



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

**Agenda Item Number:** 3  
**Meeting Date:**  
**Attachments:** Yes No

**CITY COUNCIL ACTION**

**Date:**

- Approved     Denied  
 Amended     Tabled  
 Other

**Originating Department:** Community Education &  
Recreation-Civic Center

**Agenda Item:** Door Replacement Project at Civic Center

**Recommended Action:** Approve city administrator/mayor to enter into an agreement with Chester Construction to complete work on the door replacement project approved in the 2014 CIP.

**Background/Summary:** Chester Construction was the low quote of the two received (Cornerstone Construction) to complete this work. The 2014 CIP had \$30,000.00 allocated for this work. We will be replacing original doors dating back to the initial construction of the facility in the early 1980's.

**Alternatives:** To take a higher quote from Cornerstone Construction or to not replace the aging doors.

**Financial Considerations:** \$23,738.00

**Preparer:** Steve Brisendine

**Signature:** *Steve Brisendine*

**Comments:**

# **CHESTER CONTRACTING, INC.**

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**COMMERCIAL ♦ CONSTRUCTION MANAGEMENT ♦ RESIDENTIAL**

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June 18, 2014

Willmar Civic Center  
2707 Arena Dr.  
Willmar, MN 56201

RE: Replace Doors

Dear Jeremy,

The following proposal includes labor and material for the lump sum of **\$23,738.00** for the total project.

**The Proposal Includes –**

Doors – Seven 3'x7' hollow metal doors and frames primed. One pair 3'x7' flush hollow metal doors and frames primed.

Accessories – Nine continuous hinges, four keyed lever locks, two dead bolts with passage latch set, one panic device with trim, nine kick plates 30"x44", five closures, and one dead bolt with manual flush bolts.

Paint – Paint allowance of \$1,594.00.

**Notes –**

\*This bid is assuming that we do not need panics on locker room doors due to code.

If we need them add \$725.00 per door.

\*To furnish insulated hollow metal doors in lieu of non-insulated.

Add \$275 to bid.

**Excludes –**

\*Any masonry block that would have to be patched in.

Proposal subject to change after 21 days.

Please call if you have any questions.

Respectfully Submitted by:  
Chester Contracting Inc.



Michael Fischer  
Estimator



1020 HWY 71 North  
Willmar, MN 56201  
(320) 231-0727

General Contractor  
"Design Build"

August 11, 2014

Willmar Civic Center  
2707 Arena Drive  
Willmar, MN 56201

**Proposal**

Attn: Troy Ciernia  
RE: Misc Remodeling

Bid #1: New office per walkthrough

\$ 9,439.00

Bid #2: New rental remodel per walkthrough

\$ 6,969.00

Bid #3: Remove and replace 9 metal hollow frames and doors per walkthrough

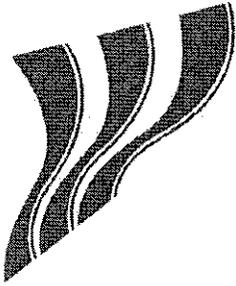
\$ 30,422.00

Bid #4: Install 5 new closers on the aluminum front entrance doors per walkthrough

\$ 2,275.00

Thank you for your consideration,

Ray Rasmussen  
Cornerstone of Willmar, Inc.



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

**Agenda Item Number:** 4  
**Meeting Date:** September 8, 2014  
**Attachments:**  Yes  No

**CITY COUNCIL ACTION**  
**Date:** September 15, 2014

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

**Originating Department:** Finance

**Agenda Item:** 2015 Budget Discussion

**Recommended Action:** Receive and review various aspects of the 2015 Mayor's Proposed Budget, including historical levy amounts, property tax rates, and LGA amounts.

**Background/Summary:** Council conducts an ongoing review of proposed budgets each year.

**Alternatives:** N/A

**Financial Considerations:** Review Financial Status.

**Preparer:** Steve Okins, Finance Director

**Signature:** 

**Comments:**

RESOLUTION NO. 2

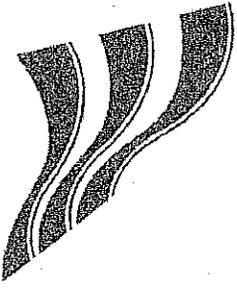
BE IT RESOLVED by the Willmar City Council that the Fund Balance Policy, establishing specific guidelines for the level of fund balances available for current and future spending, be adopted as presented.

Dated this 4<sup>th</sup> day of February, 2013.

  
MAYOR PRO TEMPORE

Attest:

  
CITY CLERK



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

**Agenda Item Number: 3**

**Meeting Date: January 28, 2013**

**Attachments:  Yes  No**

**CITY COUNCIL ACTION**

**Date: February 4, 2013**

- Approved     Denied  
 Amended     Tabled  
 Other

**Originating Department: Finance**

**Action Requested:** Introduction and passage of a resolution approving a Fund Balance Policy.

**Guiding Principle:** City Charter and Council Policy/Procedures, Generally Accepted Accounting Principles

**Introduction:** After monthly availability and possible discussion opportunities, staff is requesting action on the Policy submitted.

**Background/Justification:** Generally Accepted Accounting Principles (GAAP) and Bond Rating Agencies recommend formulation and adoption of Policy document.

