



**WILLMAR**



**FINANCE**

City Office Building  
Box 755  
Willmar, Minnesota 56201  
320-235-4984  
FAX: 320-235-4917

**COUNCIL WORK SESSION / FINANCE COMMITTEE MEETING  
4:45 P.M., MONDAY, OCTOBER 22, 2012  
WILLMAR MUNICIPAL UTILITIES AUDITORIUM**

**Chair: Denis Anderson**  
**Vice Chair: Rick Fagerlie**

**Members: Jim Dokken**  
**Tim Johnson**

**AGENDA**

**Council Work Session**

- 1) 2013 Budget
  - A. HRA Budget Presentation
  - B. Capital Improvement Program
  - C. Departmental Reductions
  - D. WRAC-8

**Finance Committee Meeting**

- 1) Public Comment
- 2) Certify Unpaid Senior Citizen Deferments - Resolution
- 3) Reports
  - A. September Rice Trust
  - B. 3<sup>rd</sup> Quarter Interest/Dividends
  - C. 3<sup>rd</sup> Quarter Investment Activity
  - D. September 30<sup>th</sup> Investment/Cash Balances
- 4) Future Meeting Agendas
  - A. November 26th
    1. Rice Memorial Hospital Budget Presentation
    2. MUC Budget Presentation
  - B. Fund Balance Discussion

5) Miscellany

6) Adjourn



# Housing and Redevelopment Authority

In and For the City of Willmar, MN

Health & Human Services Building

2200 23rd Street NE Suite 2090 Willmar, MN 56201

Tel. (320) 235-8637 Fax (320) 235-7831 TDD 711, 320-235-8637

October 18, 2012

**To:** Willmar City Council  
**RE:** Willmar HRA 2013 Budget  
**FROM:** Jill Bengtson, Executive Director

On behalf of the Willmar HRA Board of Commissioners, it is my pleasure to submit to you the attached report on HRA projects/programs and the 2013 Budget. In addition to the HRA's standard program activity, a few 2012 highlights/ 2013 plans regarding operational changes:

- Willmar HRA and Kandiyohi County HRA continue to work together and are entering into another one-year contract for shared Executive Director services. This also involves reorganizing other staff duties between the two agencies. The HRAs bill each other for the staff time provided.
- The two HRA Boards continue to discuss the idea of merging the two agencies. This next year will be spent evaluating the past year of staff sharing and determining the extent of merging going forward.
- In order to streamline efficiencies internally, the Kandiyohi County HRA made a software change and is now using the same software program as the Willmar HRA. Over the next year, we will continue to look for internal efficiencies including incorporating more technology into our daily work. Ideas include 1) providing touchscreen tablet computers to inspectors and maintenance staff to receive and fill work orders; 2) incorporating banking technology to eliminate paper deposits and staff time/mileage to transport; 3) incorporating accounts payable processing to forward invoices electronically for staff approval.
- We will also look at staff duties to determine best use and cost of time and determine if there are opportunities for outsourcing.

A few comments on the 2013 budget:

- Revenue increases for the year are attributed to the 2012 Small Cities Development Program startup and Kandiyohi County HRA fees for Willmar HRA staff assistance.
- Large difference in employee and contracted labor expense from previous year due to decreased costs in 2012, wage adjustments and additional staff/contracted labor in 2013. Decreased 2012 costs are from delaying hiring of a full-time office assistant in 2012 pending budget review, less contracted rehab staff expense, less employee benefit cost than budgeted. Increases for 2013 include hiring a full-time office assistant, anticipating wage adjustments for some staff positions, increased Kandiyohi County HRA expense due to other staff sharing, increased contracted rehab staff time due to the new Small Cities Program.



Housing and Redevelopment Authority In and For the City of Willmar

**2012 Activities Report / 2013 Tax Levy Request**  
**Willmar City Council**  
**October 22, 2012**

Willmar HRA Board of Commissioners

Vera Novak, Chair

Luz Gonzalez

Ryan Tillemans

Vacant Appointed Commissioner

Vacant Appointed Resident Commissioner

Willmar City Council Liaisons

Ron Christianson

Jim Dokken

Willmar HRA Staff

Jill Bengtson, Executive Director

Nikki Ilgen, Housing Programs Supervisor

Kelly Zuidema, Fiscal Manager

Brad Hanson, Maintenance Supervisor

Dale Slagter, Rehab Inspector

Gabby Carranza, Public Housing Specialist

Paul Wells, Housing Programs Assistant

Gwen Chase, Rental Assistance Specialist

Sue Johnson, Rental Housing Specialist

Anastasia Toth, Administrative Assistant

Mark Hirman, FPH/WCMH/CV Caretaker

Antonio Diaz, Lakeview Caretaker

Dennis Eickhoff, Dana Heights/WCMH/CV Caretaker

Mike Rothers, Highland Caretaker

**HRA Vision Statement:**

*Continue to focus on the reason the HRAs exist – to care about fellow citizens and their quality of life;*

*ensure affordable quality housing for all and engage in development and preservation programs to strengthen our communities.*

*Conduct dynamic planning based on changing needs and issues in our communities, valuing input from all stakeholders and community members.*

*Provide a variety of programs and housing options that lead to successful outcomes by working together to be resourceful, creative and fiscally responsible.*

