



**WILLMAR**



**FINANCE**

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

**FINANCE COMMITTEE MEETING  
4:45 P.M. MONDAY, APRIL 9, 2012  
CITY OFFICE BUILDING, CONFERENCE ROOM #1**

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

**Members: Jim Dokken  
Tim Johnson**

**AGENDA**

- 1) HRA Dominion Conduit Financing Recommendation
- 2) HRA Vehicle Request
- 3) Budget Work Session 6 PM 4/16/2012
- 4) Budget Amendment Legal Department
- 5) Library Carpet Replacement Reserve
- 6) KRA Speedway Liquor License Application
- 7) Senior Citizen Deferment
- 8) Reports
  - A) 12/31/2011 Report of Outstanding Indebtedness
  - B) 12/31/2011 Interest/Dividends
  - C) 12/31/2011 Cash/Investments
  - D) 4<sup>th</sup> Quarter Investment Activity
- 9) Miscellany
- 10) Adjourn



Extract of Minutes of a Meeting of the  
City Council of the City of Willmar, Minnesota

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Willmar, Minnesota, was duly held at the Municipal Utilities Building in said City on Monday, April 16, 2012, at 7:00 P.M.

The following members were present:

and the following were absent:

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

RESOLUTION NO. \_\_\_\_\_  
RESOLUTION APPROVING THE ISSUANCE OF  
MULTIFAMILY HOUSING REVENUE OBLIGATIONS  
UNDER MINNESOTA STATUTES, CHAPTER 462C  
(EAGLE RIDGE APARTMENTS PROJECT)

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

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

RESOLUTION APPROVING THE ISSUANCE OF  
MULTIFAMILY HOUSING REVENUE OBLIGATIONS  
UNDER MINNESOTA STATUTES, CHAPTER 462C  
(EAGLE RIDGE APARTMENTS PROJECT)

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

Section 1.     Description of the Project.

(a) Willmar Leased Housing Associates IV, Limited Partnership (the "Borrower"), has proposed that the Housing and Redevelopment Authority in and for the City of Willmar, Minnesota (the "Issuer") issue revenue obligations under Minnesota Statutes, Chapter 462C, as amended, (the "Act"), in one or more series, in an aggregate amount not to exceed \$14,000,000 (the "Bonds") to finance the acquisition, rehabilitation, and equipping of 6 buildings with approximately 24-units of multifamily housing in each building for a total of approximately 144 units, located at 515 Lakeland Drive Southeast (the "Eagle Ridge Apartments"), 1401 19<sup>th</sup> Avenue Southeast (the "Somerset Apartments") and 420 30<sup>th</sup> Street Northwest (the "Waters Edge Apartments") in the City (collectively, the "Project"). The Project will be owned and operated by the Borrower.

(b) The City has been advised that the Bonds or other obligations, as and when issued, will not constitute a charge, lien or encumbrance upon any property of the City or the Issuer, except the Project and the revenues to be derived from the Project. Such Bonds or obligations will not be a charge against the general credit or taxing powers of the City or the Issuer, but are payable from sums to be paid by the Borrower pursuant to a revenue agreement.

Section 2.     Recital of Representations Made by the Borrower.

(a) The Borrower has agreed to pay any and all costs incurred by the City in connection with the issuance of the Bonds, whether or not such issuance is carried to completion.

(b) The Borrower has represented to the City that no public official of the City has either a direct or indirect financial interest in the Project nor will any public official either directly or indirectly benefit financially from the Project.

Section 3.     Public Approval.

(a) As required by the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer has held a public hearing on the issuance of the Bonds and the proposal to undertake the Project located within the jurisdictional limits of the City.

(b) As required by Section 147(f) of the Code the City Council, as the elected legislative body of the City, hereby approves the issuance by the Issuer of the Bonds for the Project.

