

Council Meeting
Tuesday, June 5, 2012
City Council Chambers
7:30 p.m.
AGENDA



Call to Order
Pledge of Allegiance

1. Approval of Minutes
 - Council Minutes–May 14 & 15, 2012
2. Consent Agenda
 - Minutes
 - Park and Recreation Commission – May 14, 2012
 - Street Committee – May 15, 2012
 - Telecommunication Commission – May 15 & 22, 2012
 - Utility Commission – May 23, 2012
 - Community Center Commission – May 29, 2012
 - License Applications
 - Amplification Permit – First United Methodist Church
 - Exempt Gambling Permit – Windom Youth Hockey Association
 - Correspondence
 - Don Kalash – Board of Review – Real Estate Tax
 - Department of Employment and Economic Development - 2012 TED Grant
3. Public Hearing – Establishment Of Tax Increment Financing District No. 1-16
4. Department Heads
5. Coalition of Greater Minnesota Cities Presentation
6. LMCIT Annual Insurance Renewal – Ken Hoffman
7. Seal Coating Change Order – 10th Street between 3rd and 4th Avenues
8. Alley Closure Request – June 19th – Alley between 8 & 9th Streets
9. Park & Recreation Commission Recommendation
10. Fire Department Donation – Krueger Family Fund
11. Local Loop – Agreement for Radio Equipment Installation
12. Airport Commission Recommendation
13. General Obligation Refunding Bonds, Series 2012A
 - Post – Issuance Debt Compliance Policy
 - Post – Issuance Debt Compliance Procedures



14. Personnel Items
 - Hiring Recommendations (Seasonal & Part-time)
 - Personnel Committee Recommendations
15. New Business
16. Old Business
17. Regular Bills
18. Contractor Payment
 - Wastewater Treatment Improvement - Robert L. Carr Co. - \$55,404.00
19. Council Concerns
20. Adjourn

**Special Council Meeting
Windom City Hall, Council Chamber
May 14, 2012
4:30 p.m.**

1. Call to Order: The Board of Review meeting was called to order by Mayor Kruse at 4:30 p.m.

2. Roll Call: Mayor: Kirby Kruse

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

Council Members Absent: Dominic Jones

City Staff Present: Steve Nasby, City Administrator and Brigitte Olson, Assistant City Administrator

County Assessors Office: Gayle Bondhus, County Assessor; Lisa Will, County Assessor's Office and Allen Coners, County Assessor's Office

3. Pledge of Allegiance

4. 2012 Board of Review:

Kruse said that the Board of Review process is established for property owners to request a review of the valuation of their properties for tax purposes. The County Assessor's Office performs this function for the City and they are present to provide information and answer questions. He also noted that members of the public need to sign in.

Gayle Bondhus, County Assessor's Office, provided an overview of the process for persons requesting revisions to the property valuations. She said that the valuations are based on sales data from the prior year (October 1, 2010 to September 30, 2011). There were 43 residential sales and five commercial sales that were eligible to be used in calculating the valuation data. The sales to valuation ratio on the residential sales were 94.4%. As such she had to give a small raise to valuations on the residential properties, but larger changes could be due to new construction, improvements or other significant factors that would change the value. The five commercial sales had a ratio of 92.9%, however, taxes on commercial/industrial and apartments went up significantly due to the State actions on the Homestead Market Value Exclusion that shifted taxes away from residential. The Homestead Market Value Exclusion cost Windom about \$33 million in taxable values so this is why the shift in tax burden was so high. Bondhus also noted that the State of Minnesota is pushing assessors to have average tax valuations at 100% of value, which is at the higher end of the 90-105% range they are allowed.

Kruse opened the floor to any members of the public that wanted to discuss the valuation of their properties.

Parcel #25-820-1370 – Don Kalash

Don Kalash noted that the value on the property was \$9,000 and he had purchased it for \$5,000 as a house to tear down and leave as a lot. The house was “trashed” and not livable. He requested that the value be dropped to be comparable to the property next door that he owns that is valued at \$4,800.

Parcel #25-820-1390 – Don Kalash

Don Kalash noted that the value on this property is \$4,800 and this property has a small garage so it is comparable to the 25-820-1370 property.

Parcel #25-791-0170 – Gary Vanderwerf

Vanderwerf said that this property was purchased for \$76,000 and the taxable value is \$110,000. It was purchased on June 8, 2011. This was a foreclosure sale and there is only one bedroom.

Parcel #25-165-0020 – Gary Vanderwerf

Vanderwerf said that this house was built on piers and does not have a basement. There are issues with the flooring. The unit is rented, but there is tenant damage. The tax valuation is \$138,000 and he is asking that it be changed to \$75,000 to \$90,000. August 7, 2007 was the last inspection and it is due for re-inspection by the assessor in 2012.

Kruse asked for any other public comments or anyone wanting to address the City Council. None were presented.

Kruse said the Council will now discuss the parcels in the order they were presented.

Lisa Will, Assistant County Assessor said that parcel 25-820-1370 was purchased for \$5,000 and there were previous sales records of \$15,000 and \$9,000. She showed two comparable properties that were used to set the tax valuation.

Powers asked what the value was on the property next door with the garage. Will said \$4,800.

Motion by Powers, second by Ray, to set the value on Parcel #25-820-1370 at \$9,000 which is the recommendation of the County Assessor’s Office. Motion carried 3 – 0 (Jones and Maricle absent).

Will said that parcel 25-791-0170 was inspected and adjustments were made to lower the value from over \$120,000 to \$110,400. There are two conforming bedrooms in the basement so the house does have a total of three.

Bondhus said this was a foreclosure so as a “distressed sale” it does not count for the valuation calculations. Nasby asked if this was a State rule and Bondhus confirmed that was correct.

Motion by Ray, second by Fossing, to set the value on Parcel #25-791-0170 at \$110,400 which is the recommendation of the County Assessor's Office. Motion carried 3 – 0 (Jones and Maricle absent).

Will said that parcel 25-165-0020 was not inspected but is due in 2012. The drop in valuation she had already made for the property was due to overall market conditions and not specific to that property.

Motion by Powers, second by Ray, to set the value on Parcel #25-791-0170 at \$138,000 which is the recommendation of the County Assessor's Office. Motion carried 3 – 0 (Jones and Maricle absent).

Doug Stemm said he had a question to ask about the valuation on his property which is parcel 25-677-0040. Kruse invited Stemm to address the Council and County Assessor.

Maricle arrives (5:00 pm)

Stemm said his property at Des Moines Drive was valued at \$157,400 this year and that the Homestead Market Value Exclusion dropped that tax value to \$134,300; however, his property was much higher than some of his neighbors and one property he checked on was valued at \$79,000.

Will said the property was inspected on October 13, 2011 and the valuation was dropped about \$2,000 due to the effective age of the property and the overall market increase was not applied. The neighboring property valued at \$79,000 is 1,221 square feet in size and Mr. Stemm's property is 2,100 square feet in size, which is why the tax value difference.

Mr. Stemm thanked the Council for the opportunity and for answering his question.

Motion by Fossing, second by Powers, to set the value on Parcel #25-677-0040 at \$157,400 which is the recommendation of the County Assessor's Office. Motion carried 4 – 0 (Jones absent).

Bondhus said that the total valuation in Windom was \$202,087,500. There is \$2.9 million in ag land, \$154.4 million of residential, \$37.6 million of commercial and \$7.1 million of apartments.

Bondhus said that there will be Market Value training at the Cottonwood Law Enforcement Center coming up on September 5, 2012 and she encouraged the City Council members to attend. Additional information will be provided for inclusion in the City Council packets at a later date. Brad Powers' certification expires in November 2013 and JoAnn Ray's expires in November 2014.

Motion by Powers, second by Fossing, to accept the balance of all the assessment valuations for the City of Windom. Motion carried 4 – 0 (Jones absent).

5. Adjourn Board of Review:

Motion by Powers, second by Fossing, to adjourn the 2012 Board of Review. Motion carried 4 – 0 (Jones absent).

Kruse recessed the Special City Council meeting.

Kruse reconvened the Special City Council meeting at 5:55 p.m.

6. Finalist Interviews – Finance Director\Controller Position:

Kruse noted that there were two candidates recommended by the Personnel Committee to be finalists for the Council's consideration. The two applicants were Chelsie Carlson and Morey Schaefer. Both candidates were interviewed.

Upon conclusion of the interviews the Council discussed the merits of both applicants and complimented the quality of the finalists.

Motion by Maricle second by Ray to offer the position of Finance Director\Controller to Chelsie Carlson. Motion carried 4 – 0 (Jones absent).

Kruse asked the City Council for their suggestions on guidelines for the employment offer. After discussion the consensus of the Council was to provide a cap on the salary offer, but let the City Administrator negotiate the offer. Nasby said he would contact Carlson and have the employment offer completed for action at the May 15, 2012 City Council meeting.

7. Adjournment

Kruse adjourned the meeting by unanimous consent at 6:50 p.m.

Kirby Kruse, Mayor

Attest: _____
Steve Nasby, City Administrator

**Regular Council Meeting
Windom City Hall, Council Chamber
May 15, 2012
7:30 p.m.**

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

2. Roll Call: Mayor: Kirby Kruse

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

Council Members Absent: JoAnn Ray

City Staff Present: Steve Nasby, City Administrator; Bruce Caldwell,
Streets & Parks Superintendent; Al Baloun,
Recreation Director and Terry Glidden, Telecom

3. Pledge of Allegiance

4. Approval of Minutes:

Motion by Powers second by Fossing, to approve the City Council minutes from May 1, 2012. Motion carried 4 – 0 (Ray absent).

5. Consent Agenda:

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

- Tree Committee – May 2, 2012
- Library Board – May 8, 2012
- Planning Commission – May 8, 2012

Kruse said there was an application for an Amplification Permits from the Windom Area Chamber of Commerce for Riverfest on June 9, 2012 and several for the Phat Pheasant for June 8, June 9, July 28, July 29, August 24 and August 25, 2012.

Correspondence was also received from the Plum Creek Library regarding the inter-agency agreement.

Motion by Maricle second by Fossing, to approve the Consent Calendar as presented. Motion carried 4 – 0 (Ray absent).

6. Department Heads:

Bruce Caldwell, Streets & Parks Superintendent, said that 42 trees were planted throughout the community as part of the Tree Committee's project with the Cottonwood County Soil and Water Conservation District (SWCD). He thanked the Tree Committee and Dave Bucklin from the SWCD for all of their help. A group of teens from the Youth Corps did the planting. He urged citizens with new trees by their homes to water the trees and help care for them by leaving on the plastic sleeves until the tree out grows them. Also, three trees were donated by the Windom Lions Club that were planted by the new rock riffles at Island Park.

7. 2012 Emergency Medical Service Week Proclamation:

Kruse thanked the EMTS for all of their dedication and hard work. He recognized them as attending the meeting and said there is a certificate of appreciation for them.

The Council members congratulated the Windom EMTs for their service and dedication.

Council member Powers introduced the Resolution No. 2012-28, entitled "CITY OF WINDOM 2012 EMS WEEK PROCLAMATION" and moved its adoption. The resolution was seconded by Fossing and on roll call vote: Aye: Maricle, Powers, Fossing and Jones. Nay: None. Absent: Ray. Resolution passed 4 – 0.

Tim Hacker, Ambulance Director, noted the statics of service from the prior year and thanked the EMT crew for their service to the community.

8. Public Comments:

Kelsey Carlson introduced herself as the new Windom Area Chamber of Commerce President. She noted that Riverfest is coming up soon and thanked the City Council for their support and the City staff for their help with this annual event.

Frank Dorpinghaus discussed provisions of the National Defense Resources Preparedness legislation and the extensive powers granted to federal agencies, which impede on citizen's individual rights. The Federal Bank is not a government agency but a conglomeration of large banks and the recent \$2 billion loss by JP Morgan with derivative investments is only a small symptom of a larger, potentially catastrophic bank collapse worldwide.

9. Consider Proposals and Award Sale of GO Refunding Bonds, Series 2012A

Rebecca Kurtz, Ehlers & Associates, introduced herself. Kurtz reviewed the Preliminary Official Statement, Standard & Poors Rating documentation and Ehlers' Bond Sale Report. The City of Windom received an A+ rating with stable outlook, which is favorable for a city of Windom's size and the report recognizes the efforts the City Council and staff have made to strengthen the City's financial position.

The bond sale is for \$1.64 million which will re-fund a 2005 and 2007 bond issue. The interest rate for the new bond will be lower and provide an interest savings. Four bids were received and the lowest bid was from UMB Bank with a True Interest Cost (TIC) of 1.6364%. This rate will translate into a savings of \$101,191 for the City of Windom.

Council member Maricle introduced the Resolution No. 2012-29, entitled “RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF \$1,640,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012A AND AWARDDING THE SALE THEREOF” and moved its adoption. The resolution was seconded by Jones and on roll call vote: Aye: Powers, Fossing, Jones and Maricle. Nay: None. Absent: Ray. Resolution passed 4 – 0.

Kurtz discussed the IRS requirements for post issuance policies and procedures. Nasby noted a proposed agreement for services with Ehlers & Associates for the provision of these services.

Motion by Fossing seconded by Powers to approve the agreement between Ehlers & Associates and the City of Windom for Post-Issuance Debt Compliance Policies and Procedures. Motion carried 4 – 0 (Ray absent).

10. Award 2012 Seal Coating Bid:

Dennis Johnson, Wenck & Associates and Caldwell introduced themselves. Johnson reviewed the seal coat project and streets included for the 2012 project. He said four bids were received and all were under the engineer’s estimate of \$47,542. The apparent low bid was from Asphalt Surface Technologies for \$39,510.

Jones asked if there were additional streets that may be added to the 2012 project as the cost came in under the estimate. Caldwell said they had not identified any additional streets at this time as the combination of the project cost and engineering fees would just about use up the whole budgeted amount.

Motion by Powers seconded by Jones to award the 2012 Seal Coat Project bid to Asphalt Surface Technologies for \$39,510. Motion carried 4 – 0 (Ray absent).

Jones asked how this bid compared to last year’s bids. Johnson said they were about 13% less than last year.

Powers asked when the project would be done. Caldwell said he wanted it started after July 1 to allow time for patch work to be completed by his staff. The project bid has an August 31 completion date.

Kruse asked that the project date be publicized, when known, so the public is aware of the project. Caldwell said he would have a project schedule on the web site and media would be alerted.

Preliminary

Jones asked if any of the streets have a concrete base with an asphalt overlay. Caldwell said that there may be just a little on 10th Street.

11. Acceptance of Remick Grant - Signs:

Nasby said this grant is for the “welcome” signs and some directional signs. The EDA Director was at the last meeting and had reviewed the project with the Council. The EDA Board, on May 14, had meet and recommended approval of the Remick grant.

Powers asked about the matching funds. Nasby said that the EDA had discussed the possibility of putting in \$15,000 from their special projects fund and the EDA Director was going to solicit donations for the other \$15,000 that is needed to match the \$30,000 grant for the “welcome” signs.

Council member Maricle introduced the Resolution No. 2012-30, entitled “RESOLUTION AUTHORIZING ACCEPTANCE OF THE ROBERT AND HELEN REMICK CHARITABLE FOUNDATION TRUST GRANTS” and moved its adoption. The resolution was seconded by Fossing and on roll call vote: Aye: Fossing, Jones, Maricle and Powers. Nay: None. Absent: Ray. Resolution passed 4 – 0.

12. Windom Area Schools – Picnic Table Request:

Nasby said there was a letter in the Council packet and a hand out from the school district. The request is for the Council to waive the \$5\table non-profit fee for use of the picnic tables for Community Pride Day.

Caldwell said that the Park & Recreation Commission had discussed and recommended that the City Council uphold the use policy.

Jones said he wants to continue to move ahead with the partnerships the City has started with the schools and would vote to waive the fee.

Motion by Jones seconded by Maricle to waive the \$5\table fee for picnic table use for the Windom Area School district for the 2012 Community Pride Day event. Motion carried 4 – 0 (Ray absent).

Caldwell said he recognizes the value the City is getting by having the school conduct the event and all of the work the students do to clean up the community.

Maricle asked who is hauling the tables. Caldwell said the school is doing the hauling.

13. Hiring Recommendations (seasonal and part-time employees):

Kruse said there is a list of the seasonal and part-time employees for various departments in the Council packet and noted two additions for the Liquor Store.

Preliminary

Motion by Jones seconded by Fossing to approve the list of hires for seasonal and part-time employees as presented. Motion carried 4 – 0 (Ray absent).

14. New Business:

Nasby said that the terms of the employment offer had been completed with Chelsie Carlson for the Finance Director\Controllor position. This offer sheet was handed out at this meeting and conformed to the guidelines the Council had discussed on May 14, 2012.

Motion by Maricle seconded by Jones to approve the employment offer as presented. Motion carried 4 – 0 (Ray absent).

15. Unfinished Business:

None.

16. Regular Bills:

Motion by Powers seconded by Maricle, to approve the regular bills. Motion carried 4 – 0 (Ray absent).

17. Council Concerns:

None.

18. Capital Improvement Planning Workshop Reminder:

Kruse said the Council set dates for the Capital Planning workshop as May 22, 2012 and May 29, 2012 with the meetings starting at 6:00 p.m.

19. Adjourn:

Kruse adjourned the meeting by unanimous consent. Meeting adjourned at 8:10 pm

Kirby Kruse, Mayor

Attest: _____
Steve Nasby, City Administrator

**PARK AND RECREATION COMMISSION MEETING
MINUTES MAY 14, 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, & Sherri Zimmerman
Commission Absent:	Kay Clark & Jeff LaCanne
City Staff Present:	Recreation Director Al Baloun & Park Superintendent Bruce Caldwell
Council Liaisons:	Corey Maricle & JoAnn Ray absent
Public:	Don Jackson Windom Baseball Association Representative

3. Approve Agenda

Motion by Blanshan, seconded by Zimmerman to approve

Motion Carried Unanimous

4. Approve Minutes April 9, 2012 Park & Recreation Commission Meeting

Motion by Blanshan, seconded by Zimmerman

Motion Carried Unanimous

6. Windom Baseball Association: Don Jackson – the Island Park Baseball Association summer youth program was discussed. Jackson requested the usage of the two small ball fields during the summer for their program. Jackson said they would take care of all infield maintenance using their own equipment and labor if the commission would agree that the fees would be waived. This was done in 2011 with no problems.

Motion by Zimmerman, seconded by Blanshan to permit the Windom Baseball Association to use both the small fields at Island Park for their summer program and the fee for the usage will be waived as long as they do all the field prep work using their own equipment, personnel or labor and materials at no cost to the city.

Motion Carried Unanimous

7. Park Superintendent Bruce Caldwell Report:

a. Eagle Booster Club Request to build and install new batting cage in the WRA. They desire to purchase and construct a new batting cage to be installed between Eagle & Qwest Fields. The cage will have metal type hoop frames with cloth netting. Once the cage is installed the City Of Windom would take ownership. Size of the cage is approximately 59 feet long by 18 feet wide and 12 feet tall. The Booster Club requests permission to purchase and install at no cost to the city for this batting cage. Caldwell said according to Paul Vesey, Windom Varsity Softball Coach the park department will be responsible for the usage and scheduling.

If the Booster Club receives enough funding they would also like to buy a storage building that would be placed between Eagle and Qwest Fields as well.

The commission said they would approve the request for the batting cage as long as there aren't any costs or labor to the city for the initial construction. They also desire a representative of the Booster Club come to the June 11, 2012 meeting and discuss the long term maintenance of the batting cage and the proposal for a new storage shed at the WRA.

b. Soccer Field Usage; in the last several weeks the soccer field at the WRA has received damage to grassy areas due to heavy usage.

The large metal soccer goals have received damage also because the users are moving them around so they're on the grass and not dirt. When they moved the large goals they

bent the metal frames and damaged the nets. Caldwell said he talked to one of the business men in town who has been working with the adult soccer players concerning our problems.

The commission said we need to talk to someone from the adult soccer users group and discuss if they are actually holding league type games on our field and if so they must contact the Park Director to set up a usage schedule and establish a fee for the usage same any other adult leagues throughout the park recreation system.

Caldwell said his staff put nets on the smaller goals as requested by the soccer tournament director for Riverfest.

- c. Chemical Weed Spraying WRA – Today one of the city employees accidentally sprayed kill all weed chemical on parts of the ball fields. The staff person was instructed to spray the fence lines but they didn't check to make sure the boom rails were off but unfortunately they were left on. Therefore several areas were sprayed with the kill all chemical. In a couple weeks we will have to assess the dead areas of grass then till up the dirt and replant.
- d. Picnic Table Usage Windom School Caldwell said there has been a request to the City Council from the school to use all of the aluminum tables for the Community Pride Day event at a reduced rate or free. Caldwell said there has been some misunderstanding about that request earlier as he didn't know what the tables were going to be used for. During the event the school kids go through all the parks and clean up any debris and garbage. This year they are moving the rally to the downtown square, previously it has been held at the school.
The Commission stated that they desire the city follows the picnic table policy but the final decision is up to the council if fees are waived.

8. Recreation Director's Report- Al Baloun

- a. Pool Update – as of this date the city has not hired a pool manager so Baloun stated he will have two of the head lifeguards and himself manage the pool this year. The two head lifeguards will get a higher hourly pay rate as determined at an earlier meeting with Steve Nasby, City Administrator and Baloun. By going with this structure the city will have a small cost savings. One of these managers will need to be present when the pool is open. Spring maintenance will begin shortly and the pool is scheduled to open on June 4th and run through August 15th. Splash Bash is scheduled for July 21st.
- b. Recreation – the annual fundraiser cookout at the WRA will be held on July 17th. Baloun said Abby Hayenga will assist him with the baseball coordinator duties this year. There will be around seven coaching assistants helping out with the recreation program.
- c. Registration Night Report – Tykes T-Ball, pre-school 20 kids signed up, Kindergarten T-Ball 21 kids, Coach pitch/T-Ball 53 kids, 30/60 baseball league 3-4 graders 28 kids to make up two teams. Baloun said the surrounding town including Windom will total 5 teams for the program. 30/60 5-6 graders 22 kids.
Hershey's Track there was only 8 kids registered so in the next week we will need at least two to four more kids to register otherwise the program will not be held in Windom due to the costs to run it.

9. Open Mike: none

Meeting Adjourned at 6:35 p.m.

Next Park & Recreation Commission Meeting June 11, 2012 in the Council Chambers

STREET COMMITTEE

MEETING MINUTES MAY 15, 2012

Call to Order: The meeting was called to order at 6:35 P.M. in the Council Chambers

Members Attending: Committee Member Brad Powers attending & JoAnn Ray absent

City Staff Present: City Administrator Steve Nasby & Street Superintendent Bruce Caldwell

Public: Wenck Engineering Representative Dennis Johnson

1. 2012 Seal Coat Project Bids the members reviewed the bids for the project. A total of four companies submitted bids and they ranged from a high of \$43,198.00 down to the low bid of \$39,510.00 note not including 8% engineering fees to Wenck.
Recommendation from committee is to accept the bid from Asphalt Surface Technologies for the amount of \$39,510.00 for the 2012 seal coat project.
2. Street Shop Remodel Project Warranty Item; we have had a couple areas where the foam insulation on the ceiling let go. Johnson had notified the contractor "Everstrong Construction" concerning the problem and on this date the sub-contractor that installed the material came and inspected those spots. The contractor stated they will make the necessary repairs.
The committee said they wanted a signed agreement that the contractor will give the city an extension on the warranty to cover any more areas that may show up in the next couple years. Johnson said he would get something together and report back.
3. County Project on 6th Street and also River Road; the project was reviewed with Johnson and he said the contractor shouldn't start the project before Riverfest. Signage will be going up for the closures and detours shortly.
4. Storm Sewer Problems 5th Avenue & 12th Street; Caldwell said the storm sewer main just south of this location is broken and the staff will make the repairs following Riverfest. The area will need to be excavated and repaired by our staff.
5. South Prospect Avenue Complaint; a property owner complained about the status of the curb in front of his residence. The street and curb were installed three years ago and the warranty period is done. Johnson will take a look and see if we can do any corrective measures.
6. 18th Avenue Storm Water Main Repair; Caldwell said he will have his staff build a new gate and install it prior to the winter at the north end of the main. This device will aid on the amount of water that can flow into the main during heavy water events. The device will be operated manually by the department staff.
7. Meeting adjourned at 6:10 p.m.

Telecommunication Commission Minutes
May 15th, 2012

1. Call to Order:

2. Roll Call:

Commission Members Present: Wendell Woodcock, Virgil Meier

Commission Members Absent: Dominic Jones, Corey Maricle, Forrest Fosheim

City Staff Present: Dan Olsen, Steve Nasby

Public Present: None

Quorum not met, meeting will be rescheduled

Telecommunication Commission Minutes
May 22nd, 2012

1. Call to Order:

Wendell Woodcock called the minute to order at 11:34am

2. Roll Call:

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

Commission Members Absent: Dominic Jones, Corey Maricle

City Staff Present: Dan Olsen, Londa Fosheim

Public Present: None

3. After Hours Repair Services:

Olsen stated that after 5 pm the Windomnet phones are forwarded to the on call Tech at Windomnet. Golden West Phone Support would take over these calls and trouble shoot remotely with customers unless they can't resolve the issue then the Golden West Phone Support team would call our Techs to help.

There would be a \$375.00 one time start up fee for both Windomnet and SMBS.

There is a charge of \$1.25 a minute.

Golden West Phone Support would have a monthly minimum fee of \$200.00 per month.

Windomnet and SMBS both pay more for our on call techs overtime now.

Olsen stated that Windomnet/SMBS will see a monthly report from Golden West Phone Support.

Olsen state that is would take a little bit to get set up and ready to go. There is a 6 month minimum to use Golden West Phone Support.

Motion was made to accept Golden West Phone Support for 6 months then review. Motion made by Virgil, 2nd by Forrest. All in Favor.

4. SMBS – City of Windom Shared Manager’s Agreement:

Olsen presented a memo that he had taken to the Personnel Committee at the beginning of May, 2012. The manager’s agreement with SMBS – City of Windom is coming due the end of June, 2012.

Olsen stated that there are a few changes from last year. Vehicle insurance coverage, Compensation for additional work unforeseen in the last contract, lack of qualified personal for SMBS due to inexperience in the Telecom field.

Olsen stated that he would still share his time 50/50 with Windomnet & SMBS.

**Motion made to approve the contract to go before the City Council.
Motion made by Wendell, 2nd by Virgil. All in Favor.**

5. SMBS Update:

Olsen stated that SMBS is going 100 miles an hour. SMBS has been very busy since Jan 1st with installs.

SMBS will be hitting the install of 1000 ONT’s soon, sometime in the Bingham Lake area. A small celebration is being planned when the 1000 ONT is installed.

Olsen stated there was an issue with tv reception in Round Lake and that has now been remedied.

SMBS and Windomnet are working back and forth helping each other to get things done.

Olsen stated that 70% of Jackson has fiber buried. Olsen stated that Jackson has 73% of the town signed up for services.

SMBS / Windomnet have done over 450 phone installs alone in the last month or so.

6. Manager’s Report:

Olsen stated that SDN would like 4 fibers from Jackson to Windom. SDN is continuing to do more business with Windomnet.

Olsen stated that Windomnet is working on the Off Air channels problems.

Olsen stated that Windomnet needs more help and by adding an entry level installer that would free up Jeremy and Terry to work on some ongoing problems and do some upgrades.

**A motion was made to go to the personnel committee with installer position.
Motion made by Virgil, 2nd by Wendell. All in favor.**

7. Commissioner's Comments & Concerns:

Wendell asked about adding more HD channels to the lineup. Windomnet will look into it.

8. Adjourn:

Wendell adjourned the meeting at 12:43pm.

UTILITY COMMISSION MINUTES
City Hall, Council Chamber
May 23, 2012

Call Meeting to Order: The Utility Commission meeting was called to order at 10:00 a.m., on May 23, 2012 in the City Hall Council Chamber.

Members Present: Utility Commission Chairperson: Mike Schwalbach

Members Present: Tom Riordan and Glen Francis

Member Absent: None

City Council Liaison: Dominic Jones, Absent

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

Staff Absent: None

Others Present: Aaron Backman, EDA Executive Director

APPROVE MINUTES

Motion by Riordan, seconded by Francis, to approve the April 25, 2012, Utility Commission minutes as presented. Motion carried 3-0.

WATER / WASTEWATER ITEMS

Todd Bloch Sewer Discussion –Haugen said that Bloch has begun the process to have the 120' x 120' lot that is closest to the previous addition to the City of Windom in the Sykora Addition. The lot description is as follows:

Part of the South half of the Southwest quarter of section 24, Township 105 north, Range 36 West in Great Bend Township, Cottonwood County, Minnesota, described as follows:

Beginning at the most easterly corner of Lot 1, Block one of Sykora addition as filed and recorded at the recorder's office of Cottonwood County, Minnesota; Thence South 44 Degrees 27 minutes 13 seconds west, assumed bearing, along the southeasterly line of said Lot 1, Block one, a distance of 132.55 feet, to the most southerly corner of said Lot 1, Block one; thence continuing south 44 degrees 27 minutes 13 seconds west a distance of 75.65 feet, to the center line of U.S. Highway number 71, as exists; thence southeasterly along a non-tangent curve, concave to the southwest with a radius of 1909.86 feet, a central angle of 03 degrees 37 minutes 11 seconds, a chord bearing of south 51 degrees 24 minutes 01 seconds east and a chord distance of 120.64 feet and along said centerline; thence north 44 degrees 00 minutes 18 seconds

east a distance of 215.93 feet; thence north 55 degrees 09 minutes 13 seconds west a distance of 120.00 feet, to the point of beginning. The tract contains 0.58 acres and is subject to existing highway easement and other easements of record. If any.

Haugen also said that Zieske Land Surveying surveyed the property. Haugen also informed the Utility Commission the Bloch knows that he cannot share the sewer main with any of the other properties that he owns that are not with in the City of Windom. Schwabach also said that staff should notify Bloch that he needs to maintain an easement for this service, and not run it through other potential lots.

Preliminary Landfill Test Results – Haugen said that the levels of vinyl chloride detected in MW-5A during the winter 2011 sampling event was 2.0 ug/l and the spring 2012 sampling event was 2.4 ug/l which exceeds the 1.0 ug/l action threshold. Haugen said that his recommendation was to begin the aeration process on June 1, 2012 until the fall sampling event in October 2012. Schwabach asked staff to provide a chart comparison of static water levels with the Vinyl Chloride Concentrations and pumping schedule. Schwabach thought there may be a correlation with this information.

Motion by Riordan, seconded by Francis, to begin the aeration process at the landfill site on June 1, 2012 and pump until the next sampling event by November 1, 2012. Motion carried 3-0.

Water Tower Discussion – Haugen said that he received a thirty (30) day extension for the water tower painting project. This discussion will be held at the June 27, 2012 meeting when results of the paint tests are received from Utility Service.

PM Windom Discussion – Haugen inform the Utility Commission that representatives from PM Windom will be at the next meeting to discussion possible expansion.

Red Rock Rural Water – Haugen said that a discussion will take place with Red Rock Rural Water and the City of Windom regarding the water main that is owned by Red Rock Rural Water on Highway 71 by the North Industrial Park Site, and the possibility of Red Rock Rural Water purchasing more water from the City of Windom.

Toxicity Testing Results – Haugen said that the Wastewater Treatment Facility has failed the toxicity test for the effluent. The result of the toxic effluent is to the reproduction and survival of the Ceriodaphnia dubia. Haugen said that he is waiting for further instructions from the engineers for the review to possible causes to the problem. Haugen indicated that possible causes could be the salty discharge and Total Dissolved Solids (TDS). Further discussion on toxicity testing will take place at the June 27, 2012 meeting.

ELECTRIC ITEMS

Future Power Supply Discussion – Grunig discussed the future needs of the City of Windom's power. Grunig said that a representative from Central Minnesota Municipal Power Agency (CMMPA) will attend the next Utility Commission meeting with additional information.

New Electric Transmission Project - Grunig informed the Utility Commission of the possible transmission lines expansion project. Grunig also said that the future increases in transmission will be an issue for power facilities.

Financing Cost for the Brookings CapX Project – Grunig said that the attorneys and Bonding companies have done their due diligence with the interview process. The bond ratings given CMMPA for this project is an “A-“, with a Moody’s Rating of “A3”. This bond will be amortized over 30 years at a rate of slightly below 4%.

REGULAR BILLS

Motion by Riordan, seconded by Francis, to approve payment of the bills to the following vendors: Wenck Associates for \$6,553.03 and \$2,082.92 and to Bolton & Menck, Inc. for \$5,000 and \$9,734.99. Motion carried 3-0.

NEW BUSINESS

The next meeting date for the Utility Commission was set for June 27, 2012 at 10:00 a.m.

LocaLoop Inc. – Nasby said that there is a letter of agreement for Radio Equipment Installation on city owned facilities in their packets. The Utility Commission reviewed this agreement and requested that several issues be added to the agreement. These items are as follows:

- Liability
- Insurance
- Or cause contaminants to the City’s drinking water
- Clarification that service is included with the three (3) modems

Nasby said that the completed document will be reviewed by the City Attorney and approved by City Council. Schwalbach requested that the number of modems match to the number of services provided.

Motion by Riordan, seconded by Francis, to move forward with the agreement between LocaLoop Inc., and the City of Windom upon approval of the City Attorney of the “Letter Agreement for Radio Equipment Installation on City owned facilities”. Motion carried 3-0.

EDA Update – Backman updated the Windom Utility Commission on the possible sale of the Towlerton property, and requested consensus from the Commission on their interest in the loaning dollars for the property to EDA should they become engaged in a purchase.