**HRA Mission Statement:**

***To promote and provide housing and development opportunities to revitalize our communities and improve residents' quality of life.***

## Willmar HRA Owned Properties (258 Units)

Property Name Comments	Funding Source	Total Units	Unit Types	Tenant Eligibility	Tenant Rent	Income Limits
<b>Lakeview Apartments</b> Assisted living Available, Heartland provides supportive services, MN Extension monthly classes, Polling Site, Fire Dpt testing site	HUD Public Housing	127	126 - 1 bdrm 1 - 2 bdrm for onsite caretaker	Income based	30% of adjusted gross income	80% Median Income
<b>Family Public Housing - Welshire</b>	HUD Public Housing	29	13 - 2 bdrm 14 - 3 bdrm 2 - 4 bdrm	Income based	30% of adjusted gross income	50% Median Income
<b>Family Public Housing - Scattered Single Family</b>	HUD Public Housing	18	3 - 2 bdrm 12 - 3 bdrm 3 - 4 bdrm	Income based	30% of adjusted gross income	50% Median Income
<b>Highland</b> Assisted Living Available, Let's Go Fishing Trips, Polling Site	HUD Section 8 New Construction	78	78 - one bdrm	Income based, must be elderly or disabled	30% of adjusted gross income	80% Median Income
<b>Country View Place</b> Heartland provides supportive services.	HUD, MHFA, Bremer, SWMHHP, City of Willmar SCDP, Federal Home Loan Ban	6	2 - 2 bdrm 2 - 3 bdrm 2 - 4 bdrm	Income based, disability, chronically homeless with children	30% of adjusted gross income	80% Median Income

### 2012 Income Limits

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Kandiyohi County	Very Low (50%) Income Limits	\$22,750	\$26,000	\$29,250	\$32,500	\$35,100	\$37,700	\$40,300
	Extremely Low (30%) Income Limits	\$13,650	\$15,600	\$17,550	\$19,500	\$21,100	\$22,650	\$24,200
	Low (80%) Income Limits	\$36,400	\$41,600	\$46,800	\$52,000	\$56,200	\$60,350	\$64,500

## Willmar HRA Managed Properties (Owned by Third Party – 88 Units)

Property Name Comments	Total Units	Unit Types	Tenant Eligibility	Tenant Rent	Income Limits
West Central Mental Health Housing (scattered site single family housing)	12	10 – 1 bdrm 2 – 2 bdrm	Income based, mental illness	30% of adjusted gross income	50% Median Income
Dana Heights Apartments and Townhomes	48	4 – 1 bdrm 20 – 2 bdrm 24 – 3 bdrm	Income based	30% of adjusted gross income	60% Median Income
Westwind Townhomes	28	14 - 2 bdrm 14 – 3 bdrm	Income based. Any 6 units must be supportive housing for homeless households with children whose head of household has a disability.	30% of adjusted gross income	60% Median Income

### 2012 Income Limits

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Very Low (50%) Income Limits	\$22,750	\$26,000	\$29,250	\$32,500	\$35,100	\$37,700	\$40,300	\$42,900
Extremely Low (30%) Income Limits	\$13,650	\$15,600	\$17,550	\$19,500	\$21,100	\$22,650	\$24,200	\$25,750
Low (80%) Income Limits	\$36,400	\$41,600	\$46,800	\$52,000	\$56,200	\$60,350	\$64,500	\$68,650

## Tenant-Based Rental Assistance Programs

Program	Number of Households Assisted Monthly	Average HRA total paid to private landlords per month	Unit Payment Standards	Tenant Rent Portion	Tenant Eligibility
<b>Housing Choice Voucher Program</b> (Section 8)	50	\$17,843	0 bdrm= \$521 1 bdrm= \$524 2 bdrm= \$706 3 bdrm= \$883 4 bdrm= \$1134	30% of adjusted gross income	Max 50% median income, eligible citizenship status, satisfactory criminal background.
<b>Bridges</b> Serves Kandyohi, Lyon, McLeod, Meeker	12	\$4,174	Varies by County	30% of adjusted gross income	Max 50% median income, serious and persistent mental illness.
<b>Bridges to Bridges</b> Serves Chippewa, Cottonwood, Jackson, Kandyohi, Lyon, McLeod, Meeker, Redwood, Renville, Swift, Rock	55	\$15,979	Varies by County	30% of adjusted gross income	Max 50% median income, meet criteria for assertive community treatment.
<b>Shelter Plus Care I</b> Serves Chippewa, Cottonwood, Jackson, Kandyohi, Lyon, McLeod, Meeker, Redwood, Renville, Swift, Rock	6	\$1,078	Varies by County	30% of adjusted gross income	Max 50% median income, homeless single person with a disability and meet criteria for Assertive Community Treatment.
<b>Shelter Plus II</b> Serves Chippewa, Cottonwood, Jackson, Kandyohi, Lyon, McLeod, Meeker, Redwood, Renville, Swift, Rock	10	\$5,405	Varies by County	30% of adjusted gross income	Max 50% median income, homeless single person with a disability and meet criteria for Assertive Community Treatment.

