staff. Members are encouraged to notify MESERB staff if comments on behalf of the group are warranted. The draft amendment and SONAR are attached electronically. Comments relating to wastewater certification may be directed to Yolanda Letnes at 651-757-2527 or yolanda.letnes@state.mn.us. Comments are due Friday, February 24.

Integrating Wastewater, Stormwater Plans

In the January 11 edition of the *Federal Register*, the EPA announced a series of workshops to discuss the concept of integrated municipal wastewater and stormwater management plans. Materials on the EPA webpage suggest that this would be an option cities could use to balance the sometimes conflicting demands of wastewater and stormwater management in a systematic manner. The closest workshop will take place on February 17 at the Region 5 headquarters in Chicago. At this time, teleconferencing and/or videoconferencing options are not available. A link to the EPA's webpage for this topic may be found on meserb.org both on the "Current Issues" page and the February 17 calendar item.

Stormwater News

The Minnesota Senate's Committee on Environment and Natural Resources took testimony from new Senate Majority Leader Dave Senjem (R – Rochester) and representatives from several local government groups on January 5. The MS4 permit dispute was summarized in the August 2011 edition of the Current. The relatively short Senate committee conversation covered the regulated public's ongoing concerns with the draft MS4 permit up for reissuance, but MPCA was commended for coming to the table and attempting to work through the permit's issues with stakeholders.

Other stormwater news is not as promising. Members may recall our Fall Meeting discussion about the South Metro Mississippi turbidity TMDL and the suspended solids effluent limits that will affect about 25 members. We did not discuss MS4 stormwater sediment reductions, which are projected to affect about 215 MS4s, 155 of them municipalities and at least 16 of those MESERB cities. MS4 sediment reductions are estimated to cost roughly \$834 million. It is not yet known when this TMDL report will be placed on public notice.

MESERB staff recently learned that the Minnesota River turbidity TMDL will be placed on public notice in the next two to three weeks. The draft of the TMDL report available on the TMDL's webpage has one paragraph, buried on page 194 of the report, estimating stormwater runoff control costs of approximately \$948 million. This cost would likely be spread among ten MS4s in the Minnesota River Basin (see Table 4.1 on page 22 of the report), seven of them MESERB members. Links to both TMDL pages are provided on the "Current Issues" page on meserb.org.

MESERB generally does not work on stormwater issues, but members should be aware that the MCSC is sounding the alarm about these upcoming reports and MESERB may be approached with one or more requests for assistance. Member input on how staff should respond to these requests would be appreciated.

MESERB Recruitment/Retention Update

Since the December 2011 edition of the Current, MESERB has contacted the following recruits about membership:

- City of Wabasha (permit notice expires 02/10)
- City of Madison (permit notice expires 02/17)

If members have been contacting cities or businesses about joining MESERB and would like to inform other members through the Current, please contact Steve Nyhus.

Local Government Groups Meet with MPCA on Rulemaking Practices

MESERB members and staff together with representatives from other municipal groups met with MPCA staff on January 27 to discuss the MPCA's general rulemaking practices. Dave Richfield was recently appointed to oversee rulemaking across the Agency's various divisions and focus on public needs. Michelle Beeman serves as MPCA's assistant commissioner for enforcement and legal policy.

MESERB representatives advocated for 1) a more consistent approach to the distribution of "pre-notice" draft rules and permits; 2) better communication among standards, TMDL and permitting staff; 3) more comprehensive data on the cost impacts of proposed regulations; 4) less reliance on large-group stakeholder meetings except where a specific proposal is on the table for consideration; and 5) shining light on the efforts of some groups to "lobby" EPA Region 5 on issues of concern. The municipal groups also called attention to the aforementioned alarming developments in stormwater and the agricultural clean water MOU.

MPCA staff seemed appreciative of the municipal groups' input and indicated that our concerns mirrored those expressed by other sectors. It remains to be seen what changes will result from these discussions, but staff recommend that MESERB provide written follow-up to the Agency.