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Mayor

ATTEST:

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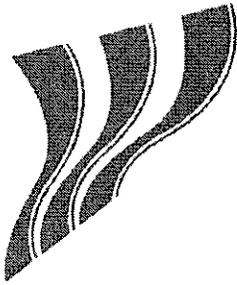
City Clerk

STATE OF MINNESOTA  
COUNTY OF KANDIYOHI  
CITY OF WILLMAR

I, the undersigned, being the duly qualified and acting Clerk of the City of Willmar, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council of said City duly called and held on the date therein indicated, insofar as such minutes relate to granting approval to the issuance of revenue Bonds for a project in the City.

WITNESS my hand this \_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Clerk



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

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

**Meeting Date:** April 9, 2012

**Attachments:** Yes No

**CITY COUNCIL ACTION**

**Date:** April 16, 2012

- Approved     Denied  
 Amended     Tabled  
 Other

**Originating Department:** City Administrator

**Action Requested:** Donation of surplus 2005 Ford 150 to the Willmar/Kandiyohi HRA.

**Introduction:** The City has received a request from the Willmar HRA for the donation of a 2005 Ford F150 that the City was preparing for auction.

**Background/Justification:** The City recently reviewed and revised its vehicle replacement policy. As a result of that review, 14 vehicles were deemed surplus by the City and assigned to auction. The HRA has examined the City's 2005 Ford F150 and determined it could meet the needs of the HRA and is requesting donation. Statute does allow for a public entity to donate surplus equipment to another public entity.

**Financial Impact:** The City would be foregoing potential auction proceeds of \$6,500. Estimate is based upon NADA estimates and could be vary.

**Alternatives:** The City could assign the surplus vehicle to auction.

**Staff Recommendation:** Donate the surplus vehicle to the Willmar/Kandiyohi HRA.

**Reviewed by:** Charlene Stevens

**Preparer:** Charlene Stevens

**Signature:**

**Comments:** n/a



# 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

March 30, 2012

Ms. Charlene Stevens  
City Administrator  
City of Willmar  
333 6<sup>th</sup> Street  
P.O. Box 755  
Willmar, MN 56201

RE: CITY VEHICLE

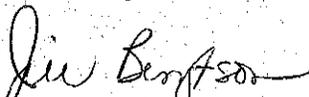
Dear Ms. Stevens:

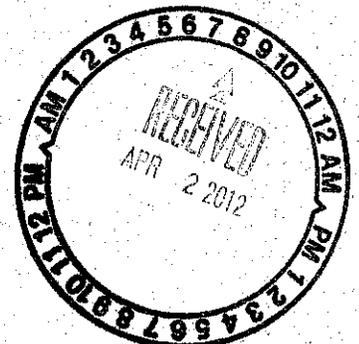
At a recent HRA Board meeting in which the HRA was considering purchasing a new Ford F150 truck, it came to our attention by Councilman Dokken that the City would be disposing of several vehicles.

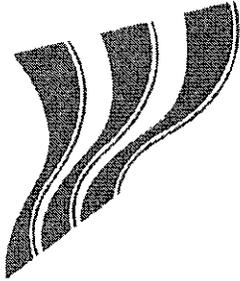
Our maintenance supervisor has looked at a City owned 2005 Ford F150 truck having approximately 58,000 miles on it which he agrees would suffice for the HRA's needs and help us avoid the expense of purchasing a new vehicle. It is our understanding the City owned truck is on the schedule to be removed from the City fleet.

The HRA would greatly appreciate the City Council considering donating the truck to the HRA to be used by our maintenance staff. We look forward to your reply.

Sincerely,

  
Jill Bengtson  
Executive Director





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

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

**Meeting Date:** April 9, 2012

**Attachments:**  Yes  No

**CITY COUNCIL ACTION**

**Date:** April 16, 2012

- Approved     Denied  
 Amended     Tabled  
 Other

**Originating Department:** City Administrator

**Action Requested:** Approval of allocation of funding for replacement carpet at Willmar Public Library.

**Introduction:** The City of Willmar and Kandiyohi County jointly maintain the Willmar Public Library facilities, with the County serving as the lead agency to oversee day to day maintenance.