**Fiscal Impact:** Long term stability of the City of Willmar.

**Alternatives:** Amend the policy or sections but a policy is required.

**Staff Recommendation:** Introduce a resolution and approve the Policy as submitted.

**Reviewed by:** Steven B. Okins, Finance Director

**Prepared by:** Steven B. Okins, Finance Director

**Signature:**

**Comments:**

## CITY OF WILLMAR, MN

### FUND BALANCE POLICY

#### I. PURPOSE

The purpose of this policy is to establish the specific guidelines for the level of fund balances available for current and future spending in the governmental funds. The fund balance policy addresses a minimum level of unrestricted fund balance to be maintained, how the unrestricted fund balance can be used or spent down and how that fund balance will be replenished if it falls below the minimum level. In addition, the City sets a stabilization amount for use in emergency situations or when revenue shortages or budgetary imbalances arise. The policy also addresses when fund balances will be restricted to specific purposes. For the purpose of this policy any reference to the City Administrator shall mean the City Administrator or his or her designee.

#### II. BACKGROUND

Government Accounting Standards Board (GASB) Statement No. 54 was enacted to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. In governmental funds, a City should identify fund balance separately between non-spendable, restricted, committed, assigned or unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

Proprietary funds' equity will be managed as a separate business-like enterprise as allowed by U.S. Generally Accepted Accounting Principals (GAAP). The funds will be monitored through operations and their rate structures. Examples of Proprietary funds include Hospital, Municipal Utilities and Sewer. Proprietary fund balances will be classified as either invested in capital assets net of related debt, restricted or unrestricted.

#### III. CLASSIFICATION OF FUND BALANCE/PROCEDURES

##### 1. Nonspendable

- This category includes fund balance that cannot be spent because it is either (i) not in spendable form or (ii) is legally or contractually required to be maintained intact. Examples include inventory, prepaid items, endowments and land held for resale.

##### 2. Restricted

- Fund balance should be reported as restricted when constraints placed on those resources are either (i) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (ii) imposed by law through constitutional provisions or enabling legislation. Examples include bond or grant proceeds, tax increments and park dedication fees.

### 3. Committed

- Fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. The committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to commit those amounts.
- The City's highest level of decision making authority (City Council) will annually or as deemed necessary commit specific revenue sources for specified purposes by formal action. This formal action must occur prior to the end of the reporting period, however, the amount to be subject to the constraint, may be determined in the subsequent period. A committed fund balance cannot be a negative number.

### 4. Assigned

- Amounts that are constrained by the government's intent to use for specified purposes, but are neither restricted nor committed. Assigned fund balance in the General fund includes amounts that are intended to be used for specific purposes.

### 5. Unassigned

- Unassigned fund balance represents the residual classification for the General fund. Includes amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General fund. The General fund should be the only fund that reports a positive unassigned fund balance amount.
  - a. The City will maintain an unrestricted fund balance in the General fund of an amount not less than 100% of the next year's budgeted expenditures of the General fund. This will assist in maintaining an adequate level of fund balance to provide for cash flow requirements and contingency needs because major revenues, including property taxes and other government aids are received in the second half of the City's fiscal year.
  - b. If spending unrestricted fund balance in designated circumstances has reduced unrestricted fund balance to a point below the minimum targeted level, as noted above, the replenishment will be funded by property taxes (funding source) within five years (period over which replenishment will occur).

## IV. STABILIZATION ARRANGEMENTS

Stabilization arrangements are defined as formally setting aside amounts for use in emergency situations or when revenue shortages or budgetary imbalances arise.

The City will set aside amounts by resolution as deemed necessary that can only be expended when certain specific circumstances exist. The resolution will identify and describe the specific circumstances under which a need for stabilization arises. The need for stabilization will only be utilized for situations that are not expected to occur routinely.

#### V. MONITORING AND REPORTING

The City Council shall annually review fund balances in relation to this policy in conjunction with the development of the annual budget.

When both restricted and unrestricted resources are available for use, it is the City's policy to first use restricted resources, and then use unrestricted resources as they are needed.

When committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order; 1.) committed 2.) assigned and 3.) unassigned.

A negative residual amount may not be reported for restricted, committed, or assigned fund balances in the General fund.

#### VI. GOVERNMENTAL FUND DEFINITIONS

GASB Statement 54 provides clarification of the governmental funds definitions. The definitions are added to the fund balance policy to clearly define their reporting requirements. It is also important to understand the fund classification when determining the classification of their fund balances.

General Fund -- Used to account for all financial resources not accounted for in another fund.

Special Revenue Funds -- Used to account for reporting the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes (other than debt service or capital projects).

- One or more specified restricted or committed revenues are the foundation for the fund (comprise a substantial portion of fund's inflows).
- Other inflows (i.e. interest and transfers) may be reported in fund, if restricted, committed or assigned to the specified purpose of the fund.
- Restricted or committed proceeds of specific revenue sources should be expected to continue to comprise a substantial portion of inflows of the fund.
- Exception for specific revenue rules -- General fund of Blended Component Unit (EDA).

Debt Service Funds -- Used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest payments.

Capital Projects Funds – Used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

#### VII. ENTERPRISE FUND EQUITY

Enterprise funds are used to account for operations financed and operated in a manner similar to private business enterprises, where the City intends the cost of providing goods or services to the public be financed or recovered primarily through user charges. The City's enterprise funds include the Rice Memorial Hospital, Willmar Municipal Utilities and Sewer funds.

It is the City's intent to cover all operating and non-operating expenses through user charges to eliminate the impact on taxpayers. User charges will be reviewed annually to ensure adequate rates are charged for the services provided.