# Property Improvement Programs

## 2009 Small Cities Development Program

Completed December 2011

Activity	SCDP Assistance Provided	Eligibility Requirements	# units assisted	Total Small Cities Dollars	Other Public Grant/Loan Dollars	Owner/Private funding	Total
Homeowner Occupied Rehab - Willmar	10 year deferred loans forgivable as long as the homeowner lives in the home for 10 years. Total amount is repaid if owner moves or transfers title prior to ten years.	Maximum household income of 80% Area Median Income	16	204,100	78,019	5,214	287,333
Homeowner Occupied Rehab - Pennock	10 year deferred loans forgivable as long as the homeowner lives in the home for 10 years. Total amount is repaid if owner moves or transfers title prior to ten years.	Maximum household income of 80% Area Median Income	7	109,900	23,604	16,322	149,826
Commercial Rehab - Willmar	Max per building limited to the lesser of 66% of rehab costs or \$40,000 from the combined loans: 1) 0%, 7 yr forgivable loans, max \$30,000 but not to exceed 50% of total rehab costs. 2) 0%, 10 yr loans, monthly payments, max \$12,000 but not to exceed 20% of total rehab costs.	Building must be located in downtown Willmar.	11	365,137	0	204,669.68	569,806.68
Rental Rehab - Willmar	Max per building limited to 75% of rehab costs or \$12,000 from the combined loans: 1) 0%, 10 yr forgivable loans, max \$8,000 per unit or 50% of rehab costs. 2) 0% 10 yr deferred loan, max \$4,000 per unit or 25% of rehab costs.	Building must be located in downtown Willmar. 51% of rental units in the structure must be occupied by household at or below 80% AMI. Property owner must agree to rent unit to LMI Households at affordable rent levels (Section 8 Payment Standards) for 10 years.	13	36,913	1,886.65	13,933.25	52,732.90
<b>TOTAL</b>			<b>47</b>	<b>\$716,050</b>	<b>\$103,509.65</b>	<b>\$240,138.93</b>	<b>\$1,059,698.58</b>

### 2012 Small Cities Development Program

Activity	SCDP Assistance Provided	Eligibility Requirements	Number of units to be assisted	Total Small Cities Dollars
Homeowner Occupied Rehab - Willmar	10 year deferred loans forgivable as long as the homeowner lives in the home for 10 years. Total amount is repaid if owner moves or transfers title prior to ten years.	Maximum household income of 80% Area Median Income	14	210,000
Homeowner Occupied Rehab - Raymond	10 year deferred loans forgivable as long as the homeowner lives in the home for 10 years. Total amount is repaid if owner moves or transfers title prior to ten years.	Maximum household income of 80% Area Median Income	18	270,000
Commercial Rehab - Willmar	Max per building limited to the lesser of 66% of rehab costs or \$40,000 from the combined loans: 1) 0%, 7 yr forgivable loans, max \$30,000 but not to exceed 50% of total rehab costs. 2) 0%, 10 yr loans, monthly payments, max \$12,000 but not to exceed 20% of total rehab costs.	Building must be located in downtown Willmar.	8	267,800
Rental Rehab - Willmar	Max per building limited to 75% of rehab costs or \$12,000 from the combined loans: 1) 0%, 10 yr forgivable loans, max \$8,000 per unit or 50% of rehab costs. 2) 0% 10 yr deferred loan, max \$4,000 per unit or 25% of rehab costs.	Building must be located in downtown Willmar. 51% of rental units in the structure must be occupied by household at or below 80% AMI. Property owner must agree to rent unit to LMI Households at affordable rent levels (Section 8 Payment Standards) for 10 years.	17	196,350
<b>TOTAL</b>			<b>57</b>	<b>\$944,150</b>



## Minnesota Housing Rehabilitation Loan Programs

Activity	Assistance Provided	Eligibility Requirements
<p><b>Homeowner Rehabilitation Loan Program</b></p>	<p>0%, 15 year forgivable loans to Kandiyohi County homeowners. Must occupy the property as principal place of residence for loan term in order to be forgiven.</p> <p>Maximum \$24,999 loan plus \$10,000 additional if lead hazard reduction needs to be completed.</p>	<p>Maximum household income of 80% Area Median Income.</p> <p>Must occupy property 6 months prior to loan application.</p> <p>Must be current on mortgage, taxes and insurance.</p> <p>Must be unable to obtain financing under equivalent terms elsewhere.</p> <p>Total assets of \$25,000 excluding value of structure to be improved after deducting outstanding indebtedness to assets.</p>
<p><b>Emergency and Accessibility Loan Program</b></p>	<p>0%, 15 year forgivable loans to Kandiyohi County homeowners. Must occupy the property as principal place of residence for loan term in order to be forgiven.</p> <p>Maximum \$15,000 loan, minimum \$1,000</p>	<p>Maximum household income of 80% Area Median Income.</p> <p>Funds must address emergency conditions in the home or essential accessibility needs for a disabled resident. Emergency conditions are defined as property damage beyond the homeowner's control or that are necessitated by a system or structural failure that has caused or could cause the home to be uninhabitable.</p> <p>Must occupy property 6 months prior to loan application.</p> <p>Must be current on mortgage, taxes and insurance.</p> <p>Must be unable to obtain financing under equivalent terms elsewhere.</p> <p>Total assets of \$25,000 excluding value of structure to be improved after deducting outstanding indebtedness to assets.</p>