**Background/Justification:** The Willmar Public Library made Kandiyohi County Facilities Maintenance aware of the need to replace carpeting this past winter. The recommendation was to seek proposals in the spring for carpet replacing. The County sought bids and is recommending proceeding with the proposal from Floor to Ceiling in the amount of \$35,800.

**Financial Impact:** The cost is \$35,800 and can be paid from a fund set aside for operational reserve from a prior local option sales tax that funded the Library's construction.

**Alternatives:** To forego carpet replacement and potentially risk trip and falls at the facility, as well as perception of poor maintenance of a public facility.

**Staff Recommendation:** Approve the allocation of \$35,800 in funding for the carpeting replacement as proposed by Floor to Ceiling and recommended by Kandiyohi County Facilities Maintenance.

**Reviewed by:** Charlene Stevens

**Preparer:** Charlene Stevens

**Signature:**

**Comments:** n/a

## Charlene Stevens

---

**From:** Andy Thorson <Andy\_T@co.kandiyohi.mn.us>  
**Sent:** Wednesday, March 28, 2012 11:55 AM  
**To:** Charlene Stevens  
**Subject:** library carpet

Will be looking at option #2 of the FLOOR TO CEILING bid. Fir \$35,800.00

*Andrew K Thorson*

Facilities Maintenance Manager  
Kandiyohi County  
400 Benson Ave SW  
P.O. Box 936  
Willmar, MN 56201-0936  
320.231.6241 or  
ext 5441

**Kandiyohi County  
Auditor/Treasurer's Office**

400 SW Benson Ave.

P.O. Box 936

Willmar, Minnesota 56201

(320) 231-6202

Fax (320) 231-6263

SAM MODDERMAN  
AUDITOR / TREASURER

**INVITATION FOR BIDS**

**OWNER:** Kandiyohi County  
PO Box 936  
Willmar, MN 56201

**PROJECT:** Willmar Public Library  
410 SW 5<sup>th</sup> St.  
Willmar, MN 56201

The undersigned proposes and agrees, if this bid is accepted, to enter into and agreement with the owner to complete all work as specified within the contract time indicated in the bid.

You will be submitting two bids, Option 1 and Option 2.

Option 1 will include the installation of 1077 yards of Tandus modular carpet tile, style- visa (03353), color-kimono (11507), in a random pattern method and 12 yards of carpet tile style Plexus Colour II(02875) color Bing Cherry(18537) to be installed in an "L" in the SE corner of the library squaring off the reading area as shown in included drawing.

Option 2 will include installation of 1060 yards of Tandus modular carpet tile, style- visa (03353), color-kimono (11507) in a random pattern method and 160 yards carpet tile style Plexus Colour II (02875), color Bing cherry (18537), to be used as a 6" border between new carpet and the existing carpet and also to be installed in an "L" in the SE corner of the library squaring off the reading area as shown in the included drawing.

The waste on product is roughly 10% with full cartons to remain.

All bids will include removal and disposal of existing carpeting and floor preparation for installation of new carpet. All supplies needed to complete job shall be included in bid price.

Kandiyohi County maintenance personnel will move shelving and furniture, scheduling in conjunction with installers.

The work shall not commence prior to June 1<sup>st</sup>, 2012 and installation and associated work shall be completed prior to September 1, 2012. Work hours shall be during normal business hours, but may be adjusted as needed to as early as 6:00 A.M. and as late as 8:00 P.M. as scheduled with, and approved by county maintenance staff.

Bids must be submitted no later than noon on March 23<sup>rd</sup>, 2012. Bids may either be mailed to Kandiyohi County, attention of Andrew Thorson at PO Box 936, Willmar, MN 56201 or brought to the Auditor/Treasurers Office located at 400 Benson SW Ave. Willmar, MN 56201.