Enterprise funds' equity will be classified in one of the following categories:

- *Investment in Capital Assets, Net of Related Debt.* The component of net assets which is the difference between assets and liabilities of proprietary funds that consists of capital assets less both accumulated depreciation and the outstanding balance of debt that is directly attributable to the acquisition, construction or improvement of the capital assets.
- *Restricted.* The component of net assets which is the difference in assets and liabilities of proprietary funds that consist of assets with constraints placed on their use by either external parties (i.e. creditors or grantors) or through constitutional provisions or enabling legislation.
- *Unrestricted.* The difference between the assets and liabilities of proprietary funds that is not reported as Investment in Capital Assets, Net of Related Debt or Restricted net assets.

The City Council will not establish a minimum required level for equity in proprietary funds other than the funds should cover their own operating and non-operating costs.

#### IV. OTHER POLICY CONSIDERATIONS

The City will use all *budgetary and financial accounting options* available to maintain the minimum level of fund balance available for appropriation in the General and Special Revenue Funds. Some options available include the following items:

- A specific budgeted revenue increase (i.e. ad valorem property tax increase).

- Increase fees for services.
- Reduction of expenditures in the budget.
- Transfers from other available funds.
- Sale of capital assets.

The City Council requires positive fund balances for all governmental, proprietary and fiduciary funds, with a few exceptions. The Council will allow a negative fund balance in the following instances:

- A project may be in a developmental phase in which all appropriations have not yet been received. It is anticipated the appropriations will be received within the fiscal year or early the following fiscal year. The City Administrator will present anticipated revenue sources to the Council when a deficit occurs for this reason.
- An emergency occurred and all appropriations to pay for the emergency have not been received yet. The City Administrator will keep a current listing of anticipated revenue sources to pay for the emergency.
- Pledges for a project are expected to be received over a period of time. In this case, a long-term receivable may be recorded if the pledges are assured to be received. If the receipt of the pledges is not guaranteed, the receivable cannot be recorded. The project (fund in some cases) will carry a negative balance until all pledges are received.
- An inter-fund loan is not appropriate or not available to cover the fund deficit.

The City Administrator will report shortfalls or surpluses in the projected fund balance levels to the City Council as soon as found to be a significant impact.

If a *fund deficit* occurs, a written plan by the City Administrator to move the fund out of the deficit is required. The City Council is responsible for reviewing and approving the financial plan. The City Administrator will monitor the plan's effectiveness on a monthly basis. The City Administrator will report the plan's effectiveness to the City Council on a quarterly basis.

A *fund surplus*, above all internal and external constraints, may also occur. In this case, the Administrator will notify the City Council to discuss the circumstances of the surplus and determine whether or not the established threshold is effective. Some appropriate plans for using fund surpluses include the following items (but are not limited to):

- Move budgeted expenditure into a future year due to unforeseen circumstances.
- Fund a one-time project or project planning that would not normally be budgeted in the on-going operations of the City.

- Return unused dollars to donors.
- Transfer excess funds to another City fund to finance a project or cover a shortfall.

The City's *credit rating* for debt financing and investing will also be considered in the level of required General fund balance. The City Council may further restrict the required fund balance level to meet a higher credit rating need if possible. The City's credit rating is reviewed annually by the City Administrator, Finance Director, and bond counsel when necessary. The City Administrator shall be responsible for conducting rating reviews.

#### IV. REPORTING REQUIREMENTS

The City's audit firm shall provide a City presentation of the previous year's financial condition in the modified and full accrual basis of accounting after the audit is completed. Any deficiencies presented by the auditor will be followed up by the City Administrator with a written plan to comply with this policy. The audit presentation will occur before June 30<sup>th</sup> following the previous year's end.

Adopted by the Willmar City Council on this ?<sup>th</sup> day of ?, 2012.

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Frank Yanish  
Mayor

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Carlene Stevens  
City Administrator

**CITY OF WILLMAR, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**

**E. Fund Balance Detail**

The following is a detail of Governmental Fund Balances at December 31, 2011:

Fund	Nonspendable	Restricted	Committed	Assigned	Unassigned
<b>General Fund</b>					
Prepays/Deposits	\$ 102,869	\$ -	\$ -	\$ -	\$ -
Inventories	119,091	-	-	-	-
Working Capital	-	-	-	4,000,000	-
Year 2012	-	-	-	642,026	-
Year 2013	-	-	-	1,193,470	-
Retirees Insurance	-	-	-	223,540	-
Self-Insurance	-	-	-	1,000,000	-
Petty Cash	-	-	-	2,250	-
Public Works Backlog	-	-	-	200,000	-
Uncompensated Absences-Regular	-	-	-	1,697,692	-
Uncompensated Absences-Overtime	-	-	-	1,364,811	-
Uncompensated Absences-Part Time	-	-	-	267,082	-
Next Year's Budget	-	-	-	1,300,000	-
Current Year Emergency	-	-	-	1,300,000	-
Capital Improvements	-	-	-	778,289	-
<b>Special Revenue Funds</b>					
Economic Develop Revolv Loan	-	-	-	-	77,600
WRAC-8-Prepays	1,778	-	-	-	-
WRAC-8	-	-	39,701	182,945	-
CVB-Prepays	13,319	-	-	-	-
CVB	-	-	31,194	163,359	-
CVB-Petty Cash	-	-	-	50	-
Local Option Sales Tax	-	6,282,990	-	-	-
Library Improvement Reserve	-	-	210,372	-	-
Community Investment	-	8,000,000	-	658,320	-
Public Works Reserve	-	-	-	635,086	-
Law Enforcement Forfeiture Fund	-	53,743	-	-	-
<b>Debt Service Funds</b>					
Special Assessments Funds	833,916	4,281,663	-	-	-
Nonmajor Airport Debt Service	155,819	10,720	-	-	-
<b>Capital Projects Funds</b>					
Street Projects	-	-	1,463,688	393,542	-
Nonmajor Surface Water C.P.	-	-	201,332	-	-
Nonmajor Local Option Sales Tax	-	-	-	18,137	-
Nonmajor Airport C.P.	-	929,838	10,679	-	-
Nonmajor Capital Improvements	-	-	-	116,919	-
Stormwater	-	-	-	13,545	-
Year 2009	-	-	-	855,495	-
Year 2010	-	-	-	185,870	-
Year 2011	-	-	-	257,188	-
Year 2012	-	-	-	469,951	-
Year 2013	-	-	-	1,000,000	-
WRAC-8	-	-	-	65,215	-
CVB	-	-	-	5,500	-
<b>Permanent Funds</b>	-	30,000	9,632	-	-
<b>Totals</b>	<b>\$ 1,226,792</b>	<b>\$ 19,588,954</b>	<b>\$ 1,966,598</b>	<b>\$ 18,990,282</b>	<b>\$ 77,600</b>

2015

Aug. 11, 2014

**General Fund**

The General Fund is established to account for all revenues and expenditures which are not required to be accounted for in other funds. It has more diverse sources than other funds, and includes property taxes, licenses, permits, fines and forfeits, intergovernmental revenues, service charges, rents and investment interest earnings. The fund's resources finance a wide range of functions including current operations of general government, public safety, public works and non-departmental general expenditures.

	<u>2012 Actual</u>	<u>2013 Actual</u>	<u>2014 Adopted</u>	<u>2015 Mayor Prop.</u>	<u>2015 Council Prop.</u>
Assigned Balance. \$	----	\$ ----	\$ ----	\$ 645,517	\$ 645,517
Designated Bal.	14,191,120	14,993,343	13,735,039	11,850,295	11,850,295
Revenues	14,723,665	14,516,277	14,818,415	14,884,549	
Operating	(13,921,441)	(13,359,386)	(14,240,031)	(13,897,468)	
Capital Transfers	0	(2,415,195)	(1,817,611)	(1,632,598)	
Expenditures	(13,921,441)	(15,774,581)	(16,057,642)	(15,530,066)	0
Prior Adjust.	(1)	----		----	----
Balance-Dec. 31	<u>14,993,343</u>	<u>13,735,039</u>	<u>12,495,812</u>	<u>11,850,295</u>	<u>12,495,812</u>

2015

CONVENTION AND VISITOR'S BUREAU

The Convention and Visitor's Bureau Fund was established in 1990 and was funded by the establishment of a city wide Lodging Tax of 3%.

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>	<u>2014</u> <u>Budget</u>	<u>2015</u> <u>Mayor Prop.</u>	<u>2015</u> <u>Council Prop</u>
Unassigned Bal.	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----
Assigned Bal.	207,922	188,157	184,414	154,289	154,289
Revenues	227,125	233,025	223,500	228,500	
Expenditures	(246,890)	(236,769)	(253,625)	(251,500)	
Prior Adjust.	----	1	----	----	----
Balance-Dec. 31	<u>188,157</u>	<u>184,414</u>	<u>154,289</u>	<u>131,289</u>	<u>154,289</u>

2015

Airport Operations

The Airport Operations Fund was established to comply with FAA and State Aeronautics grant assurances. Starting as soon as the land release is obtained from the FAA, this fund will no longer receive rental income from the Old Airport Site.

	2012 <u>Actual</u>	2013 <u>Actual</u>	2014 <u>Budget</u>	2015 <u>Mayor Prop.</u>	2015 <u>Council Prop.</u>
Unassigned Bal.	\$ ----	\$ ----	\$ 13,826	\$ 13,826	\$ 13,826
Assigned Bal.	----	----	----	----	----
Revenues	----	222,445	417,643	412,424	0
Expenditures	----	(208,619)	(417,643)	(426,250)	0
Prior Adjust.	----	----	----	----	----
Balance-Dec. 31	<u>0</u>	<u>13,826</u>	<u>13,826</u>	<u>0</u>	<u>13,826</u>

2014

LIBRARY IMPROVEMENT FUND

This fund was created in 2002 with excess sales tax proceeds,  
for the construction and remodeling of the Library

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>	<u>2014</u> <u>Budget</u>	<u>2015</u> <u>Mayor Prop.</u>	<u>2015</u> <u>Council Prop.</u>
Unassigned Bal.	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----
Assigned Bal.	210,372	177,952	156,864	156,864	156,864
Revenues	4,328	3,275	0	0	0
Expenditures	(36,748)	(24,363)	0	0	0
Prior Adjust.			----	----	----
Balance-Dec. 31	<u>177,952</u>	<u>156,864</u>	<u>156,864</u>	<u>156,864</u>	<u>156,864</u>

2015

COMMUNITY INVESTMENT

The Community Investment Fund was established in 1990 for the sole purpose of payment of capital costs for the general benefit to the City of Willmar.