General consensus by the Utility Commission was that they were interested in assisting the EDA

Backman said that the EDA has received a Transportation Economic Development (TED) Grant, in the amount of \$544,960 and a State of Minnesota, Greater MN Business Development Public Infrastructure (BDPI) Grant in the amount of \$549,540. The TED Grant is a 50% match for

Highway 71 improvements, 410th Street Water and Sewer Improvements. The BDPI Grant is 100% match. The total Grant funds to the City of Windom is \$1,094,500 with a match of \$842,980. Backman said that the EDA will be looking for other funding to help cover the match funding from the City.

The next meeting date was set for June 27, 2012.

Mike Haugen left the meeting at 11:45 a.m.

OLD BUSINESS

Commission discussed the staffing issue.

The meeting was adjourned by unanimous consent at 1:45 p.m.

Mike Schwalbach, Chairperson

Attest: _____
Steve Nasby, City Administrator

Community Center Commission Minutes
Tuesday May 29, 2012

1. Call to Order: The meeting was called to order by President Wayne Maras at 5:37 p.m.

2. Roll Call: President: Wayne Maras
CC Director: Brad Bussa
Commission Members: Linda Stuckenbroker
Kelly Woizeschke-Absent
Hilary Mathis
Tom Cowan
Commission Liaisons: Corey Maricle-Absent
Bruce Caldwell-Absent
Jo Ann Ray-Absent
EDA Director: Aaron Backman – Absent
Public:

3. Approval of Minutes:

Motion by Linda Stuckenbroker, seconded by Hilary Mathis to approve the March 26, 2012 Community Center Commission Minutes. Motion carried 3-0

4. Additions to the agenda:

Under President's Report add Swearing in of Tom Cowan to Commission

5. Correspondence: Looks Good-All 5's on both weddings

6. President's Report:

- a. Swearing in of New Member-Tom Cowan was sworn in to the Commission
- b. President Maras mentioned an issue with Senior Key, Director Bussa looking into an alternate lock

7. Director's Report:

- a. Rental Items- Tablecloths and napkins for events, **Motion by Linda Stuckenbroker, seconded by Wayne Maras to contact a company to offer tablecloths and napkins as rental items from WCC. Motion carried 4-0.**
- b. Staffing-Director Bussa informed Commission he had received a letter of resignation from one of his staff. After long discussion Commission said they deliver the strongest of recommendation to send Director Bussa to Personnel. President Wayne Maras to draft letter of recommendation to present to Personnel Committee. **Motion by Tom Cowan seconded by Linda Stuckenbroker to recommend to Personnel Committee that Administrative Assistant go from part time status to full time. Motion carried 4-0**

c. Capital Improvement Plan- Commission looked through plan and saw what needs repair

9. Resource Management:

Schedule of Events: lots of weddings booked

Income & Expense: looks good and are on track

10. Miscellaneous:

Nothing to Report

11. Open Forum:

Nothing to report

12. Next Meeting:

Monday June 25, 2012 @ 5:30 pm

Adjourn:

Motion by Hilary Mathis, seconded by Linda Stuckenbroker, to adjourn the meeting at 7:00 pm. Motion carried 4-0.

Wayne Maras, WCC President

Hilary Mathis, WCC Secretary

Attest: _____
Brad Bussa, WCC Director

Denise Nichols

From: Tricia Syverson <tnt@windomnet.com>
Sent: Wednesday, May 30, 2012 4:38 PM
To: denise@windom-mn.com; wineda@windom-mn.com
Subject: Permit Application for use of Amplification Equipment in Public

Date of Event

08/10/2012

Location of Event

United Methodist Church, Windom, MN

Start Time

06:00 pm

End Time

10:00 pm

Type of Event

Outdoor Concert

Applicant Information

Applicant Name

Tricia Syverson

Address

630 Olson Avenue
Windom, Minnesota 56101
United States
[Map It](#)

Phone

(507)831-5310

Email

tnt@windomnet.com

License Fee - None \$0.00

Street/Park Superintendent Recommends

Approval Denial



Street/Park Superintendent

Application APPROVED this _____ day of _____, 20____.

Application DISAPPROVED this _____ day of _____, 20____.

Police Chief Recommends

Approval Denial



Police Chief

City Council

Paid
5/30/12
\$25.00
#83063
CK1105

LG220 Application for Exempt Permit

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

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

ORGANIZATION INFORMATION

Organization name Windom Youth Hockey Assoc		Previous gambling permit number 00998-004	
Minnesota tax ID number, if any		Federal employer ID number, if any	
Type of nonprofit organization. Check one. <input type="checkbox"/> Fraternal <input type="checkbox"/> Religious <input type="checkbox"/> Veterans <input checked="" type="checkbox"/> Other nonprofit organization			
Mailing address PO Box 41	City Windom	State MN	Zip Code 56101
Name of chief executive officer (CEO) Jenny Hedquist		Daytime phone number 507-822-1678	Email address hedquist@mvtvwireless.com

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

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

Nonprofit Articles of Incorporation OR a current Certificate of Good Standing .
 Don't have a copy? This certificate must be obtained each year from:
 Secretary of State, Business Services Div., 180 State Office Building, St. Paul, MN 55155
 Phone: 651-296-2803

IRS income tax exemption [501(c)] letter in your organization's name.
 Don't have a copy? To obtain a copy of your federal income tax exempt letter, have an organization officer contact the IRS at 877-829-5500.

IRS - Affiliate of national, statewide, or international parent nonprofit organization (charter)
 If your organization falls under a parent organization, attach copies of both of the following:
 a. IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling, and
 b. the charter or letter from your parent organization recognizing your organization as a subordinate.

GAMBLING PREMISES INFORMATION

Name of premises where the gambling event will be conducted. For raffles, list the site where the drawing will take place.
Phat Pheasant Pub

Address (do not use PO box) 2370 Hwy 60 E	City or township Windom	Zip Code 56101	County Cottonwood
---	-----------------------------------	--------------------------	-----------------------------

Date(s) of activity (for raffles, indicate the date of the drawing)
August 25, 2012

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

* **Gambling equipment** for pull-tabs, bingo paper, tipboards, and paddlewheels must be obtained from a distributor licensed by the Gambling Control Board. EXCEPTION: Bingo hard cards and bingo number selection devices may be borrowed from another organization authorized to conduct bingo.

To find a licensed distributor, go to www.gcb.state.mn.us and click on List of Licensed Distributors, or call 651-639-4000.

LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT

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

___ The application is acknowledged with no waiting period.

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

___ The application is denied.

Print city name _____

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

Title _____ Date _____

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

___ The application is acknowledged with no waiting period.

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

___ The application is denied.

Print county name _____

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

Title _____ Date _____

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

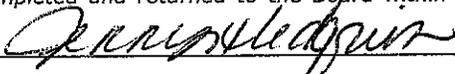
Print township name _____

Signature of township official acknowledging application _____

Title _____ Date _____

CHIEF EXECUTIVE OFFICER'S SIGNATURE

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

Chief executive officer's signature  Date 5/29/12

Complete a separate application for each gambling event:

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

Send application with:

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

Make check payable to "State of Minnesota."

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

Financial report and recordkeeping required

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

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

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

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

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

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

MONDAY
21 MAY 2012

CITY COUNCIL
C/O CITY OF WINDOM
444-9TH STREET
WINDOM, MN 56101

SUBJECT: BOARD OF REVIEW – REAL ESTATE TAX

DEAR MEMBERS:

RECEIVED NOTICE TODAY CONCERNING THE VALUE OF STRUCTURES AT
1113-5TH AVENUE (PARCEL #25-820-1370).

WAS DISAPPOINTED THAT NO REDUCTION IN VALUE WAS GIVEN ON THIS
PROPERTY. TO ARRIVE AT THAT DECISION WITHOUT PHYSICALLY
VIEWING THE PROPERTY DOES NOT GIVE CREDIT TO THE REAL ESTATE
TAX SYSTEM. HAD THIS BOARD ACTUALLY VIEWED THIS PROPERTY, YOU
WOULD PROBABLY HAVE AGREED WITH ME THAT THIS PROPERTY IS
UNINHABITABLE.

SINCERELY,

A handwritten signature in black ink, appearing to read "Don Kalash", written over a large, stylized circular scribble.

DON KALASH
45426 COUNTY ROAD 13
WINDOM, MN 56101-3205
PH: 831-4931

CC:
BONDHUS, GALE
FOSSING, KELSEY
JONES, DOMINIC
KRUSE, KIRBY
MARICLE, CORY
POWERS, BRAD
RAY, JOANN

May 18, 2012

Mr. Steve Nasby, City Administrator
City of Windom
P.O. Box 38
Windom, MN 56101

RE: 2012 Transportation Economic Development Program Grant Awards

Dear Mr. Nasby:

The Minnesota Department of Transportation (Mn/DOT) and the Minnesota Department of Employment and Economic Development (DEED) have recently completed the review of 29 applications submitted for potential funding from the Transportation Economic Development Program (TED).

The North Windom Industrial Park Project has been selected to receive the following grant(s):

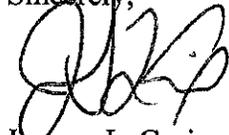
- \$549,540 from DEED bonding designated for the Greater Minnesota Business Development Public Infrastructure Program
- \$544,960 from Mn/DOT for state trunk highways

You will need to take steps to confirm project readiness. DEED and Mn/DOT will be providing you further direction in the near future on what steps need to be taken to confirm readiness. Those steps will include documenting that all sources of financing are committed and all necessary permits and approvals have been granted.

Congratulations on your selection for funding! We look forward to assisting you with completion of your transportation improvements leading to economic development.

If you have any questions feel free to contact me at 651-259-7457 or at jeremy.lacroix@state.mn.us.

Sincerely,



Jeremy LaCroix
State Program Administrative Coordinator

Business and Community Development Division

1st National Bank Building ■ 332 Minnesota Street, Suite E200 ■ Saint Paul, MN 55101-1351 USA ■ www.positivelyminnesota.com

Toll Free: 800-657-3858 ■ Phone: 651-259-7114 ■ Fax: 651-296-5287 ■ TTY/TDD: 651-282-5909



City of Windom Staff Report

To: Mayor and Windom City Council
From: Aaron Backman, EDA Executive Director
Date: June 1, 2012
Council Meeting Date: June 5, 2012
Item Title/Subject: **PUBLIC HEARING & ADOPTION OF THE MODIFICATION TO DEVELOPMENT DISTRICT NO. 1 AND THE TAX INCREMENT FINANCING (TIF) DISTRICT 1-16**

Background:

The Windom EDA has been in discussions with the owners of GDF regarding the potential redevelopment of the former Bolin Lumberyard, Windom Wrecking, and Koep parcels north of Pamida (soon Shopko) and east of Highway 60. The intent would be to redevelop the parcels for commercial uses over several phases. The owners of GDF are interested in pursuing the establishment of a Tax Increment Financing (TIF) district pursuant to Minnesota Statutes Sections 469.174 through 469.179 to help facilitate and defray the costs for site clearance, preparation and cleanup, etc. There are five parcels in the proposed TIF district encompassing 5.36 acres.

At its regular meeting on April 9, 2012, the EDA Board discussed the potential redevelopment and unanimously recommended that the City Council (1) set a public hearing to consider the establishment of a TIF district in the proposed area and (2) utilize a Redevelopment TIF district. On April 17th, the Windom City Council adopted a resolution calling for a public hearing on June 5th for the purpose of considering establishment of a tax increment district for the former Bolin Lumberyard and adjacent parcels.

During April, the EDA compiled project information (including property identification, maps, sources and uses of funds, etc.) for Ehlers & Associates to assist in the drafting of the necessary documentation. Letters were sent to Cottonwood County and the Windom Area School District. Fiscal and economic implications were sent to the School Board Clerk and the County Auditor.

On May 8, 2012, the Windom Planning Commission reviewed the Modified Program and TIF Plan to determine if they were in conformity with the general plans for the development and redevelopment of the City as described in the comprehensive plan. The Planning Commission unanimously adopted a resolution finding that the Modified Program for Development District No. 1 and the Tax Increment Financing Plan for TIF District No. 1-16 were in compliance with the City's Comprehensive Plan.

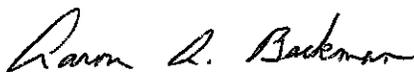
Attached are copies of the Modification to the Development Program for Development District No. 1 and the Tax Increment Financing Plan for the establishment of Tax Increment Financing District No. 1-16 (a redevelopment district) within Development District No. 1 for your review. These documents were considered by the Windom EDA at its May 14, 2012 regular meeting and no changes were suggested by the EDA members.

Also attached for your review is the Building Official's April 10th Report regarding the condition of the structures in the proposed Redevelopment Tax Increment Financing District, the resolution finding the parcels to be occupied by structures that are substandard, and a copy of the "But For" Test indicating that but for this assistance, redevelopment of these parcels would not likely to occur.

During the public hearing, the EDA Executive Director can respond to questions regarding the proposed redevelopment, the proposed GDF TIF District 1-16, and next steps.

Requested Action: Following the public hearing, adopt the Resolution finding parcels to be occupied by structurally substandard buildings and the Resolution approving the Modification to Development District No.1 and the TIF Plan for establishing a Redevelopment Tax Increment Financing District 1-16 that would encompass the former Bolin Lumberyard, Windom Wrecking, Pankonin, and Koep parcels.

Respectfully submitted,



Aaron A. Backman
EDA Executive Director

Attachments

NOTICE OF PUBLIC HEARING

**CITY OF WINDOM
COUNTY OF COTTONWOOD
STATE OF MINNESOTA**

NOTICE IS HEREBY GIVEN that the City Council of the City of Windom, Cottonwood County, State of Minnesota, will hold a public hearing on June 5, 2012, at approximately 7:30 P.M. at the Windom City Council Chambers in City Hall, 444 9th Street, Windom, Minnesota, relating to the proposal of the Windom Economic Development Authority to enlarge Development District No. 1 and adopt the Modified Development Program therefor (the "Modified Development Program"), establish Tax Increment Financing District No. 1-16 (an economic development tax increment financing district) therein, and adopt a Tax Increment Financing Plan (the "TIF Plan") therefor (the Modified Development Program and the TIF Plan are referred to collectively herein as the "Modified Program and TIF Plan"), pursuant to Minnesota Statutes, Sections 469.090 to 469.1082, Sections 469.124 to 469.134, and Sections 469.174 to 469.1799, all inclusive, as amended. Copies of the Modified Program and TIF Plan are on file and available for public inspection at the office of the EDA Director at City Hall.

The property to be included in Tax Increment Financing District No. 1-16 is located within Development District No. 1, as enlarged, in the City of Windom. The boundaries of Development District No. 1 are being expanded to include any property previously annexed into the City. The boundaries of Development District No. 1, as enlarged, shall be coterminous with the city limits of the City of Windom. A map is set forth below. Subject to certain limitations, tax increment from Tax Increment Financing District No. 1-16 may be spent on eligible uses within the boundaries of Development District No. 1, as enlarged.

[INSERT MAP of Development District No. 1, as enlarged,
and Tax Increment Financing District No. 1-16]

All interested persons may appear at the hearing and present their views orally or prior to the meeting in writing.

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

/s/ Steven Nasby
City Administrator

SCHEDULE OF EVENTS

WINDOM ECONOMIC DEVELOPMENT AUTHORITY AND THE CITY OF WINDOM COTTONWOOD COUNTY, MINNESOTA

FOR THE MODIFICATION TO THE DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 1

AND THE ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 1-16 (an redevelopment district)

(draft as of April 3, 2012)

- April __, 2012 EDA requests that the City Council call for a public hearing.
- April 17, 2012 City Council calls for public hearing on the proposed Modification to the Development Program for Development District No. 1 and the proposed establishment of Tax Increment Financing District No. 1-16.
- April 20, 2012 Project information (property identification numbers and legal descriptions, detailed project description, maps, but/for statement, and list of sources and uses of funds) for drafting necessary documentation sent to Ehlers.
- April 23, 2012 Ehlers confirms with the City whether building permits have been issued on the property to be included in Tax Increment Financing District No. 1-16.
- N/A County receives TIF Plan for review for County Road impacts (at least 45 days prior to public hearing). **The County Board, by law, has 45 days to review the TIF Plan to determine if any county roads will be impacted by the development. Because the City staff believes that the proposed tax increment financing district will not require unplanned county road improvements, the TIF Plan will not be forwarded to the County Board 45 days prior to the public hearing. Please be aware that the County Board could claim that tax increment should be used for county roads, even after the public hearing*
- April 23, 2012 Letter received by County Commissioner giving notice of potential redevelopment tax increment financing district (at least 30 days prior to publication of hearing notice). *[Ehlers will fax and mail on or before April 23, 2012.]*
- May 4, 2012 Fiscal/economic implications received by School Board Clerk and County Auditor (at least 30 days prior to public hearing). *[Ehlers will fax & mail on or before May 4, 2012.]*
- May 7, 2012 Ehlers conducts internal review of Modified Program and TIF Plan.



SCHEDULE OF EVENTS – PAGE 2

WINDOM ECONOMIC DEVELOPMENT AUTHORITY AND THE CITY OF WINDOM COTTONWOOD COUNTY, MINNESOTA

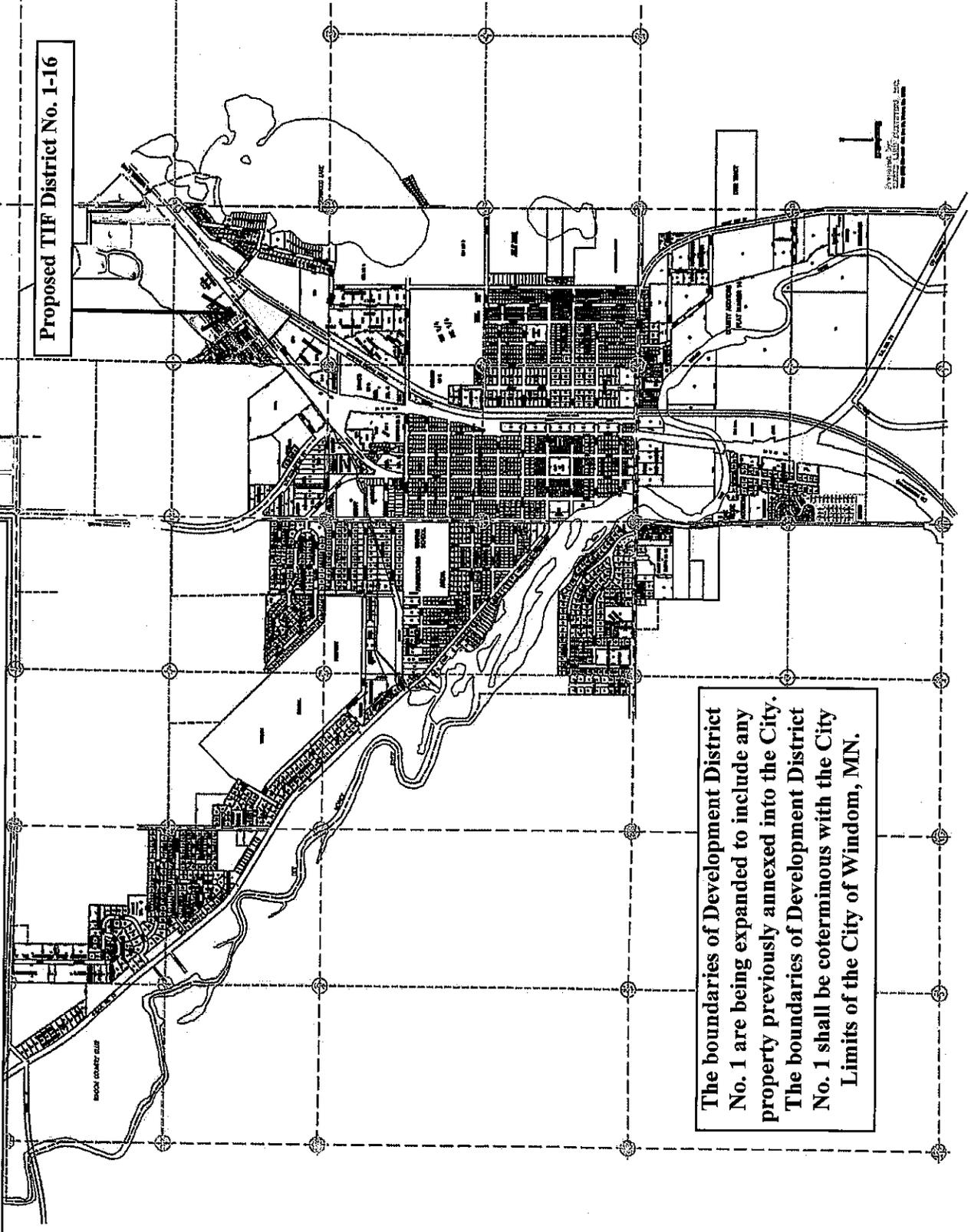
FOR THE MODIFICATION TO THE DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 1

AND THE ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 1-16 (an economic development district)

- May 8, 2012 Planning Commission reviews Modified Program and TIF Plan to determine if they are in compliance with City's comprehensive plan.
- May 14, 2012 EDA considers the Modified Program and TIF Plan.
- May 23, 2012 Date of publication of hearing notice and map (at least 10 days but not more than 30 days prior to hearing). *[Cottonwood County Citizen publication deadline, May 18, 2012 –City of Windom to submit notice and map to newspaper. (Ehlers will submit legal notice and map to the Cottonwood County Citizen on or before May 18, 2012 at citizen@windcomnews.com.)]*
- June 5, 2012 City Council holds public hearing at 7:30 P.M. on a Modification to the Development Program for Development District No. 1 and the establishment of Tax Increment Financing District No. 1-16 and passes resolution approving the Modified Program and TIF Plan. *[Ehlers will email final Council packet information to the City on or before May 29, 2012]*
- _____, 2012 Ehlers files Modified Program and TIF Plan with the MN Department of Revenue, requests certification of the TIF District with Cottonwood County.

*Because the City staff believes that the proposed tax increment financing district will not require unplanned county road improvements, the TIF Plan was not forwarded to the County Board 45 days prior to the public hearing. The County Board, by law, has 45 days to review the TIF Plan to determine if any county roads will be impacted by the development. Please be aware that the County Board could claim that tax increment should be used for county roads, even after the public hearing.

**City of Windom, MN
Development District No. 1
Tax Increment Financing District No. 16**



The boundaries of Development District No. 1 are being expanded to include any property previously annexed into the City. The boundaries of Development District No. 1 shall be coterminous with the City Limits of the City of Windom, MN.



Tax Increment Financing District Overview

City of Windom

Tax Increment Financing District No. 1-16

The following summary contains an overview of the basic elements of the Tax Increment Financing Plan for Tax Increment Financing District No. 1-16. More detailed information on each of these topics can be found in the complete Tax Increment Financing Plan.

Proposed action:	Establishment of Tax Increment Financing District No. 1-16 (the "District") and the adoption of a Tax Increment Financing Plan (the "TIF Plan").	
	Modification to the Development Program for Development District No. 1 includes the establishment of Tax Increment Financing District No. 1-16, which represents a continuation of the goals and objectives set forth in the Development Program for Development District No. 1.	
Type of TIF District:	A redevelopment district	
Parcel Numbers:	25-024-0400	25-024-0710
	25-024-0760	25-024-0740
	25-024-0690	
Proposed Development:	The District is being created to facilitate development of a 16,000 square foot phased-in office/showroom facility in the City. Please see Appendix A of the TIF Plan for a more detailed project description.	
Maximum duration:	The duration of the District will be 25 years from the date of receipt of the first increment (26 years of increment). The City elects to receive the first tax increment in 2014. It is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after December 31, 2033, or when the TIF Plan is satisfied.	
Estimated annual tax increment:	Up to \$67,833	



EHLERS
LEADERS IN PUBLIC FINANCE

Authorized uses: The TIF Plan contains a budget that authorizes the maximum amount that may be expended:

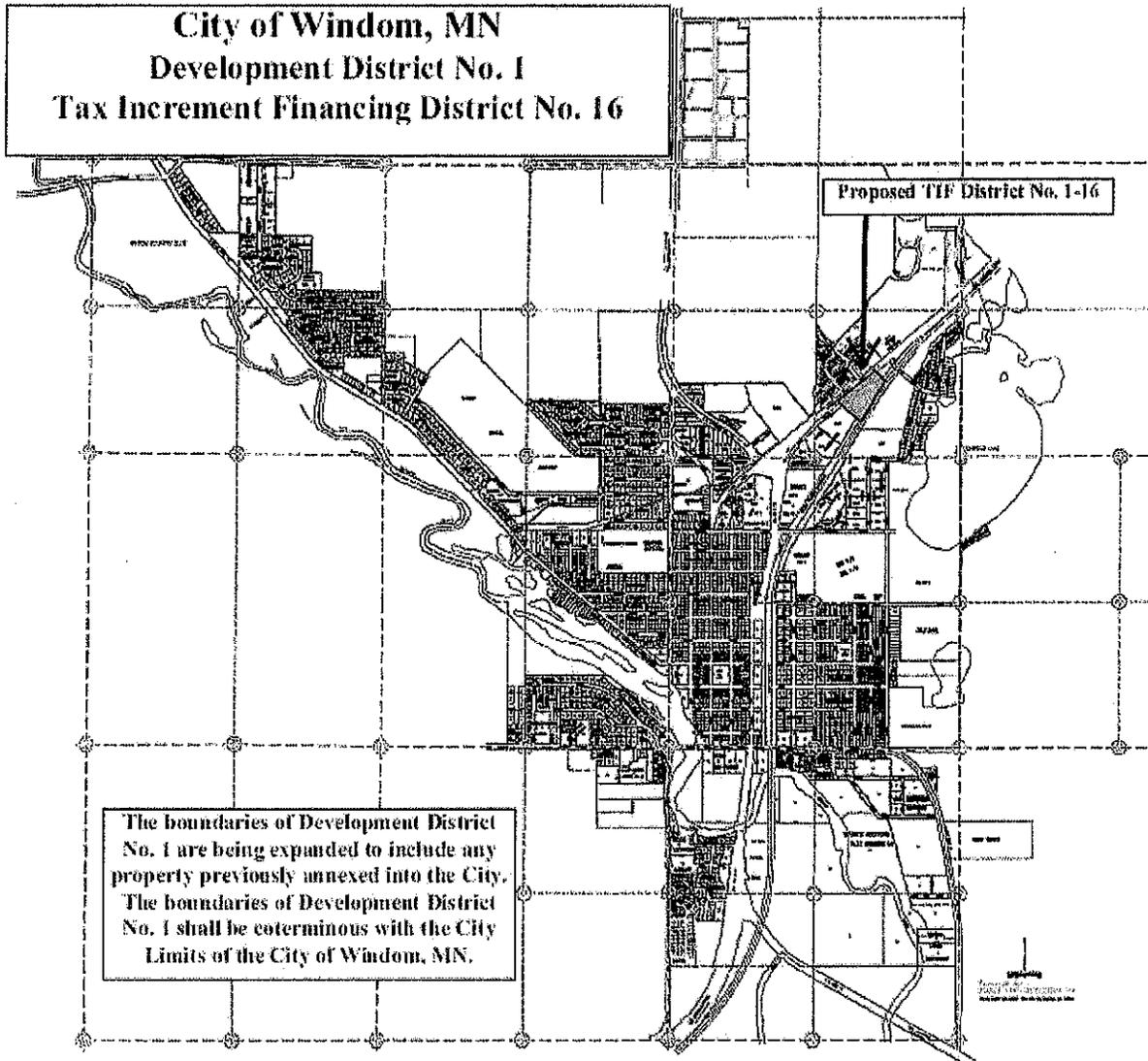
Land/Building Acquisition.....	\$390,000
Site Improvements/Preparation.....	\$285,000
Utilities.....	\$25,000
Other Qualifying Improvements	\$13,808
<u>Administrative Costs (up to 10%).....</u>	<u>\$143,160</u>
PROJECT COSTS TOTAL	\$856,968
<u>Interest.....</u>	<u>\$717,796</u>
PROJECT COSTS TOTAL.....	\$1,574,764

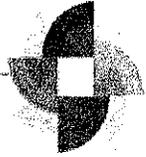
See Subsection 1-10, on page 1-5 of the TIF Plan for the full budget authorization.

Form of financing:	The project is proposed to be financed by a pay-as-you-go note.
Administrative fee:	Up to 10% of annual increment, if costs are justified.
Interfund Loan Requirement:	If the City wants to pay for administrative expenditures from a tax increment fund, it is recommended that a resolution authorizing a loan from another fund be passed <i>PRIOR</i> to the issuance of the check.
4 Year Activity Rule (§ 469.176 Subd. 6)	After four years from the date of certification of the District one of the following activities must have been commenced on each parcel in the District: <ul style="list-style-type: none">• Demolition• Rehabilitation• Renovation• Other site preparation (not including utility services such as sewer and water) If the activity has not been started by approximately June 2016, no additional tax increment may be taken from that parcel until the commencement of a qualifying activity.
5 Year Rule (§ 469.1763 Subd. 3)	Within 5 years of certification revenues derived from tax increments must be expended or obligated to be expended. Any obligations in the District made after approximately June 2017, will not be eligible for repayment from tax increments.

The reasons and facts supporting the findings for the adoption of the TIF Plan for the District, as required pursuant to *M.S., Section 469.175, Subd. 3*, are included in Exhibit A of the City resolution.

MAP OF DEVELOPMENT DISTRICT NO. 1 AND
TAX INCREMENT FINANCING DISTRICT NO. 1-16





*As of June 1, 2012
Draft for Public Hearing*

**Modification to the Development Program
for Development District No. 1**

and the

Tax Increment Financing Plan

for the establishment of

**Tax Increment Financing District No. 1-16
(a redevelopment district)**

within

Development District No. 1

Windom Economic Development Authority
City of Windom
Cottonwood County
State of Minnesota

Public Hearing: June 5, 2012
Adopted:



EHLERS

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Table of Contents
(for reference purposes only)

<i>Section 1 - Tax Increment Financing Plan for Tax Increment Financing District No. 1-16</i>	
Subsection 1-1.	Foreword 1-1
Subsection 1-2.	Statutory Authority 1-1
Subsection 1-3.	Statement of Objectives 1-1
Subsection 1-4.	Development Program Overview 1-1
Subsection 1-5.	Description of Property in the District and Property To Be Acquired . 1-2
Subsection 1-6.	Classification of the District 1-2
Subsection 1-7.	Duration and First Year of Tax Increment of the District 1-4
Subsection 1-8.	Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity Value/Increment and Notification of Prior Planned Improvements 1-4
Subsection 1-9.	Sources of Revenue/Bonds to be Issued 1-5
Subsection 1-10.	Uses of Funds 1-6
Subsection 1-11.	Business Subsidies 1-6
Subsection 1-12.	County Road Costs 1-7
Subsection 1-13.	Estimated Impact on Other Taxing Jurisdictions 1-7
Subsection 1-14.	Supporting Documentation 1-9
Subsection 1-15.	Definition of Tax Increment Revenues 1-9
Subsection 1-16.	Modifications to the District 1-10
Subsection 1-17.	Administrative Expenses 1-10
Subsection 1-18.	Limitation of Increment 1-11
Subsection 1-19.	Use of Tax Increment 1-12
Subsection 1-20.	Excess Increments 1-12
Subsection 1-21.	Requirements for Agreements with the Developer 1-13
Subsection 1-22.	Assessment Agreements 1-13
Subsection 1-23.	Administration of the District 1-13
Subsection 1-24.	Annual Disclosure Requirements 1-13
Subsection 1-25.	Reasonable Expectations 1-13
Subsection 1-26.	Other Limitations on the Use of Tax Increment 1-14
Subsection 1-27.	Summary 1-14
Appendix A	
Project Description A-1
Appendix B	
Map of Development District No. 1 and the District B-1
Appendix C	
Description of Property to be Included in the District C-1
Appendix D	
Estimated Cash Flow for the District D-1
Appendix E	
Minnesota Business Assistance Form E-1
Appendix F	
Redevelopment Qualifications for the District F-1

Appendix G

Findings Including But/For Qualifications G-1

Section 1 - Tax Increment Financing Plan for Tax Increment Financing District No. 1-16

Subsection 1-1. Foreword

The Windom Economic Development Authority (the "EDA"), the City of Windom (the "City"), staff and consultants have prepared the following information to expedite the establishment of Tax Increment Financing District No. 1-16 (the "District"), a redevelopment tax increment financing district, located in Development District No. 1.

Subsection 1-2. Statutory Authority

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the EDA and City have certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.090 to 469.1082*, inclusive, as amended, and *M.S., Sections 469.174 to 469.1799*, inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), to assist in financing public costs related to this project.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Modification to the Development Program for Development District No. 1.

Subsection 1-3. Statement of Objectives

The District currently consists of five parcels of land and adjacent and internal rights-of-way. The District is being created to facilitate development of a 16,000 square foot phased-in office/showroom facility in the City. Please see Appendix A for further District information. The EDA has not entered into an agreement or designated a developer at the time of preparation of this TIF Plan, but development is likely to occur in 2012. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for Development District No. 1.

The activities contemplated in the Modification to the Development Program and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of Development District No. 1 and the District.

Subsection 1-4. Development Program Overview

1. Property to be Acquired - Selected property located within the District may be acquired by the EDA or City and is further described in this TIF Plan.
2. Relocation - Relocation services, to the extent required by law, are available pursuant to *M.S., Chapter 117* and other relevant state and federal laws.
3. Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the EDA or City may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.
4. The EDA or City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.

Subsection 1-5. Description of Property in the District and Property To Be Acquired

The District encompasses all property and adjacent rights-of-way and abutting roadways identified by the parcels listed in Appendix C of this TIF Plan. Please also see the map in Appendix B for further information on the location of the District.