Please call Andrew Thorson to schedule a walkthrough of the library and to clarify any questions that you may have.

Either written or verbal notice of bid acceptance/or denial, shall be made once the request of release of funds is approved.

Quote for Option #1 34,250.00  
Option #2 35,800.00 INCLUDES 10% OVERAGE

Submitted by: Name: MIKE BROWN  
Company: FLOOR TO CEILING  
Address: BOX 856  
WILLMAR, MN 56201

Signed by: Mike Brown Date: 3/12/2012

**Kandiyohi County  
Auditor/Treasurer's Office**

SAM MODDERMAN  
AUDITOR/TREASURER

400 SW Benson Ave.  
P.O. Box 936  
Willmar, Minnesota 56201  
(320) 231-6202  
Fax (320) 231-6263

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Either written or verbal notice of bid acceptance/or denial, shall be made once the request of release of funds is approved.

Quote for Option #1 50,634.58

Option #2 57,088.77

6" Running Feet  
Option #3 51,326.92

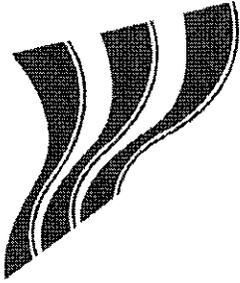
Submitted by: Name: Jerry's Flooring Inc  
Company: Jerry Bullthuis  
Address: 918 Litchfield Ave. S.E.  
Willmar, Mn. 56201

Signed by: Jerry Bullthuis

Date: 3/19/2012

Kandiyohi County reserves the right to reject any or all bids on this project.

Product Needs to be prepaid to receive would like that  
Part when Place order as To Large to Carry.



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

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

**Meeting Date:** April 9, 2012

**Attachments:**  Yes  No

**CITY COUNCIL ACTION**

**Date:** April 16, 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 approve

**Guiding Principle:** Willmar Municipal Code Section 3

**Agenda Item:** Consideration of Fairgrounds Liquor Sales

**Background/Justification:** KRA Speedway, a 501 (C) 4 association, desires to sell On-Sale Strong Beer at the fairgrounds on Thursday nights. (without the services of the VFW State Caterers License) They will need a Wine Liquor License and a 3.2% Malt Liquor License. The wine license criterion requires a restaurant with a seating capacity of at least twenty-five (25) guests. Sec. 3-201 Café Restaurant is defined as any place where preparing and serving lunches or meals to the public, to be consumed on the premises, constituted the major business. Staff brings this to your attention to ascertain that the Council is comfortable with the fairground "restaurant" term as preparing meals in a fairground building and seating capacity of more that twenty-five (25) located in the bleachers.

**Fiscal Impact:** \$200 for a Wine License and \$150 for a Malt Liquor License

**Alternatives:** Not accept the fairgrounds arrangement and force the KRA Speedway to utilize the services of a State Liquor Caterer.

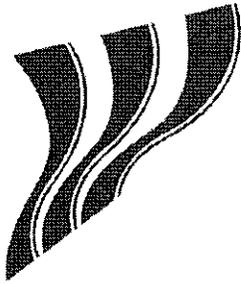
**Staff Recommendation:** Accept the proposal and allow the KRA Speedway to apply for a Wine License and a 3.2% Malt Liquor License (which will allow the sale of strong beer).

**Reviewed by:** Kevin J. Halliday

**Preparer:** City Clerk-Treasurer

**Signature:**

**Comments:**



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

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

**Meeting Date:** April 9, 2012

**Attachments:**  Yes  No

**CITY COUNCIL ACTION**

**Date:** April 16, 2012

- Approved  Denied  
 Amended  Tabled  
 Other

**Originating Department:** City Clerk-Treasurer

**Action Requested:** Motion to Grant Secondary Senior Citizen Deferment

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

**Agenda Item:** Consideration of Extending a Senior Citizen Special Assessment Deferment to a Willmar Qualifying Senior Citizen.