Expenditures shall be made solely from accumulated investment earnings until 1995.

After 1995 and beyond, only from accumulated investment earnings whenever possible.

The projects are prioritized as follows:

- First Priority: Projects which can be funded within the amount of available investment earnings.
- Second Priority: Projects using principal funds which have the capacity to repay the principal.
- Third Priority: Projects with no other reasonable funding source.

	2012 <u>Actual</u>	2013 <u>Actual</u>	2014 <u>Budget</u>	2015 <u>Mayor Prop.</u>	2015 <u>Council Prop.</u>
Unassigned Bal.	\$ 0	\$	\$ ----	\$ ----	\$ ----
Assigned Bal.	4,158,320	988,912	583,532	583,532	583,532
Restricted Bal.	4,500,000	8,000,000	8,000,000	8,000,000	8,000,000
Revenues	1,426,651	856,394	619,684	581,917	0
Expenditures	(1,096,060)	(1,261,773)	(619,684)	(684,866)	0
Prior Adjust.	1	(1)	----	----	----
Balance-Dec. 31	<u>8,988,912</u>	<u>8,583,532</u>	<u>8,583,532</u>	<u>8,480,583</u>	<u>8,583,532</u>

2015

**PUBLIC WORKS RESERVE**

The Fund was established to accelerate and maintain/sustain Public Improvements.

Initiating a Financing Mechanism with a five-year street improvement/Reconstruction Program

Key Points

Establish supplemental public (street) improvement financing vehicle utilizing annual utility fund revenues.

Program commits utility fund or portions thereof for a period of up to fifteen years.

Program allows time for the Community Investment Fund to rebound by paying off debt and building up reserves.

Future Considerations

City should consider permanent financing for public works improvements through local option sales tax which is due to expire in 2012.

No deferred assessments. All projects must be financed 100% with public funds, assessments developer financing, or combinations thereof.

	2012 <u>Actual</u>	2013 <u>Actual</u>	2014 <u>Budget</u>	2015 <u>Mayor Prop.</u>	2015 <u>Council Prop.</u>
Unassigned Bal.	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----
Assigned Bal.	635,086	814,017	811,811	812,499	812,499
Revenues	425,092	426,387	427,872	422,000	0
Expenditures	(246,162)	(428,592)	(427,184)	(400,000)	0
Prior Adjust.	1	(1)	----	----	----
Balance-Dec. 31	<u>814,017</u>	<u>811,811</u>	<u>812,499</u>	<u>834,499</u>	<u>812,499</u>

2015

**DEBT SERVICE (SPECIAL ASSESSMENTS) FUNDS**

Principal and interest payments on special assessment bonds are paid from this fund.

Bonds are issued periodically in amounts necessary to meet expenditure requirements for special assessment projects.

Revenue consists of payments from property owners whose properties have been assessed for the improvements, interest earnings, interfund transfers and ad valorem taxes.

	2012 <u>Actual</u>	2013 <u>Actual</u>	2014 <u>Budget</u>	2015 <u>Mayor Prop.</u>	2015 <u>Council Prop.</u>
Undesignated Bal. \$	---	\$ ---	\$ ---	\$ ---	\$ ---
Designated Bal.	5,524,680	5,755,200	5,697,265	5,218,267	5,218,267
Revenues	2,829,203	3,093,965	2,020,203	1,901,845	0
Expenditures	(2,586,645)	(3,151,900)	(2,499,201)	(2,581,227)	0
Prior Adjust.	(12,038)	---	---	---	---
Balance-Dec. 31	<u>5,755,200</u>	<u>5,697,265</u>	<u>5,218,267</u>	<u>4,538,885</u>	<u>5,218,267</u>

2015

**WASTE TREATMENT PLANT FUND**

The Waste Treatment Plant involves the operation, maintenance, collection and treatment of sewage for the City of Willmar and Eagle Lake Sewer District.

During 1983, improvements to the plant costing approximately \$10,000,000 were completed.

The City sold bonds totaling \$1,290,000 to pay for their share. These bonds will be paid through sewer charges. Due to the plant odor problem, the City, in 1988, sold \$3,250,000 worth of General Obligation Revenue Bonds with an increase in sewer rates to repay them.

In 1996 the City issued a Public Facilities note in the amount of \$4,300,000 for a sludge storage facility with the intent to repay the note with sewer rate increases. Starting in 2005 the City started the process to relocate the Treatment Plant approximately 4 miles west of the city at an estimated cost of \$86 million plus, funded by Grants, Loans and Fees.

Beginning in 2011, the new plant became fully operational and reserves will be set at one year debt service and six months of operational costs.

	2012 <u>Actual</u>	2013 <u>Actual</u>	2014 <u>Budget</u>	2015 <u>Mayor Prop.</u>	2015 <u>Council Prop.</u>
Capital Outlay	85,000	385,412	303,336	1,278,500	
Debt Principal	2,543,400	2,463,940	2,215,635	2,627,137	
Undesignated Bal. \$	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----
Designated Bal.	7,168,629	4,137,096	3,217,073	3,440,196	3,440,196
Revenues	6,969,610	7,556,218	8,481,858	8,964,320	0
Operating	(5,380,073)	(5,924,761)	(5,886,630)	(5,108,898)	0
Depreciation	<u>(2,278,959)</u>	<u>(2,277,449)</u>	<u>(2,279,058)</u>	<u>(2,277,349)</u>	<u>0</u>
Expenditures	(10,001,143)	(8,476,241)	(8,258,735)	(7,386,247)	0
Prior Adjust.	0	----	----	----	----
Balance-Dec. 31	<u>4,137,096</u>	<u>3,217,073</u>	<u>3,440,196</u>	<u>5,018,269</u>	<u>3,440,196</u>

2015

OFFICE SERVICES

Office Services provides standard office supplies for all departments of the City. Charges are made to the various departments on a cost, plus 10% basis. The centralized purchasing of office supplies permits savings to the City for these commodities.