The EDA or City may acquire any parcel within the District including interior and adjacent street rights of way. Any properties identified for acquisition will be acquired by the EDA or City only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this plan. The EDA or City may acquire property by gift, dedication, condemnation or direct purchase from willing sellers in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

Subsection 1-6. Classification of the District

The EDA and City, in determining the need to create a tax increment financing district in accordance with *M.S., Sections 469.174 to 469.1799*, as amended, inclusive, find that the District, to be established, is a redevelopment district pursuant to *M.S., Section 469.174, Subd. 10(a)(1)* as defined below:

- (a) *"Redevelopment district" means a type of tax increment financing district consisting of a project, or portions of a project, within which the authority finds by resolution that one or more of the following conditions, reasonably distributed throughout the district, exists:*
- (1) *parcels consisting of 70 percent of the area in the district are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;*
 - (2) *The property consists of vacant, unused, underused, inappropriately used, or infrequently used rail yards, rail storage facilities or excessive or vacated railroad rights-of-way;*
 - (3) *tank facilities, or property whose immediately previous use was for tank facilities, as defined in Section 115C, Subd. 15, if the tank facility:*
 - (i) *have or had a capacity of more than one million gallons;*
 - (ii) *are located adjacent to rail facilities; or*
 - (iii) *have been removed, or are unused, underused, inappropriately used or infrequently used; or*
 - (4) *a qualifying disaster area, as defined in Subd. 10b.*
- (b) *For purposes of this subdivision, "structurally substandard" shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.*
- (c) *A building is not structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15*

percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence on the basis of reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs or other similar reliable evidence. The municipality may not make such a determination without an interior inspection of the property, but need not have an independent, expert appraisal prepared of the cost of repair and rehabilitation of the building. An interior inspection of the property is not required, if the municipality finds that (1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and (2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard.

- (d) A parcel is deemed to be occupied by a structurally substandard building for purposes of the finding under paragraph (a) or by the improvement described in paragraph (e) if all of the following conditions are met:*
- (1) the parcel was occupied by a substandard building or met the requirements of paragraph (e), as the case may be, within three years of the filing of the request for certification of the parcel as part of the district with the county auditor;*
 - (2) the substandard building or the improvements described in paragraph (e) were demolished or removed by the authority or the demolition or removal was financed by the authority or was done by a developer under a development agreement with the authority;*
 - (3) the authority found by resolution before the demolition or removal that the parcel was occupied by a structurally substandard building or met the requirement of paragraph (e) and that after demolition and clearance the authority intended to include the parcel within a district; and*
 - (4) upon filing the request for certification of the tax capacity of the parcel as part of a district, the authority notifies the county auditor that the original tax capacity of the parcel must be adjusted as provided by § 469.177, subdivision 1, paragraph (f).*
- (e) For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures unless 15 percent of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots or other similar structures.*
- (f) For districts consisting of two or more noncontiguous areas, each area must qualify as a redevelopment district under paragraph (a) to be included in the district, and the entire area of the district must satisfy paragraph (a).*

In meeting the statutory criteria the EDA and City rely on the following facts and findings:

- The District is a redevelopment district consisting of five parcels.
- An inventory shows that parcels consisting of more than 70 percent of the area in the District are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures.
- An inspection of the buildings located within the District finds that more than 50 percent of the buildings are structurally substandard as defined in the TIF Act. (See Appendix F).

Pursuant to *M.S., Section 469.176, Subd. 7*, the District does not contain any parcel or part of a parcel that qualified under the provisions of *M.S., Sections 273.111 or 273.112 or Chapter 473H* for taxes payable in

any of the five calendar years before the filing of the request for certification of the District.

Subsection 1-7. Duration and First Year of Tax Increment of the District

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 25 years after receipt of the first increment by the EDA or City (a total of 26 years of tax increment). The EDA or City elects to receive the first tax increment in 2014, which is no later than four years following the year of approval of the District. Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2039, or when the TIF Plan is satisfied. The EDA or City reserves the right to decertify the District prior to the legally required date.

Subsection 1-8. Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity Value/Increment and Notification of Prior Planned Improvements

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2012 for taxes payable 2013.

Pursuant to *M.S., Section 469.177, Subs. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2014) the amount by which the original value has increased or decreased as a result of:

1. Change in tax exempt status of property;
2. Reduction or enlargement of the geographic boundaries of the district;
3. Change due to adjustments, negotiated or court-ordered abatements;
4. Change in the use of the property and classification;
5. Change in state law governing class rates; or
6. Change in previously issued building permits.

In any year in which the current Net Tax Capacity (NTC) value of the District declines below the ONTC, no value will be captured and no tax increment will be payable to the EDA or City.

The original local tax rate for the District will be the local tax rate for taxes payable 2013, assuming the request for certification is made on or after July 1, 2012. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within Development District No. 1, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The EDA and City request 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2014. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Estimated Tax Capacity upon Completion (PTC)	\$45,581	
Original Estimated Net Tax Capacity (ONTC)	\$2,754	
Estimated Captured Tax Capacity (CTC)	\$42,827	
Original Local Tax Rate	1.58388	Pay 2012
Estimated Annual Tax Increment (CTC x Local Tax Rate)	\$67,833	
Percent Retained by the EDA	100%	

Tax capacity includes a 1% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 25. The tax capacity of the District in year one is estimated to be \$4,250.

Pursuant to *M.S., Section 469.177, Subd. 4*, the EDA shall, after a due and diligent search, accompany its request for certification to the County Auditor or its notice of the District enlargement pursuant to *M.S., Section 469.175, Subd. 4*, with a listing of all properties within the District or area of enlargement for which building permits have been issued during the eighteen (18) months immediately preceding approval of the TIF Plan by the municipality pursuant to *M.S., Section 469.175, Subd. 3*. The County Auditor shall increase the original net tax capacity of the District by the net tax capacity of improvements for which a building permit was issued.

The City has reviewed the area to be included in the District and determined that no building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City.

Subsection 1-9. Sources of Revenue/Bonds to be Issued

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The EDA or City reserves the right to incur bonds or other indebtedness as a result of the TIF Plan. As presently proposed, the projects within the District will be financed by a pay-as-you-go note. Any refunding amounts will be deemed a budgeted cost without a formal TIF Plan Modification. This provision does not obligate the EDA or City to incur debt. The EDA or City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

The total estimated tax increment revenues for the District are shown in the table below:

<u>SOURCES OF FUNDS</u>	<u>TOTAL</u>
Tax Increment	\$1,431,604
Interest	\$143,160
<u>Land Sale Proceeds/Lease Revenue</u>	<u>\$0</u>
TOTAL	\$1,574,764

The EDA or City may issue bonds (as defined in the TIF Act) secured in whole or in part with tax increments from the District in a maximum principal amount of \$856,969. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

Subsection 1-10. Uses of Funds

Currently under consideration for the District is a proposal to facilitate development of a 16,000 square foot phased-in office/showroom facility. The EDA and City have determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described. The EDA has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

<u>USES OF TAX INCREMENT FUNDS</u>	<u>TOTAL</u>
Land/Building Acquisition	\$390,000
Site Improvements/Preparation	\$285,000
Utilities	\$25,000
Other Qualifying Improvements	\$13,808
<u>Administrative Costs (up to 10%)</u>	<u>\$143,160</u>
PROJECT COST TOTAL	\$856,968
<u>Interest</u>	<u>\$717,796</u>
PROJECT AND INTEREST COSTS TOTAL	\$1,574,764

The total project cost, including financing costs (interest) listed in the table above does not exceed the total projected tax increments for the District as shown in Appendix D.

Estimated costs associated with the District are subject to change among categories without a modification to this TIF Plan. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. Pursuant to *M.S., Section 469.1763, Subd. 2*, no more than 25 percent of the tax increment paid by property within the District will be spent on activities related to development or redevelopment outside of the District but within the boundaries of Development District No. 1, (including administrative costs, which are considered to be spent outside of the District) subject to the limitations as described in this TIF Plan.

Subsection 1-11. Business Subsidies

Pursuant to *M.S., Section 116J.993, Subd. 3*, the following forms of financial assistance are not considered a business subsidy:

- (1) A business subsidy of less than \$150,000;
- (2) Assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location, or similar general criteria;
- (3) Public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
- (4) Redevelopment property polluted by contaminants as defined in *M.S., Section 116J.552, Subd. 3*;
- (5) Assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance provided for designated historic preservation districts, provided that

- the assistance is equal to or less than 50% of the total cost;
- (6) Assistance to provide job readiness and training services if the sole purpose of the assistance is to provide those services;
 - (7) Assistance for housing;
 - (8) Assistance for pollution control or abatement, including assistance for a tax increment financing hazardous substance subdistrict as defined under *M.S., Section 469.174, Subd. 23*;
 - (9) Assistance for energy conservation;
 - (10) Tax reductions resulting from conformity with federal tax law;
 - (11) Workers' compensation and unemployment compensation;
 - (12) Benefits derived from regulation;
 - (13) Indirect benefits derived from assistance to educational institutions;
 - (14) Funds from bonds allocated under chapter 474A, bonds issued to refund outstanding bonds, and bonds issued for the benefit of an organization described in section 501 (c) (3) of the Internal Revenue Code of 1986, as amended through December 31, 1999;
 - (15) Assistance for a collaboration between a Minnesota higher education institution and a business;
 - (16) Assistance for a tax increment financing soils condition district as defined under *M.S., Section 469.174, Subd. 19*;
 - (17) Redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;
 - (18) General changes in tax increment financing law and other general tax law changes of a principally technical nature;
 - (19) Federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;
 - (20) Funds from dock and wharf bonds issued by a seaway port authority;
 - (21) Business loans and loan guarantees of \$150,000 or less;
 - (22) Federal loan funds provided through the United States Department of Commerce, Economic Development Administration; and
 - (23) Property tax abatements granted under *M.S., Section 469.1813* to property that is subject to valuation under Minnesota Rules, chapter 8100.

The EDA will comply with *M.S., Sections 116J.993 to 116J.995* to the extent the tax increment assistance under this TIF Plan does not fall under any of the above exemptions.

Subsection 1-12. County Road Costs

Pursuant to *M.S., Section 469.175, Subd. 1a*, the county board may require the EDA or City to pay for all or part of the cost of county road improvements if the proposed development to be assisted by tax increment will, in the judgment of the county, substantially increase the use of county roads requiring construction of road improvements or other road costs and if the road improvements are not scheduled within the next five years under a capital improvement plan or within five years under another county plan.

If the county elects to use increments to improve county roads, it must notify the EDA or City within forty-five days of receipt of this TIF Plan. In the opinion of the EDA and City and consultants, the proposed development outlined in this TIF Plan will have little or no impact upon county roads, therefore the TIF Plan was not forwarded to the county 45 days prior to the public hearing. The EDA and City are aware that the county could claim that tax increment should be used for county roads, even after the public hearing.

Subsection 1-13. Estimated Impact on Other Taxing Jurisdictions

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF Plan would occur without the creation of the District. However, the EDA or City has determined that such

development or redevelopment would not occur "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is \$0. The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

IMPACT ON TAX BASE

	2011/Pay 2012 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) Upon Completion	Percent of CTC to Entity Total
Cottonwood County	17,927,364	42,827	0.2389%
City of Windom	1,702,326	42,827	2.5158%
Windom ISD No. 177	8,747,628	42,827	0.4896%

IMPACT ON TAX RATES

	Pay 2012 Extension Rates	Percent of Total	CTC	Potential Taxes
Cottonwood County	0.399490	25.22%	42,827	17,109
City of Windom	0.943690	59.58%	42,827	40,415
Windom ISD No. 177	0.238890	15.08%	42,827	10,231
Other	0.001810	0.11%	42,827	78
Total	1.583880	100.00%		67,833

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the actual Pay 2012 rate. The total net capacity for the entities listed above are based on actual Pay 2012 figures. The District will be certified under the actual Pay 2012 rates.

Pursuant to *M.S. Section 469.175 Subd. 2(b)*:

- (1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is \$1,433,604;
- (2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is expected. The police department does track all calls for service by incident type and geographic measures. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic, and additional overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or require that the City hire additional officers.

The probable impact of the District on fire protection is not expected to be significant. Typically new buildings generate few calls, if any, and are of superior construction. The existing buildings, which will be eliminated by the new development, have public safety concerns that include several unprotected old buildings. This will eliminate potentially flammable materials in close proximity to the City's most traveled transportation corridor and would reduce the risk of vandalism or environmental impingement points.

The impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact any traffic movements in the area. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. Based on the development plans, there are no additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks. The developer will likely install additional lighting for parking and security purposes in the redevelopment area. The development in the District is not expected to contribute to sanitary sewer (SAC) and water (WAC) connection fees.

The probable impact of any District general obligation tax increment bonds on the ability to issue debt for general fund purposes is expected to be minimal. It is not anticipated that there will be any general obligation debt issued in relation to this project, therefore there will be no impact on the City's ability to issue future debt or on the City's debt limit.

- (3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is \$216,187;
- (4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is \$361,555;
- (5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S. Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

No requests for additional information from the county or school district regarding the proposed development for the District have been received.

Subsection 1-14. Supporting Documentation

Pursuant to *M.S. Section 469.175, Subd. 1 (a), clause 7* the TIF Plan must contain identification and description of studies and analyses used to make the determination set forth in *M.S. Section 469.175, Subd. 3, clause (b)(2)* and the findings are required in the resolution approving the District. Following is a list of reports and studies on file at the City that support the EDA and City's findings:

- A list of applicable studies will be listed here prior to the public hearing.

Subsection 1-15. Definition of Tax Increment Revenues

Pursuant to *M.S., Section 469.174, Subd. 25*, tax increment revenues derived from a tax increment financing district include all of the following potential revenue sources:

1. Taxes paid by the captured net tax capacity, but excluding any excess taxes, as computed under *M.S., Section 469.177*;
2. The proceeds from the sale or lease of property, tangible or intangible, to the extent the property was purchased by the Authority with tax increments;
3. Principal and interest received on loans or other advances made by the Authority with tax increments;

4. Interest or other investment earnings on or from tax increments;
5. Repayments or return of tax increments made to the Authority under agreements for districts for which the request for certification was made after August 1, 1993; and
6. The market value homestead credit paid to the Authority under *M.S., Section 273.1384*.

Subsection 1-16. Modifications to the District

In accordance with *M.S., Section 469.175, Subd. 4*, any:

1. Reduction or enlargement of the geographic area of the District, if the reduction does not meet the requirements of *M.S., Section 469.175, Subd. 4(e)*;
2. Increase in amount of bonded indebtedness to be incurred;
3. A determination to capitalize interest on debt if that determination was not a part of the original TIF Plan;
4. Increase in the portion of the captured net tax capacity to be retained by the EDA or City;
5. Increase in the estimate of the cost of the District, including administrative expenses, that will be paid or financed with tax increment from the District; or
6. Designation of additional property to be acquired by the EDA or City,

shall be approved upon the notice and after the discussion, public hearing and findings required for approval of the original TIF Plan.

Pursuant to *M.S. Section 469.175 Subd. 4(f)*, the geographic area of the District may be reduced, but shall not be enlarged after five years following the date of certification of the original net tax capacity by the county auditor. If a redevelopment district is enlarged, the reasons and supporting facts for the determination that the addition to the district meets the criteria of *M.S., Section 469.174, Subd. 10*, must be documented in writing and retained. The requirements of this paragraph do not apply if (1) the only modification is elimination of parcel(s) from the District and (2)(A) the current net tax capacity of the parcel(s) eliminated from the District equals or exceeds the net tax capacity of those parcel(s) in the District's original net tax capacity or (B) the EDA agrees that, notwithstanding *M.S., Section 469.177, Subd. 1*, the original net tax capacity will be reduced by no more than the current net tax capacity of the parcel(s) eliminated from the District.

The EDA or City must notify the County Auditor of any modification to the District. Modifications to the District in the form of a budget modification or an expansion of the boundaries will be recorded in the TIF Plan.

Subsection 1-17. Administrative Expenses

In accordance with *M.S., Section 469.174, Subd. 14*, administrative expenses means all expenditures of the EDA or City, *other than*:

1. Amounts paid for the purchase of land;
2. Amounts paid to contractors or others providing materials and services, including architectural and engineering services, directly connected with the physical development of the real property in the District;
3. Relocation benefits paid to or services provided for persons residing or businesses located in the District; or
4. Amounts used to pay principal or interest on, fund a reserve for, or sell at a discount bonds issued pursuant to *M.S., Section 469.178*; or
5. Amounts used to pay other financial obligations to the extent those obligations were used to finance costs described in clauses (1) to (3).

For districts for which the request for certification were made before August 1, 1979, or after June 30, 1982, and before August 1, 2001, administrative expenses also include amounts paid for services provided by bond counsel, fiscal consultants, and planning or economic development consultants. Pursuant to *M.S., Section 469.176, Subd. 3*, tax increment may be used to pay any **authorized and documented** administrative expenses for the District up to but not to exceed 10 percent of the total estimated tax increment expenditures authorized by the TIF Plan or the total tax increments, as defined by *M.S., Section 469.174, Subd. 25, clause (1)*, from the District, whichever is less.

For districts for which certification was requested after July 31, 2001, no tax increment may be used to pay any administrative expenses for District costs which exceed ten percent of total estimated tax increment expenditures authorized by the TIF Plan or the total tax increments, as defined in *M.S., Section 469.174, Subd. 25, clause (1)*, from the District, whichever is less.

Pursuant to *M.S., Section 469.176, Subd. 4h*, tax increments may be used to pay for the County's actual administrative expenses incurred in connection with the District and are not subject to the percentage limits of *M.S., Section 469.176, Subd. 3*. The county may require payment of those expenses by February 15 of the year following the year the expenses were incurred.

Pursuant to *M.S., Section 469.177, Subd. 11*, the County Treasurer shall deduct an amount (currently .36 percent) of any increment distributed to the EDA or City and the County Treasurer shall pay the amount deducted to the State Commissioner of Management and Budget for deposit in the state general fund to be appropriated to the State Auditor for the cost of financial reporting of tax increment financing information and the cost of examining and auditing authorities' use of tax increment financing. This amount may be adjusted annually by the Commissioner of Revenue.

Subsection 1-18. Limitation of Increment

The tax increment pledged to the payment of bonds and interest thereon may be discharged and the District may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or redemption date.

Pursuant to *M.S., Section 469.176, Subd. 6*:

if, after four years from the date of certification of the original net tax capacity of the tax increment financing district pursuant to M.S., Section 469.177, no demolition, rehabilitation or renovation of property or other site preparation, including qualified improvement of a street adjacent to a parcel but not installation of utility service including sewer or water systems, has been commenced on a parcel located within a tax increment financing district by the authority or by the owner of the parcel in accordance with the tax increment financing plan, no additional tax increment may be taken from that parcel and the original net tax capacity of that parcel shall be excluded from the original net tax capacity of the tax increment financing district. If the authority or the owner of the parcel subsequently commences demolition, rehabilitation or renovation or other site preparation on that parcel including qualified improvement of a street adjacent to that parcel, in accordance with the tax increment financing plan, the authority shall certify to the county auditor that the activity has commenced and the county auditor shall certify the net tax capacity thereof as most recently certified by the commissioner of revenue and add it to the original net tax capacity of the tax increment financing district. The county auditor must enforce the provisions of this subdivision. The authority must submit to the county auditor evidence that the required activity has taken place for each parcel in the district. The evidence for a parcel must be

submitted by February 1 of the fifth year following the year in which the parcel was certified as included in the district. For purposes of this subdivision, qualified improvements of a street are limited to (1) construction or opening of a new street, (2) relocation of a street, and (3) substantial reconstruction or rebuilding of an existing street.

The EDA or City or a property owner must improve parcels within the District by approximately June 2016 and report such actions to the County Auditor.

Subsection 1-19. Use of Tax Increment

The EDA or City hereby determines that it will use 100 percent of the captured net tax capacity of taxable property located in the District for the following purposes:

1. To pay the principal of and interest on bonds issued to finance a project;
2. To finance, or otherwise pay the cost of redevelopment of the Development District No. 1 pursuant to *M.S., Sections 469.090 to 469.1082*;
3. To pay for project costs as identified in the budget set forth in the TIF Plan;
4. To finance, or otherwise pay for other purposes as provided in *M.S., Section 469.176, Subd. 4*;
5. To pay principal and interest on any loans, advances or other payments made to or on behalf of the EDA or City or for the benefit of Development District No. 1 by a developer;
6. To finance or otherwise pay premiums and other costs for insurance or other security guaranteeing the payment when due of principal of and interest on bonds pursuant to the TIF Plan or pursuant to *M.S., Chapter 462C, M.S., Sections 469.152 through 469.165*, and/or *M.S., Sections 469.178*; and
7. To accumulate or maintain a reserve securing the payment when due of the principal and interest on the tax increment bonds or bonds issued pursuant to *M.S., Chapter 462C, M.S., Sections 469.152 through 469.165*, and/or *M.S., Sections 469.178*.

These revenues shall not be used to circumvent any levy limitations applicable to the City nor for other purposes prohibited by *M.S., Section 469.176, Subd. 4*.

Tax increments generated in the District will be paid by Cottonwood County to the EDA for the Tax Increment Fund of said District. The EDA or City will pay to the developer(s) annually an amount not to exceed an amount as specified in a developer's agreement to reimburse the costs of land acquisition, public improvements, demolition and relocation, site preparation, and administration. Remaining increment funds will be used for EDA or City administration (up to 10 percent) and for the costs of public improvement activities outside the District.

Subsection 1-20. Excess Increments

Excess increments, as defined in *M.S., Section 469.176, Subd. 2*, shall be used only to do one or more of the following:

1. Prepay any outstanding bonds;
2. Discharge the pledge of tax increment for any outstanding bonds;
3. Pay into an escrow account dedicated to the payment of any outstanding bonds; or
4. Return the excess to the County Auditor for redistribution to the respective taxing jurisdictions in proportion to their local tax rates.

The EDA or City must spend or return the excess increments under paragraph (c) within nine months after the end of the year. In addition, the EDA or City may, subject to the limitations set forth herein, choose to modify the TIF Plan in order to finance additional public costs in Development District No. 1 or the District.

Subsection 1-21. Requirements for Agreements with the Developer

The EDA or City will review any proposal for private development to determine its conformance with the Development Program and with applicable municipal ordinances and codes. To facilitate this effort, the following documents may be requested for review and approval: site plan, construction, mechanical, and electrical system drawings, landscaping plan, grading and storm drainage plan, signage system plan, and any other drawings or narrative deemed necessary by the EDA or City to demonstrate the conformance of the development with City plans and ordinances. The EDA or City may also use the Agreements to address other issues related to the development.

Pursuant to *M.S., Section 469.176, Subd. 5*, no more than 25 percent, by acreage, of the property to be acquired in the District as set forth in the TIF Plan shall at any time be owned by the EDA or City as a result of acquisition with the proceeds of bonds issued pursuant to *M.S., Section 469.178* to which tax increments from property acquired is pledged, unless prior to acquisition in excess of 25 percent of the acreage, the EDA or City concluded an agreement for the development or redevelopment of the property acquired and which provides recourse for the EDA or City should the development or redevelopment not be completed.

Subsection 1-22. Assessment Agreements

Pursuant to *M.S., Section 469.177, Subd. 8*, the EDA or City may enter into a written assessment agreement in recordable form with the developer of property within the District which establishes a minimum market value of the land and completed improvements for the duration of the District. The assessment agreement shall be presented to the County Assessor who shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land upon which the improvements are to be constructed and, so long as the minimum market value contained in the assessment agreement appears, in the judgment of the assessor, to be a reasonable estimate, the County Assessor shall also certify the minimum market value agreement.

Subsection 1-23. Administration of the District

Administration of the District will be handled by the Executive Director of the EDA.

Subsection 1-24. Annual Disclosure Requirements

Pursuant to *M.S., Section 469.175, Subds. 5, 6, and 6b* the EDA or City must undertake financial reporting for all tax increment financing districts to the Office of the State Auditor, County Board and County Auditor on or before August 1 of each year. *M.S., Section 469.175, Subd. 5* also provides that an annual statement shall be published in a newspaper of general circulation in the City on or before August 15.

If the City fails to make a disclosure or submit a report containing the information required by *M.S., Section 469.175 Subd. 5 and Subd. 6*, the OSA will direct the County Auditor to withhold the distribution of tax increment from the District.

Subsection 1-25. Reasonable Expectations

As required by the TIF Act, in establishing the District, the determination has been made that the anticipated development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan. In making said

determination, reliance has been placed upon written representation made by the developer to such effects and upon EDA and City staff awareness of the feasibility of developing the project site(s) within the District. A comparative analysis of estimated market values both with and without establishment of the District and the use of tax increments has been performed as described above. Such analysis is included with the cashflow in Appendix D, and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the District and the use of tax increments.

Subsection 1-26. Other Limitations on the Use of Tax Increment

1. General Limitations. All revenue derived from tax increment shall be used in accordance with the TIF Plan. The revenues shall be used to finance, or otherwise pay the cost of redevelopment of the Development District No. 1 pursuant to *M.S., Sections 469.090 to 469.1082*. Tax increments may not be used to circumvent existing levy limit law. No tax increment may be used for the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the state or federal government. This provision does not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure.
2. Pooling Limitations. At least 75 percent of tax increments from the District must be expended on activities in the District or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities within said district or to pay, or secure payment of, debt service on credit enhanced bonds. Not more than 25 percent of said tax increments may be expended, through a development fund or otherwise, on activities outside of the District except to pay, or secure payment of, debt service on credit enhanced bonds. For purposes of applying this restriction, all administrative expenses must be treated as if they were solely for activities outside of the District.
3. Five Year Limitation on Commitment of Tax Increments. Tax increments derived from the District shall be deemed to have satisfied the 75 percent test set forth in paragraph (2) above only if the five year rule set forth in *M.S., Section 469.1763, Subd. 3*, has been satisfied; and beginning with the sixth year following certification of the District, 75 percent of said tax increments that remain after expenditures permitted under said five year rule must be used only to pay previously committed expenditures or credit enhanced bonds as more fully set forth in *M.S., Section 469.1763, Subd. 5*.
4. Redevelopment District. At least 90 percent of the revenues derived from tax increment from a redevelopment district must be used to finance the cost of correcting conditions that allow designation of redevelopment and renewal and renovation districts under *M.S., Section 469.176 Subd. 4j*. These costs include, but are not limited to, acquiring properties containing structurally substandard buildings or improvements or hazardous substances, pollution, or contaminants, acquiring adjacent parcels necessary to provide a site of sufficient size to permit development, demolition and rehabilitation of structures, clearing of the land, the removal of hazardous substances or remediation necessary for development of the land, and installation of utilities, roads, sidewalks, and parking facilities for the site. The allocated administrative expenses of the EDA or City, including the cost of preparation of the development action response plan, may be included in the qualifying costs.

Subsection 1-27. Summary

The Windom Economic Development Authority is establishing the District to preserve and enhance the tax base, redevelop substandard areas, and provide employment opportunities in the City. The TIF Plan for the District was prepared by Ehlers & Associates, Inc., 3060 Centre Pointe Drive, Roseville, Minnesota 55113, telephone (651) 697-8500.

Appendix A

Project Description

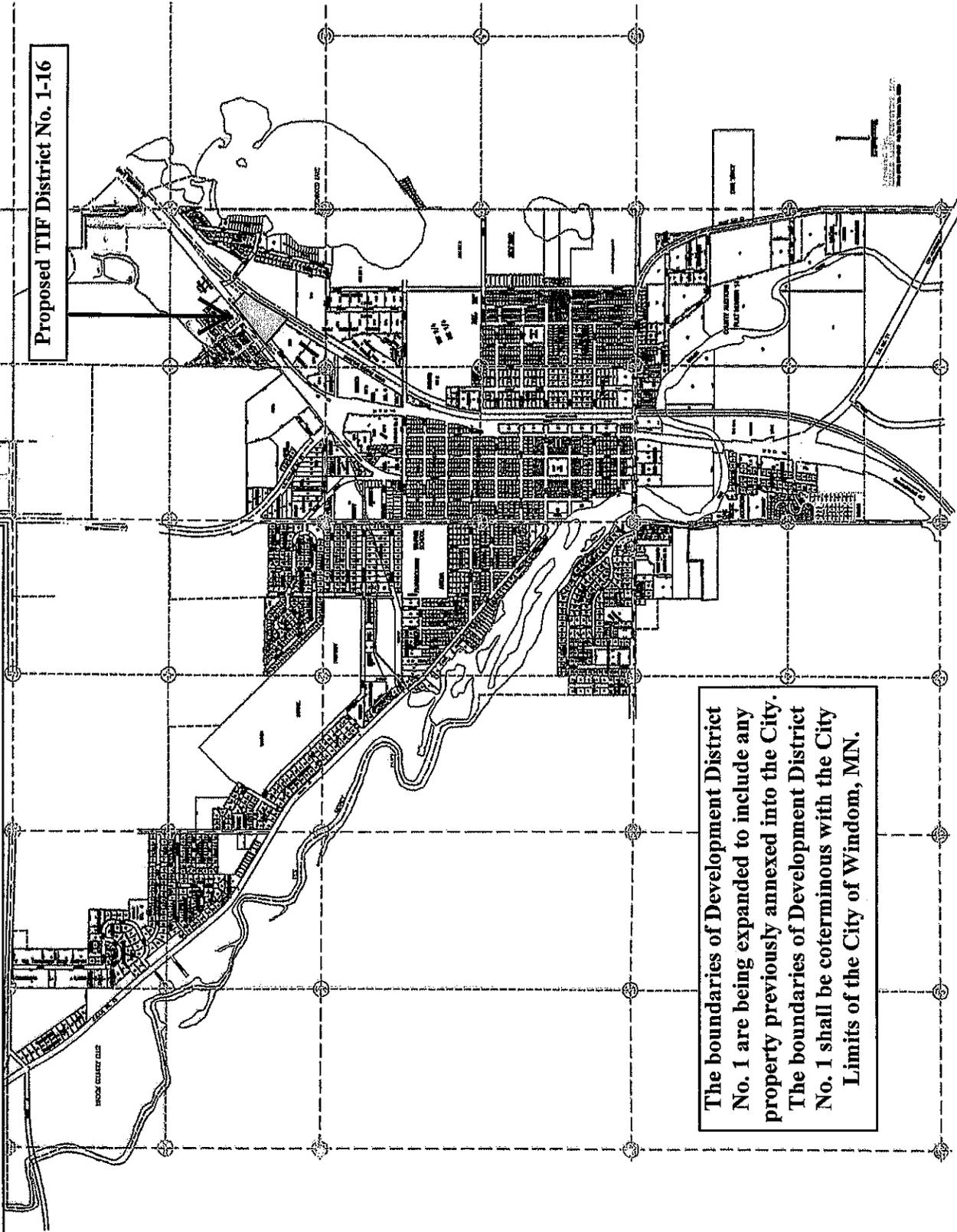
The owners of GDF Enterprises (the local Bobcat dealership) and Ag Builders of Southern Minnesota (an agricultural building construction company) are seeking to redevelop an area of five parcels encompassing 5.36 acres of land on State Highway 60 in the City of Windom. On April 11, 2012 the owners acquired two of the five parcels that pertained to the closed Bolin Lumberyard.

The initial phase of the redevelopment would entail a display area and a cold storage facility. The second phase of the project would entail the construction of 10,000+ sq. ft. showroom/office. The third phase could potentially involve the construction of additional office and storage facilities.

Appendix B

Map of Development District No. 1 and the District

**City of Windom, MN
Development District No. 1
Tax Increment Financing District No. 16**



Proposed TIF District No. 1-16

The boundaries of Development District No. 1 are being expanded to include any property previously annexed into the City. The boundaries of Development District No. 1 shall be coterminous with the City Limits of the City of Windom, MN.

Appendix C

Description of Property to be Included in the District

The District encompasses all property and adjacent rights-of-way and abutting roadways identified by the parcels listed below.