**Background/Justification:** During a 1990 Street Improvement Project a Senior Citizen deferment was approved on Parcel 95-921-5480. The qualifying senior citizen, 90+ years of age, recently transferred the property to a 65+ year old daughter who placed the property in her sons name and took a life estate interest. She can qualify for the senior citizen deferment but his unique situation would be at the discretion of the council.

**Fiscal Impact:** \$7,029

**Alternatives:** Deny extension of a senior citizen deferment and call for full payment of principal and interest.

**Staff Recommendation:** Approve second extension on the senior citizen deferral.

**Reviewed by:** Kevin J. Halliday

**Preparer:** City Clerk-Treasurer

**Signature:**

**Comments:**

## **2011 Minnesota Statute**

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### **435.194 PROCEDURE TO OBTAIN DEFERRED ASSESSMENT**

The homeowner shall make application for deferred payment of special assessments on forms prescribed by the county auditor of the county in which the homestead is located. Where the deferred assessment is granted, the auditor shall record a notice thereof with the county recorder of said county which shall set forth the amount of the assessment. The taxing authority may determine by ordinance or resolution the amount of interest, if any, on the deferred assessment and this rate shall be recorded by the auditor along with and in the same manner as the amount of the assessment.

### **435.195 TERMINATION OF RIGHT TO DEFERRED PAYMENT**

The option to defer the payment of special assessments shall terminate and all amounts accumulated plus applicable interest, shall become due upon the occurrence of any of the following events: (a) the death of the owner, provided that the spouse is otherwise not eligible for the benefits hereunder; (b) the sale, transfer or subdivision of the property or any part thereof; (c) if the property should for any reason lose its homestead status; or (d) if for any reason the taxing authority deferring the payments shall determine that there would be no hardship to require immediate or partial payment.

January 24, 2012

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

Dear Ms. Thunstedt:

This letter is being written to correct a letter sent to you on January 13, 2012, whereby two properties were crossed referenced. Your property located at 2301 SW 19<sup>th</sup> Avenue identified as parcel #95-921-5480 has a senior citizen deferment recorded against the property by Lawrence and Florence Caskey . This lien for a 1990 Street Project, totaling \$7,029.00, needs to be cleared. This relative sale of property does not qualify for continuation of the deferred assessment and pursuant to MS 435.195 the assessed amount plus interest totaling \$7,029.00 is due and payable. Please make arrangements to remit to the City of Willmar \$7,029.00 to remove this lien.

Sincerely,

City of Willmar

Kevin J. Halliday  
City Clerk-Treasurer

ds

Enclosure



# REPORT OF OUTSTANDING INDEBTEDNESS

AT DECEMBER 31, 2011

To the County Auditor/Treasurer  
Kandiyohi County, Minnesota

City of Willmar  
Reporting Government Unit

## Bond Indebtedness

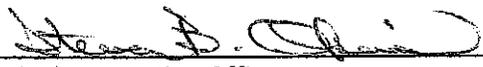
	Amount	
1 Bonds Outstanding Jan 1, 2011	\$ 148,831,128 *	Balances in Bond and Interest Fund or other Funds which have been set aside for payment of Bonds and Interest:
2 Issued During 2011	<u>\$ 9,816,930</u>	
3 TOTAL	\$ 158,648,058	
4 Paid During 2011	<u>\$ 7,046,612</u>	
5 Bonds Outstanding Dec 31, 2011	\$ 151,601,446	
		<u>\$ 10,893,351</u>

## Bonds Outstanding at December 31, 2011

Types of Bonds	Amount	
6 General Obligation	\$ -	Balances in Escrow Account:
7 General Obligation Increment	\$ -	
8 Special Assessment	\$ 12,605,000	<u>\$ -</u>
9 Revenue	\$ 11,120,000	
10 General Obligation Revenue	\$ 125,568,857	
11 Refunding	\$ -	
12 Other	<u>\$ 2,307,589</u>	
13 TOTAL BONDS OUTSTANDING	\$ 151,601,446	
State Aid and Tax Anticipation Certificates	\$ -	

\* If different amount than reported on December 31 of the preceding year, explain difference.  
\$149,219,750 Reported less \$388,622 Rice Foundation Payables Reclassified

I do hereby certify that this statement is correct.