## Rural Development Intermediary Relending Program

Activity	Assistance Provided	Eligibility Requirements
<b>Business Loan Program</b>	<p>1% under prime, 3-10 year loans to businesses in or locating to the Central Business District to fund up to 10% of total eligible costs to a maximum of \$150,000. Use of funds is further restricted to: 1/3 Operating, 1/3 Equipment, 1/3 Building/Real Estate.</p> <p>Applications are reviewed by a loan committee representative of the Willmar Design Center, Main Street Willmar, City of Willmar, Kandiyohi County and City of Willmar Economic Development Commission, local bank.</p>	<p>Recipient must certify he/she is unable to finance project from his/her own sources, commercial credit or other Federal/State/Local programs.</p> <p>Remaining funding needs must be obtained through other private sources.</p> <p>Projects must be consistent with the Willmar Design Center adopted principles/Willmar Downtown Vision and Main Street Willmar Design Guidelines</p>

## Security Deposit Loan Program

Activity	Assistance Provided	Eligibility Requirements
<b>Security/Utility Deposit Loans</b>	<p>4%, 6 month loans for up to \$1,000 to renters living in Kandiyohi County to assist with paying security deposits to landlords or utility companies.</p>	<p>Favorable credit report and asset verification.</p>

## 2013 Budget

### Revenue

	FYE 6/30/12 Budget	FYE 6/30/12 Pre-Audit Actual	FYE 6/30/13 Budget
Public Housing: Operating	\$299,771.09	\$287,481.78	\$311,431.33
CFP	10,000.00	13,632.12	0
Section 8 Existing	20,600.00	19,680.51	20,600
Highland Apartments	101,436.00	93,921.17	100,562.39
Dana Heights Apartments	68,576.19	64,864.39	69,575.72
West Central Mental Health Housing	22,478.14	20,578.70	22,515.13
Westwind Townhomes	25,089.93	27,125.25	28,788.41
Shelter Plus Care	1,152.00	1,024.96	1,152.00
Shelter Plus Care II	3,360.00	5,409.87	3,840.00
Bridges	4,800.00	5512.00	4,800.00
Bridges to Bridges	26,400.00	24,591.08	24,000.00
MHFA Loan Programs Administration	5,780.00	-2,196.35	5,780.00
SCDP Administration	0	-1,530.86	66,006.00
Revolving SCDP Loan Programs	400.00	150.00	150.00
Downpayment Assistance Program	0	150.00	0
Intermediary Relending Program	0	150.00	0
Security Deposit Loan Program Income	0	250.00	100.00
Interest Income	3,000.00	521.22	3,000.00
Country View Place	17840.05	17,728.27	22,642.77
Other Income	64,806.80	30,700.00	0
KCHRA Income	0	7,267.89	57,021.00
Lead Grant	0	-412.00	0
<b>Tax Levy Request</b>	<b>170,000.00</b>	<b>178,000.02</b>	<b>170,000.00</b>
<b>Total Revenues</b>	<b>\$845,490.20</b>	<b>\$794,600.02</b>	<b>\$911,964.76</b>

## Expenditures

	FYE 6/30/12 Budget	FYE 6/30/12 Pre-Audit Actual	FYE 6/30/13 Budget
<b>Employees and Contracted Labor</b>			
Salaries/Wages	\$437,497.70	\$390,735.95	\$449,945.97
Employee Benefits	192,036	171,515.83	165,584.00
Contracted Services - KHRA Shared ED & staff	42,571.00	42,631.57	71,543.00
Contracted Services – Rehab Staff, Legal, Audit, Credit Services	56,545.00	34,026.71	107,915.40
<b>Subtotal</b>	<b>\$728,649.70</b>	<b>\$638,910.06</b>	<b>\$794,988.37</b>
<b>Office</b>			
Rent	\$28,000.00	\$26,616.72	28,000.00
Office Supplies/Postage	19,000.00	16,910.79	19,000.00
Maintenance of Office Equipment	18,050.00	13,650.43	16,350.00
Furniture/Computer Upgrade	5,000.00	0.00	5,000.00
Communications/Website	5,000	1,983.75	4,000.00
Printing/Publishing/Advertising	2,750.00	9,321.87	2,000.00
<b>Subtotal</b>	<b>\$77,800.00</b>	<b>\$68,483.56</b>	<b>\$74,350.00</b>
<b>Other</b>			
Travel/Conferences/Training	\$5,000.00	\$1,825.69	5,000.00
Subscriptions/Memberships	3,500.00	2,080.34	3,000.00
Insurance	22,090.18	17,025.41	23,186.18
Sundry	6,000.00	4,713.57	6,000.00
Other Special Programs	10,000.00	8,592.76	5,000.00
<b>Subtotal</b>	<b>\$46,590.18</b>	<b>\$34,237.77</b>	<b>\$42,186.18</b>
<b>Total Expenditures</b>	<b>\$853,039.88</b>	<b>\$741,631.39</b>	<b>\$911,524.55</b>
<b>Provision For Reserve</b>	<b>-\$7,549.68</b>	<b>\$52,968.63</b>	<b>\$440.21</b>