<u>Parcel Numbers</u>	<u>Address</u>	<u>Owner</u>
25-024-0400	2275 Hwy 60 East	Glen & Denise Francis
25-024-0710	2275 Hwy 60 East	Glen & Denise Francis
25-024-0760	2603 Hwy 60 East	Gene and Donna Pankonin
25-024-0740	2305 Hwy 60 East	Gene and Donna Pankonin
25-024-0690	2345 Hwy 60 East	Peter Koep

Appendix D
Estimated Cash Flow for the District



GDF/Ag Bldrs of S MN - TIF District
City of Windom, Minnesota

16,000 SF Phased-In Office/Showroom Facility

ASSUMPTIONS AND RATES

DistrictType: Redevelopment
District Name/Number: TIF District 1-16
County District #: TBD
First Year Construction or Inflation on Value: 2012
Existing District - Specify No. Years Remaining: NA
Inflation Rate - Every Year: 1.00%
Interest Rate: 5.50%
Present Value Date: 1-Aug-12
First Period Ending: 1-Feb-13
Tax Year District was Certified: Pay 2012
Cashflow Assumes First Tax Increment For Development: 2014
Years of Tax Increment: 26
Assumes Last Year of Tax Increment: 2039
Fiscal Disparities Election [Outside (A), Inside (B), or NA]: NA
Incremental or Total Fiscal Disparities: Incremental
Fiscal Disparities Contribution Ratio: 0.00000%
Fiscal Disparities Metro-Wide Tax Rate: 0.00000%

Maximum/Frozen Local Tax Rate: 158.388% Pay 2012
Current Local Tax Rate: (Use lesser of Current or Max.): 158.388% Pay 2012
State-wide Tax Rate (Comm./Ind. only used for total taxes): 51.1000% Pay 2012
Market Value Tax Rate (Used for total taxes): 0.38239% Pay 2012

PROPERTY TAX CLASSES AND CLASS RATES:

Exempt Class Rate (Exempt)	0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)	1.50%
Over \$150,000	2.00%
Over \$150,000	2.00%
Commercial Industrial Class Rate (C/I)	1.25%
Rental Housing Class Rate (Rental)	0.75%
Affordable Rental Housing Class Rate (Aff. Rental)	1.25%
Non-Homestead Residential (Non-H Res.)	1.25%
Homestead Residential Class Rate (Hmstd. Res.)	1.00%
First \$500,000	1.25%
Over \$500,000	1.00%
Agricultural Non-Homestead	1.00%

BASE VALUE INFORMATION (Original Tax Capacity)

Map #	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Tax Year		Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/Phase
								Original Market Value	Market Value					
1	25-024-0400	G. & D. Francis	2275 Hwy 60 E	24,100	23,100	47,200	100%	47,200	Pay 2012	C/I Pref.	708	C/I Pref.	708	1
2	25-024-0710	G. & D. Francis	2275 Hwy 60 E	16,900	7,200	24,100	100%	24,100	Pay 2012	C/I Pref.	362	C/I Pref.	362	1
3	25-024-0760	Pankonin	2305 Hwy 60 E	16,600	12,600	29,200	100%	29,200	Pay 2012	C/I Pref.	438	C/I Pref.	438	1
4	25-024-0740	Pankonin	2325 Hwy 60 E	2,900	38,300	41,200	100%	41,200	Pay 2012	Hmstd. Res.	412	C/I Pref.	618	1
5	25-024-0690	Keop	2345 Hwy 60 E	8,300	0	8,300	100%	8,300	Pay 2012	Hmstd. Res.	83	C/I Pref.	125	1
				13,200	12,000	25,200	100%	25,200	Pay 2012	Hmstd. Res.	252	C/I	504	1
						175,200		175,200			2,255		2,754	

Note:

1. Base values are based upon review of County website on April 3, 2012.


EHLERS
 LEADERS IN PUBLIC FINANCE
GDF/Ag Bldgs of S MN - TIF District
 City of Windom, Minnesota

16,000 SF Phased-In Office/Showroom Facility

PROJECT INFORMATION (Project Tax Capacity)

Area/Phase	New Use	Estimated		Taxable		Total Sq. Ft./Units	Total Market Value	Total Taxable		Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2012	Percentage Completed 2013	Percentage Completed 2014	Percentage Completed 2015	First Year Full Taxes Payable
		Market Value	Per Sq. Ft./Unit	Market Value	Per Sq. Ft./Unit											
1	Facade	250,000	100	250,000	100	1	250,000	0	0	4,250	4,250	100%	100%	100%	100%	2014
2	New	100	100	100,000	100	6,000	600,000	0	0	12,000	2	100%	100%	100%	100%	2015
3	New	100	100	100,000	100	10,000	1,000,000	0	0	20,000	2	100%	100%	100%	100%	2015
TOTAL						0	1,850,000	0	0	36,250	2					2017
Subtotal Residential						0	0	0	0	0	0					
Subtotal Commercial/Ind.						16,001	1,850,000	0	0	36,250	2					

Note:

1. Market value is based upon estimate from Company.

TAX CALCULATIONS

New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Property Taxes	Local Tax Capacity	State-wide Property Taxes	Market Value	Market Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Facade	4,250	0	6,731	4,250	2,172	956	956	9,859	9,859.22
New	12,000	0	19,007	12,000	6,132	2,294	2,294	27,433	4.57
New	20,000	0	31,678	20,000	10,220	3,824	3,824	45,722	4.57
TOTAL	36,250	0	57,416	36,250	18,524	7,074	7,074	83,914	

Note:

1. Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, and other factors which cannot be predicted.

2. If tax increment is received in 2013, then the district will be one year shorter.

WHAT IS EXCLUDED FROM TIF?

Total Property Taxes	83,914
less State-wide Taxes	(18,524)
less Fiscal Disp. Adj.	0
less Market Value Taxes	(7,074)
less Base Value Taxes	(4,362)
Annual Gross TIF	53,054

MARKET VALUE BUT / FOR ANALYSIS

Current Market Value - Est.	175,200
New Market Value - Est.	1,850,000
Difference	1,674,800
Present Value of Tax Increment	636,343
Difference	1,038,457
Value likely to occur without Tax Increment is less than:	1,038,457

Appendix E

Minnesota Business Assistance Form (Minnesota Department of Employment and Economic Development)

A Minnesota Business Assistance Form (MBAF) should be used to report and/or update each calendar year's activity by April 1 of the following year.

Please see the Minnesota Department of Employment and Economic Development (DEED) website at <http://www.deed.state.mn.us/Community/subsidies/MBAFForm.htm> for information and forms.

Appendix F

Redevelopment Qualifications for the District

To be added to prior to the public hearing

Appendix G

Findings Including But/For Qualifications

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan (TIF Plan) for Tax Increment Financing District No. 1-16 (District), as required pursuant to Minnesota Statutes, Section 469.175, Subdivision 3 are as follows:

1. *Finding that Tax Increment Financing District No. 1-16 is a redevelopment district as defined in M.S., Section 469.174, Subd. 10(a)(1).*

The District consists of five parcels, with plans to redevelop the area for commercial/industrial purposes. At least 70 percent of the area of the parcels in the District are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures and more than 50 percent of the buildings in the District, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance. (See Appendix F of the TIF Plan.)

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan.*

The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future: This finding is supported by the fact that the redevelopment proposed in the TIF Plan meets the City's objectives for redevelopment. Due to the high cost of redevelopment on the parcels currently occupied by substandard buildings, the limited amount of commercial/industrial property for expansion adjacent to the existing project, the incompatible land uses at close proximity, and the cost of financing the proposed improvements, this project is feasible only through assistance, in part, from tax increment financing. The developer has provided as justification that the development would not have gone forward without tax increment assistance. (See attachment in Appendix G of the TIF Plan.)

The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan: This finding is justified on the grounds that the cost of site and public improvements and utilities add to the total redevelopment cost. Historically, site improvement costs in this area have made redevelopment infeasible without tax increment assistance. The project will eliminate a blighted influence on the area and provide an opportunity for development. The City reasonably determines that no other redevelopment of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

Therefore, the City concludes as follows:

- a. The City's estimate of the amount by which the market value of the entire District will increase without the use of tax increment financing is \$0.
- b. If the proposed development occurs, the total increase in market value will be \$1,674,800 (see Appendix D and the table below)

- c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$636,343 (see Appendix D and the table below).
- d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than \$1,038,457 (the amount in clause b less the amount in clause c) without tax increment assistance.

But-For Analysis	
Current Market Value	175,200
New Market Value - Estimate	1,850,000
Difference	<u>1,674,800</u>
Present Value of Tax Increment	<u>636,343</u>
Difference	<u>1,038,457</u>
Value Likely to Occur Without TIF is Less Than:	1,038,457

- 3. *Finding that the TIF Plan for the District conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The Planning Commission reviewed the TIF Plan and found that the TIF Plan conforms to the general development plan of the City.

- 4. *Finding that the TIF Plan for the District will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Development District No. 1 by private enterprise.*

The project to be assisted by the District will result in increased employment in the City and the State of Minnesota, the renovation of substandard properties, increased tax base of the State and add a high quality development to the City.

The buildings located at 2275 Highway 60 East, 2603 Highway 60 East, 2305 Highway 60 East, 2345 Highway 60 East are within a proposed tax increment financing district in the City of Windom. The purpose of the building inspections was to determine if the buildings are substandard buildings under the following definition:

Under the tax increment law, specifically Minnesota Statutes Section 469.174, Subdivision 10 (a), a building is "structurally substandard" if it contains defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.

Based upon actual interior inspections, many of the buildings meet the above-referenced definition of structurally substandard for the following reasons:

SEE ATTACHMENT TO REPORT ON STRUCTURALLY SUBSTANDARD BUILDINGS.

The properties inspected included numerous buildings located at each of the above addresses. In particular, six buildings located on the properties are structurally unsafe and do not meet today's building code requirements, approximately 75% of another building meets the building code requirements, and at least one to two other buildings have significant code deficiencies. The specific buildings and the findings on which these conclusions are based are listed in the Attachment to this report.

Notwithstanding the foregoing, the tax increment law also provides that a building may not be considered structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site.

The undersigned has calculated the cost of new buildings of the same sizes and types to be as follows:

Existing Building Square Footage: SEE ATTACHMENT.

Replacement Cost Per Square Foot: SEE ATTACHMENT.

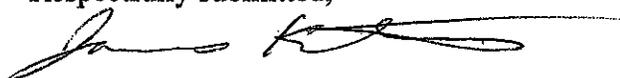
Estimated Total Replacement Cost (B): SEE ATTACHMENT.

and has also estimated that the cost of bringing the existing buildings up to current code (A) would be AS SHOWN ON THE ATTACHMENT. The calculations (A divided by B) are SHOWN ON THE ATTACHMENT. Pursuant to these calculations for the 13 buildings inspected, over 90% of these existing buildings could not be brought up to current code for less than 15% of the cost of new buildings of the same sizes and types.

Note: Additional documentation and pictures are attached as part of this report.

Should you have any questions concerning this report, please contact me at the Windom City Hall, 444 Ninth Street, P. O. Box 38, Windom, Minnesota 56101 or by phone at 507-831-6125.

Respectfully submitted,



James Kartes, Windom Building & Zoning Official

ATTACHMENT TO "REPORT ON STRUCTURALLY SUBSTANDARD BUILDINGS"

...This finding is based on the following criteria:

Date of Inspections: April 10, 2012

SEE ATTACHED PICTURES.

Notes: "Essential Utilities & Facilities" includes connections to electrical, sewer, water & natural gas services.

The "Type of Construction" for these buildings is "V-B" Construction.

"Replacement Cost Per Square Foot" is calculated by applying the Type of Construction and Building Occupancy Classifications to the "Building Valuation Data" Chart compiled by the Construction Codes and Licensing Division of the Minnesota Department of Labor and Industry.

Parcel No. 25-024-0400 **Address: 2275 Highway 60 East** (Former "Bolin Lumber" Property)

None of these buildings have been used or maintained for a significant period of time.

Building No. 1: Office & Storage Building

Building Occupancy Classification: B/S-2

Existing Building Square Footage: 4,400

Defects in Structural Elements: Siding needs to be replaced and several window panes.

Essential Utilities & Facilities: Yes connections to all.

Lighting & Ventilation: Satisfactory

Fire Protection (& Egress): Fire hydrant within 500 feet. Satisfactory ingress & egress.

Layout & Condition of Interior Partitions: Satisfactory

Does building meet today's Building Code requirements: Yes.

Building No. 2: Wood Storage Building

Building Occupancy Classification: S-2

Existing Building Square Footage: 902

Defects in Structural Elements: Roof and structural supports are defective. Siding should be replaced.

Essential Utilities & Facilities: No services in this structure except electrical which is substandard.

Lighting & Ventilation: Not to code.

Fire Protection (& Egress): Fire hydrant within 500 feet.

Satisfactory ingress & egress, but with safety issues.

Layout & Condition of Interior Partitions: No interior partitions.

Does building meet today's Building Code requirements: No.

Inspector's Notes: There are no windows in this building. There is no fire safety equipment in this building.

Replacement Cost Per Square Foot: \$35.72

Estimated Total Replacement Cost: \$32,219.44

Cost to Bring Existing Building Up to Current Code: The cost to bring the existing building up to the current code would be in excess of 15% of the cost of a new building of the same size and type.

Building No. 3: Wood Storage Building

Building Occupancy Classification: S-2

Existing Building Square Footage: 2,280

Defects in Structural Elements: Roof and structural supports are defective. Siding should be replaced.

Essential Utilities & Facilities: No services in this structure except electrical which is substandard.

Lighting & Ventilation: Not to code.

Fire Protection (& Egress): Fire hydrant within 500 feet.

Satisfactory ingress & egress, but with safety issues.

Layout & Condition of Interior Partitions: Not structurally sound.

Does building meet today's Building Code requirements: No.

Inspector's Notes: The building is set up on posts. There are no windows in this building. There is no fire safety equipment in this building.

Replacement Cost Per Square Foot: \$35.72

Estimated Total Replacement Cost: \$81,442

Cost to Bring Existing Building Up to Current Code: The cost to bring the existing building up to the current code would be in excess of 15% of the cost of a new building of the same size and type.

Building No. 4: Demolished on the property several years ago and not part of this inspection.

Building No. 5: Metal Storage Building

Building Occupancy Classification: S-2

Existing Building Square Footage: 2,440

Defects in Structural Elements: Roof, Doors, Structural Elements, Floor

Essential Utilities & Facilities: Electrical Issues

Lighting & Ventilation: Not up to Code.

Fire Protection (& Egress): Fire hydrant over 500 feet away.

Satisfactory ingress & egress, but with safety issues.

Layout & Condition of Interior Partitions: Not structurally sound.

Does building meet today's Building Code requirements: No.

Inspector's Notes: There are no windows in this building. There is no fire safety equipment in this building.

Replacement Cost Per Square Foot: \$35.72

Estimated Total Replacement Cost: \$87,157

Cost to Bring Existing Building Up to Current Code: The cost to bring the existing building up to the current code would be in excess of 15% of the cost of a new building of the same size and type.

Building No. 6: Open-sided Wood & Metal Storage Building

Building Occupancy Classification: S-2

Existing Building Square Footage: 2,640

Defects in Structural Elements: Roof, Structural Elements, Building has no floor

Essential Utilities & Facilities: No services except electrical service which is substandard.

Lighting & Ventilation: Open-sided Building

Fire Protection (& Egress): Fire hydrant over 500 feet away.

Satisfactory ingress & egress, but with safety issues because of roof structure.

Layout & Condition of Interior Partitions: None.

Does building meet today's Building Code requirements: No.

Inspector's Notes: There is no floor in this building.

Replacement Cost Per Square Foot: \$35.72

Estimated Total Replacement Cost: \$40,000

Cost to Bring Existing Building Up to Current Code: The cost to bring the existing building up to the current code would be in excess of 15% of the cost of a new building of the same size and type.

Building No. 7: Metal Storage Building

Building Occupancy Classification: S-2

Existing Building Square Footage: - 2,016

Defects in Structural Elements: Roofing, 25% of the Structural Elements are defective, siding should be replaced. There are holes in the floor.

Essential Utilities & Facilities: No services except electrical service which is substandard.

Lighting & Ventilation: Not up to Code.

Fire Protection (& Egress): Fire hydrant over 500 feet away.

Satisfactory ingress & egress, but with safety issues.

Layout & Condition of Interior Partitions: No interior partitions.

Does building meet today's Building Code requirements: No.

Replacement Cost Per Square Foot: \$35.72

Estimated Total Replacement Cost: \$72,012

Cost to Bring Existing Building Up to Current Code: The cost to bring the existing building up to the current code would be in excess of 15% of the cost of a new building of the same size and type.

Parcel No. 25-024-0710

Address: On Property Addressed as 2275 Highway 60 East

(Former "James Bolin" Property)

This building has not been used or maintained for a significant period of time.

Building No. 1: Storage Building

Building Occupancy Classification: S-2

Existing Building Square Footage: 8,000

Defects in Structural Elements: Roof needs to be repaired and siding needs to be replaced.

Essential Utilities & Facilities: No services except electrical which is substandard.

Lighting & Ventilation: Satisfactory

Fire Protection (& Egress): Fire hydrant within 500 feet. Satisfactory ingress & egress.

Layout & Condition of Interior Partitions: Satisfactory

Does building meet today's Building Code requirements: Approximately 75% meets requirements.

Building can meet requirements if fire damage is repaired.

Inspector's Notes: There was a fire in this building which damaged structural portions of the roof and side walls. There is no fire safety equipment in this building.

Replacement Cost Per Square Foot: \$35.72

Estimated Total Replacement Cost: \$285,760

Cost to Bring Existing Building Up to Current Code: \$75,000

Parcel No. 25-024-0760

Address: 2603 Highway 60 East

("Windom Wrecking" Property)

The main building and shop are basically used for storage at the current time.

Building No. 1: Business Office & Shop

Building Occupancy Classification: S-2

Existing Building Square Footage: 2,634

Defects in Structural Elements: Building is structurally sound.
Essential Utilities & Facilities: Gas and electrical services. No water and sewer.
Lighting & Ventilation: Satisfactory
Fire Protection (& Egress): Fire hydrant within 500 feet. Satisfactory ingress & egress.
Layout & Condition of Interior Partitions: Satisfactory
Does building meet today's Building Code requirements: No, because there is no water or sewer to the building and there is no bathroom in the building.
Inspector's Notes: The building also has fire code issues due to the accumulation of stored items within the building. There is no fire safety equipment in this building. Single-pane windows and doors should be replaced. Substandard sheds on the property should be removed.
Replacement Cost Per Square Foot for Storage Use: \$35.72
Replacement Cost Per Square Foot for Commercial Use as an Office (\$98.32) and Shop (\$38.09)
Estimated Total Replacement Cost as a Storage Building: \$94,086
Estimated Total Replacement Cost as an Office (Estimate 20' X 20') and Shop: \$124,421
Cost to Bring Existing Building Up to Current Code: \$40,000 (estimate)

Parcel No. 25-024-0740 **Address: 2305 Highway 60 East**
(Owners: Gene & Donna Pankonin) (Residents: Kermit & Evelyn Pankonin)

Building No. 1: Residential Home & Attached Garage

Building Occupancy Classification: R-3
Existing Building Square Footage: 1,382
Defects in Structural Elements: Building is structurally sound.
Essential Utilities & Facilities: All essential services.
Lighting & Ventilation: Satisfactory
Fire Protection (& Egress): Fire hydrant within 500 feet. Satisfactory ingress & egress.
Layout & Condition of Interior Partitions: Satisfactory
Does building meet today's Building Code requirements: Yes.
Inspector's Notes: Several additions have been added to this house. Routine maintenance may soon be required on the home. Substandard sheds on the property should be removed.
Replacement Cost Per Square Foot: \$90.23
Estimated Total Replacement Cost: \$124,698
Cost to Bring Existing Building Up to Current Code: \$20,000 (estimate)

Parcel No. 25-024-0690 **Address: 2345 Highway 60 East**
(Owner: Peter Koep) (Includes former "Koep Implement" Property)

Building No. 1: Residential Home

Building Occupancy Classification: R-3
Existing Building Square Footage: 336 Square Feet + 216 Square Feet of Deck
Defects in Structural Elements: Building is structurally sound.
Essential Utilities & Facilities: Gas & electrical services. Water is provided by a well and sewer is provided by a septic system.
Lighting & Ventilation: Satisfactory
Fire Protection (& Egress): Fire hydrant within 500 feet. Satisfactory ingress & egress.
Layout & Condition of Interior Partitions: Satisfactory
Does building meet today's Building Code requirements: Yes, but only as a nonconforming structure.

Inspector's Notes: The siding is in need of replacement. The Assessor's records show that the structure was constructed on the property in 1948 and has a partial basement. This home is classified as non-conforming pursuant to the City's zoning ordinance. If the home is damaged by fire or other disaster to the extent that it would need to be replaced, the new structure would need to conform to current building and zoning codes. The installation of city water and sewer services would also be required. Substandard sheds on the property should also be removed.

Replacement Cost Per Square Foot: \$90.23

Estimated Total Replacement Cost: \$30,317.28 - \$90,000 (Plus additional cost for deck replacement.)

(Cost is based on the fact that pursuant to the City's zoning ordinance, the house can't be rebuilt to its current size and must be larger to comply with the zoning ordinance.)

Cost to Bring Existing Building Up to Current Code: The cost to bring the existing building up to the current code would be in excess of 15% of the cost of a new building of the same size and type.

Building No. 2: Detached Garage/Storage Building (Behind mobile home)

Building Occupancy Classification: S-2

Existing Building Square Footage: 1,120

Defects in Structural Elements: Building is structurally sound.

Essential Utilities & Facilities: Only electrical service.

Fire Protection (& Egress): Fire hydrant within 500 feet. Satisfactory ingress & egress.

Layout & Condition of Interior Partitions: Satisfactory

Does building meet today's Building Code requirements: Yes.

Inspector's Notes: Siding needs to be replaced on the building together with some window repair and replacement of some of the doors.

Replacement Cost Per Square Foot: \$ 35.72

Estimated Total Replacement Cost: \$40,006

Cost to Bring Existing Building Up to Current Code: \$18,000 (estimate)

Building No. 3: Barn

Building Occupancy Classification: S-2

Existing Building Square Footage: 4,000

Defects in Structural Elements: Building is structurally sound.

Essential Utilities & Facilities: Electrical service. Water is provided by a well and sewer is provided by a septic system.

Fire Protection (& Egress): Fire hydrant within 500 feet. Satisfactory ingress & egress.

Layout & Condition of Interior Partitions: Satisfactory.

Does building meet today's Building Code requirements: Yes.

Inspector's Notes: The metal exterior of the building and the roof are very rusty and may need to be replaced in time. The building is two stories in height. Because of its size, the cost to re-skin and re-roof this building would be substantial and would be in excess of 15% of the cost of a new building of the same size and type. The building also has fire code issues due to the accumulation of stored items within the building. There is no fire safety equipment in this building.

Replacement Cost Per Square Foot: \$35.72

Estimated Total Replacement Cost: \$285,760 (Estimate because of two stories)

Cost to Bring Existing Building Up to Current Code: \$60,000 (Estimate)

Building No. 4: Storage Building (Former "Koep Implement" Building)

Building Occupancy Classification: S-2

Existing Building Square Footage: 1,680

Defects in Structural Elements: Structure is only fair. Steps to the upper level are unsafe. Only a small portion of the floor is covered by concrete.

Essential Utilities & Facilities: Only electrical service.

Fire Protection (& Egress): Fire hydrant within 500 feet.

Layout & Condition of Interior Partitions: Poor.

Does building meet today's Building Code requirements: No.

Inspector's Notes: The roof is rusty. The windows are broken out, the attic window is missing, and there are holes in the siding all of which allow rain and moisture into the building causing the walls and rafters to become weathered and deteriorate. The building also has fire code issues due to the accumulation of stored items within the building. There is no fire safety equipment in this building.

Replacement Cost Per Square Foot: \$35.72

Estimated Total Replacement Cost: \$60,010

Cost to Bring Existing Building Up to Current Code: The cost to bring the existing building up to the current code would be in excess of 15% of the cost of a new building of the same size and type.

250240621

251030050

250240621

250240620

250241001

251030010

25-024-0740

250240690

250241205

Windom

Great Bend

250240760

250241

250240400

25-024-0740

250241200

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250241204

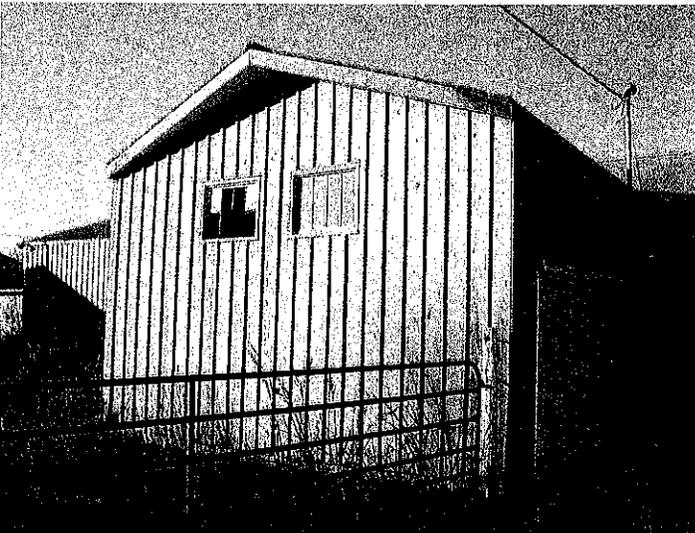
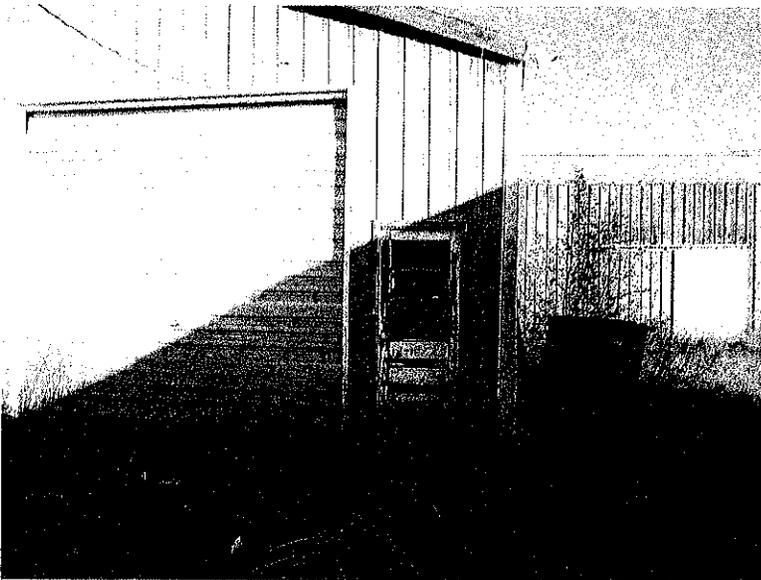
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Parcel No. 25-024-0400

Address: 2275 Highway 60

(Former "Bolin Lumber" Property)

BUILDING NO. 1

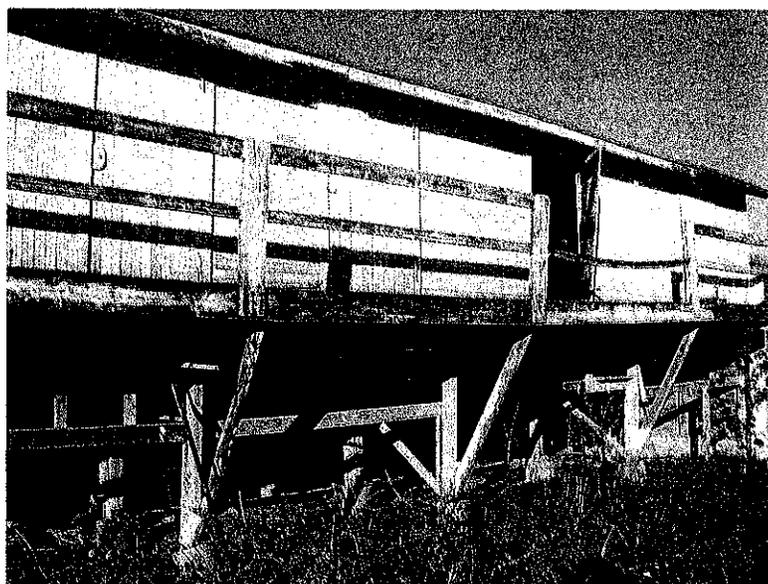
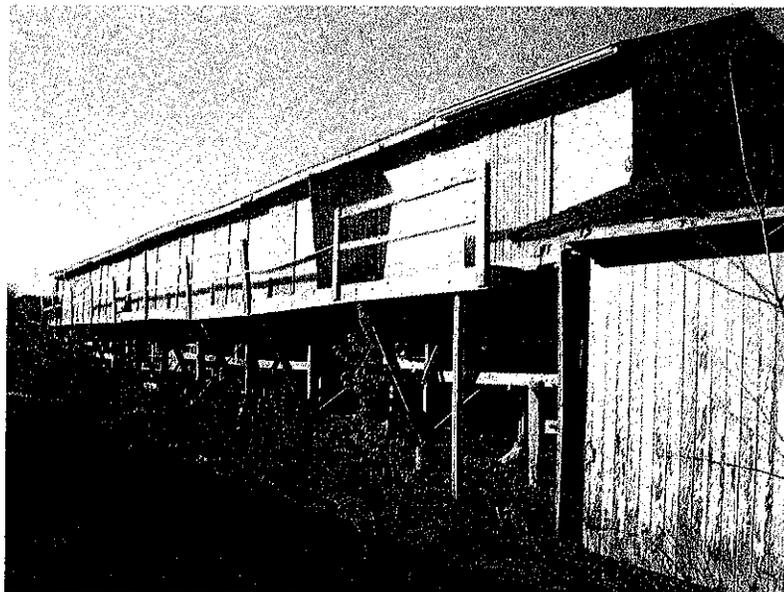


Parcel No. 25-024-0400

Address: 2275 Highway 60

(Former "Bolin Lumber" Property)

BUILDINGS 2 & 3

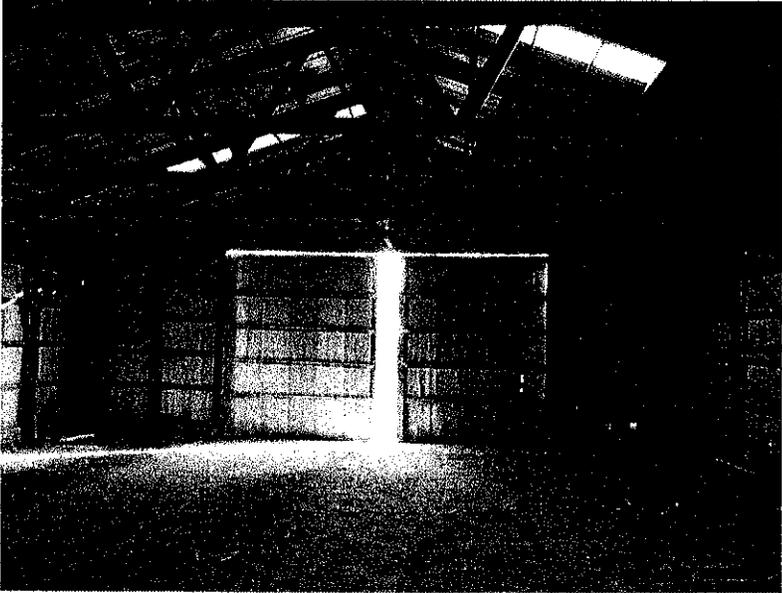
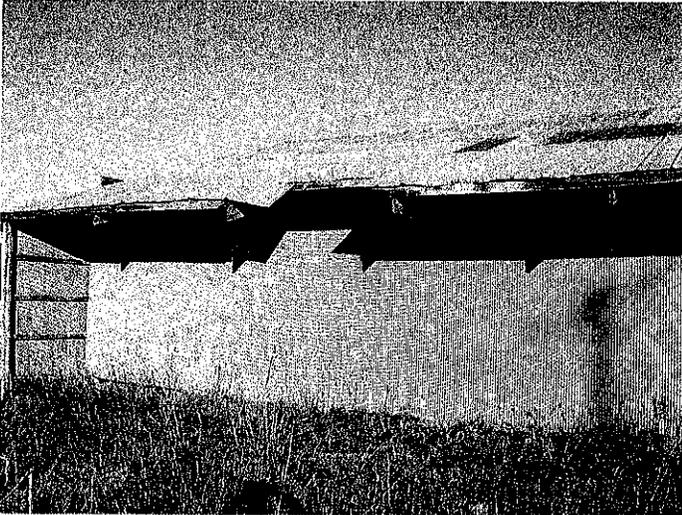
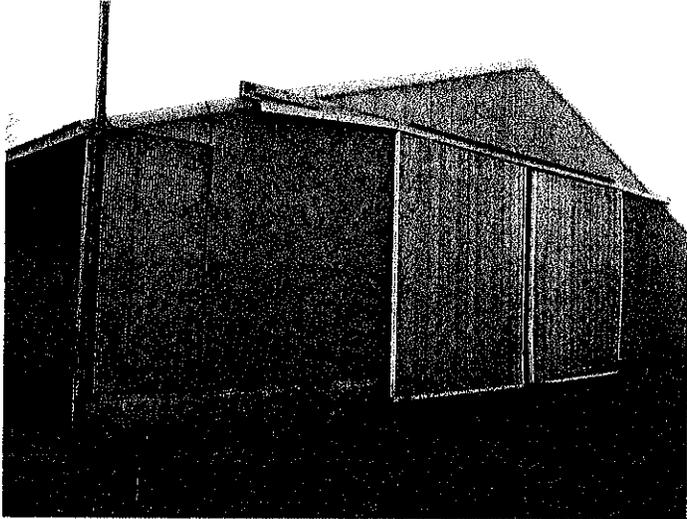


Parcel No. 25-024-0400

Address: 2275 Highway 60

(Former "Bolin Lumber" Property)