  
\_\_\_\_\_  
Principal Accounting Officer

Dated this 24th day of January, 2012



**FINANCE**

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

**2011 Interest/Dividends Received By Institution**

<u>Institution</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>2011 Year-To-Date</u>	<u>2010 Year-To-Date</u>
Franklin Templeton	\$ -	\$ -	\$ -	\$ 1,878.50	\$ 23,621.50
Heritage Bank	\$ 2,367.67	\$ 1,953.56	\$ 1,445.47	\$ 13,998.88	\$ 27,192.00
Morgan Stanley Smith Barney	\$ 15,542.65	\$ -	\$ 4,572.50	\$ 181,452.71	\$ 243,563.83
UBS	\$ 22,500.00	\$ -	\$ -	\$ 227,763.89	\$ 220,749.90
Wells Fargo	\$ -	\$ 39,000.00	\$ 22,500.00	\$ 229,750.00	\$ 386,411.11
Wells Fargo Advisors	\$ 81,562.50	\$ 20,000.00	\$ -	\$ 404,323.79	\$ 377,971.94
<b>Totals</b>	<b>\$ 121,972.82</b>	<b>\$ 60,953.56</b>	<b>\$ 28,517.97</b>	<b>\$ 1,059,167.77</b>	<b>\$ 1,279,510.28</b>