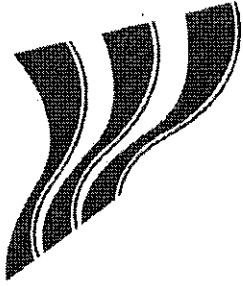
**HRA Tax Levy History**

Year	Statutory Limit	Requested and Council Approved
2005	\$116,081	\$116,081
2006	\$129,776	\$129,776
2007	\$141,796	\$141,796
2008	\$189,908	\$189,908
2009	\$194,554	\$170,000
2010	\$195,317	\$170,000
2011	\$199,951	\$170,000
2012	\$196,470	\$170,000
	Statutory Limit	Request
2013	\$198,505	\$170,000

**Thank You!**

Services of the Willmar HRA are made possible by the tax support and cooperation of our community. In addition to the citizens of Willmar, we would like to recognize and thank the following for their assistance in our daily work to improve the quality of life for our community members.

- |  |                               |
|--|-------------------------------|
| Willmar City Council   | Safe Avenues                  |
| Willmar City Departments   | Central Minnesota Senior Care |
| Willmar Design Center  | Salvation Army                |
| Kandiyohi County/City of Willmar Economic Development Commission | Woodland Centers              |
| Willmar Lakes Area Chamber of Commerce                           | Local Banks                   |
| Heartland Community Action Agency                                | Local Contractors             |
| Kandiyohi County Departments                                     | Local Landlords               |
| Southwest Minnesota Adult Mental Health Consortium               |                               |
| Southwest Minnesota Housing Partnership                          |                               |
| Minnesota Housing Finance Agency                                 |                               |
| Minnesota Department of Employment and Economic Development      |                               |
| U.S. Department of Housing and Urban Development                 |                               |
| U.S. Department of Agriculture – Rural Development               |                               |



**CITY OF WILLMAR, MINNESOTA  
REQUEST FOR COMMITTEE ACTION**

**Agenda Item Number:** \_\_\_\_\_

**Meeting Date:** October 22, 2012

**Attachments:** \_\_\_ Yes \_\_\_ No

**CITY COUNCIL ACTION**

**Date:** November 5, 2012

- |                                   |                                 |
|-----------------------------------|---------------------------------|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Denied |
| <input type="checkbox"/> Amended  | <input type="checkbox"/> Tabled |
| <input type="checkbox"/> Other    |                                 |

**Originating Department:** City Clerk-Treasurer

**Action Requested:** Motion to Certify for Collection Unpaid Senior Citizen Deferments

**Guiding Principle:** Willmar Municipal Code Section 435.194

**Agenda Item:** Unpaid Senior Citizen Deferments

**Background/Justification:**

Previous family sales of property have failed to clear the senior citizen deferments that were due and payable. Neither party in the attached letters has made any attempt to pay the shown amounts. Previous conversations with the City Attorney state that they are due and payable to the tax payers immediately upon the sale of the property. The Staff recommends that Parcel's 95-921- 5480 and 95-006-4030 be certified for collection in the 2013 tax year.

**Fiscal Impact:** \$21,166.10

**Alternatives:** Deny

**Staff Recommendation:** The shown amounts shall be certified for collection.

**Reviewed by:** Kevin J. Halliday

**Preparer:** City Clerk-Treasurer

**Signature:**

**Comments:**



# WILLMAR



## CITY CLERK - TREASURER

City Office Building  
Box 755  
Willmar, Minnesota 56201

320-235-4913  
FAX: 320-235-4917  
[www.ci.willmar.mn.us](http://www.ci.willmar.mn.us)

March 9, 2012

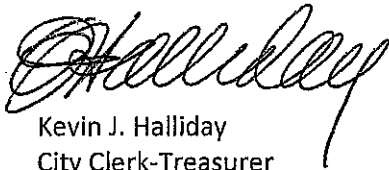
Lisa & Tracy Bengtson  
723 3<sup>rd</sup> Street SW  
Willmar, MN 56201

Dear Mr. & Mrs. Bengtson:

Your property located at 723 3<sup>rd</sup> Street SW identified as parcel #95-006-4030 has a senior citizen deferment recorded against the property by Judith A. Agesen. This lien for a 2001 Street Project, totaling \$14,137.10, needs to be cleared. The March 1, 2008, Contract for Deed sale of property does not qualify for continuation of the deferred assessment and pursuant to MS 435.195 the original assessed amount plus interest is due and payable. Please make arrangements to remit to the City of Willmar \$14,137.10 to remove this lien.

Sincerely,

City of Willmar



Kevin J. Halliday  
City Clerk-Treasurer

ds

Enclosure





**WILLMAR**



**CITY CLERK - TREASURER**

City Office Building  
Box 755  
Willmar, Minnesota 56201

320-235-4913  
FAX: 320-235-4917  
[www.ci.willmar.mn.us](http://www.ci.willmar.mn.us)

May 1, 2012

Phyllis Thunstedt  
2301 SW 19<sup>th</sup> Avenue  
Willmar, MN 56201

Todd & Timothy Thunstedt  
8956 80<sup>th</sup> Street NE  
Spicer, MN 56288

Dear Ms. Thunstedt:

As a follow up to our February discussions regarding the payment of the Lawrence and Florence Caskey senior citizen deferment of \$7,029.00 against your property, the City Attorney concluded that the only viable legal alternative to not having you pay the amount now was to request the City Council to authorize a second senior citizen deferment since you qualify by age. The Willmar City Council reviewed the details of the family transfer of ownership and took action *not* to grant secondary extensions of any senior citizen deferment and to amend our policy to clearly state that position. Therefore, the original deferment of \$7,029.00 is due and payable upon receipt of this letter.