BUILDING NO. 5

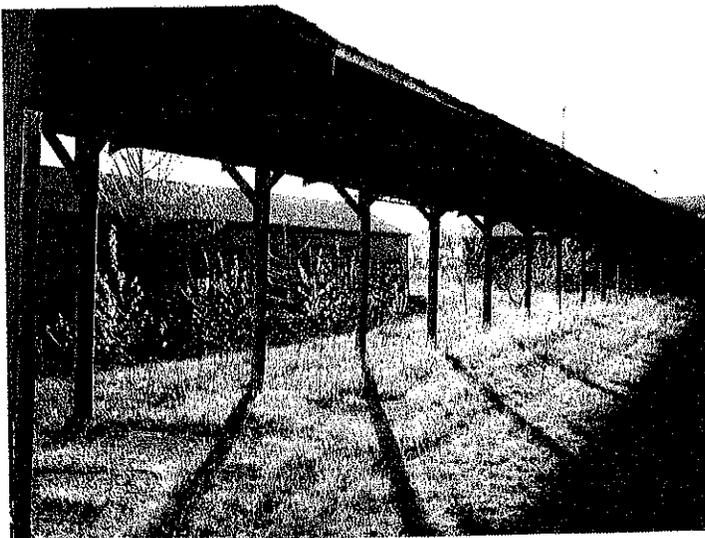
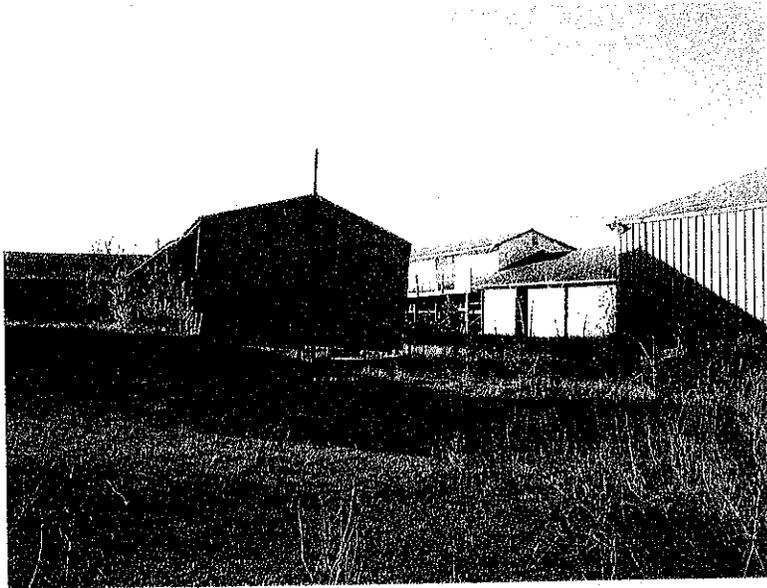
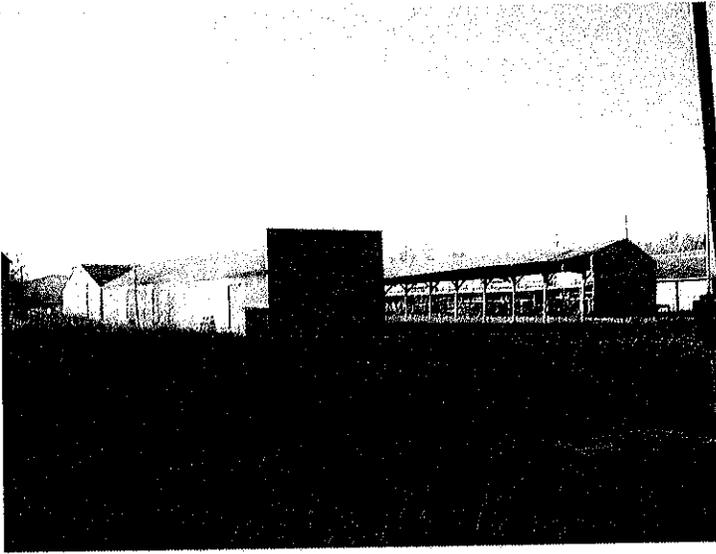


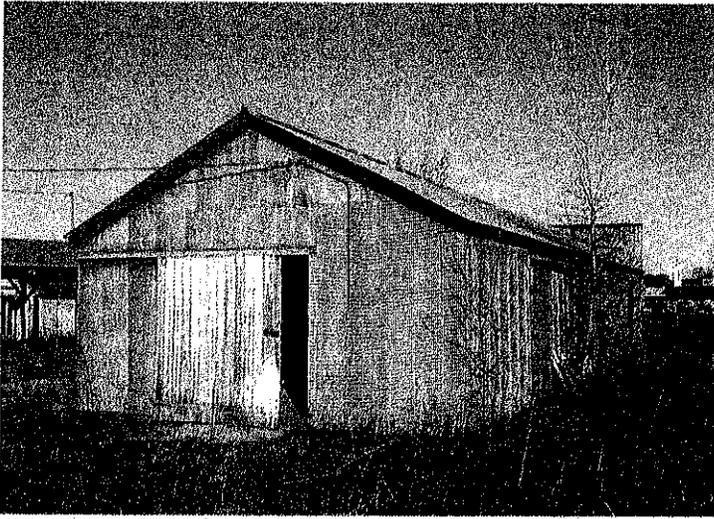
Parcel No. 25-024-0400

Address: 2275 Highway 60

(Former "Bolin Lumber" Property)

BUILDING NOS. 6 & 7



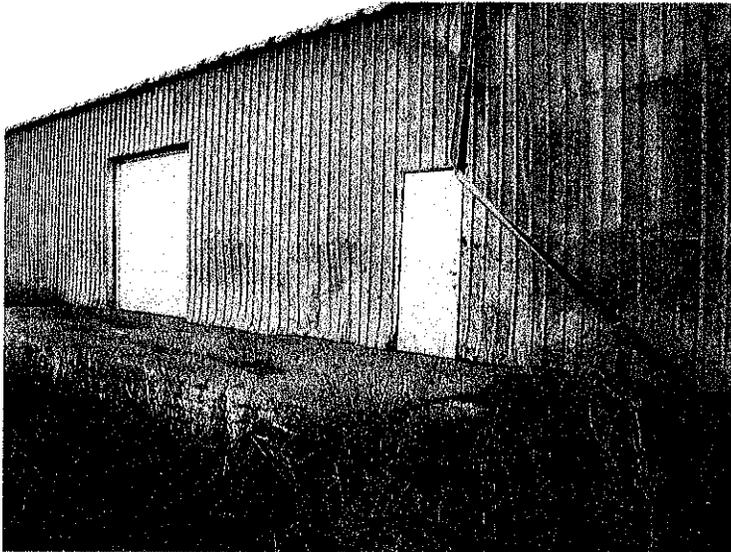


Parcel No. 25-024-0710

Address: Also at 2275 Highway 60

(Former "James Bolin" Property)

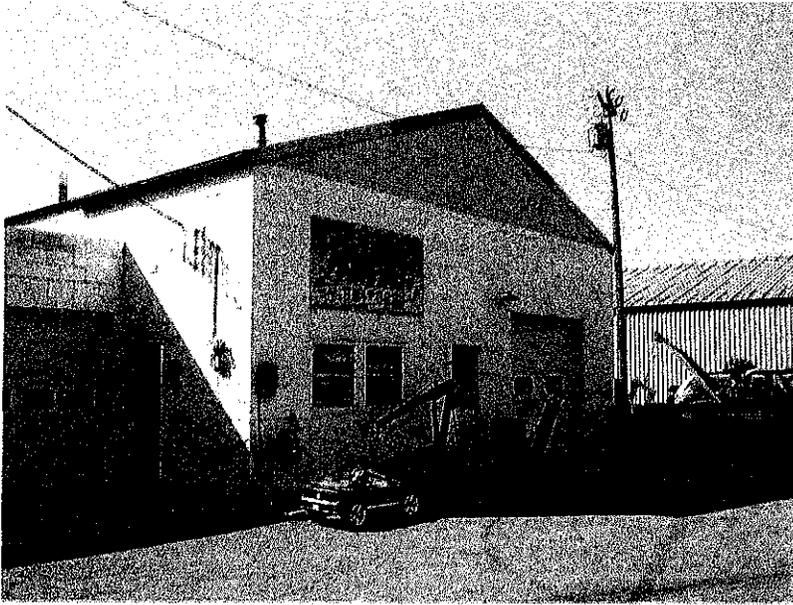
BUILDING NO. 1



Parcel No. 25-024-0760

Address: 2603 Highway 60 East

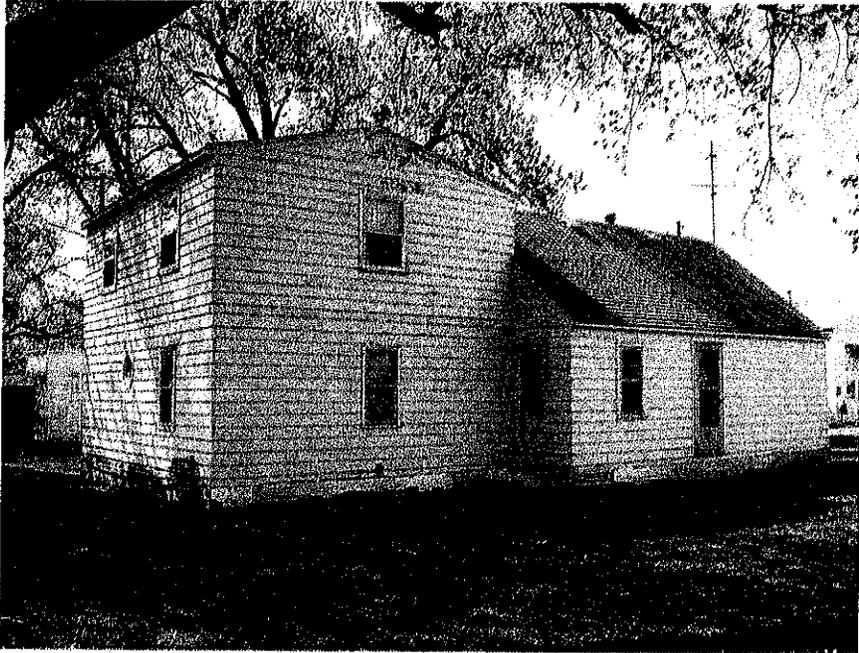
("Windom Wrecking" Property)



Parcel No. 25-024-0740

Address: 2305 Highway 60 East

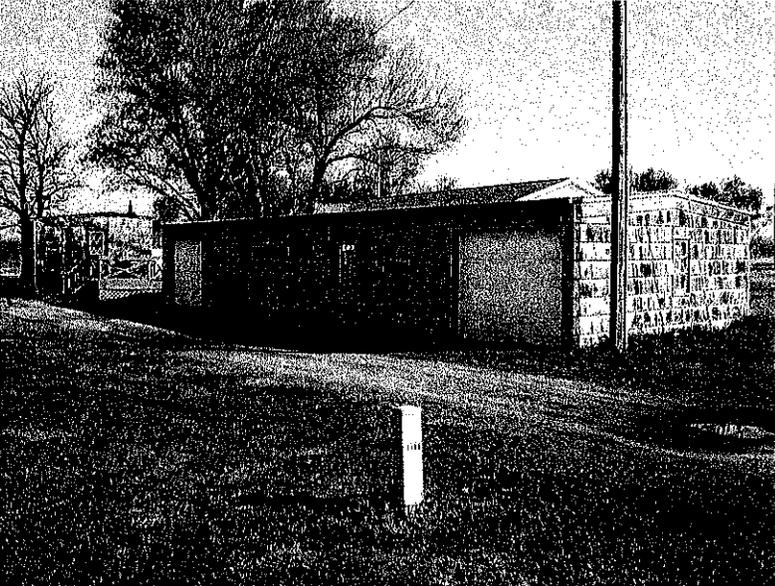
("Pankonins' House")



Parcel No. 25-024-0690

Address: 2345 Highway 60 East

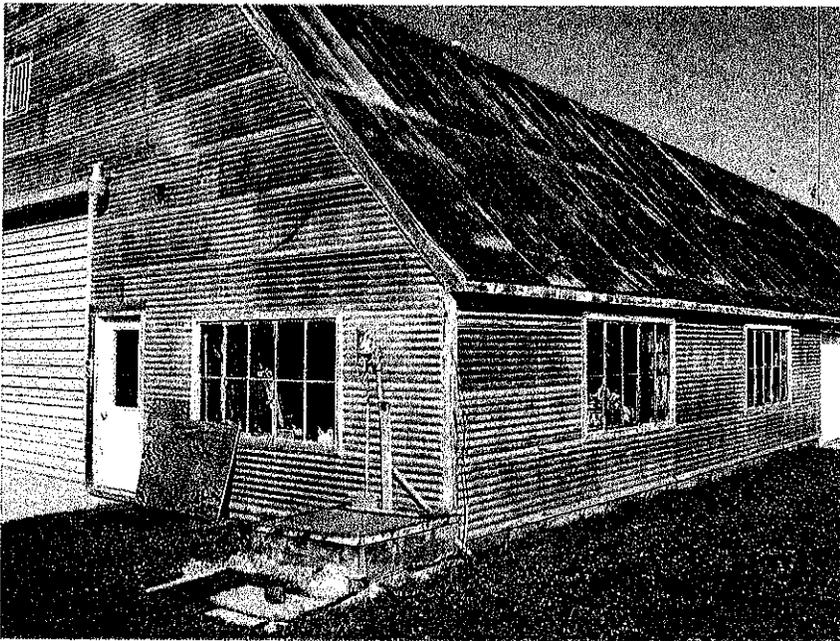
("Koep's Implement Property –
Koep's House & Detached Garage")



Parcel No. 25-024-0690

Address: 2345 Highway 60 East

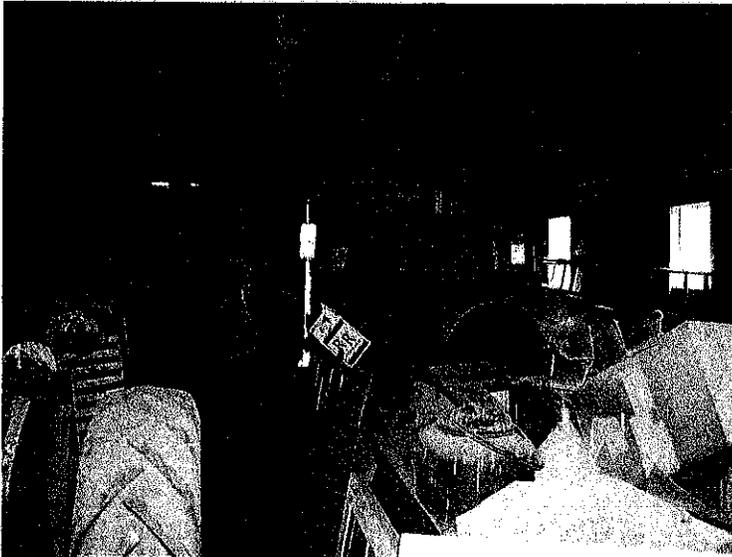
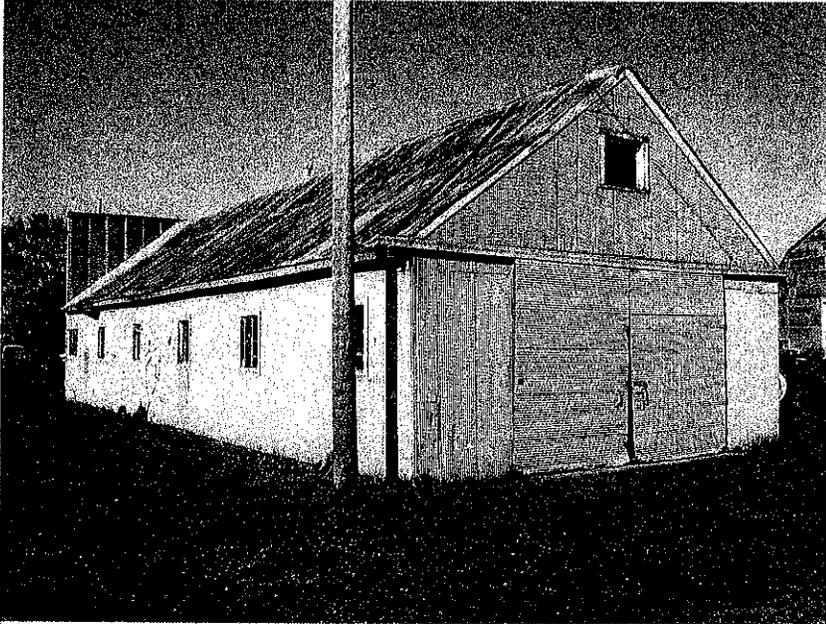
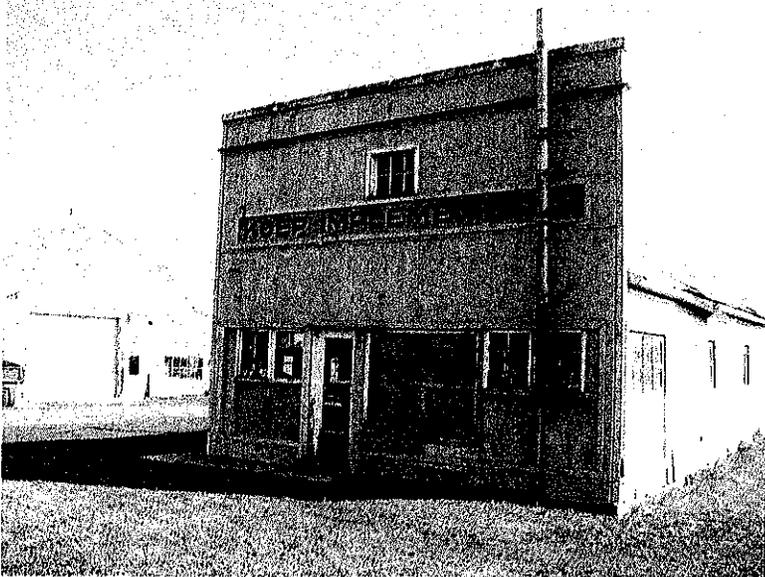
("Koep's Implement Property – Barn)



Parcel No. 25-024-0690

Address: 2345 Highway 60 East

("Koep's Implement" Building)



June 1, 2012

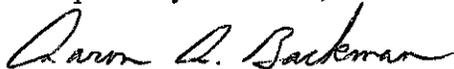
PROPOSED TAX INCREMENT FINANCING DISTRICT 1-16

"BUT FOR" TEST

The owners of GDF Enterprises (the local Bobcat dealership) and Ag Builders of Southern Minnesota (an agricultural building construction company) are seeking to either redevelop and/or open the door for redevelopment of an area of five parcels encompassing 5.36 acres of land on State Highway 60 in the City of Windom. On April 11, 2012, the owners acquired two of the five parcels that pertained to the closed Bolin Lumberyard. The initial phase of the redevelopment would entail a display area and a cold storage facility. The second phase of the project would entail the construction of 10,000+ sq. ft. showroom/office. The third phase could potentially involve the construction of additional office and storage facilities.

Due to the high cost of redevelopment on the parcels currently occupied by substandard buildings, the limited amount of commercial/industrial property for expansion adjacent to the existing project, and the incompatible land uses at close proximity, this project is feasible only through assistance, in part, from tax increment financing. Historically, site improvement costs in this area have made redevelopment infeasible without tax increment assistance. The project will eliminate a blighted influence on the area and provide an opportunity for future development. The City reasonably determines that no other redevelopment of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

Respectfully submitted,



Aaron A. Backman, EDA Executive Director
Economic Development Authority of Windom

RESOLUTION # 2012-

INTRODUCED:

SECONDED:

VOTED: AYE:

NAY:

ABSENT:

CITY OF WINDOM STATE OF MINNESOTA

RESOLUTION FINDING PARCELS TO BE OCCUPIED BY STRUCTURALLY SUBSTANDARD BUILDINGS

WHEREAS, it has been proposed that the City Council for the City of Windom, Minnesota, (the "City"), create a tax increment financing district in an area within the City to be designated a redevelopment district as defined in Minnesota Statutes, Section 469.174, Subd. 10; and

WHEREAS, in order to create this type of tax increment financing district, the City must make a determination that before the demolition or removal of the substandard buildings, certain conditions existed; and

WHEREAS, the conditions found by the City to exist throughout the proposed tax increment financing district are that parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance; and

WHEREAS, in order to deem a parcel as being occupied by a structurally substandard building, the City must first pass a resolution, before the demolition or removal, that the parcel was occupied by one or more structurally substandard buildings; and that after demolition and clearance, the City intended to include the parcel within the proposed tax increment financing district; and

WHEREAS, there exists in the City on each parcel or parcels described in Exhibit A attached hereto (collectively, the "Parcel") one or more structurally substandard buildings to be demolished or removed (the "Substandard Building Condition"); and

WHEREAS, a parcel is deemed to be occupied by a structurally substandard building if the Substandard Building Condition is met within three years of the filing of the request for certification of the parcel as part of the tax increment financing district with the County Auditor; and if certain other conditions are met.

NOW, THEREFORE, BE IT RESOLVED by the City Council for the City of Windom that 15% of the area of the Parcel identified on Exhibit A attached hereto contains improvements and is occupied by one or more structurally substandard buildings; and that after demolition and clearance, the City intends to include this Parcel within the proposed tax increment financing district.

Dated this 5th day of June, 2012.

Kirby G. Kruse, Mayor

ATTEST: _____
Steven Nasby, City Administrator

EXHIBIT "A"

HIGHWAY 60 EAST - PROPERTIES

RE: PROPOSED TIF DISTRICT 1-16

<u>Parcel No.</u>	<u>Property Address</u>	<u>Current Owner</u>	<u>Previous Owner</u>	<u>Description/Notes</u>	<u>Acreage</u>
25-024-0400	2275 Highway 60 East	GDF Properties, LLC	Bolin Lumber Co., Inc.	Tract in SW ¹ / ₄ SE ¹ / ₄ of 24-105-36 (Several Buildings on Property)	1.41
25-024-0710		GDF Properties, LLC	James T. Bolin	Tract in SW ¹ / ₄ SE ¹ / ₄ of 24-105-36 (Warehouse Building)	.97
25-024-0760	2603 Highway 60 East	Gene & Donna Pankonin (Contract Vendees) (dba "Windom Wrecking") Kermit Pankonin - (Contract Vendor)		Tract in SW ¹ / ₄ SE ¹ / ₄ of 24-105-36 (Salvage Yard)	.70
25-024-0740	2305 Highway 60 East	Gene & Donna Pankonin (Owners) Kermit & Evelyn Pankonin (Residents)		Residential Home	.30
25-024-0690	2345 Highway 60 East	Peter Koep		Home, Detached Garage, Barn Structure, Former Koep Implement Building	1.98
Total Acres.....					5.36

RESOLUTION # 2012-

INTRODUCED:

SECONDED:

VOTED: **AYE:**

NAY:

ABSENT:

CITY OF WINDOM COTTONWOOD COUNTY STATE OF MINNESOTA

RESOLUTION ADOPTING A MODIFIED DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 1, AND ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 1-16 THEREIN, AND ADOPTING A TAX INCREMENT FINANCING PLAN THEREFOR.

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

Section 1. Recitals

1.01. The Economic Development Authority of Windom (the "EDA") has heretofore established Development District No. 1 and adopted the Development Program therefor. It has been proposed by the EDA and the City that the City adopt a Modified Development Program for Development District No. 1 (the "Development Program Modification") and establish Tax Increment Financing District No. 1-16 (the "District") therein and adopt a Tax Increment Financing Plan (the "TIF Plan") therefor (the Development Program Modification and the TIF Plan are referred to collectively herein as the "Modified Program and TIF Plan"); all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.124 to 469.134 and Sections 469.174 to 469.1799, all inclusive, as amended, (the "Act") all as reflected in the Modified Program and TIF Plan, and presented for the Council's consideration.

1.02. The EDA and City have investigated the facts relating to the Modified Program and TIF Plan and have caused the Modified Program and TIF Plan to be prepared.

1.03. The EDA and City have performed all actions required by law to be performed prior to the establishment of the District and the adoption and approval of the proposed Modified Program and TIF Plan, including, but not limited to, notification of Cottonwood County and Independent School District No. 177 having taxing jurisdiction over the property to be included in the District, a review of and written comment on the Modified Program and TIF Plan by the City Planning Commission on May 8, 2012, approval of the Modified Program and TIF Plan by the EDA on May 14, 2012, and the holding of a public hearing upon published notice as required by law.

1.04. Certain written reports (the "Reports") relating to the Modified Program and TIF Plan and to the activities contemplated therein have heretofore been prepared by staff and consultants and submitted to the Council and/or made a part of the City files and proceedings on the Modified Program and TIF Plan. The Reports, including the redevelopment qualifications reports and planning documents, include data, information and/or substantiation constituting or relating to the basis for the other findings and determinations made in this resolution. The Council hereby confirms, ratifies and adopts the Reports,

which are hereby incorporated into and made as fully a part of this resolution to the same extent as if set forth in full herein.

1.05 The City is modifying the boundaries of Development District No. 1 to include any property previously annexed into the City. The boundaries of Development District No. 1 shall be conterminous with the City Limits of the City of Windom.

Section 2. Findings for the Adoption and Approval of the Development Program Modification.

2.01. The Council approves the Development Program Modification, and specifically finds that: (a) the land within the Project area as expanded would not be available for redevelopment without the financial aid to be sought under this Development Program; (b) the Development Program, as modified, will afford maximum opportunity, consistent with the needs of the City as a whole, for the development of the Project by private enterprise; and (c) that the Development Program, as modified, conforms to the general plan for the development of the City as a whole.

Section 3. Findings for the Establishment of Tax Increment Financing District No. 1-16

3.01. The Council hereby finds that the District is in the public interest and is a "redevelopment district" under Minnesota Statutes, Section 469.174, Subd. 10(a)(1) of the Act.

3.02. The Council further finds that the proposed redevelopment would not occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the Tax Increment Financing Plan, that the Modified Program and TIF Plan conform to the general plan for the development or redevelopment of the City as a whole; and that the Modified Program and TIF Plan will afford maximum opportunity consistent with the sound needs of the City as a whole for the development or redevelopment of the District by private enterprise.

3.03. The Council further finds, declares and determines that the City made the above findings stated in this Section and has set forth the reasons and supporting facts for each determination in writing, attached hereto as Exhibit A.

Section 4. Public Purpose

4.01. The adoption of the Modified Program and TIF Plan conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the City which is already built up, to provide employment opportunities, to improve the tax base and to improve the general economy of the State and thereby serves a public purpose. For the reasons described in Exhibit A, the City believes these benefits directly derive from the tax increment assistance provided under the TIF Plan. A private developer will receive only the assistance needed to make this development financially feasible. As such, any private benefits received by a developer are incidental and do not outweigh the primary public benefits.

Section 5. Approval and Adoption of the Modified Program and TIF Plan

5.01. The Modified Program and TIF Plan as presented to the Council on this date including, without limitation, the findings and statements of objectives contained therein, are hereby approved, ratified, established, and adopted and shall be placed on file in the Office of the Executive Director of the

Economic Development Authority of Windom.

5.02. The staff of the City, the City's advisors and legal counsel are authorized and directed to proceed with the implementation of the Modified Program and TIF Plan and to negotiate, draft, prepare and present to this Council for its consideration all further plans, resolutions, documents and contracts necessary for this purpose.

5.03 The Auditor of Cottonwood County is requested to certify the original net tax capacity of the District, as described in the Modified Program and TIF Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased; and the City of Windom is authorized and directed to forthwith transmit this request to the County Auditor in such form and content as the Auditor may specify, together with a list of all properties within the District, for which building permits have been issued during the 18 months immediately preceding the adoption of this resolution.

5.04. The City Administrator is further authorized and directed to file a copy of the Modified Program and TIF Plan with the Commissioner of the Minnesota Department of Revenue and the Office of the State Auditor pursuant to Minnesota Statutes 469.175, Subd. 4a.

ADOPTED this 5th day of June, 2012.

ATTEST:

Kirby G. Kruse, Mayor

Steven Nasby, City Administrator-City Clerk

(Seal)

EXHIBIT A

RESOLUTION NO. 2012-

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan (TIF Plan) for Tax Increment Financing District No. 1-16 (District), as required pursuant to Minnesota Statutes, Section 469.175, Subdivision 3 are as follows:

1. *Finding that Tax Increment Financing District No. 1-16 is a redevelopment district as defined in M.S., Section 469.174, Subd. 10(a)(1).*

The District consists of five parcels, with plans to redevelop the area for commercial/industrial purposes. At least 70 percent of the area of the parcels in the District is occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures and more than 50 percent of the buildings in the District, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance. (See Appendix F of the TIF Plan.)

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan.*

The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future: This finding is supported by the fact that the redevelopment proposed in the TIF Plan meets the City's objectives for redevelopment. Due to the high cost of redevelopment on the parcels currently occupied by substandard buildings, the limited amount of commercial/industrial property for expansion adjacent to the existing project, the incompatible land uses at close proximity, and the cost of financing the proposed improvements, this project is feasible only through assistance, in part, from tax increment financing. The developer has provided as justification that the development would not have gone forward without tax increment assistance. (See attachment in Appendix G of the TIF Plan.)

The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan: This finding is justified on the grounds that the cost of site and public improvements and utilities add to the total redevelopment cost. Historically, site improvement costs in this area have made redevelopment infeasible without tax increment assistance. The project will eliminate a blighted influence on the area and provide an opportunity for development. The City reasonably determines that no other redevelopment of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

Therefore, the City concludes as follows:

- a. The City's estimate of the amount by which the market value of the entire District will increase without the use of tax increment financing is \$0.
- b. If the proposed development occurs, the total increase in market value will be \$1,674,800 (see Appendix

D and G of the TIF Plan)

- c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$636,343 (see Appendix D and G of the TIF Plan).
 - d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than \$1,038,457 (the amount in clause b less the amount in clause c) without tax increment assistance.
3. *Finding that the TIF Plan for the District conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The Planning Commission reviewed the TIF Plan and found that the TIF Plan conforms to the general development plan of the City.

4. *Finding that the TIF Plan for the District will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Development District No. 1 by private enterprise.*

The project to be assisted by the District will result in increased employment in the City and the State of Minnesota, the renovation of substandard properties, increased tax base of the State and add a high quality development to the City.



2012

COALITION OF GREATER MINNESOTA CITIES LEGISLATIVE SESSION REPORT

Albert Lea / Alexandria / Austin / Babbit / Bagley / Bemidji / Benson / Brainerd / Breckenridge / Cloquet / Crookston / Detroit Lakes / Dodge Center / East Grand Forks / Elbow Lake / Ely / Eveleth / Fergus Falls / Gilbert / Glencoe / Glenwood / Goodview / Grand Marais / Grand Rapids / Granite Falls / Hawley / Hinckley / Hoyt Lakes / Hutchinson / International Falls / Janesville / La Crescent / Lake City / Le Sueur / Litchfield / Luverne / Mankato / Marshall / Moose Lake / Moorhead / Morris / Mountain Iron / New Ulm / North Mankato / Olivia / Ortonville / Owatonna / Park Rapids / Pelican Rapids / Perham / Plainview / Princeton / Red Wing / Redwood Falls / Renville / Rochester / Roseau / Rushford / St. Charles / St. James / St. Joseph / St. Peter / Sartell / Sleepy Eye / Staples / Thief River Falls / Tracy / Two Harbors / Virginia / Wadena / Waite Park / Warren / Warroad / Waseca / Wheaton / Willmar / Windom / Winona / Worthington

LGA Hits Eerie Calm in the Eye of the Property Tax Storm

The 2012 Legislative Session was quiet in terms of changes to the LGA program and other property tax relief programs. Compared to the last four years of LGA cuts, the elimination of the Market Value Credit, and the creation of the Market Value Exclusion, this quiet is welcome. Unfortunately, the calm is likely temporary, as major challenges face Minnesota's entire property tax system and LGA in particular.

When legislators convened in January, the property tax storm was in a full on rage. The elimination of the Market Value Credit and the creation of the Market Value Exclusion threw the property tax system into chaos. In cities and counties across the state, property taxes on homes and businesses increased regardless of local levy decisions. Due to the nature of the Market Value Exclusion, these property tax increases varied greatly from one community to the next, with Greater Minnesota averaging an 8.1% increase compared to 2.6% in the metro area.

Despite this reality, a handful of legislators attempted to blame local government officials for the property tax increases. These legislators stated that local governments raising their levies

to increase spending was the root cause of the property tax increases. In reality, total levies for all local governments increased by \$56 million, while total property taxes paid increased by \$370 million, with the difference being the loss of the Market Value Credit and the increase in the state property tax levy.

The CGMC responded strongly in all communities where local legislators promoted this unfair and untrue message.

For most of the session, the only discussion of property tax relief was through the reduction of the statewide business property tax levy. Early in the session, some discussion did include an increase in maximum refund for the "Circuit Breaker" program, a refund available for homeowners whose property taxes are high compared to their income. An analysis by the CGMC and published in the *Greater Minnesota Advocate* ended this discussion when it revealed that such an increase would only add homeowners in high valued homes, sometimes homes more than double the average valued home in a community, to the program.

Under current law, cities' LGA distribution would return back to the formula in 2013, after four years of LGA cuts based on levy plus aid. Since

current law 2013 formula distribution, whichever was higher.

The CGMC worked with the legislature to push our position. Despite Greater Minnesota's under-representation on both the House and Senate Tax committees, both bodies agreed to not allow any city to lose more LGA in 2013 than it received in 2012. The CGMC lobbyists and its members put enough pressure on the legislature that this LGA language was one of two provisions added to a technical tax bill to ensure it would be passed and receive the governor's signature. The final provision that was signed into law stated that for 2013, LGA cities over 5,000 in population will receive the same amount of LGA as in 2012; cities under 5,000 will receive their 2012 LGA amount or their 2013 formula amount, whichever is higher.

The property tax storm is sure to surge again in 2013. Cities have not received their full LGA formula amount since 2007 and the formula factors are due to be updated. Two advisory groups on LGA, one set up by the governor and one by the legislature, are scheduled to give their recommendations on the program prior to the 2013 Legislative Session. Another legislative working group is scheduled to give recommendations on the entire property tax system. These recommendations and corresponding legislation could have major impacts on the LGA program, the property tax system, and our CGMC communities. In addition, the CGMC will be working with an entirely new legislature comprised of new districts that more heavily favor the metro area. The only known variable is that Governor Dayton will be at the helm as we enter the 2013 session storm.