	<u>2012 Actual</u>	<u>2013 Actual</u>	<u>2014 Budget</u>	<u>2015 Mayor Prop.</u>	<u>2015 Council Prop.</u>
Undesignated Bal. \$	----	----	----	----	----
Designated Bal.	146,392	154,185	146,582	154,282	154,282
Revenues	30,869	20,853	30,500	30,500	0
Expenditures	(23,076)	(29,055)	(22,800)	(24,300)	0
Prior Adjust.		599	----	----	----
Balance-Dec. 31	<u>154,185</u>	<u>146,582</u>	<u>154,282</u>	<u>160,482</u>	<u>154,282</u>

2015

LAW ENFORCEMENT FORFEITURE

This Fund was established by State Statute to account for proceeds of forfeited assets obtained thru the Municipal Court System.

	<u>2012 Actual</u>	<u>2013 Actual</u>	<u>2014 Budget</u>	<u>2015 Mayor Prop.</u>	<u>2015 Council Prop.</u>
Undesignated Bal. \$	---	---	---	---	---
Designated Bal.	53,743	28,362	48,031	48,031	48,031
Revenues	57	19,670	0	0	
Expenditures	(25,438)	0	0	0	
Prior Adjust.		(1)	---	---	---
Balance-Dec. 31	<u>28,362</u>	<u>48,031</u>	<u>48,031</u>	<u>48,031</u>	<u>48,031</u>

2015

Selvig Park Trust

This fund was established in 1993 by a gift of \$30,000 to generate an income stream to provide funds for the maintenance of the Selvig Park in perpetuity. The fund can only use the income produced by the Trust for said maintenance and small improvements.

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>	<u>2014</u> <u>Budget</u>	<u>2015</u> <u>Dept. Requested</u>	<u>2015</u> <u>Adm. Propose</u>
Undesignated Bal. \$	----	----	----	----	----
Designated Bal.	39,631	39,295	35,447	35,447	35,447
Revenues	884	729	0	0	
Expenditures	(1,220)	(4,577)	0	0	
Prior Adjust.		----	----	----	----
Balance-Dec. 31	<u>39,295</u>	<u>35,447</u>	<u>35,447</u>	<u>35,447</u>	<u>35,447</u>

2015

Bioscience Grant

This fund was established in 2012 for the tracking of costs associated with the Bioscience Center on the campus of the Mn West Technology Center.

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>	<u>2014</u> <u>Budget</u>	<u>2015</u> <u>Dept. Req.</u>	<u>2015</u> <u>Adm. Prop.</u>
Undesignated Bal. \$	----	\$ ----	\$ ----	\$ ----	\$ ----
Designated Bal.	0	0	0	0	0
Revenues	1,251,861	2,001	0	2,000	
Expenditures	(1,251,861)	(2,001)	0	(2,000)	
Prior Adjust.		----	----	----	----
Balance-Dec. 31	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**Levy Limit Base  
10-Year History**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Levy Limit Base</b>										
Levy + LGA Allotment Yearly Difference	6,719,498	7,421,063 701,565	7,758,251 337,188	8,121,411 363,160	8,242,280 120,869	8,279,009 36,729	8,045,524 (233,485)	8,045,524	8,579,437 533,913	8,690,341 110,904
Property Tax Levy Yearly Difference	2,335,677	2,806,995 471,318	3,383,673 576,678	3,525,325 141,652	3,568,705 43,380	3,796,734 228,029	3,992,734 196,000	3,992,734	4,139,734 147,000	4,201,028 61,294
Property Tax Rates	24.102	25.623	28.236	28.163	28.642	29.285	33.416	34.280	34.347	
LGA Allotment Yearly Difference	4,383,821	4,614,068 230,247	4,374,578 (239,490)	4,596,086 221,508	4,673,575 77,489	4,482,275 (191,300)	4,052,790 (429,485)	4,052,790	4,439,703 386,913	4,489,313 49,610
LGA Unallotment/Reductions Market Value Credit Reductions			(316,537)	(269,043)	(620,785)	(429,485)				
LGA Allotment Adjusted Property Tax Adjusted Adjusted Base			4,058,041	4,327,043	4,052,790	4,052,790 3,510,110				
Difference from Actual Difference from Certified Base						7,562,900 (716,109)				
						(844,139)				

2014 Tax Estimate  
 City of Willmar  
 New Construction Value  
 As of 1/2/2014 Valuation  
 Based on Current Year Standards