CASH/INVESTMENT PORTFOLIO AS OF DECEMBER 31, 2011

	<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-36959HAX5	01/31/2012	0.010%	\$ 2,000,000.00	\$ 1,999,940.00
2	MSSB	CD-36959HFT9	06/27/2012	0.300%	1,000,000.00	998,250.00
3	MSSB	CD-05568PND5	12/31/2012	3.600%	96,000.00	98,178.24
4	MSSB	CD-591557DP5	10/07/2013	1.150%	245,000.00	243,716.20
5	MSSB	CD-70153RGY8	10/15/2013	1.250%	245,000.00	244,132.70
6	MSSB	CD-02580VDA0	12/24/2013	4.750%	96,000.00	101,686.08
7	MSSB	CD-02586TDA9	12/24/2013	4.750%	96,000.00	101,686.08
8	MSSB	CD-36159CGN0	12/30/2013	4.100%	96,000.00	100,511.04
9	MSSB	CD-381426XZ3	12/31/2013	4.000%	96,000.00	100,216.32
10	MSSB	CD-36160TFS0	01/23/2014	3.400%	96,000.00	99,682.56
11	MSSB	CD-795450HC2	01/23/2014	3.500%	96,000.00	99,380.16
12	MSSB	CD-140653G26	01/28/2014	3.500%	96,000.00	99,402.24
13	MSSB	CD-02004MU84	10/08/2014	1.750%	150,000.00	149,794.50
14	MSSB	CD-36159CUU8	10/08/2014	1.700%	150,000.00	149,592.00
15	Wells Fargo	FHLB-313375AB3	03/02/2015	1.150%	1,000,000.00	1,000,017.00
16	Wells Fargo	FNMA-3136FTPC7	11/28/2016	1.000-4.000%	2,000,000.00	2,000,316.00
17	MSSB	CD-36160TE51	12/09/2016	2.100%	150,000.00	148,258.50
18	MSSB	CD-06740KFC6	12/14/2016	1.950%	245,000.00	240,438.10
19	MSSB	CD-38143ADT9	12/14/2016	2.050%	150,000.00	147,904.50
20	MSSB	CD-02587DJS8	12/15/2016	2.050%	150,000.00	147,903.00
21	MSSB	FNMA-3136FPTT4	10/29/2018	2.000-5.500%	1,000,000.00	1,000,930.00
22	Wells Fargo	FNMA-3136FPCL9	08/25/2020	2.250-5.000%	1,000,000.00	1,001,992.00
23	Wells Fargo Advisors	FHLB-313371E85	10/29/2020	2.000-10.000%	3,500,000.00 *	3,499,265.00
24	Wells Fargo	FFCB-31331KQ94	11/09/2020	2.800%	2,000,000.00	2,004,066.00
25	Wells Fargo Advisors	FNMA-3136FREX7	04/12/2021	3.250-6.500%	2,250,000.00 *	2,261,767.50
26	Wells Fargo Advisors	FNMA-3136FRL76	08/24/2021	2.000-6.000%	1,000,000.00	1,000,150.00
27	Wells Fargo Advisors	FHLB-313375DV6	09/09/2021	2.000-10.000%	1,000,000.00	1,000,190.00
28	Wells Fargo	FHLB-313375JV0	09/23/2021	2.250-8.000%	1,750,000.00	1,753,458.00
29	UBS	FHLMC-3134G2H47	09/30/2021	2.250-6.000%	2,000,000.00	2,002,100.00
30	UBS	FHLMC-3134G2H47	09/30/2021	2.250-6.000%	3,000,000.00	3,003,150.00
31	Wells Fargo Advisors	FHLB-313375TN7	10/12/2021	2.000-8.000%	2,000,000.00	2,004,840.00
32	MSSB	FHLMC-3134G2U75	10/25/2021	2.250-8.000%	4,000,000.00	4,008,360.00
33	Wells Fargo Advisors	FHLMC-3134G2U75	10/25/2021	2.250-8.000%	3,000,000.00 *	3,010,560.00
34	UBS	FHLMC-3134G2Y97	10/26/2021	2.000-8.000%	1,000,000.00	1,005,760.00
35	UBS	FNMA-3136FTGF0	10/27/2021	2.000-6.000%	1,000,000.00	1,003,520.00
36	Wells Fargo Advisors	FHLB-313376BX2	11/23/2021	2.000-6.000%	4,000,000.00 *	4,000,560.00
37	Wells Fargo Advisors	FHLMC-3134G24B5	11/23/2021	2.500-5.000%	2,000,000.00 *	2,002,020.00
38	UBS	FHLMC-3134G3AJ9	12/13/2021	2.500-6.000%	2,000,000.00	2,005,120.00
39	Wells Fargo	FHLMC-3134G3AJ9	12/13/2021	2.500-6.000%	1,000,000.00	1,002,559.00
<b>TOTAL INVESTMENT</b>					<b>\$ 46,753,000.00</b>	<b>\$ 46,841,372.72</b>
40	Heritage Bank	Low Activity Ckg	None	0.200%	7,801,331.83	7,801,331.83
41	Heritage Bank	Small Bus Ckg/L.Forf	None	0.100%	53,742.92	53,742.92
42	Heritage Bank	Small Bus Ckg/Cafet.	None	0.100%	5,003.60	5,003.60
43	Heritage Bank	Commercial Ckg	None	0.100%	(397,226.10)	(397,226.10)
<b>TOTAL PORTFOLIO FOR DECEMBER 31, 2011</b>					<b>\$ 54,215,852.25</b>	<b>\$ 54,304,224.97</b>