Property Tax Quick Hits: 2011 to 2012

- Increase in property taxes: \$370 million
- Net change in local property tax levies: \$56 million
 - Increase in Minnesota cities' levies: \$15.3 million
- Total all levy increase (including state): \$80 million
- Market Value Credit lost: \$290 million
- Average property tax increase: Greater MN- 8.1%, Metro- 2.6%

LGA cuts were not based on the same formula as the funding, many cities would see major changes in their state aid, with over 600 cities set to lose more LGA after years of cuts. To combat this formula phenomenon, the CGMC supported increasing all cities' 2013 LGA by 5% from their 2012 level or their

Successful Initiatives Expand CGMC's Economic Development Role

The CGMC's economic development program expanded this year with the creation of the *Greater Minnesota Economic Recovery Plan*. This five-point plan sought to boost job creation in Greater Minnesota through legislative initiatives designed solely for communities outside of the metro area. The plan was drafted with the input and guidance of Greater Minnesota cities, economic development authorities and local chambers of commerce.

The Greater Minnesota Economic Recovery Plan included:

- Greater Minnesota Internship Program.** This new program would provide grants to Greater Minnesota businesses who hire interns from colleges and universities across the state. The goal is to create new opportunities for students to connect with Greater Minnesota employers so as to foster new student-employer relationships leading to future jobs. This program was included in the final tax bill, but the governor vetoed that tax bill for reasons unrelated to the CGMC program.
- Enhancement of the Angel Investment Tax Credit in Greater Minnesota.** The angel tax credit has under performed in Greater Minnesota, with only 13% of the businesses receiving an investment being located in Greater Minnesota. The CGMC advocated for a change in law to require that at least 30% of all businesses receiving an investment are located in Greater Minnesota by the end of 2013. If the goal was not reached, then the tax credit would increase from 25% (current law) to 40% for investments in Greater Minnesota businesses. This program was also included in the final tax bill, but the governor vetoed that tax bill for reasons unrelated to the CGMC program.
- Greater Minnesota Business Development Public Infrastructure (BDPI) grant.** This existing program provides 50% of capital costs for developing industrial parks in

Greater Minnesota cities and counties. The CGMC secured \$6 million for this program in the bonding bill which was signed into law on May 11.

- Greater Minnesota Interchange Program.** This program would provide \$35 million for interchanges in Greater Minnesota that promote economic development. It was modeled after the successful 2010 Transportation Economic Development (TED) program. Legislation was introduced in the House and Senate, and a House hearing was held but no further action took place.
- Greater Minnesota New Jobs Training Program.** This program would create a new jobs training program in Greater Minnesota. Employers would receive a grant from the state to create training programs for new hire employees. Legislation was introduced in the House and Senate but no further action took place this session.

The CGMC formed an Economic Development Advisory Task Force to



Above: CGMC lobbyist Bradley Peterson moderates a panel discussion with Rep. Linda Runbeck and Rep. Paul Marquart at CGMC's Legislative Action Day.

provide guidance and assistance in the creation and promotion of the Greater Minnesota Economy Recovery Plan. The Task Force, comprised of city and EDA officials as well as local chambers of commerce, was critical in advancing the Recovery Plan provisions.

Although several of the economic development initiatives were not enacted this year, the CGMC made a significant step in securing broad bipartisan support for these initiatives and laying the groundwork for passage of these, and other economic development provisions, next legislative session. The CGMC will continue to engage cities, local chambers of commerce, EDAs and others to advance job-creation strategies designed to help Greater Minnesota communities of all size across the state.

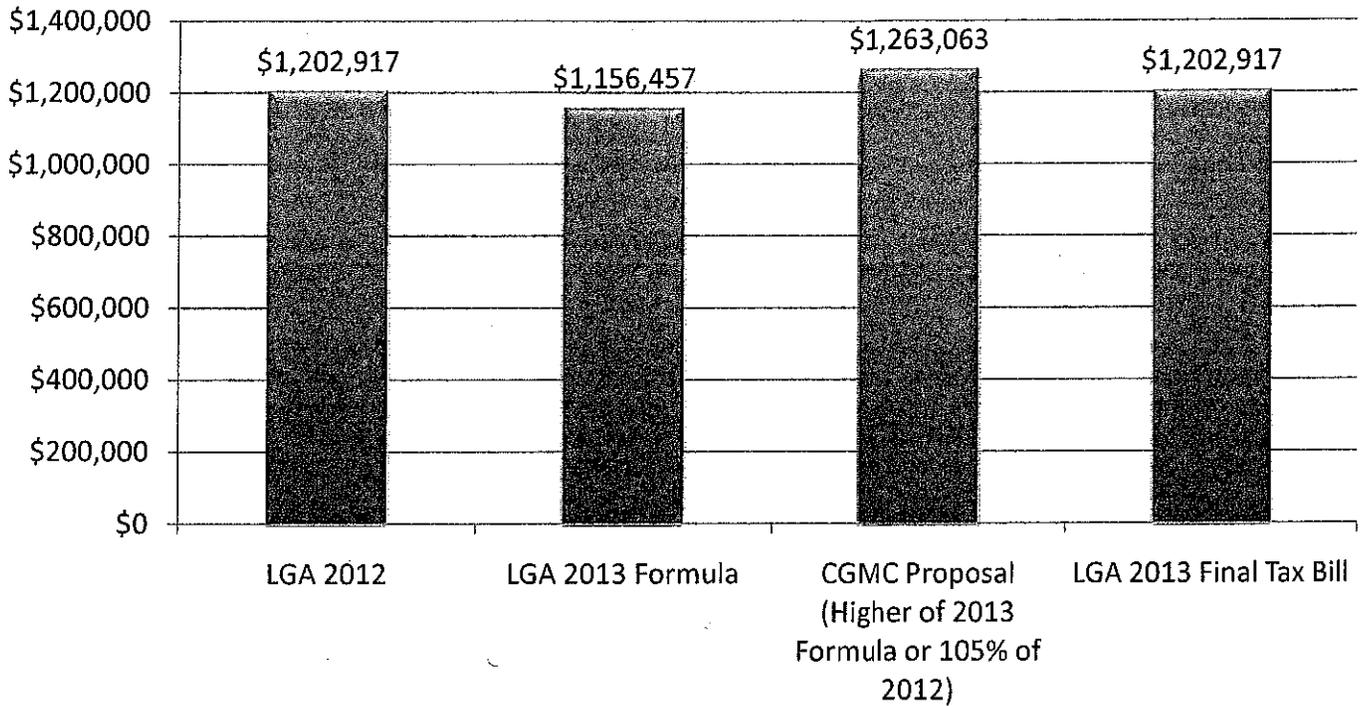
CGMC ECONOMIC DEVELOPMENT PARTNERSHIP PROGRAM

The Coalition of Greater Minnesota Cities *Economic Development Partnership Program* is an opportunity for cities, chambers of commerce, EDA's, businesses, and other organizations to join together to advocate for policies that will create jobs and boost investments in our Greater Minnesota cities.

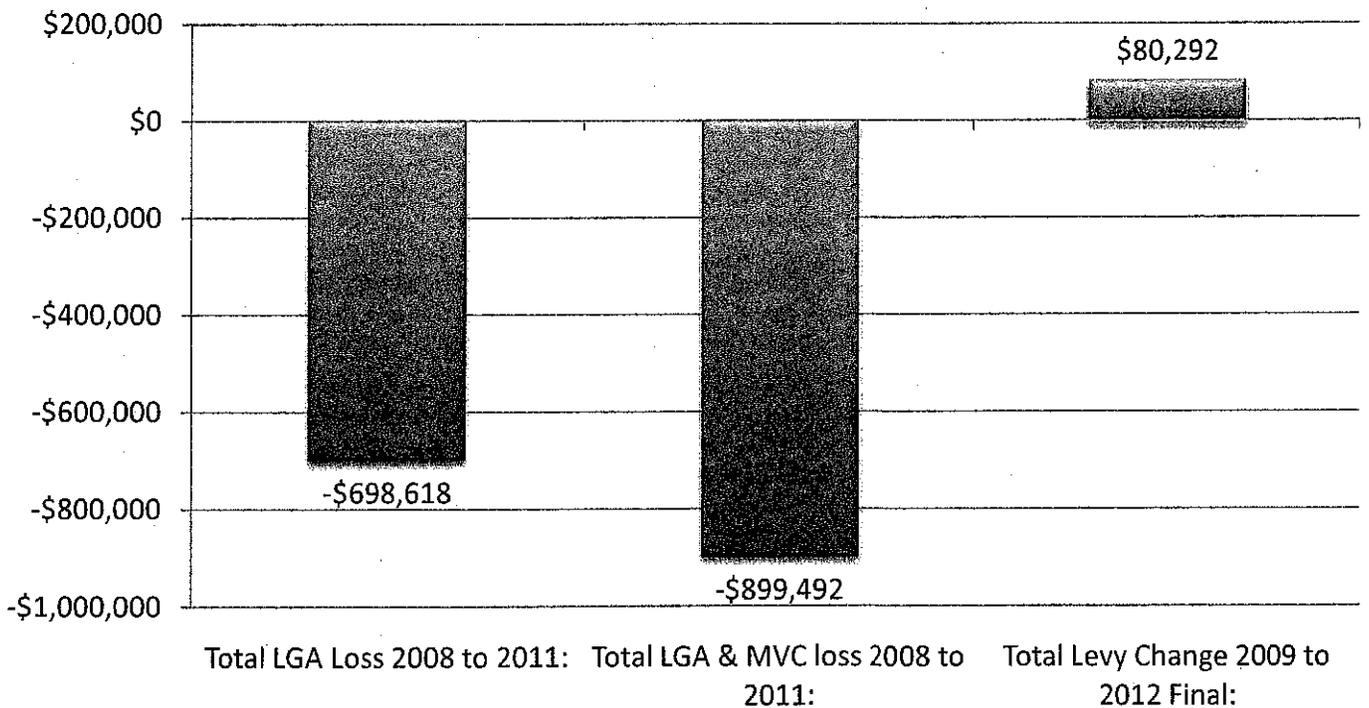
All contributions to the *Partnership Program* go towards supporting the Greater Minnesota Economic Recovery Plan. Joining the *Partnership Program* is a great way to support job growth and market your organization across Greater Minnesota. Member cities, as well as their local chambers of commerce and EDAs, should consider joining. See the attached application for more information.

Windom

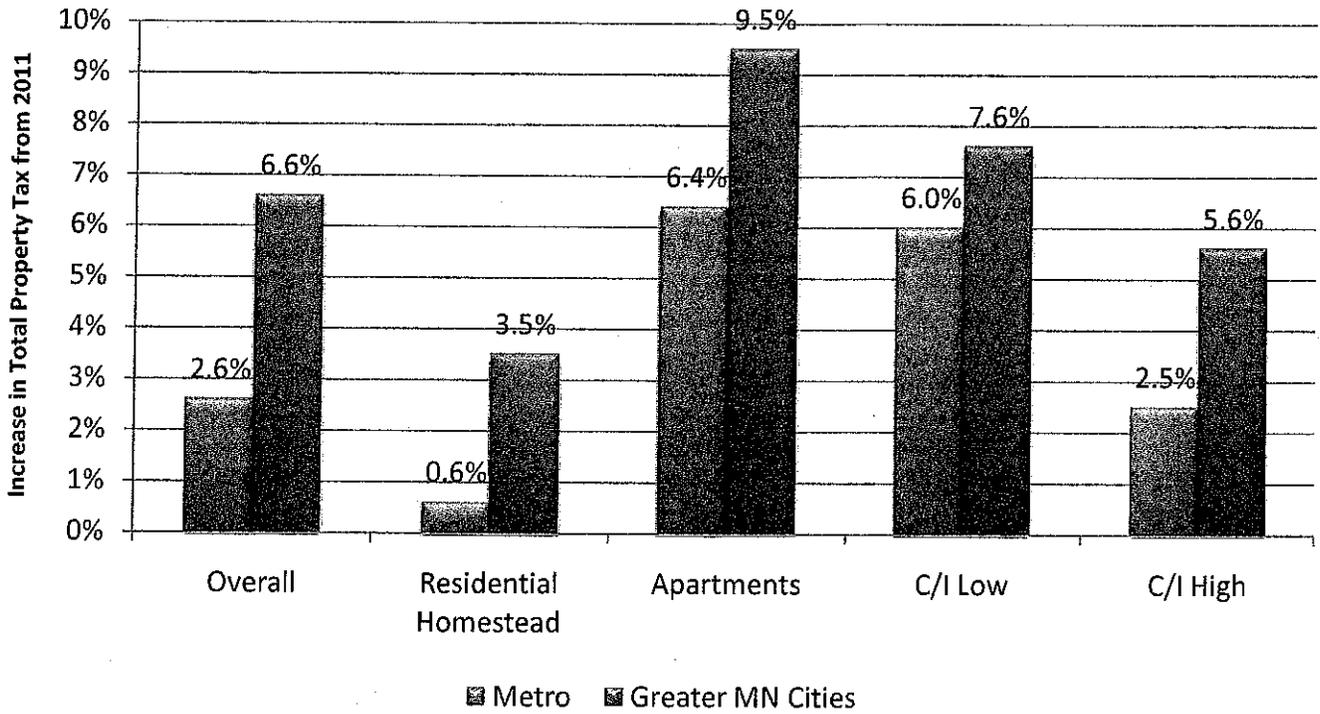
2013 LGA Changes from 2012 Session



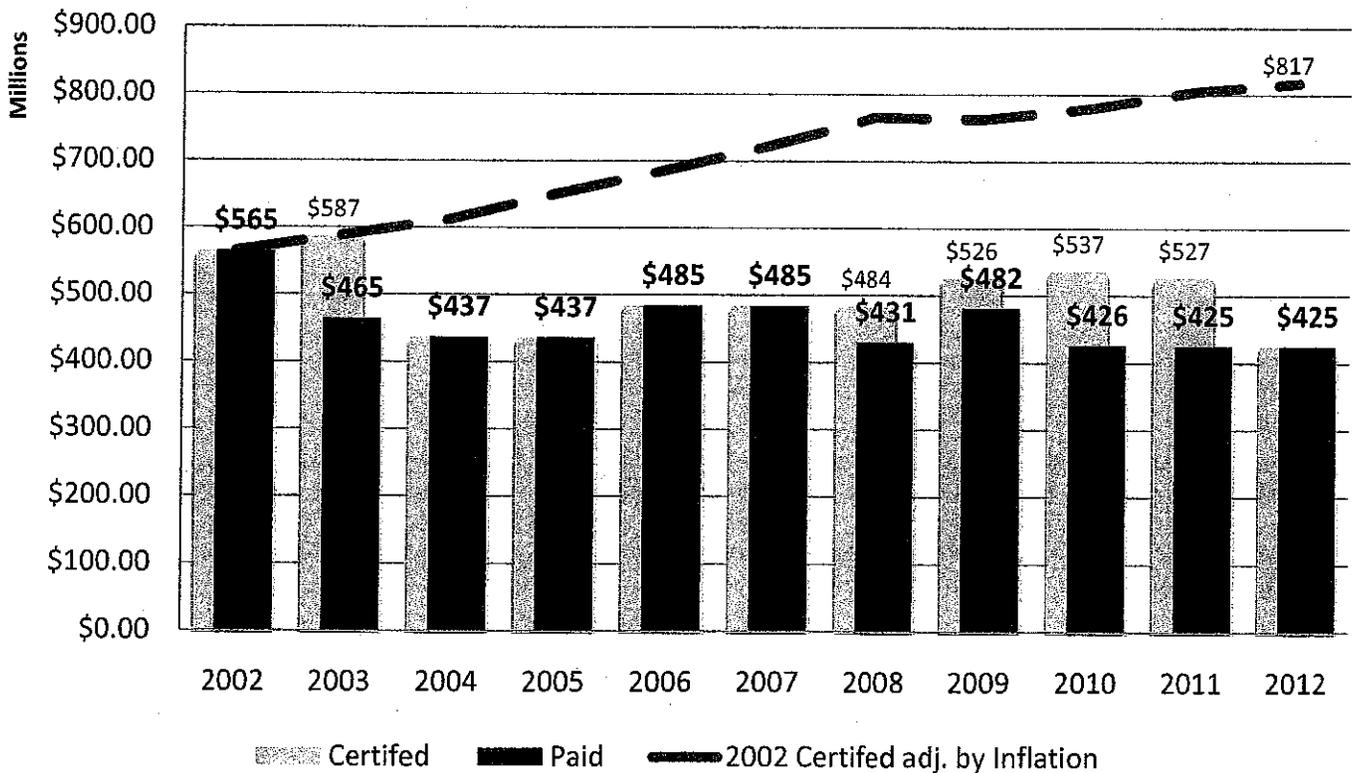
Recent Loss of State Aid Compared to Change in Levy



2012 Property Taxes Increased More In Greater Minnesota Cities



LGA Payment History



2012 CGMC Summer Conference

Wednesday, July 25- Friday, July 27

Owatonna, MN



Wednesday, July 25

- 11:00 a.m. Check-in and Registration Open
 - 1:00 p.m. Board of Directors Meeting
 - 2:00 p.m. Legislative Session Results
 - 3:30 p.m. BREAK
 - 4:00 p.m. Meet the U.S. Senate Candidates (invited)
 - 5:00 p.m. Break and Hotel Check-In
 - 5:30 p.m. Owatonna Evening Social/Dinner
- Arts Center/City Hall/State School Orphanage Museum*
- 8:30 p.m. Approximate Return to Hotel

Thursday, July 26

Breakfast on own

- 8:00 a.m. Morning Activities
 - *Golf at Brooktree Golf Course*
 - *Historic Downtown Tour*
 - *Owatonna Community Tour*
- 12:30 p.m. Keynote Lunch: State Sen. Julie Rosen, Vikings Stadium bill author (invited)
- 1:30 p.m. Infrastructure in Crisis!
 - 1:30- Terry Kuhlmann, MPFA (invited)
 - 2:00- Tom Eggum, American Society of Civil Engineers
- 2:45 p.m. BREAK
- 3:00 p.m. Development Panel moderated by Northland Securities
- 4:00 p.m. Legislative Tax Panel
- 5:00 p.m. BREAK
- 5:30 p.m. Social Hour
- 6:30 p.m. Legislative Awards Dinner
 - Keynote: Prof. David Schultz, Hamline Univ.

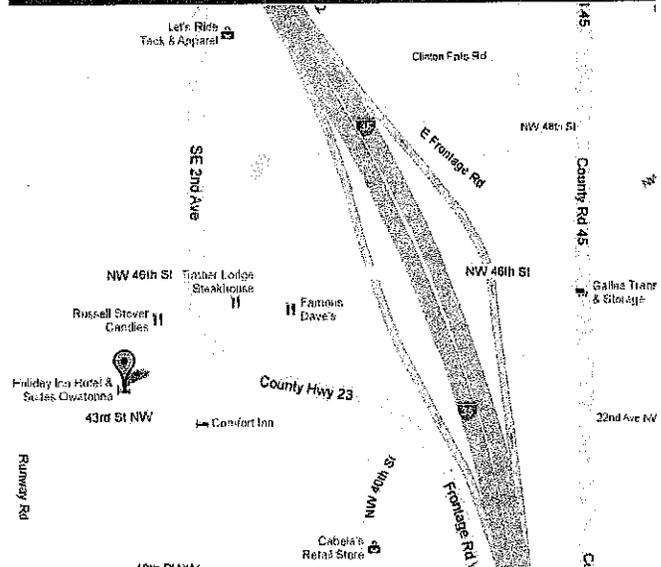
Friday, July 27

- 7:30 a.m. Continental Breakfast
- 8:30 a.m. Labor and Employee Relations Update and Business Meeting
- 9:30 a.m. BREAK
- 9:45 a.m. Full Membership Meeting
- 11:30 a.m. Adjourn

Hotel Reservations

- Holiday Inn Hotel and Suites
- Phone: 507.446.8900 or 1.888.465.4329
- CGMC Rate: \$89.00 + tax
- 2365 43rd Street NW
- Owatonna, MN 55060
- www.hiowatonna.com
- Hotel room blocks are held until July 11. Conference attendees are responsible for making their own hotel reservations.
- All conference activities are at the Holiday Inn unless otherwise noted.

Map and Directions



From the North:

Go south on I-35. Take exit 45 toward Steele County 9/Clin-ton Falls. Turn right on 46th Street NW. Take the first left on 43rd Street NW. Hotel is on the right.

From the South:

Go north on I-35. Take exit 45 toward Steel County 9/Clin-ton Falls. Turn left on 46th Street NW. Take the first left onto Frontage Road W. Take the first right onto 43rd Street NW. Hotel is on the right.
 Note: I-90, I-80, or US 14 will all meet I-35 North to follow these directions.

2012 CGMC Summer Conference

Wednesday, July 25- Friday, July 27
Owatonna, MN



City _____

Name/Title: _____ Guest(s): _____

Name/Title: _____ Guest(s): _____

Name/Title: _____ Guest(s): _____

Please indicate the number of people attending each event in the space provided. Make extra copies of this form as needed.

Wednesday, July 25

- _____ 1:00 p.m. Board of Directors Meeting
 - _____ 2:00 p.m. Legislative Session Results
 - _____ 4:00 p.m. Meet the U.S. Senate Candidates (invited)
 - _____ 5:30 p.m. Owatonna Evening Social/Dinner
- Arts Center/City Hall/State School Orphanage Museum

Thursday, July 26

- 8:00 a.m. Morning Activities
- _____ Golf at Brooktree Golf Course
- 9 holes compliments of Owatonna, Carts Additional
- _____ Historic Downtown Tour
- Porus Paved Alleys and Rain Gardens, City Parks and Trails, Firehall, Public Utilities, Tourism Sites
- _____ Owatonna Community Tour
- Manufacturing, Health Care Campus, Airport, Transportation Projects
- _____ 12:30 p.m. Lunch
- _____ 1:30 p.m. Infrastructure in Crisis!
- _____ 3:00 p.m. Development Panel moderated by Northland Securities
- _____ 4:00 p.m. Legislative Tax Panel
- _____ 5:30 p.m. Social Hour
- _____ 6:30 p.m. Legislative Awards Dinner
- Keynote: Prof. David Schultz, Hamline University

Friday, July 27

- _____ 7:30 a.m. Continental Breakfast
- _____ 8:30 a.m. Labor and Employee Relations Update and Business Meeting
- _____ 9:45 a.m. Full Membership Meeting

Return this form to CGMC!

Please submit this registration by July 13 to:

Colleen Millard
525 Park Street, Suite 470
Saint Paul, MN 55103
E-mail: cfmillard@flaherty-hood.com
Fax: 651.225.9088
Phone: 651.225.8840

Hotel Reservations

Holiday Inn Hotel and Suites
Phone: 507.446.8900 or 1.888.465.4329
CGMC Rate: \$89.00 + tax
2365 43rd Street NW
Owatonna, MN 55060
www.hiowatonna.com

Hotel room blocks are held until July 11. Conference attendees are responsible for making their own hotel reservations.

All conference activities are at the Holiday Inn unless otherwise noted.

Members Attending	
1	\$230
2	\$450
3	\$670
4	\$900
Total (include \$25 for each person's dinner)	

Total \$ _____

Please make checks payable to CGMC:

Bill me

Payment enclosed

I'll pay at the conference

2012 CGMC Economic Development Partnership Program

Join Greater Minnesota Cities in this NEW Alliance Program

Boost Job-Creation in Greater Minnesota

In this challenging economic climate, it's critically important that **Greater Minnesota cities, businesses, non-profits and other organizations work together** to advance policies that will create jobs and boost investments in rural communities.

The **Coalition of Greater Minnesota Cities' Economic Development Partnership Program** offers you an opportunity to support job creation in your community while **marketing your organization** across greater Minnesota.

Promote the Greater Minnesota Economic Recovery Plan

All proceeds to the *Economic Development Partnership Program* are directed to research, development and advocacy of the CGMC's "Greater Minnesota Economic Recovery Plan*," including:

- ✓ **A new Greater Minnesota Jobs Training Program**
- ✓ **A Greater Minnesota Employer Internship Grant**
- ✓ **Expansion of the Angel Investment Credit in Greater Minnesota**
- ✓ **New Funding for Interchanges and Infrastructure Development in Greater Minnesota**

Learn more about the exciting sponsorship opportunities by reviewing and returning the attached *Economic Development Partnership Program* form (on the reverse side).

*For more information about the CGMC Recovery Plan, please contact J.D. Burton w/ Flaherty & Hood, P.A. at 651-225-8840



Joining the CGMC's *Economic Development Partnership Program* offers your organization:

- **Access to elected officials and staff across Greater Minnesota!**
- **Select Invitations to CGMC conferences and meetings!**
- **Web and newsletter content opportunities!**

Most importantly, joining the CGMC's *Partnership Program* demonstrates your commitment to promoting and advancing job creation opportunities in your community.

Eligible *Partnership* Participants include:

- **Businesses**
- **Non-Profits**
- **Chambers of Commerce**
- **Economic Development Authorities**
- **Others**

Together, Let's Move Greater Minnesota Forward – Join Today!

The Coalition of Greater Minnesota Cities (CGMC) is a non-profit, non-partisan advocacy organization representing over 75 cities across Greater Minnesota.

CGMC's Economic Development Partnership Program Offers Affordable Participation Levels that Meet Your Marketing and Investment Needs!

Gold Membership - \$2,500

- Invitation to CGMC Summer Conference, including featured advertising in program;
- Vendor booth at CGMC Summer Conference;
- 4 Free Registrations to February's CGMC Legislative Action Day dinner and reception;
- Monthly recognition opportunities in CGMC in Brief for 1 year;
- Recognition during promotional events related to economic recovery plan; and
- Special recognition on CGMC's website for 1 year.

Silver Membership - \$1,000

- 2 Free Registrations to February's CGMC Legislative Action Day dinner and reception;
- Monthly recognition opportunities in CGMC in Brief for 1 year;
- Recognition during promotional events related to economic recovery plan; and
- Special recognition on CGMC's website for 1 year.

Bronze Membership - \$500

- Monthly recognition opportunities in CGMC in Brief for 1 year;
- Recognition during promotional events related to economic recovery plan; and
- Special recognition on CGMC's website for 1 year.

----- Detach or send copy of this application with payment -----

Company Information

(Please provide printed information as it should appear on materials and website)

Company/Organization: _____

Address: _____

City: _____

State: _____ Zip: _____

Main Phone: _____

Contact Information

(For office use only)

Name: _____

Email: _____

Phone: _____

2012 Partnership Level

___ Gold \$2,500

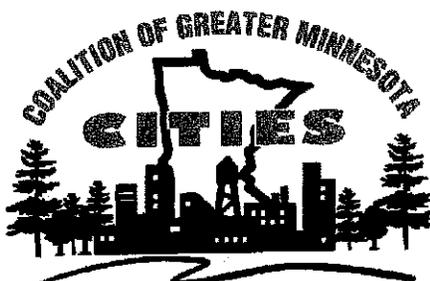
___ Silver \$1,000

___ Bronze \$500

PLEASE SEND APPLICATION AND PAYMENT TO:

Coalition of Greater Minnesota Cities
Attn: Colleen Millard
525 Park Street, Suite 470
St. Paul, Mn 55103

PLEASE MAKE CHECKS PAYABLE TO CGMC



CGMC Efforts Block Backsliding on Annexation and Advance Reform

What was expected to be a quiet year on annexation and land use issues became much more exciting with the introduction of H.F. 2466/S.F. 2548, a proposal by Rep. Daudt and Sen. Ortman that would have severely restricted a city's ability to annex property through either the contested case process or annexation by ordinance process currently in law.

The bill would have allowed for township residents to sidestep the administrative law judge contested case process with a referendum. It would have also allowed a town board to unilaterally prevent a city from finalizing an annexation by ordinance. These provisions would have prevented almost any annexations from going forward and would have significantly reduced any incentive for the townships to negotiate reasonable orderly annexation agreements.

Upon the introduction of this bill, CGMC staff met with the bill author in the House, the chair of the House Government Operations and Elections Committee (which had oversight over the issue), and numerous committee members on a bipartisan basis. CGMC members also contacted key legislators in response to an *Action Alert*. The message to legislators was that this bill would stop cities from being able to manage their growth, would hamper economic development, and would undermine the purpose of boundary adjustments statutes. Because of these strong efforts, the bill was never brought up in committee and subsequently missed committee deadlines and died for the session.

In the area of reform, CGMC was instrumental in completing a task that began last year relating to the process for detachment of property from a city back to a township. In response to concerns from several parts of the state, CGMC worked with the League of Minnesota Cities, the Minnesota Association of Townships, Sen. Carlson, and Rep. Howes to improve the detachment process. The outcome was a consensus bill that streamlines the decision process if both the city and township are in agreement; gives the township a role in detachment proceedings, where before they had none; requires a mandatory

mediation process if the parties do not agree; and stipulates that unless an administrative law judge finds reason for it to be otherwise, the landowner making the petition to detach shall bare at least 50% of the cost of the administrative proceedings. This bill was signed into law on March 20, 2012.

The 2012 Legislative Session demonstrates that CGMC should always be vigilant in protecting cities' ability to annex property, to grow in an environmentally-friendly way, and to ensure that necessary economic development can move forward.

Collaboration on Environment Pays Off

During the 2012 Legislative Session, the CGMC collaborated with other organizations to move its environmental goals forward. As the session began, Sartell contacted the CGMC about legislation it was proposing to amend the water conservation rate requirement imposed on municipal water suppliers. CGMC staff surveyed other members and determined that many of our members were experiencing problems with the requirement including the time and expense associated with designing the rate, the fact that it ignored past conservation efforts, and the challenge of adapting the requirements for large industrial water users.

Sen. Pederson and Rep. O'Driscoll, who represent the CGMC Cities of Sartell, Waite Park and St. Joseph, introduced legislation (S.F. 1560/H.F. 1923) that would eliminate this requirement. CGMC testified at the Senate hearing on the bill. As the bill moved forward, the language was modified to address concerns of the Department of Natural Resources. The League of Minnesota Cities took the lead in negotiating, but CGMC provided input. Under the final language, suppliers must encourage water conservation but it can be through practices other than conservation rates. This language was folded into an omnibus bill signed by the governor, S.F. 1567.

As the CGMC gathered information last fall, many cities and chambers of

commerce identified the slowness and complexity of permitting as a significant impediment to economic development. Before the legislative session began, CGMC lobbyists provided input to the Minnesota Chamber of Commerce on their proposed legislation to improve the permitting process. The final bill, which the governor signed, made significant changes to the permitting process, including the creation of the Minnesota Business First Stop to make it easier for businesses to navigate.

During the 2011 Legislative Session, the CGMC worked with other organizations to ensure that Greater Minnesota received a dedicated share of Parks and Trails Legacy funding. Local governments found it difficult to take advantage of the money because of a 25 % match requirement and a \$500,000 cap on projects. Neither requirement was imposed on metropolitan parks. CGMC staff testified in favor of removing the match at legislative hearings. The Senate included language removing the requirements, while the House did not. The conference committee adopted the Senate approach in its final report on S.F. 2493, which the legislature adopted and the governor signed. These changes were amongst the most contentious in the bill and our cities can expect the metropolitan parks and their legislators to fight even harder next year to limit the amount of money available to parks and trails in Greater Minnesota.

UPCOMING EVENTS

CGMC Breakfast at LMC Annual Conference

June 22 in Duluth
7:30a.m. at the DECC

CGMC Summer Conference

July 25-27 in Owatonna
Holiday Inn Hotel and Suites
*Agenda and registration are attached!

CGMC Fall Conference

November 14-16 in Alexandria
Arrowwood Resort and
Conference Center

2011-2012 CGMC Board of Directors

PRESIDENT

Alan Oberloh, Mayor, Worthington

1ST VICE PRESIDENT

Bruce Ahlgren, Mayor, Cloquet

2ND VICE PRESIDENT

Randy Wilson, Mayor, Glencoe

SECRETARY

Ron Johnson, Councilor, Bemidji

TREASURER

Scott Hutchins, Community Services Dir.,
Moorhead

PAST PRESIDENT

Nancy Carroll, Mayor, Park Rapids

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Cynthia Jaska, Councilor, International Falls
Tim Strand, Mayor, St. Peter
Tom Stiehm, Mayor, Austin
Jery Miller, Mayor, Winona

ECONOMIC DEVELOPMENT CO-CHAIRS

Hal Leland, Mayor, Fergus Falls
Victoria Hallin, Councilor, Princeton
Ben Martig, City Administrator, Marshall

LABOR RELATIONS CO-CHAIRS

Brenda Cossette, HR Director, Fergus Falls
Shaunna Johnson, City Administrator, Waite Park

ENVIRONMENT AND ENERGY CO-CHAIRS

Heidi Omerza, Councilor, Ely
Crystal Prentice, City Manager, Waseca
Dan Vogt, City Administrator, Brainerd

TRANSPORTATION CO-CHAIRS

Mike Laven, Council President, Mankato
Mark Voxland, Mayor, Moorhead
Debbie White, Councilor, Winona

ANNEXATION AND LAND USE CO-CHAIRS

Gary Neumann, Asst. City Administrator,
Rochester
Patti Gartland, City Administrator, Sartell

MEDIA COMMITTEE CO-CHAIRS

Pat Hentges, City Manager, Mankato
Dave Smiglewski, Mayor, Granite Falls
Wayne Wolden, Mayor, Wadena

AT-LARGE REPRESENTATIVES

Ardell Brede, Mayor, Rochester
Steve Cook, Mayor, Hutchinson
Owen Miller, Councilor, Alexandria
Marshall Hallock, Finance Director, Red Wing
Marc DeMers, Councilor, East Grand Forks
Charlene Stevens, City Administrator, Willmar

Greater Minnesota Opposition Keeps Supermajority Constitutional Amendment Off Ballot

After the government shutdown of 2011, a key initiative of some Republican lawmakers for the 2012 Legislative Session was advancing a constitutional amendment requiring a supermajority vote in each legislative body to increase taxes or spending. Recognizing the negative implications such a measure would likely have on Greater Minnesota-- increased property taxes, cuts to programs like LGA, increased legislative gridlock, and budgeting through constitutional amendments-- the CGMC took strong and early efforts to oppose the proposal. CGMC lobbyists designed a lobby and media strategy that focused on having Greater Minnesota cities, chambers of commerce, local media, and community leaders advocate against the supermajority amendment with their elected officials.