	New Construction Market Value City of Willmar	Tax Capacity Rate Applied	Less Adjustments	Adjusted Tax Capacity Rate	Total Tax Capacity	Miscellaneous Information
Res. Mkt Value Hmstd	\$ 3,691,400	1.00%	30.0%	0.70%	25,840	Est'd Adj for Hmst M.V. Exclusion
Res. Mkt Value Non-Hmstd	\$ 397,500	1.25%	0.0%	1.25%	4,969	
Apartments	\$ 1,001,100	1.25%	0.0%	1.25%	12,514	
4d Apartments	\$ 484,000.0	0.75%	0.0%	0.75%	3,630	
Commercial	\$ 7,494,900.0	2.00%	12.5%	1.75%	131,161	Est'd Adj for 1st \$150,000 M.V. At 1.5%
Industrial	\$ 19,600.0	2.00%	12.5%	1.75%	343	
Totals	\$ 13,088,500.0				178,456	
City Tax Rate Payable 2014					0.34347	
Total Tax from New Construction					\$ 61,294	
Note: Total Tax Cap/Total Mkt Value					1.3635%	

Tax Estimate  
 City of Willmar Only  
 Proposed Levy Increase  
 Based on Payable 2014 Figures  
 13-Aug-14

### Tax Rate

Current City Levy	\$	4,139,400
Current City Rate		34.3470%
Current City Tax Capacity (Based on Current Levy & Rate)	\$	12,051,708
Increase To Current Levy	\$	122,000
Levy After Increase	\$	4,261,400
Adj'd City Rate After Levy Increase		35.3593%

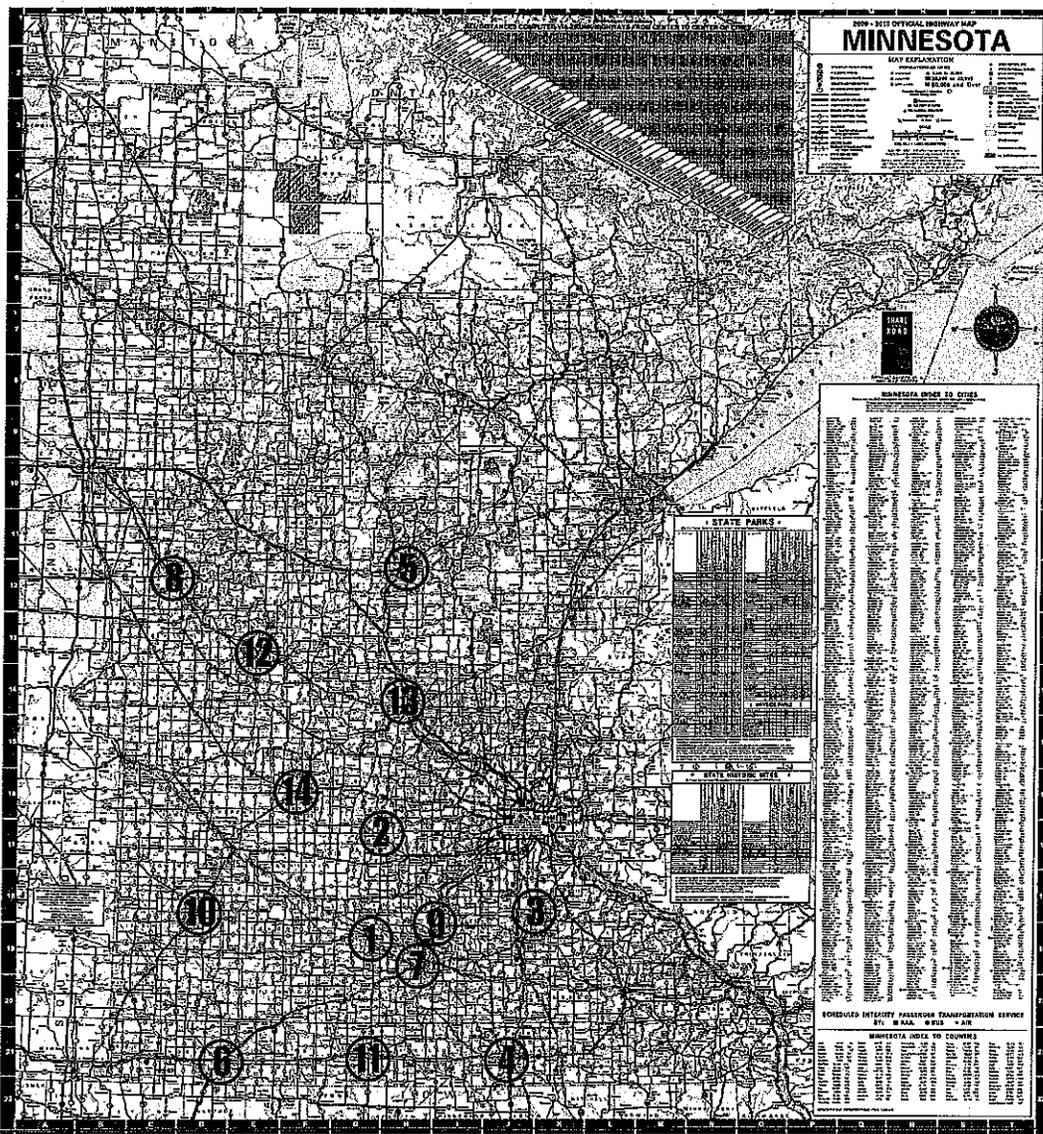
### Tax Comparison

	Market Value	Tax Capacity	City Tax Current Rate	City Tax Adj'd Rate	Difference
Homestead Property	\$ 150,000	1263	\$ 434	\$ 446	\$ 13
Non-Hmstd Property/Single Family	\$ 150,000	1500	\$ 515	\$ 530	\$ 15
Non-Hmstd Property/2 or 3 Units	\$ 150,000	1875	\$ 644	\$ 663	\$ 19
Com'l Preferential	\$ 150,000	2250	\$ 773	\$ 796	\$ 23
Com'l Non-Preferential	\$ 150,000	3000	\$ 1,030	\$ 1,061	\$ 30