Please confer with your sons, as fee simple owners of the property, along with your life estate interest and make arrangements to remit \$7,029.00 to the City of Willmar.

Sincerely,

City of Willmar

Kevin J. Halliday  
City Clerk-Treasurer

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Investment Management  
& Trust

# Activity Summary as of 9/30/2012

RICE CUSHMAN A CHAR TR

Account 180205

## Market Value Reconciliation

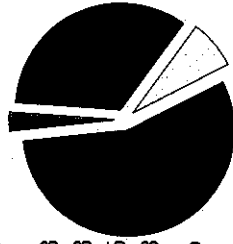
	Since 09/01/2012 (\$)	Year to Date (\$)
<b>Beginning Market Value</b>	<b>2,575,496.07</b>	<b>2,466,271.51</b>
<b>Disbursements</b>		
Withdrawals	0.00	-58,822.87
Expenses	0.00	-1,674.37
Fees	-1,673.90	-14,878.89
<b>Total Disbursements</b>	<b>-1,673.90</b>	<b>-75,376.13</b>

<b>Income</b>		
Investment Income	4,124.21	43,884.09
Other Income	0.00	500.07
<b>Total Income</b>	<b>4,124.21</b>	<b>44,384.16</b>

<b>Value on Sep 30, 2012</b>	<b>2,612,693.65</b>	<b>2,612,693.65</b>
<b>Total Change in Portfolio Value</b>	<b>34,747.26</b>	<b>177,414.11</b>

## Asset Allocation

Asset Category	Market Value	% Total
Cash & Money Markets	25,903.79	0.99
Fixed Income	891,717.84	34.13
Alternative	191,575.96	7.33
Equity	1,456,863.73	55.76
Other	46,632.33	1.78
<b>Total</b>	<b>\$2,612,693.65</b>	<b>100.00%</b>



## Income Summary

	This Period (\$)	Year to Date (\$)
Taxable Income	4,124.21	43,884.09
<b>Total Income Summary</b>	<b>4,124.21</b>	<b>43,884.09</b>

## Gain/Loss Summary

	This Period (\$)	Year to Date (\$)
Short-term	-73.17	675.56
Long-term	-31.65	-7,450.15
<b>Total Gain/Loss Summary</b>	<b>-104.82</b>	<b>-6,774.59</b>



**Investment Management  
& Trust**

**Selected Period Performance**  
**RICE CUSHMAN A CHAR TR**  
 Account 180205  
 Period Ending: 09/30/2012

Sector	Market Value	1 Month	Year to Date (9 Months)
Total Fund	2,570,233	1.51	9.32
Total Fd Net Fee	2,570,233	1.44	8.68
Fixed Income	895,454	.28	3.65
BarCap Int Aggregate Bd		.25	3.36
Domestic Equity	1,162,702	2.23	14.88
S&P 500 Index		2.58	16.43
Russell 2000 Index		3.28	14.23
Intl. Equity	294,844	3.68	12.92
MSCI EAFE (US\$ & Net) Index		2.96	10.09
Short Term Cash	25,503	.00	.01
Citigroup 1 Month Treas Bill		.01	.02
Alternative Investments	191,576	-.09	1.84
Citigroup 3 Month Treas Bill		.01	.06
Uninvested Cash	155	.00	.00

While the information and statistics given are believed to be complete and accurate, we cannot guarantee their completeness or accuracy. Past performance is no guarantee of future results.



# WILLMAR



## FINANCE

City Office Building  
Box 755  
Willmar, Minnesota 56201  
320-235-4984  
FAX: 320-235-4917

### 2012 Interest/Dividends Received By Institution

<u>Institution</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>2012 Year-To-Date</u>	<u>2011 Year-To-Date</u>
Franklin Templeton	\$ -	\$ -	\$ -	\$ -	\$ 1,878.50
Heritage Bank	\$ 2,640.78	\$ 1,971.10	\$ 1,489.13	\$ 14,743.63	\$ 8,232.18
Morgan Stanley Smith Barney	\$ 10,589.73	\$ 32,137.88	\$ -	\$ 122,103.27	\$ 161,337.56
UBS	\$ 27,500.00	\$ 5,625.00	\$ -	\$ 134,375.00	\$ 205,263.89
Wells Fargo	\$ 5,462.50	\$ 10,000.00	\$ -	\$ 101,084.72	\$ 168,250.00
Wells Fargo Advisors	\$ 34,562.50	\$ 10,000.00	\$ 33,750.00	\$ 292,971.15	\$ 302,761.29
<b>Totals</b>	<b>\$ 80,755.51</b>	<b>\$ 59,733.98</b>	<b>\$ 35,239.13</b>	<b>\$ 665,277.77</b>	<b>\$ 847,723.42</b>