CGMC lobbyists traveled throughout Greater Minnesota, meeting with newspaper editorial boards, chambers of commerce, and community leaders, explaining the harmful ramifications a supermajority amendment would have on rural communities. As a result, fifteen newspapers published editorials in opposition to the supermajority amendment in January and February, building negative momentum against the proposal early in the legislative session.



Above: Seventy-two city officials representing forty Greater Minnesota Cities gathered at the Flaherty & Hood offices for CGMC's Feb. 8 Legislative Action Day

In addition, eleven Greater Minnesota chambers of commerce adopted positions opposing the supermajority amendment. These editorials and resolutions were used when lobbying Greater Minnesota Republican legislators and had significant influence in persuading these lawmakers to reconsider their position. The contacts from the community leaders in their legislative districts were also extremely effective in getting lawmakers to change their minds and oppose the proposed constitutional amendment.

At the Capitol, this overwhelming opposition from Greater Minnesota is largely credited for keeping the supermajority amendment off the ballot.

About the Coalition of Greater MN Cities

CGMC is dedicated to a strong Greater Minnesota. Our mission is to develop viable, progressive communities for businesses and families through strong economic growth and good local government. We support fair property taxes, sound land use planning, sensible environmental regulation, a balanced transportation system, and effective economic development tools to meet that goal.

Contact Us

Email: cgmcfinfo@flaherty-hood.com
Online: www.greatermncities.org

About Flaherty & Hood, P.A.

With over 25 years of experience at the Capitol, Flaherty & Hood, P.A. has the expertise needed to successfully create change at the state level for CGMC. Our unique approach integrates strong policy analysis and media relations with traditional, bipartisan lobbying in order to effectively communicate with key decision makers.

Contact Us

Phone: 651-225-8840
Fax: 651-225-9088
Email: info@flaherty-hood.com
Online: www.flaherty-hood.com

May 16, 2012

City of Windom
City Officials
444 9th St.
Windom, MN 56101

Re: 2012 Insurance Renewal Summary

Attached is the summary of the renewal premiums and coverages of the policies offered by the LMCIT. I have also included policies secured through other markets for coverages that are either more competitive than the LMCIT or not offered by the LMCIT.

I have listed the previous years premiums for your information to see the changes that are taking place.

The LMCIT has declared a dividend to participating cities this year. Windom's dividend is \$29,819 and was paid out in December 2011. They have also declared a workers compensation dividend payout in 2011 of \$20,002. The last time a workers compensation dividend was paid was in the year 2000.

Presented by:

Ken Hoffmann, CIC
Agent of Record

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CITY OF WINDOM
RENEWAL PREMIUM SUMMARY

Coverage	2011 Prem. Basis	Premium	2012	Premium
Property	\$40,573,382	\$63,405	\$42,893,268	\$68,473
	Property Values			
Mobile Property	\$1,184,953	\$5,072	\$1,220,501	\$5,309
	Equipment Values			
Municipal Liability	Various	\$54,827	Various	\$52,502
	Expenditures, payroll, sq.ft., etc.			
Airport Liability	Various	\$1,269	Various	\$1,269
Automobile Liability	All Units	\$8,414	All Units	\$7,490
Automobile Physical Damage		\$6,955		\$6,544
	Physical damage is inc. on police, fire, & emerg. veh. No physical damage on other dept. veh. >10 yrs old			
Equipment Breakdown	\$29,553,068	\$4,581	\$29,154,974	\$4,519
	Total bldg value minus municipal power plant			
Open Meeting Law		included		included
	Percent of the municipal liability premium			
Liquor Liability	Receipts	\$5,982	Receipts	\$3,957
Bond Coverage	\$250,000 eff. 5-17-11	\$740	\$250,000	\$740
		_____		_____
	Total	\$151,245	Total	\$150,803

* Refer to the next page for a summary of changes.

General rate changes are as follows:

property rates have increased about 3%
all other coverage rates remain the same as 2010

The rate changes do not mean that your city's actual premium will or will not change by these exact amounts. Each city's actual premium is affected by changes in city expenditures, property values, payrolls, other exposure measures, and experience rating.

Comments specific to the City of Windom:

1. The property values (building, contents, property in the open) are \$42,893,268 which compares with \$40,573,382 on last years renewal. Property values have been increased by the inflation factors currently in place.
2. The liability experience mod is .898 which compares with .954 on last year's renewal. Rateable Expenditure comparison; GL \$3,764,130 which compares with \$3,675,884 expiring. The EO expenditures are \$14,168,209 which compares with \$13,861,486 on last year's renewal.

CITY OF WINDOM
RENEWAL OF
OTHER POLICIES

	2011	2012
	Premium	Premium
1. Boiler and Machinery – Municipal Power Plant and Substation	\$38,695	\$41,842*
Limit of \$11,410,380		
Deductible: \$100,000 on Detroit Allison Gas Turbine \$100,000 on any other object covered by policy		
• This premium has been the same for 4 years		
2. Miscellaneous bonds as required	\$ 350	\$ 350
Package Premium from summary page	<u>\$151,245</u>	<u>\$150,803</u>
Total Premium	\$190,290	\$192,995

* Travelers took a small increase in 2011 and prior to that it was 2006 since they had an increase.

WORKERS COMPENSATION

Year	Payroll	Exp. Mod. Factor	Premium
2007	\$3,009,735	1.15	\$95,808
2008	\$3,045,443	.83	\$73,099
2009	\$3,188,463	.84	\$78,113
2010	\$3,118,552	.82	\$76,547
2011	\$3,178,963	.80	\$73,203
2012	\$2,957,936	.80	\$69,116

6 new claims for 2008
 8 new claims for 2009
 7 new claims for 2010
 8 new claims for 2012

The experience modification factor stayed constant at .80 for 2012. The experience modification factor is determined by a formula taking into account the actual losses versus the expected losses in each classification and premiums paid. A three year period is used for this formula not including the most recent year. The experience modification factor for 2011 is determined by using data from years 2008, 2009 and 2010.

2008 claims total cost \$ 3,760.23
 2009 claims total cost \$ 2,107.39
 2010 claims total cost \$ 4,104.13
 2011 claims total cost \$ 2,587.51

The city is taking advantage of the 10% non-smoker discount for fire department and police department class rates.

Items needing council action:

Statutory Limits on Municipal Tort Liability: \$500,000 per claimant and \$1,500,000 per occurrence.

Waiver of Statutory Tort Limit: The city currently does not waive the statutory tort limit of \$500,000 per claimant.

I need a motion to leave this the same or waive the statutory tort limit.

Excess Liability: You can add \$1,000,000 excess liability coverage for an annual premium of \$15,345.

The city has not elected to accept this coverage in the past.

LMCIT provides a standard \$1,500,000 liability coverage limit to match the statutory limit. However, there are a number of ways in which that coverage could turn out not to be enough: federal civil rights suits, liability assumed by contract, liability for actions in another state, inverse condemnation liability for land use claims, the possibility of the caps being found invalid, and exhaustion of annual aggregate limits on products liability, limited pollution and land use claims are some examples.

I need a motion to accept or reject the Excess Liability coverage for 2012

SECTION 00540

CHANGE ORDER

Change Order No. _____

Date May 31, 2012

Agreement Date _____

Name of Project: 2012 Sealcoat

Owner: City of Windom

Contractor: Asphalt Surface Technologies Corp.

The following changes are hereby made to the Contract Documents:

600 Gallons of Oil at \$3.85 equals \$2,310.00 and 40 Tons of Rock at \$25.00 equals \$1,000

Justification: Adding one more block

Original Contract Price: \$ 39,510.00

Current Contract Price adjusted to previous Change Order: \$ 3,310.00

The Contract Price due to this Change Order will be (increased) (decreased) by \$ 3,310.00

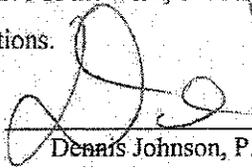
The new Contract Price including this Change Order will be \$ 42,820.00

The Contract Time will be (increased) (decreased) by _____ calendar days.

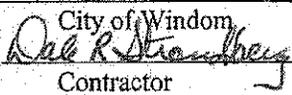
The revised contract completion date for completion of all work will be _____

Approvals Required:

To be effective, this Order must be approved by the Owner and the Contractor if it changes the scope of objective of the work, or as may otherwise be required by the OWNER'S Supplemental General Conditions.

Requested by:  Dennis Johnson, P.E., Windom City Engineer 5/31/12

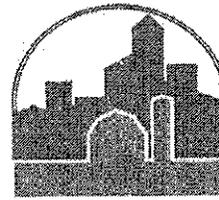
Ordered by: _____

Accepted by:  Dale R. Stronberg 6/6/12
Contractor

Original Contract - Required Completion Date August 31, 2012

Current Contract Completion Date adjusted to previous change order None

END OF SECTION



Memo:

Date: 5/16/2012
To: Windom City Council
From: Park & Recreation Commission c/o Al Baloun Recreation Director & Bruce Caldwell Park Superintendent
Re: Recommendation Field Usage Rate Change
Island Park Small Ball Fields/Windom Baseball Association

During the Park & Recreation Commission meeting held on May 14, 2012, Don Jackson representing the Windom Baseball Association asked the Commission to waive the ball field usage rates for the two small ball fields at Island Park in order for their group to host a youth baseball program for kids in the 3rd-6th grades.

They would be using these fields on Mondays, Wednesdays & Fridays from 10:00 a.m. until 12:00 noon daily during the summer months. The Baseball Association would take care of all the field prep work and maintenance using their own equipment and personnel at no cost to the city. Below is the motion to approve the Windom Baseball Association proposal by the Commission.

Motion by Zimmerman, seconded by Blanshan to permit the Windom Baseball Association to use both the small fields at Island Park for their summer baseball program and the fee for the field usage be waived as long as they do all the field prep work using their own equipment, personnel or labor and materials at no cost to the City of Windom.

Motion Carried Unanimous

Recommendation to the City Council is to approve this request to waive fees as stated above.

RESOLUTION #2012-

INTRODUCED:

SECONDED:

VOTED: Aye:
Nay:
Absent:

**AUTHORIZATION TO ACCEPT A DONATION FROM
THE KRUEGER FAMILY FUND FOR THE
WINDOM FIRE 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, in June, 2012 the City of Windom will be receiving a donation from the Krueger Family Fund in the amount of \$3,000.00 for the Windom Fire Department; and

WHEREAS, the donation requires that the funds be used by the Windom Fire Department for the 'Turnout Gear for Firefighters' project.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF WINDOM, MINNESOTA, that the City Council accepts the donation in the amount of \$3,000.00 offered by the Krueger Family Fund for use by the Windom Fire Department upon the terms set forth herein.

Adopted by the Council this 5th day of June, 2012.

Kirby G. Kruse, Mayor

Attest: _____
Steven Nasby, City Administrator



Subject: Letter Agreement for Radio Equipment Installation on city owned facilities.

With the City of Windom, MN ("the City")

SynkroSouthwest, LLC ("SSW"), a subsidiary of LocaLoop, Inc. with corporate offices at 2233 University Ave, Ste. 233, St. Paul, MN 55114, will install its 4G Wireless Mobile Broadband equipment (the "Equipment") on the city owned facility specified below (the "Facility") under terms and conditions contained in this letter.

In consideration of the City's approval to install the Equipment on the Facility, SSW will, during the term of the Letter Agreement:

- Pay a non-refundable cash payment of \$1,200 per year, paid in advance.
- Provide to the City a "Government/Educational" subscription for 4G Wireless Mobile Service at no charge.
- Provide three (3) 4G Wireless Mobile USB modems under the Government/Educational subscription at no additional charge, which will provide broadband wireless Internet connectivity anywhere within the SSW coverage area.

The term of the Letter Agreement will be 12 months and will renew automatically for successive 12 months intervals at that time. The Letter Agreement is non-exclusive.

Either SSW or the City may terminate this Letter Agreement with 30 days notice.

Other terms and conditions:

- The City is to provide access to the Facility for inspection and planning purposes and to provide any mechanical drawings required to complete the design of the installation.
- SSW will provide drawings, specifications and attachment details for the equipment to the City in advance of any work for their approval.
- SSW will provide proof of liability insurance and will add the City of Windom to its policy prior to any work.
- SSW is responsible for all installation work and, if needed, the repair and upkeep of the Equipment and its removal at the end of the term.
- Installation of the Equipment is to be done by qualified, licensed, bonded and insured contractors at SSW's expense and to be completed in a professional and workmanship-like manner.

- No structural modifications to the Facility will be done without prior written approval from the City.
- Any electrical work required will be done by a licensed electrician at SSW's expense along with any necessary permits and inspections.
- The Equipment will not interfere with any other equipment installed on the Facility, including equipment owned by the City or by other parties.
- SSW will provide "as built" drawings and sketches to the City upon request.

During the term of the Letter Agreement, the City will:

- Provide access to 110VAC power, at a capacity of approximately 100 watts.
- Provide reasonable access to the Facility for SSW staff to allow for Equipment maintenance and repair during regular working hours and at other times under mutually agreeable conditions.

The Facility, For the City of Windom:

Water tower on Lakeview Avenue

Agreed

For LocaLoop
Name, Printed Name, Title, Date

For the City
Name, Printed Name, Title, Date



Memo

To: Mayor and City Council Members

From: Airport Commission

Date: 5/31/2012

Re: 2012 Airport Hangar Project

The Airport Commission will meet on June 4th to review the plans and specifications for the 2012 Airport Hangar Project. Due to the date of the Airport Commission meeting, no information regarding the Airport Commission's recommendation is available to include in the Council Packet.

An informational handout will be provided to you prior to the City Council meeting. Included in the handout will be the Commission's recommendation to the City Council regarding approval of the plans and specifications.

City of Windom, Minnesota Post-Issuance Debt Compliance Policy

The City Council (the "Council") of the City of Windom, Minnesota (the "City") has chosen, by policy, to take steps to help ensure that all obligations will be in compliance with all applicable federal regulations. This policy may be amended, as necessary, in the future.

Background

The Internal Revenue Service (IRS) is responsible for enforcing compliance with the Internal Revenue Code (the "Code") and regulations promulgated thereunder ("Treasury Regulations") governing certain obligations (for example: tax-exempt obligations, Build America Bonds, Recovery Zone Development Bonds and various "Tax Credit" Bonds). The IRS encourages issuers and beneficiaries of these obligations to adopt and implement a post-issuance debt compliance policy and procedures to safeguard against post-issuance violations.

Post-Issuance Debt Compliance Policy Objective

The City desires to monitor these obligations to ensure compliance with the Code and Treasury Regulations. To help ensure compliance, the City has developed the following policy (the "Post-Issuance Debt Compliance Policy"). The Post-Issuance Debt Compliance Policy shall apply to the obligations mentioned above, including bonds, notes, loans, lease purchase contracts, lines of credit, commercial paper or any other form of debt that is subject to compliance.

Post-Issuance Debt Compliance Policy

The Finance Director/Controller of the City is designated as the City's agent who is responsible for post-issuance compliance of these obligations.

The Finance Director/Controller shall assemble all relevant documentation, records and activities required to ensure post-issuance debt compliance as further detailed in corresponding procedures (the "Post-Issuance Debt Compliance Procedures"). At a minimum, the Post-Issuance Debt Compliance Procedures for each qualifying obligation will address the following:

1. General post-issuance compliance;
2. Proper and timely use of obligation proceeds and obligation-financed property;
3. Arbitrage yield restriction and rebate;
4. Timely filings and other general requirements;
5. Additional undertakings or activities that support points 1 through 4 above;
6. Maintenance of proper records related to the obligations and the investment of proceeds of obligations;
7. Other requirements which become necessary in the future.

The Finance Director/Controller shall apply the Post-Issuance Debt Compliance Procedures to each qualifying obligation and maintain a record of the results. Further, the Finance Director/Controller will ensure that the Post-Issuance Debt Compliance Policy and Procedures are updated on a regular and as needed basis.

The Finance Director/Controller or any other individuals responsible for assisting the Finance Director/Controller in maintaining records needed to ensure post-issuance debt compliance, are authorized to expend funds as needed to attend training or secure use of other educational resources for ensuring compliance such as consulting, publications, and compliance assistance.

Most of the provisions of this Post-Issuance Debt Compliance Policy are not applicable to taxable governmental obligations unless there is a reasonable possibility that the City may refund their taxable governmental obligation, in whole or in part, with the proceeds of a tax-exempt governmental obligation. If this refunding possibility exists, then the Finance Director/Controller shall treat the taxable governmental obligation as if such issue were an issue of tax-exempt governmental obligations and comply with the requirements of this Post-Issuance Debt Compliance Policy.

Private Activity Bonds

The City may issue tax-exempt obligations that are "private activity" bonds because either (1) the bonds finance a facility that is owned by the City but used by one or more qualified 501(c)(3) organizations, or (2) the bonds are so-called "conduit bonds", where the proceeds are loaned to a qualified 501(c)(3) organization or another private entity that finances activities eligible for tax-exempt financing under federal law (such as certain manufacturing projects and certain affordable housing projects). Prior to the issuance of either of these types of bonds, the Finance Director/Controller shall take steps necessary to ensure that such obligations will remain in compliance with the requirements of this Post-Issuance Debt Compliance Policy.

In a case where compliance activities are reasonably within the control of a private party (i.e., a 501(c)(3) organization or conduit borrower), the Finance Director/Controller may determine that all or some portion of compliance responsibilities described in this Post-Issuance Debt Compliance Policy shall be assigned to the relevant party. In the case of conduit bonds, the conduit borrower will be assigned all compliance responsibilities other than those required to be undertaken by the City under federal law. In a case where the Finance Director/Controller is concerned about the compliance ability of a private party, the Finance Director/Controller may require that a trustee or other independent third party be retained to assist with record keeping for the obligation and/or that the trustee or such third party be responsible for all or some portion of the compliance responsibilities.

The Finance Director/Controller is additionally authorized to seek the advice, as necessary, of bond counsel and/or its financial advisor to ensure the City is in compliance with this Post-Issuance Debt Compliance Policy.

Adopted this 5th day of June, 2012, by the City Council of the City of Windom, Minnesota.

Kirby Kruse, Windom Mayor

Steve Nasby, City Administrator

City of Windom, Minnesota Post-Issuance Debt Compliance Procedures

The City Council (the "Council") of the City of Windom, Minnesota (the "City") has adopted the attached Post-Issuance Debt Compliance Policy dated June 5, 2012. The Post-Issuance Debt Compliance Policy applies to qualifying debt obligations issued by the City. As directed by the adoption of the Post-Issuance Debt Compliance Policy, the Finance Director/Controller of the City will perform the following Post-Issuance Debt Compliance Procedures for all of the City's outstanding debt.

1. General Post-Issuance Compliance

- a. Ensure written procedures and/or guidelines have been put in place for individuals to follow when more than one person is responsible for ensuring compliance with Post-Issuance Debt Compliance Procedures.
- b. Ensure training and/or educational resources for post-issuance compliance have been approved and obtained.
- c. The Finance Director/Controller understands that there are options for voluntarily correcting failures to comply with post-issuance compliance requirements (such as remedial actions under Section 1.141-12 of the Treasury Regulations and the ability to enter into a closing agreement under the Tax-Exempt Bonds Voluntary Closing Agreement Program described in Notice 2008-31(the "VCAP Program")).

2. General Recordkeeping

- a. Retain records and documents for the obligation and all obligations issued to refund the obligation for a period of at least seven years following the final payment of the obligation (or if such obligation is refunded, the final payment of the refunding bond) unless otherwise directed by the City's bond counsel.
- b. Retain both paper and electronic versions of records and documents for the obligation.
- c. General records and documentation to be assembled and retained
 - i. Description of the purpose of the obligation (referred to as the project) and the state statute authorizing the project.
 - ii. Record of tax-exempt status or revocation of tax-exempt status, if applicable.
 - iii. Any correspondence between the City and the IRS.
 - iv. Audited financial statements.
 - v. Bond transcripts, official statements and other offering documents of the obligation.
 - vi. Minutes and resolutions authorizing the issuance of the obligation.
 - vii. Certifications of the issue price of the obligation.

- viii. Any formal elections for the obligation (i.e. election to employ an accounting methodology other than the specific tracing method).
- ix. Appraisals, demand surveys, or feasibility studies for property financed by the obligation.
- x. Documents related to governmental grants, associated with construction, renovation or purchase of property financed with the obligation.
- xi. Reports of any prior IRS examinations of the City or the City's obligation.

3. Arbitrage Yield Restriction and Rebate Recordkeeping

- a. Investment and arbitrage documentation to be assembled and retained
 - i. An accounting of all deposits, expenditures, interest income and asset balances associated with each fund established in connection with the obligation. This includes an accounting of all monies deposited to the Debt Service Account to make debt service payments on the obligation, regardless of the source derived. Accounting for expenditures and assets is described in further detail in Section 4.
 - ii. Statements prepared by Trustee or Investment Provider.
 - iii. Documentation of at least quarterly allocations of investments and investment earnings to each obligation (i.e. uncommingling analysis).
 - iv. Documentation for investments made with obligation proceeds such as:
 - 1. Investment contracts (i.e. guaranteed investment contracts).
 - 2. Credit enhancement transactions (i.e. bond insurance contracts).
 - 3. Financial derivatives (swaps, caps, etc).
 - 4. Bidding of financial products.
 - Investments acquired with obligation proceeds are purchased at fair market value (i.e. three bids for open market securities needed in advance refunding escrows).
- b. Computations of the arbitrage yield.
- c. Computations of yield restriction and rebate amounts including but not limited to:
 - i. Compliance in meeting the "Temporary Period from Yield Restriction Exception" and limiting the investment of funds after the temporary period expires.
 - ii. Compliance in meeting the "Rebate Exception".
 - 1. Qualifying for the "Small Issuer Exception"
 - 2. Qualifying for a "Spending Exception"
 - 6 Month Spending Exception
 - 18 Month Spending Exception
 - 24 Month Spending Exception
 - 3. Qualifying for the "Bona Fide Debt Service Fund Exception"

- 4. Quantifying arbitrage on all funds established in connection with the obligation in lieu of satisfying arbitrage exceptions (including Reserve Funds and Debt Service Funds)
- d. Computations of yield restriction and rebate payments.
- e. Timely Tax Form 8038-T filing, if applicable.
 - i. Remit any arbitrage liability associated with the obligation to the IRS at each five year anniversary date of the obligation, and the date in which the obligation is no longer outstanding (redemption or maturity date), whichever comes sooner, within 60 days of said date.
- f. Timely Tax Form 8038-R filing, if applicable.
- g. Procedures or guidelines for monitoring instances where compliance with applicable yield restriction requirements depends on subsequent reinvestment of obligation proceeds in lower yielding investments (for example: reinvestment in zero coupon SLGS).

4. Expenditure and Asset Documentation to be Assembled and Retained

- a. Documentation of allocations of obligation proceeds to expenditures (i.e. allocation of proceeds to expenditures for the construction, renovation or purchase of facilities owned and used in the performance of exempt purposes).
 - i. Such allocation will be done not later than the earlier of:
 - eighteen (18) months after the later of the date the expenditure is paid, or the date the project, if any, that is financed by the tax-exempt bond issue is placed in service; or
 - the date sixty (60) days after the earlier of the fifth anniversary of the issue date of the tax-exempt bond issue, or the date sixty (60) days after the retirement of the tax-exempt bond issue.
- b. Documentation of allocations of obligation proceeds to issuance costs.
- c. Copies of requisitions, draw schedules, draw requests, invoices, bills and cancelled checks related to obligation proceed expenditures during the construction period.
- d. Copies of all contracts entered into for the construction, renovation or purchase of facilities financed with obligation proceeds.
- e. Records of expenditure reimbursements incurred prior to issuing bonds for facilities financed with obligation proceeds (Declaration of Official Intent/Reimbursement Resolutions including all modifications).
- f. List of all facilities and equipment financed with obligation proceeds.
- g. Depreciation schedules for depreciable property financed with obligation proceeds.
- h. Documentation that tracks the purchase and sale of assets financed with obligation proceeds.
- i. Documentation of timely payment of principal and interest payments on the obligation.

- j. Tracking of all issue proceeds and the transfer of proceeds into the debt service fund as appropriate.
- k. Documentation that excess earnings from a Reserve Fund is transferred to the Debt Service Fund on an annual basis. Excess earnings are balances in a Reserve Fund that exceed the Reserve Fund requirement.

5. Miscellaneous Documentation to be Assembled and Retained

- a. Ensure that the project, while the obligation is outstanding, will avoid IRS private activity concerns.
 - i. The Finance Director/Controller shall monitor the use of all obligation-financed facilities in order to:
determine whether private business uses of obligation-financed facilities have exceeded the *de minimus* limits set forth in Section 141(b) of the Code as a result of sale of the facilities (including sale of capacity rights, leases and subleases of facilities (including easements or use arrangements for areas outside the four walls, e.g., hosting of cell phone towers), leasehold improvement contracts, licenses, management contracts (in which the City authorizes a third party to operate a facility, e.g. cafeteria), research contracts, preference arrangements (in which the City permits a third party preference, such as parking in a public parking lot), joint ventures, limited liability companies or partnership arrangements, output contracts or other contracts for use of utility facilities (including contracts with large utility users), development agreements which provide for guaranteed payments or property values from a developer, grants or loans made to private entities (including special assessment agreements), naming rights agreements, or other arrangements that provide special legal entitlements to nongovernmental persons; and

determine whether private security or payments that exceed the *de minimus* limits set forth in Section 141(b) of the Code have been provided by nongovernmental persons with respect to such obligation-financed facilities.
 - ii. The Finance Director/Controller shall provide training and educational resources to any City staff that have the primary responsibility for the operation, maintenance, or inspection of obligation-financed facilities with regard to the limitations on the private business use of obligation-financed facilities and as to the limitations on the private security or payments with respect to obligation-financed facilities.
- b. The Finance Director/Controller shall undertake the following with respect to the obligations:
 - i. an annual review of the books and records maintained by the City with respect to such obligations; and

- ii. an annual physical inspection of the facilities financed with the proceeds of such obligations, conducted by the Finance Director/Controller with the assistance of any City staff who have the primary responsibility for the operation, maintenance, or inspection of such obligation-financed facilities.
- c. Changes in the project that impact the terms or commitments of the obligation are properly documented and necessary certificates or opinions are on file.

6. Additional Undertakings and Activities that Support Sections 1 through 5 above:

- a. The Finance Director/Controller will notify the City's bond counsel, financial advisor and arbitrage provider of any survey or inquiry by the IRS immediately upon receipt (Usually responses to IRS inquiries are due within 21 days of receipt. Such IRS responses require the review of the above mentioned data and must be in writing. As much time as possible is helpful in preparing the response).
- b. The Finance Director/Controller will consult with the City's bond counsel, financial advisor and arbitrage provider before engaging in post-issuance credit enhancement transactions (i.e. bond insurance, letter of credit, or hedging transactions (i.e. interest rate swap, cap).
- c. The Finance Director/Controller will monitor all "qualified tax-exempt debt obligations" within the first calendar year to determine if the limit is exceeded, and if exceeded, will address accordingly. For tax-exempt debt obligations issued during years 2009 and 2010, the limit is \$30,000,000 (The limit was \$10,000,000 prior to 2009. In 2011 and thereafter it will remain at \$10,000,000 unless changed by Congress). During this period, the limit also applies to pooled financings of the governing body and provides a separate \$30,000,000 for each 501 (c)(3) conduit borrower.
- d. Comply with Continuing Disclosure Requirements.
 - i. If applicable, the timely filing of annual information agreed to in the Continuing Disclosure Certificate.
 - ii. Give notice of any Material Event.
- e. Identify any post-issuance change to terms of bonds which could be treated as a current refunding of "old" bonds by "new" bonds, often referred to as a "reissuance".
- f. The Finance Director/Controller will consult with the City's bond counsel prior to any sale, transfer, change in use or change in users of obligation-financed property which may require "remedial action" under applicable Treasury Regulations or resolution pursuant to the VCAP Program.

A remedial action has the effect of curing a deliberate action taken by the City which results in satisfaction of the private business test or private loan test. Remedial actions under Section 1.141-12(d)(e) and (f) include the

redemption of non-qualified bonds and alternative uses of proceeds or the facility (i.e. use for a qualified purpose instead).

- g. The Finance Director/Controller will ensure that the appropriate tax form for federal subsidy payments is prepared and filed in a timely fashion for applicable obligations (i.e. Build America Bonds).

7. Compliance with Future Requirements

- a. Take measures to comply with any future requirements issued beyond the date of these Post-Issuance Debt Compliance Procedures which are essential to ensuring compliance with the applicable state and federal regulations.

The following are hires:

Recreation

Sam Huska

Austin Haken (Sub)

Pool

Tim Larson (Sub)

The Following people will be hired in Early June Contingent on the passing of the Lifeguard Training Course Qualifications:

Aaron Axford

Hannah Kloss

Jasmine Carlson

Alex Leopold

Zach Steen

Amanda Mueller

Brooke Rasmussen

City Hall – Administrative Intern

Ryan Vesey

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: June 1, 2012
RE: Personnel Committee – Recommendations

Over the last couple of months the Personnel Committee met to discuss a number of items. Below is a discussion of each of these items.

1. The Personnel Committee and Utility Commission have both been in discussions with employees under their purview, respectively the Liquor Store Manager and Electric Utility Manager. One issue that has arisen is the payout for accrued vacation time. To help facilitate the payout of vacation time, for both the City and employee, the possibility of making periodic payments to qualified retirement plans has been discussed. This option is beneficial to the employee as they are able to defer income taxes and it benefits the City by not having to pay some payroll taxes that would normally be paid if the vacation time were taken by the employee. The maximum pay out time would be limited to 2012, 2013 and 2014.

The City's Personnel Policy (Section 4, paragraph C. 8. c.) allows for this type of payout. The language from the policy is as follows:

Subject to City Council approval, cash payment may be made in lieu of vacation time earned for the following reasons: a) earned vacation time not taken by reason of death; b) earned vacation time not taken by reason of termination of employment due to illness and c) as compensation paid directly into a bona fide retirement account on behalf of an employee.

This recommendation is from both the Personnel Committee and Utility Commission.

2. Updates and revisions to Windom's Personnel Policy have been discussed by the Personnel Committee and their recommendation to the City Council includes the following:
 - i) Adjust the vacation accrual schedule to match the recently adopted IBEW union vacation schedule, which allows employees to earn three weeks of vacation time upon completion of their fifth year of employment (instead of completion of seven years). Please see the revised schedule below:

1 Year	3.33	hours per month (40 hours per year)
2-4 Years	6.67	hours per month (80 hours per year)
5 Years	10.00	hours per month (120 hours per year)
8 Years	10.67	hours per month (128 hours per year)
9 Years	11.33	hours per month (136 hours per year)
10 Years	12.00	hours per month (144 hours per year)
11 Years	12.67	hours per month (152 hours per year)
12 Years	13.33	hours per month (160 hours per year)
13 Years	14.00	hours per month (168 hours per year)
14 Years	14.67	hours per month (176 hours per year)
15 Years	15.33	hours per month (184 hours per year)
16 Years	16.00	hours per month (192 hours per year)
17 Years	16.67	hours per month (200 hours per year)

- ii) Revise Section 9. A. -- Safety Rules -- Add a drug and alcohol free workplace policy that clarifies “Zero Tolerance” for alcohol or drug use by City employees while on City time. The zero tolerance policy is difficult as it must address factors such as off-duty time, social functions or other instances where employees are essentially “off the clock”. Policy information from other communities and the League of Minnesota Cities were researched and modified for the policy language presented herein. The League of Minnesota Cities and the Windom City Attorney have reviewed and approved the proposed policy language (please see the new language underlined below).

DRUG-AND ALCOHOL-FREE WORKPLACE POLICY

The City of Windom is committed to providing a safe and healthy work environment that is free of alcohol and drug abuse. This policy attempts to balance respect for employee’s personal (non-work) time with the need to maintain a safe and productive workplace.

This policy covers alcoholic beverages, prescription drugs and all controlled substances; including, but not limited to amphetamines, marijuana, cocaine, and other opiates.

The City establishes the following policy to ensure a drug-free workplace for its employees:

- The illegal use, possession, manufacture, sale, attempted sale or transfer to others of a controlled substance by City employees is prohibited while working at any time on behalf of the City.
- Illegal use of prescription drugs by any employee is prohibited; however nothing in this policy precludes the appropriate use of legally prescribed medications. However, employees are required to seek the advice of their doctor if there is any reason to believe that a prescription medication will result in safety concerns at work. The City reserves the right to require proof that it is safe for the employee to perform his or her duties while taking prescribed medications.
- Reporting for work under the influence (at any level) of alcohol or illegal drugs is prohibited. This includes travel by City or personal vehicle if on City-business.
- Consumption of alcohol by City employees is prohibited during scheduled working hours, such as of 8:00 am to 5:00 pm. Additionally, if an employee is scheduled for a meeting or event outside of the typical, scheduled work hours to conduct City business (e.g. on-call time, Council meetings, board or commission meetings or other public meetings) reporting for work under the influence (at any level) of alcohol or illegal drugs is prohibited.