\* Par Value is not equal to Purchase Amount



**FINANCE**

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

**INVESTMENT ACTIVITY REPORT FOR QUARTER ENDING DECEMBER 31, 2011**

**BALANCE AT PRIOR QUARTER ENDED SEPTEMBER 30, 2011** **\$ 33,053,338.89**

**SUMMARY OF OCTOBER THROUGH DECEMBER, 2011, TRANSACTIONS:**

(10/12/2011) PURCHASED: Wells Fargo Advisors, FHLB-313375TN7, 2.00-8.00%	2,000,000.00
(10/17/2011) SOLD: UBS, FHLMC-3133F4WT4, 2.00-7.00%	(1,000,000.00)
(10/17/2011) Market Value Adjustment: UBS, FHLMC-3133F4WT4	(400.00)
(10/24/2011) SOLD: UBS, CD-3134G2CH3, 3.50-7.00%	(1,000,000.00)
(10/24/2011) Market Value Adjustment: UBS, FHLMC-3134G2CH3	(1,130.00)
(10/25/2011) PURCHASED: MSSB, FHLMC-3134G2U75, Step-Up @ 2.25-8.00%	4,000,000.00
(10/25/2011) PURCHASED: Wells Fargo Advisors, FHLMC-3134G2U75, Step-Up @ 2.25-8.00%	2,995,500.00
(10/26/2011) PURCHASED: UBS, FHLMC-3134G2Y97, Step-Up @ 2.00-8.00%	1,000,000.00
(10/27/2011) PURCHASED: UBS, FNMA-3136FTGF0, Step-Up 2.00-6.00%	1,000,000.00
(10/31/2011) SOLD: Wells Fargo Advisors, FHLB-3133706P8, Step-Up 2.00 - 7.00%	(2,000,000.00)
(10/31/2011) Market Value Adjustment: Wells Fargo Advisors, FHLB-3133706P8	1,060.00
(11/03/2011) SOLD: Wells Fargo Advisors, FHLB-313370DT2, 2.00 - 8.00%	(4,000,000.00)
(11/03/2011) Market Value Adjustment: Wells Fargo Advisors, FHLB-313370DT2	(3,840.00)
(11/16/2011) PURCHASED: Wells Fargo, FFCB-31331KQ94, 2.800%	2,000,000.00
(11/17/2011) SOLD: Wells Fargo, FFCB-31331JC27, 3.00%	(2,000,000.00)
(11/17/2011) Market Value Adjustment: Wells Fargo, FFCB-31331JC27	(528.00)
(11/18/2011) SOLD: Wells Fargo, FHLB-313371JE7, 1.00 - 3.500%	(2,500,000.00)
(11/18/2011) Market Value Adjustment: Wells Fargo, FHLB-313371JE7	(1,952.50)
(11/23/2011) PURCHASED: Wells Fargo Advisors, FHLB-313376BX2, 2.000 - 6.000%	3,998,800.00
(11/23/2011) PURCHASED: Wells Fargo Advisors, FHLMC-3134G24B5, 2.500 - 5.000%	1,998,500.00
(11/28/2011) PURCHASED: Wells Fargo, FNMA-3136FTPC7, 1.000-4.000%	2,000,000.00
(12/09/2011) PURCHASED: MSSB, CD-36160TE51, 2.100%	150,000.00
(12/13/2011) PURCHASED: UBS, FHLMC-3134G3AJ9, Step-Up 2.500-6.000%	2,000,000.00
(12/13/2011) PURCHASED: Wells Fargo, FHLMC-3134G3AJ9, Step-Up 2.500-6.000%	1,000,000.00
(12/14/2011) PURCHASED: MSSB, CD-38143ADT9, 2.050%	150,000.00
(12/14/2011) PURCHASED: MSSB, CD-02587DJS8, 1.950%	245,000.00
(12/15/2011) PURCHASED: MSSB, CD-06740KFC6, 2.050%	150,000.00
(12/30/2011) SOLD: Wells Fargo, FHLMC-3134G2MS8, Step-Up @ 3.000%	(1,500,000.00)
(12/30/2011) Market Value Adjustment: Wells Fargo, FHLMC-3134G2MS8	(6,871.50)
(12/30/2011) PURCHASED: MSSB, CP-36959HAX5, .010%	1,999,982.22
(12/30/2011) PURCHASED: MSSB, CD-36959HFT9, .300%	998,500.00
(12/31/2011) Quarter-End Market Value Adjustment	115,413.61

**DECEMBER 31, 2011 BALANCE**

**\$ 46,841,372.72**