**WILLMAR**

**FINANCE**

City Office Building  
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Willmar, Minnesota 56201  
320-235-4984  
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**INVESTMENT ACTIVITY REPORT FOR QUARTER ENDING SEPTEMBER 30, 2012**

BALANCE AT PRIOR QUARTER ENDED JUNE 30, 2012

\$ 37,855,613.32

SUMMARY OF JULY THROUGH SEPTEMBER, 2012, TRANSACTIONS:

(07/03/2012) SOLD: UBS, FHLB-3134G2H47, Step-Up @ 2.250%	(5,000,000.00)
(07/12/2012) SOLD: Wells Fargo Advisors, FHLB-313375TN7, Step-Up 2.000-8.000%	(2,000,000.00)
(07/12/2012) Market Value Adjustment: Wells Fargo Advisors, FHLB-313375TN7	(480.00)
(07/12/2012) PURCHASED: Wells Fargo Advisors, FHLB-313379VX4, 2.530%	1,500,000.00
(07/17/2012) PURCHASED: Wells Fargo, FFCB-3133EAYB8, 1.840%	2,000,000.00
(07/18/2012) SOLD: Wells Fargo, FHLB-313376SR7, 1.15%	(1,000,000.00)
(07/18/2012) Market Value Adjustment: Wells Fargo, FHLB-313376SR7	(58.00)
(07/25/2012) PURCHASED: Wells Fargo Advisors, FHLB-3133803F2, Step-Up 1.25 - 5.00%	2,000,000.00
(07/26/2012) PURCHASED: UBS-3134G3YP9, FHLMC-, 2.000%	5,994,000.00
(07/26/2012) PURCHASED: UBS, FNMA-3136G0TG6, 2.000%	998,350.00
(07/26/2012) PURCHASED: Wells Fargo, FNMA-3136G0TG6, 2.000%	1,993,000.00
(07/27/2012) SOLD: Wells Fargo Advisors, FHLB-313378XG1, Step-Up 2.25-8.00%	(2,500,000.00)
(07/27/2012) Market Value Adj: Wells Fargo Advisors, FHLB-313378XG1	(2,300.00)
(07/27/2012) SOLD: UBS, FNMA-3136FTGF0, Step-Up 2.00-6.00%	(1,000,000.00)
(07/27/2012) Market Value Adj: UBS, FNMA-3136FTGF0	(1,180.00)
(07/30/2012) SOLD: Wells Fargo Advisors, FHLB-313371E85, Step-Up 2.000-10.00%	(2,100,000.00)
(07/30/2012) Market Value Adj: Wells Fargo, FHLB-313371E85	(1,176.00)
(08/08/2012) PURCHASED: MSSB, CD-795450NT8, 1.100%	150,000.00
(08/08/2012) PURCHASED: MSSB, CD-02005QP64, 1.100%	96,000.00
(08/10/2012) PURCHASED: MSSB, CD-25811LZ28, 1.000%	245,000.00
(08/15/2012) PURCHASED: Wells Fargo Advisors, FHLB-313380BC0, Step-Up 1.01-5.00%	4,300,000.00
(08/16/2012) SOLD: MSSB, FHLB-3133794X4, Step-Up 2.000-9.500%	(4,000,000.00)
(08/16/2012) Market Value Adj: MSSB, FHLB-3133794X4	(7,560.00)
(08/16/2012) SOLD: Wells Fargo, FHLB-3133794X4, Step-Up 2.000-9.500%	(2,000,000.00)
(08/16/2012) Market Value Adj: Wells Fargo, FHLB-3133794X4	(3,786.00)
(08/16/2012) SOLD: Wells Fargo Advisors, FHLB-3133794X4, Step-Up 2.000-9.500%	(2,000,000.00)
(08/16/2012) Market Value Adj: Wells Fargo Advisors, FHLB-3133794X4	(2,420.00)
(08/29/2012) PURCHASED: Wells Fargo, FHLMC-3134G3D49, 2.000%	2,000,000.00
(09/07/2012) PURCHASED: MSSB, FHLB-313380GQ4, Step-Up 1.500 - 5.000%	4,000,000.00
(09/07/2012) SOLD: Wells Fargo Advisors, FHLB-313379HJ1, Step-Up 2.000 - 8.500%	(2,500,000.00)
(09/07/2012) Capital Gains: Wells Fargo Advisors, FHLB-313379HJ1	125.00
(09/07/2012) Market Value Adj: Wells Fargo Advisors, FHLB-313379HJ1	4,375.00
(09/12/2012) PURCHASED: Wells Fargo Advisors, FHLB-313380HE0, Step-Up 1.500-4.000%	2,285,000.00
(09/27/2012) PURCHASED: UBS, FNMA-3136G0D65, 2.000%	2,989,500.00
(09/30/2011) Market Value Adjustment at Quarter End	18,154.78