- In the event of a call-out or call-back any employee that considers himself/herself as being under the influence of alcohol or drugs must not report to work, but must inform his/her supervisor immediately so they can determine workforce needs.
- Social events (e.g. banquets, receptions, hospitality gatherings and other such events) do not constitute “working hours”; however, employees are to use good judgment in their use of alcohol and uphold a positive public image of the City.
- Violations of this policy are subject to disciplinary action up to and including termination.

Implementation

Further, it is the responsibility of the City’s supervisors to enforce this policy and counsel employees whenever they see changes in performance or behavior that suggests an employee has a drug or alcohol problem. Although it is not the supervisor’s job to diagnose personal problems, the supervisor should encourage such employees to seek help and may advise them of available resources for getting help, including the City’s EAP and/or their personal health insurance benefits, as appropriate. If there is reason to believe a violation of this policy has occurred, the City may require an employee to contact the EAP or another bona fide service provider and participate in a substance abuse counseling or treatment program.

All employees must abide by the terms of this policy and must notify the City in writing of any conviction of a violation of criminal drug statute occurring in the workplace no later than five calendar days after such conviction. If the City receives such notification from an employee engaged in the performance of a federal grant, the City will notify the agency in writing within ten calendar days of receipt of the notice from an employee or otherwise within ten calendar days of receiving actual notice of such conviction. Within thirty calendar days of receiving notice of a conviction, the City will take appropriate personnel action against such employee, up to and including termination, or require the employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purpose by a federal, state or local health, law enforcement or other appropriate agency.

3. Typographical correction to the IBEW labor agreement. After additional review by the City and IBEW we discovered an error. Section 17.9 of the agreement states that a maximum of 80 hours of vacation may be accrued. This number was changed in the labor agreement approved by the union and City Council in 2011. As such, Section 17.9 needs to be amended to say the vacation accruals as shown in Section 17.1 apply (which is a 200 hour limit). Staff is requesting Council approval to make that correction.

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
MAYOR & COUNCIL	CONVENT. & VISTOR BU	LODGING TAX	2,836.16
		Total for Department 101	2,836.16*
CITY OFFICE	SELECTACCOUNT	ADM FEE	118.83
		Total for Department 103	118.83*
FIRE DEPARTMENT	AVERA MEDICAL GROUP	PHYSICALS	67.00
FIRE DEPARTMENT	RUNNING'S SUPPLY	MAINTENANCE	90.64
		Total for Department 125	157.64*
STREET	CONSOLIDATED READY M	MAINTENANCE	13.63
STREET	MN ENERGY RESOURCES	HEATING	193.69
STREET	RUNNING'S SUPPLY	MAINTENANCE	453.57
		Total for Department 140	660.89*
PARKS	RUNNING'S SUPPLY	MAINTENANCE	182.57
		Total for Department 165	182.57*
		Total for Fund 01	3,956.09*
LIBRARY	MN ENERGY RESOURCES	HEATING	43.19
		Total for Department 171	43.19*
		Total for Fund 03	43.19*
	FEDERAL SIGNAL CORP	SIREN	38,795.64
		Total for Department	38,795.64*
		Total for Fund 04	38,795.64*
	TKDA ENGINEERS	SERVICE	6,343.13
		Total for Department	6,343.13*
		Total for Fund 11	6,343.13*
AMBULANCE	VAUGHN CORWIN	EXPENSE	67.30
AMBULANCE	TIM HACKER	EXPENSE	6.52
AMBULANCE	BUCKWHEAT JOHNSON	EXPENSE	67.28
AMBULANCE	Verizon Wireless	TELEPHONE	105.03
AMBULANCE	FELIX GARCIA	REFUND-AMBULANCE	16.67
AMBULANCE	UCARE	REFUND- RENEE GIEFER #78	1,380.08
		Total for Department 176	1,642.88*
		Total for Fund 13	1,642.88*
MULTI-PURPOSE BUILDI CENTER STOP		MERCHANDISE	27.50
		Total for Department 177	27.50*
		Total for Fund 14	27.50*
SCDP	SW MN HOUSING PARTNE	DEED DRAW	12,711.00

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
		Total for Department 163	12,711.00*
		Total for Fund 17	12,711.00*
LIQUOR	BEVERAGE WHOLESALERS	MERCHANDISE	6,372.50
LIQUOR	COUNTY WIDE DIRECTOR	AD	215.00
LIQUOR	HAGEN DISTRIBUTING	MERCHANDISE	15,585.55
LIQUOR	A H HERMEL CANDY & T	MERCHANDISE	16.82
		Total for Department 180	22,189.87*
		Total for Fund 60	22,189.87*
	BANK MIDWEST INSURAN	UTILITY PERMIT BOND	100.00
		Total for Department	100.00*
WATER	GDF ENTERPRISES, INC	MAINTENANCE	202.53
WATER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	161.46
		Total for Department 181	363.99*
		Total for Fund 61	463.99*
ELECTRIC	CENTRAL MINNESOTA MU	CIP SERVICE ASSESSMENT	3,287.00
ELECTRIC	CENTRAL MINNESOTA MU	ECO @ HOME SUBSCRIPTION	973.84
ELECTRIC	MARV GRUNIG	EXPENSE	77.70
ELECTRIC	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	161.46
ELECTRIC	RUNNING'S SUPPLY	MAINTENANCE	505.67
		Total for Department 182	5,005.67*
		Total for Fund 62	5,005.67*
SEWER	AMUNDSON DIG	MAINTENANCE	95.00
SEWER	GDF ENTERPRISES, INC	MAINTENANCE	202.53
SEWER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	161.46
SEWER	RUNNING'S SUPPLY	MAINTENANCE	77.97
		Total for Department 183	536.96*
		Total for Fund 63	536.96*
ARENA	RUNNING'S SUPPLY	MAINTENANCE	147.98
		Total for Department 184	147.98*
		Total for Fund 64	147.98*
	DELORES EIDHAMMER	1.REFUND - STMT CREDIT	1.34
	JESSICA TORKELSON	REFUND - STMT CREDIT	.38
		Total for Department	1.72*
TELECOMMUNICATIONS	BLUEHIGHWAYS	SUBSCRIBERS	162.72
TELECOMMUNICATIONS	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	484.37
TELECOMMUNICATIONS	KARE GANNETT CO.,	IN SUBSCRIBER (FEB INVOICE)	1,465.50

CITY OF WINDOM
 FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
TELECOMMUNICATIONS	MN ENERGY RESOURCES	HEATING	17.58
TELECOMMUNICATIONS	RFD TV	SUBSCRIBER	291.09
TELECOMMUNICATIONS	DELORES EIDHAMMER	REFUND-STMT CREDIT	19.51
TELECOMMUNICATIONS	GAIL SCHAPPER	REFUND - STMT CREDIT	22.64
TELECOMMUNICATIONS	JESSICA TORKELSON	REFUND - STMT CREDIT	5.63
	Total for Department 199		2,469.04*
	Total for Fund 69		2,470.76*
AFLAC		INSURANCE	476.06
	Total for Department		476.06*
	Total for Fund 70		476.06*
	Grand Total		94,810.72*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
MAYOR & COUNCIL	MN CITY/COUNTY MANAG	DUES	122.33
	Total for Department 101		122.33*
CITY OFFICE	COALITION OF GREATER	REGISTRATION	55.00
CITY OFFICE	INDOFF, INC	SUPPLIES	197.93
CITY OFFICE	ELECTRIC FUND	CITY HALL CAR MAINT	15.78
CITY OFFICE	HY-VEE FOOD STORE	MERCHANDISE	17.78
CITY OFFICE	MAIL FINANCE	LEASE PAYMENT	16.75
	Total for Department 103		303.24*
P & Z / BUILDING OFF	INDOFF, INC	SUPPLIES	34.18
P & Z / BUILDING OFF	INTERNATIONAL CODE C	DUES	125.00
P & Z / BUILDING OFF	JIM KARTES	EXPENSE	8.82
P & Z / BUILDING OFF	MAIL FINANCE	LEASE PAYMENT	16.74
	Total for Department 106		184.74*
CITY HALL	MN ENERGY RESOURCES	HEATING	300.03
	Total for Department 115		300.03*
POLICE	INDOFF, INC	SUPPLIES	189.33
POLICE	MAIL FINANCE	LEASE PAYMENT	16.74
POLICE	Verizon Wireless	SERVICE FOR LAP TOPS	78.06
POLICE	FLEET SERVICES DIVIS	LEASE CAR	2,146.20
	Total for Department 120		2,430.33*
FIRE DEPARTMENT	AMOCO OIL COMPANY	GAS	81.44
FIRE DEPARTMENT	INDOFF, INC	SUPPLIES	38.98
FIRE DEPARTMENT	Verizon Wireless	SERVICE FOR LAP TOPS	52.04
	Total for Department 125		172.46*
STREET	PAST DISTRIBUTING,IN	MAINTENANCE	56.27
STREET	MAIL FINANCE	LEASE PAYMENT	16.74
	Total for Department 140		73.01*
HEALTH & SANITATION	NEAL GRUNEWALD	COMPOST SITE MANAGER	165.00
	Total for Department 145		165.00*
RECREATION	MAIL FINANCE	LEASE PAYMENT	16.74
	Total for Department 150		16.74*
PARKS	MAIL FINANCE	LEASE PAYMENT	16.74
	Total for Department 165		16.74*
	Total for Fund 01		3,784.62*
LIBRARY	WOMENINC MAGAZINE	SUBSCRIPTION	30.00
	Total for Department 171		30.00*
	Total for Fund 03		30.00*
	MOTOROLA	RADIOS	14,204.87

CITY OF WINDOM
 FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
		Total for Department	14,204.87*
		Total for Fund 04	14,204.87*
AMBULANCE	MAIL FINANCE	LEASE PAYMENT	16.74
AMBULANCE	Verizon Wireless	SERVICE FOR LAP TOPS	78.06
		Total for Department 176	94.80*
		Total for Fund 13	94.80*
MULTI-PURPOSE BUILDI	HY-VEE FOOD STORE	MERCHANDISE	98.35
MULTI-PURPOSE BUILDI	MAIL FINANCE	LEASE PAYMENT	16.74
MULTI-PURPOSE BUILDI	MN DEPT OF HEALTH	HOSPITALITY FEE	35.00
MULTI-PURPOSE BUILDI	MN ENERGY RESOURCES	HEATING	280.34
		Total for Department 177	430.43*
		Total for Fund 14	430.43*
LIQUOR	BEVERAGE WHOLESALERS	MERCHANDISE	8,608.92
LIQUOR	WIRTZ BEVERAGE MN WI	MERCHANDISE	8,094.33
LIQUOR	HAGEN DISTRIBUTING	MERCHANDISE	2,733.10
LIQUOR	A H HERMEL CANDY & T	MERCHANDISE	483.85
LIQUOR	JOHNSON BROS.	MERCHANDISE	8,177.73
LIQUOR	MAIL FINANCE	LEASE PAYMENT	16.74
LIQUOR	PHILLIPS WINE & SPIR	MERCHANDISE	1,602.50
LIQUOR	SOUTHERN WINE & SPIR	MERCHANDISE	688.34
LIQUOR	VINOCOPIA, INC	MERCHANDISE	308.25
		Total for Department 180	30,713.76*
		Total for Fund 60	30,713.76*
	MOTOROLA	RADIOS	4,359.46
	WENCK ASSOCIATES, IN	2012 6TH ST /RIVER RD PR	1,249.75
		Total for Department	5,609.21*
WATER	INDOFF, INC	SUPPLIES	111.12
WATER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	173.95
WATER	MAIL FINANCE	LEASE PAYMENT	16.74
WATER	SOURCE ONE SOLUTIONS	POSTAGE	3.35
WATER	SOURCE ONE SOLUTIONS	UTILITY BILL - SERVICES	802.53
WATER	MN DEPT OF HEALTH	REGISTRATION	150.00
WATER	MN ENERGY RESOURCES	HEATING	495.53
WATER	WENCK ASSOCIATES, IN	LANDFILL	6,553.03
WATER	NICOLE RUPP	REF-UT PREPAY & STMT CRE	1.45
		Total for Department 181	8,307.70*
		Total for Fund 61	13,916.91*
	ELECTRIC FUND	REF-UT PREPAY-JESS AGUST	67.02
	ODDSON UNDERGROUND I	CONSTR	8,370.00

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
	BANK MIDWEST	NSF CHECK-CLOSED ACCT	41.51
	JESSICA AGUSTIN	REFUND-UT PREPAYMENT	232.98
	RACHEL HAKEN	REFUND-UTILITY PREPAYMEN	300.00
	CASSY POWERS	REFUND - UTILITY PREPAYM	125.00
	NICOLE RUPP	REF-UT PREPAY & STMT CRE	125.05
	DEAN & SHERRY WALL	REFUND-UTILITY PREPAYMEN	300.00
	Total for Department		9,561.56*
ELECTRIC	AMOCO OIL COMPANY	GAS	955.16
ELECTRIC	CENTRAL MINNESOTA MU	CIP SERVICE ASSESSMENT	3,287.00
ELECTRIC	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	173.96
ELECTRIC	MAIL FINANCE	LEASE PAYMENT	16.75
ELECTRIC	SOURCE ONE SOLUTIONS	POSTAGE	3.36
ELECTRIC	SOURCE ONE SOLUTIONS	SPECIAL SERVICES	21.59
ELECTRIC	SOURCE ONE SOLUTIONS	UTILITY BILL - SERVICES	1,655.22
ELECTRIC	MN ENERGY RESOURCES	HEATING	29.96
ELECTRIC	NICOLE RUPP	REF-UT PREPAY & STMT CRE	.82
	Total for Department 182		6,143.82*
	Total for Fund 62		15,705.38*
	ROBERT L. CARR	WASTEWATER TREATMENT PRO	55,404.00
	MOTOROLA	RADIOS	10,738.35
	WENCK ASSOCIATES, IN	2012 6TH ST/RIVER RD PRO	833.17
	Total for Department		66,975.52*
SEWER	AMOCO OIL COMPANY	GAS	303.29
SEWER	INDOFF, INC	SUPPLIES	111.12
SEWER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	173.96
SEWER	GLENN LUND	REGISTRATION	20.00
SEWER	MAIL FINANCE	LEASE PAYMENT	16.74
SEWER	SOURCE ONE SOLUTIONS	POSTAGE	3.35
SEWER	SOURCE ONE SOLUTIONS	UTILITY BILL - SERVICES	802.53
SEWER	MN ENERGY RESOURCES	HEATING	42.50
SEWER	NICOLE RUPP	REF-UT PREPAY & STMT CRE	2.51
	Total for Department 183		1,476.00*
	Total for Fund 63		68,451.52*
ARENA	AMOCO OIL COMPANY	GAS	58.58
ARENA	JANITOR'S CLOSET, LT	SUPPLIES	263.48
ARENA	MAIL FINANCE	LEASE PAYMENT	16.74
ARENA	MN DEPT OF HEALTH	HOSPITALITY FEE	35.00
ARENA	MN ENERGY RESOURCES	HEATING	248.30
	Total for Department 184		622.10*
	Total for Fund 64		622.10*
ECONOMIC DEVELOPMENT	INDOFF, INC	SUPPLIES	211.79
ECONOMIC DEVELOPMENT	GODFATHER'S PIZZA	EXPENSE	30.17

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
ECONOMIC DEVELOPMENT	MAIL FINANCE	LEASE PAYMENT	16.74
ECONOMIC DEVELOPMENT	PETERSON SMITH GRAVE	MAINTENANCE	273.60
ECONOMIC DEVELOPMENT	SUBWAY	EXPENSE	40.88
	Total for Department 187		573.18*
	Total for Fund 67		573.18*
TELECOMMUNICATIONS	DISH NETWORK	SERVICE	3,400.00
TELECOMMUNICATIONS	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	521.88
TELECOMMUNICATIONS	HY-VEE FOOD STORE	MERCHANDISE	86.66
TELECOMMUNICATIONS	MAIL FINANCE	LEASE PAYMENT	16.74
TELECOMMUNICATIONS	SOURCE ONE SOLUTIONS	POSTAGE	10.05
TELECOMMUNICATIONS	SOURCE ONE SOLUTIONS	SPECIAL SERVICES	.06
TELECOMMUNICATIONS	SOURCE ONE SOLUTIONS	UTILITY BILL - SERVICES	1,755.52
TELECOMMUNICATIONS	MLB NETWORK	SUBSCRIBER	524.32
TELECOMMUNICATIONS	NEW STAR SALES & SER	COPIER MAINTENANCE	35.00
TELECOMMUNICATIONS	NOVANETIC INC	CONF ANNUAL & VOICEMAIL	2,000.00
TELECOMMUNICATIONS	CENTURY LINK	TELEPHONE	105.34
TELECOMMUNICATIONS	CENTURY LINK	DIRECTORY LISTING	236.25
TELECOMMUNICATIONS	BANK MIDWEST	NSF CHECK	129.92
TELECOMMUNICATIONS	COGENT COMMUNICATION	MAINTENANCE	1,750.00
TELECOMMUNICATIONS	POWER & TEL	MAINTENANCE	1,144.18
	Total for Department 199		11,715.92*
	Total for Fund 69		11,715.92*
	LAW ENFORCMENT LABOR UNION	DUES	252.00
	LOCAL UNION #949	UNION DUES	1,626.94
	MN BENEFIT ASSOCIATI	INSURANCE	291.16
	Total for Department		2,170.10*
	Total for Fund 70		2,170.10*
	Grand Total		162,413.59*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
CITY OFFICE	NCPERS MINNESOTA	INSURANCE	80.00
CITY OFFICE	TOSHIBA FINANCIAL SE LEASE/MAINTENANCE CONTRA		21.21
	Total for Department 103		101.21*
P & Z / BUILDING OFF	NCPERS MINNESOTA	INSURANCE	24.00
	Total for Department 106		24.00*
POLICE	CORY HILLESHEIM	EXPENSE	423.13
POLICE	NCPERS MINNESOTA	INSURANCE	144.00
POLICE	TOSHIBA FINANCIAL SE LEASE/MAINTENANCE CONTRA		10.60
	Total for Department 120		577.73*
FIRE DEPARTMENT	MN WEST COLLEGE - CA TRAINING		2,000.00
	Total for Department 125		2,000.00*
STREET	NCPERS MINNESOTA	INSURANCE	80.00
STREET	TOM VOTH	STEEL TOED BOOTS	50.00
	Total for Department 140		130.00*
RECREATION	TOSHIBA FINANCIAL SE LEASE/MAINTENANCE CONTRA		10.60
	Total for Department 150		10.60*
PARKS	NCPERS MINNESOTA	INSURANCE	16.00
PARKS	P.M. REPAIR & DETAIL MAINTENANCE		154.97
	Total for Department 165		170.97*
GENERAL	JEFF TABER	REFUND PICNIC TABLE	60.00
	Total for Department 201		60.00*
	Total for Fund 01		3,074.51*
LIBRARY	TOSHIBA FINANCIAL SE LEASE/MAINTENANCE CONTRA		5.30
	Total for Department 171		5.30*
	Total for Fund 03		5.30*
POOL	TOSHIBA FINANCIAL SE LEASE/MAINTENANCE CONTRA		5.30
POOL	PETTY CASH	PETTY CASH FOR POOL	75.00
	Total for Department 175		80.30*
	Total for Fund 12		80.30*
	MOTOROLA	RADIOS	8,704.37
	Total for Department		8,704.37*
AMBULANCE	APRIL HARRINGTON	EXPENSE	11.79
AMBULANCE	MARK MARCY	EXPENSE	12.69
AMBULANCE	JOLYNN NERHUS	EXPENSE	37.46
	Total for Department 176		61.94*
	Total for Fund 13		8,766.31*

CITY OF WINDOM
 FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
MULTI-PURPOSE BUILDI	A H HERMEL CANDY & T	MERCHANDISE	268.28
MULTI-PURPOSE BUILDI	NCPERS MINNESOTA	INSURANCE	32.00
MULTI-PURPOSE BUILDI	TOSHIBA FINANCIAL SE	LEASE/MAINTENANCE CONTRA	5.30
	Total for Department 177		305.58*
	Total for Fund 14		305.58*
PM WINDOM	2011 TIF		42,300.01
	Total for Department		42,300.01*
	Total for Fund 42		42,300.01*
LIQUOR	ENVIROMASTER, INC.	SERVICE	39.54
LIQUOR	BEVERAGE WHOLESALERS	MERCHANDISE	9,186.60
LIQUOR	COCA-COLA BOTTLING C	MERCHANDISE	391.92
LIQUOR	WIRTZ BEVERAGE MN WI	MERCHANDISE	672.00
LIQUOR	HAGEN DISTRIBUTING	MERCHANDISE	5,739.15
LIQUOR	A H HERMEL CANDY & T	MERCHANDISE	503.72
LIQUOR	MN DEPT OF AGRICULTU	LICENSE RENEWAL	84.70
LIQUOR	NCPERS MINNESOTA	INSURANCE	32.00
LIQUOR	MN ENERGY RESOURCES	HEATING	49.92
LIQUOR	PHILLIPS WINE & SPIR	MERCHANDISE	309.55
LIQUOR	THE AMERICAN BOTTLIN	MERCHANDISE	120.88
LIQUOR	TOSHIBA FINANCIAL SE	LEASE/MAINTENANCE CONTRA	23.01
	Total for Department 180		17,152.99*
	Total for Fund 60		17,152.99*
	WENCK ASSOCIATES, IN	2012 6TH ST/RIVER RD PRO	1,249.75
	Total for Department		1,249.75*
WATER	BOLTON & MENK, INC.	SERVICE	5,000.00
WATER	COUNTY WIDE DIRECTOR	DIRECTORY AD	79.00
WATER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	169.79
WATER	NCPERS MINNESOTA	INSURANCE	40.00
WATER	TOSHIBA FINANCIAL SE	LEASE/MAINTENANCE CONTRA	23.01
WATER	WENCK ASSOCIATES, IN	LANDFILL	6,553.03
	Total for Department 181		11,864.83*
	Total for Fund 61		13,114.58*
ELECTRIC	COUNTY WIDE DIRECTOR	DIRECTORY AD	79.00
ELECTRIC	MARV GRUNIG	EXPENSE	122.10
ELECTRIC	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	169.80
ELECTRIC	NCPERS MINNESOTA	INSURANCE	96.00
ELECTRIC	HSBC BUSINESS SOLUTI	SUPPLIES	529.99
ELECTRIC	TOSHIBA FINANCIAL SE	LEASE/MAINTENANCE CONTRA	23.01
	Total for Department 182		1,019.90*
	Total for Fund 62		1,019.90*

CITY OF WINDOM
FM Entry - Invoice Payment - Department Report

Department	Vendor Name	Description	Amount
	BOLTON & MENK, INC.	SERVICE	9,734.99
	WENCK ASSOCIATES, IN	2012 6TH ST/RIVER RD PRO	833.17
	Total for Department		10,568.16*
SEWER	COUNTY WIDE DIRECTOR	DIRECTORY AD	79.00
SEWER	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	169.79
SEWER	NCPERS MINNESOTA	INSURANCE	56.00
SEWER	TOSHIBA FINANCIAL SE	LEASE/MAINTENANCE CONTRA	33.94
	Total for Department 183		338.73*
	Total for Fund 63		10,906.89*
ARENA	NCPERS MINNESOTA	INSURANCE	32.00
ARENA	TOSHIBA FINANCIAL SE	LEASE/MAINTENANCE CONTRA	19.09
	Total for Department 184		51.09*
	Total for Fund 64		51.09*
	ELECTRIC FUND	LOAN PAYMT TO ELEC SPEC	752.25
	FULDA AREA CREDIT UN	SPEC BLDG LOAN	1,789.12
	Total for Department		2,541.37*
ECONOMIC DEVELOPMENT	COUNTY WIDE DIRECTOR	DIRECTORY AD	79.00
ECONOMIC DEVELOPMENT	ELECTRIC FUND	LOAN PAYMT TO ELEC SPEC	197.24
ECONOMIC DEVELOPMENT	FULDA AREA CREDIT UN	SPEC BLDG LOAN	1,570.88
ECONOMIC DEVELOPMENT	NCPERS MINNESOTA	INSURANCE	24.00
	Total for Department 187		1,871.12*
	Total for Fund 67		4,412.49*
TELECOMMUNICATIONS	COUNTY WIDE DIRECTOR	DIRECTORY AD	79.00
TELECOMMUNICATIONS	E-911	MONTHLY 911 SERVICE	43.95
TELECOMMUNICATIONS	H P SUDS CLUB, LLC.	BILLING CONTRACT SERVICE	509.37
TELECOMMUNICATIONS	NCPERS MINNESOTA	INSURANCE	80.00
TELECOMMUNICATIONS	TOSHIBA FINANCIAL SE	LEASE/MAINTENANCE CONTRA	31.80
TELECOMMUNICATIONS	BANK MIDWEST	NSF CHECK	126.06
	Total for Department 199		870.18*
	Total for Fund 69		870.18*
	JOHNSON COUNTY COURT	PAYROLL DECUCTION CDDMO1	915.38
	NCPERS MINNESOTA	INSURANCE	32.00
	Total for Department		947.38*
	Total for Fund 70		947.38*
	Grand Total		103,007.51*

AIA Document G702™ - 1992

Application and Certificate for Payment

Page 1 of 5

TO OWNER: City of Window, Minnesota
 PROJECT: Wastewater Treatment Imp. Window, Minnesota
 APPLICATION NO: 6
 PERIOD TO: 4/27/12
 DISTRIBUTION TO: OWNER ARCHITECT CONTRACTOR FIELD OTHER

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

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. AIA Document G703™, Continuation Sheet, 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) \$ 891,909.00
 5. RETAINAGE:
 - a. 5 % of Completed Work (Columns D + E on G703) \$ 33,051.50
 - b. 5 % of Stored Material (Column F on G703) \$ 11,543.95
- Total Retainage (Lines 5a + 5b, or Total in Column I of G703) \$ 44,595.45
6. TOTAL EARNED LESS RETAINAGE \$ 847,313.55
 (Line 4 minus Line 5 Total)
 7. LESS PREVIOUS CERTIFICATES FOR PAYMENT \$ 791,909.55
 (Line 6 from prior Certificate)
 8. CURRENT PAYMENT DUE \$ 55,404.00
 9. BALANCE TO FINISH, INCLUDING RETAINAGE \$1,412,686.45
 (Line 3 minus Line 6)

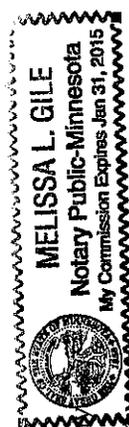
CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$	\$
Total approved this month	\$	\$
TOTAL	\$	\$
NET CHANGES by Change Order	\$ -0-	

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.

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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* Date: 5/2/12
 State of Minnesota

County of Lyon
 Subscribed and sworn to before me this 2nd day of May
 Notary Public: *Melissa L. Gile*
 My commission expires: 1/31/15


ARCHITECT'S CERTIFICATE FOR PAYMENT

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

AMOUNT CERTIFIED \$ 55,404.00
 (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: *R. Kelly Gaud*
 By: *R. Kelly Gaud* Date: 5-9-12
 This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

APPLICATION NO. 6
 PERIOD TO: 04/27/12
 APPLICATION DATE: 05/02/12

Wastewater Treatment Improvements
 Windom, Minnesota

A	B	C	D	E	F	G	H	
SECT. NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	FROM PREVIOUS APPS.	THIS PERIOD COMPLETED	STORED MATERIALS	TOTAL COMPLETED & STORED	% TO FINISH	BALANCE TO FINISH
2550	Site Utilities	21,000		5,040		5,040	24%	15,960
2600	Roads, Walks, and Curbs	10,000				0	0%	10,000
2920	Seeding and Turf Restoration	5,000				0	0%	5,000
2371	Erosion Control	18,000	6,300			6,300	35%	11,700
3200	Concrete Reinforcement							
	Material	30,000	30,000		0	30,000	100%	0
	Labor	15,000	15,000			15,000	100%	0
3300	Cast-in-Place Concrete							
	Lift Station 1st Lift	75,000	75,000			75,000	100%	0
	Lift Station 2nd Lift	75,000	75,000			75,000	100%	0
	Lift Station 3rd Lift	75,000	75,000			75,000	100%	0
	Vault	25,000	15,000			15,000	60%	10,000
	Miscellaneous Concrete	20,000	5,000	10,000		15,000	75%	5,000
	Subtotal	981,805	563,065	53,240	26,281	642,586	65%	339,219

APPLICATION NO. 6
 PERIOD TO: 04/27/12
 APPLICATION DATE: 05/02/12

Wastewater Treatment Improvements
 Windom, Minnesota

A	B	C	D	E	F	G	H	
SECT. NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	FROM PREVIOUS APPS.	THIS PERIOD	STORED MATERIALS	TOTAL COMPLETED & STORED	% TO FINISH	BALANCE TO FINISH
				COMPLETED				
16150	Electric Motors	3,000				0	0%	3,000
16200	Power Generation Systems	130,000				0	0%	130,000
16400	Electric Distribution	20,000				0	0%	20,000
16500	Lighting	5,000				0	0%	5,000
16900	Starters and Motor Controls	10,000				0	0%	10,000
16950	Instrumentation & Controls	450,000				0	0%	450,000
	Grand Total	2,260,000	563,065	97,965	230,879	891,909	39%	1,368,091

Attachment to
 Application and Certificate for Payment No. 6 (period to 04/27/12)

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	10	\$1,100.00	\$11,000.00
6. Sanitary Sewer Outside Drop	10.6	\$200.00	\$2,120.00
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			\$13,120.00

Item B: Inverted Siphon/River Crossing Replacement

1. Remove Sanitary Manhole		\$500.00	\$0.00
2. 18" PVC Sanitary Sewer Pipe	56	\$48.00	\$2,688.00
3. 6" HDPE DR 11 (DIPS) Trenchless Sanitary Sewer Pipe	220	\$75.00	\$16,500.00
4. 14" HDPE DR 11 (IPS) Trenchless Sanitary Sewer Pipe	220	\$130.00	\$28,600.00
5. Sanitary Manhole, DES 4007-48"	8.5	\$250.00	\$2,125.00
6. Sanitary Manhole, Siphon Inlet Structure	9.2	\$910.00	\$8,372.00
7. Sanitary Sewer Manhole Casting Assembly	2	\$500.00	\$1,000.00
8. Chimney Seal, Sanitary Manhole	2	\$300.00	\$600.00
Total Item B			\$59,885.00

STORED MATERIAL INVENTORY

Wastewater Treatment Improvements
Windom, Minnesota

ATTACHMENT TO APPLICATION AND CERTIFICATE
PER PAY REQUEST NO. 6

Period to:

Item No.	Description	Ist Pay No.	Supplier	Invoice No.	Invoice Amount	Amount Stored Prev. App.	Amount Installed Prev. App.	Net Amt. Stored This App.
A	Interceptor Sewer	1	HD Supply (Schmidt)	4029734	24,977.32	15408		15408
A	Interceptor Sewer	2	Hancock (Schmidt)	169184	5,982.09	2991	2,991	0
A	Interceptor Sewer	2	Hancock (Schmidt)	169207	4,964.24	4964		4964
A	Interceptor Sewer	2	Hancock (Schmidt)	169208	7,507.15	5909		5909
A	Interceptor Sewer	2	Hancock (Schmidt)	169214	3,835.38	3835	3,835	0
15060	Process Piping/Lift Station	3	HD Supply Waterworks	4285494	1,704.90	1705	1,705	0
Div. 5	Metals	5	Metro Manufacturing	3240A	11,669.68	8,000	8,000	0
15060	Process Piping/Lift Station	5	HD Supply Waterworks	4304526	26,708.19	26708	21,708	5000
15060	Process Piping/Lift Station	5	HD Supply Waterworks	4504941	2,798.66	2,799	2,799	0
11310	Submersible Pumps	5	Electric Pump	Contract	198,205.03	198205		198205
15060	Process Piping/Wastewater	6	HD Supply Waterworks	4561611	13,925.81			1393
TOTALS					302,278.45	270,524.00	41,038	230,879



INVOICE

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

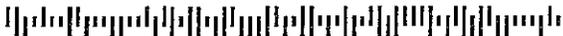
BRANCH ADDRESS
 HDSWW - EDEN PRAIRIE MN
 Branch - 230
 15800 W 79th St
 Eden Prairie MN 55344
 952/937-9666

INVOICE #	4561611
INVOICE DATE	4/04/12
ACCOUNT #	099283
SALESPERSON	RICK KIEMELE
BRANCH #	230

Total Amount Due \$13,925.81

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

377 1 MB 0.404 E0368X I0529 D462245868 P1034038 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

APR 09 2012

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

Date Ordered	Date Shipped	Customer PO No.	Job Name	Job No.	Bill of Lading	Shipped Via	Order Number
3/22/12	3/29/12	SEE BELOW	WINDOM WWTP	WINDOM		DIRECT	4561611
Product Code	Description	Quantity Ordered	Quantity Shipped	Back-Ordered	Price	Per	Amount
92420250	CUSTOMER PO#- WINDOM WWTP CHECK VLVS HD SUPPLY WATERWORKS PO#- 5420400 12" APCO 250 SWING CUSHION VLV AIR CUSHION → Installed	3	3		3909.00000	EA	11,727.00
55042504	4 APCO 250-4 CUSHION SWING CHK. AIR CUSHION stored (wastewater plant)	1	1		1303.00000	EA	1,303.00

4561611
 3170
 297
 13925.81 / B 1000

Stored Material
 Pay Request No. 6
 Section 15060
 \$ 1393

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	13,030.00

Freight	Delivery	Handling	Restock	Misc.	Tax	INVOICE TOTAL	\$13,925.81
					895.81		

HDSWW - EDEN PRAIRIE MN
 Branch - 230
 15800 W 79th St
 Eden Prairie MN 55344

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

INVOICE: 4561611