SEPTEMBER 30, 2012 BALANCE

\$ 44,310,158.10



**CASH/INVESTMENT PORTFOLIO AS OF SEPTEMBER 30, 2012**

	<u>BANK</u>	<u>SECURITY TYPE</u>	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>PAR VALUE</u>	<u>MARKET VALUE</u>
1	MSSB	CD-05568PND5	12/31/2012	3.600%	96,000.00	96,749.76
2	MSSB	CD-591557DP5	10/07/2013	1.150%	245,000.00	247,474.50
3	MSSB	CD-70153RGY8	10/15/2013	1.250%	245,000.00	247,530.85
4	MSSB	CD-02580VDA0	12/24/2013	4.750%	96,000.00	100,737.60
5	MSSB	CD-02586TDA9	12/24/2013	4.750%	96,000.00	100,737.60
6	MSSB	CD-36159CGN0	12/30/2013	4.100%	96,000.00	100,036.80
7	MSSB	CD-381426XZ3	12/31/2013	4.000%	96,000.00	99,949.44
8	MSSB	CD-36160TFS0	01/23/2014	3.400%	96,000.00	99,340.80
9	MSSB	CD-795450HC2	01/23/2014	3.500%	96,000.00	99,454.08
10	MSSB	CD-140653G26	01/28/2014	3.500%	96,000.00	99,482.88
11	MSSB	CD-02004MU84	10/08/2014	1.750%	150,000.00	152,341.50
12	MSSB	CD-36159CUU8	10/08/2014	1.700%	150,000.00	152,676.00
13	MSSB	CD-02005QP64	08/10/2015	1.100%	96,000.00	95,696.64
14	MSSB	CD-25811LZ28	08/10/2015	1.000%	245,000.00	244,225.80
15	MSSB	CD-795450NT8	08/10/2015	1.100%	150,000.00	149,526.00
16	Wells Fargo	FNMA-3136FTPC7	11/28/2016	1.000-4.000%	2,000,000.00	2,002,806.00
17	MSSB	CD-36160TE51	12/09/2016	2.100%	150,000.00	152,661.00
18	MSSB	CD-06740KFC6	12/14/2016	1.950%	245,000.00	249,334.05
19	MSSB	CD-38143ADT9	12/14/2016	2.050%	150,000.00	152,647.50
20	MSSB	CD-02587DJS8	12/15/2016	2.050%	150,000.00	152,643.00
21	MSSB	CD-2546703M2	02/08/2017	1.750%	245,000.00	249,030.25
22	Wells Fargo Advisors	CD-36157PFB0	06/08/2018	2.000%	150,000.00	155,292.00
23	Wells Fargo	FFCB-3133EAYB8	04/17/2020	1.840%	2,000,000.00	2,001,216.00
24	Wells Fargo	FFCB-31331KQ94	11/09/2020	2.800%	2,000,000.00	2,005,436.00
25	UBS	FHLMC-3134G3XL9	12/28/2020	2.000%	1,000,000.00	1,004,450.00
26	UBS	FHLMC-3134G3YP9	07/26/2021	2.000%	6,000,000.00 *	6,034,920.00
27	UBS	FHLMC-3134G2Y97	10/26/2021	2.000-8.000%	1,000,000.00	1,001,280.00
28	Wells Fargo	FHLMC-3134G3D49	11/23/2021	2.000%	2,000,000.00	2,007,496.00
29	MSSB	FHLMC-3134G3LC2	02/15/2022	2.000-7.000%	1,000,000.00	1,005,380.00
30	Wells Fargo Advisors	FHLMC-3134G3SF8	03/28/2022	2.125-7.000%	2,000,000.00	2,009,640.00
31	Wells Fargo	FNMA-3136G0FC0	05/02/2022	2.600%	1,000,000.00	1,007,256.00
32	UBS	FHLMC-3134G3WU0	06/21/2022	2.250%	1,000,000.00	1,003,830.00
33	Wells Fargo Advisors	FHLB-313379VX4	07/12/2022	2.530%	1,500,000.00	1,501,110.00
34	Wells Fargo Advisors	FHLB-3133803F2	07/25/2022	1.250-5.000%	2,000,000.00	1,997,480.00
35	UBS	FNMA-3136G0TG6	07/26/2022	2.000%	1,000,000.00 *	992,760.00
36	Wells Fargo	FNMA-3136G0TG6	07/26/2022	2.000%	2,000,000.00 *	1,985,524.00
37	Wells Fargo Advisors	FHLB-313380BC0	08/15/2022	1.010-5.000%	4,300,000.00	4,300,344.00
38	MSSB	FHLB-313380GQ4	09/07/2022	1.500-5.000%	4,000,000.00	4,007,760.00
39	Wells Fargo Advisors	FHLB-313380HE0	09/12/2022	1.500-4.000%	2,300,000.00	2,287,582.05
40	UBS	FNMA-3136G0D65	09/27/2022	200.000%	3,000,000.00 *	2,956,320.00
<b>TOTAL INVESTMENT</b>					<b>\$ 44,239,000.00</b>	<b>\$ 44,310,158.10</b>
41	Heritage Bank	Low Activity Ckg	None	0.200%	6,502,843.26	6,502,843.26
42	Heritage Bank	SB Ckg/Law Enf.Forf	None	0.100%	33,352.94	33,352.94
43	Heritage Bank	SB Ckg/Cafeteria	None	0.100%	-	-
44	Heritage Bank	Commercial Ckg	None	0.100%	(29,680.73)	(29,680.73)
<b>TOTAL PORTFOLIO FOR SEPTEMBER 30, 2012</b>					<b>\$ 50,745,515.47</b>	<b>\$ 50,816,673.57</b>

\* Par Value is not equal to Purchase Amount