Note: Tax Capacity of Homestead Property Adjusted for Homestead Market Value Exclusion

# 2013 Comparative Tax Information

	Pop.	Taxable Tax Value	County	City	School	Other	Total	LGA	Levy	Total Aid/Levy
<b>Similar Size Tax Base Communities</b>										
Brooklyn Center	30,569	\$ 12,983,042.00	\$ 49.46	\$ 71.07	\$ 39.09	\$ 11.29	\$ 170.91	\$ 411,378.00	\$ 9,227,568.00	\$ 9,638,946.00
West St. Paul	19,756	\$ 12,117,354.00	\$ 33.42	\$ 69.45	\$ 24.43	\$ 7.12	\$ 134.42	\$ 773,763.00	\$ 10,339,283.00	\$ 11,113,046.00
Farmington	21,792	\$ 12,819,480.00	\$ 33.41	\$ 66.82	\$ 57.20	\$ 4.42	\$ 161.85	-	\$ 8,566,105.00	\$ 8,566,105.00
New Hope	20,764	\$ 13,042,443.00	\$ 49.46	\$ 58.81	\$ 32.35	\$ 10.47	\$ 151.09	\$ 41,843.00	\$ 9,570,914.00	\$ 9,612,757.00
Crystal	22,417	\$ 11,801,080.00	\$ 49.46	\$ 56.15	\$ 32.35	\$ 11.96	\$ 149.92	\$ 1,455,066.00	\$ 6,626,306.00	\$ 8,081,372.00
Fairbault	23,436	\$ 12,577,836.00	\$ 38.25	\$ 53.39	\$ 29.79	\$ 4.92	\$ 126.35	\$ 4,772,748.00	\$ 6,791,178.00	\$ 11,563,926.00
St. Michael	16,673	\$ 11,613,857.00	\$ 44.29	\$ 43.97	\$ 55.81	\$ 0.78	\$ 144.85	-	\$ 5,106,380.00	\$ 5,106,380.00
Alexandria	13,008	\$ 13,638,586.00	\$ 52.63	\$ 41.73	\$ 22.50	\$ 2.34	\$ 119.20	\$ 1,204,947.00	\$ 5,692,098.00	\$ 6,897,045.00
Hugo	13,739	\$ 11,774,742.00	\$ 34.23	\$ 35.79	\$ 28.01	\$ 5.75	\$ 103.78	-	\$ 4,748,427.00	\$ 4,748,427.00
Willmar	19,694	\$ 12,183,850.00	\$ 59.06	\$ 33.98	\$ 19.72	\$ 2.57	\$ 115.33	\$ 4,052,790.00	\$ 4,140,117.00	\$ 8,192,907.00
Minnetrasta	6,735	\$ 12,779,597.00	\$ 49.46	\$ 29.55	\$ 24.35	\$ 9.99	\$ 113.35	-	\$ 3,862,806.00	\$ 3,862,806.00
Ham Lake	15,462	\$ 12,315,145.00	\$ 44.76	\$ 29.23	\$ 26.48	\$ 5.17	\$ 105.64	-	\$ 4,087,191.00	\$ 4,087,191.00
Vadnais Heights	12,631	\$ 10,934,197.00	\$ 65.24	\$ 29.05	\$ 28.74	\$ 8.84	\$ 131.87	-	\$ 3,579,659.00	\$ 3,579,659.00
Medina	5,062	\$ 13,017,335.00	\$ 49.46	\$ 24.64	\$ 24.49	\$ 8.98	\$ 107.57	-	\$ 3,249,147.00	\$ 3,249,147.00
Cross Lake	2,162	\$ 11,833,689.00	\$ 34.34	\$ 22.90	\$ 14.16	\$ 0.19	\$ 71.59	-	\$ 2,709,932.00	\$ 2,709,932.00
<b>Area County Seat Communities</b>										
Ivanhoe	554	\$ 133,555.00	\$ 35.10	\$ 186.86	\$ 24.64	\$ 1.71	\$ 248.31	\$ 203,179.00	\$ 249,555.00	\$ 452,734.00
Gaylord	2,303	\$ 647,886.00	\$ 52.03	\$ 125.22	\$ 5.25	\$ 0.80	\$ 183.30	\$ 768,161.00	\$ 811,299.00	\$ 1,579,460.00
Redwood Falls	5,230	\$ 2,258,322.00	\$ 34.94	\$ 93.69	\$ 20.03	\$ 0.16	\$ 148.82	\$ 1,075,270.00	\$ 2,116,959.00	\$ 3,192,229.00
Granite Falls	2,843	\$ 1,460,597.00	\$ 42.74	\$ 90.28	\$ 10.24	\$ 0.48	\$ 143.74	\$ 717,911.00	\$ 1,396,364.00	\$ 2,114,275.00
Olivia	2,454	\$ 1,126,272.00	\$ 35.62	\$ 86.54	\$ 7.70	\$ 2.83	\$ 132.69	\$ 706,366.00	\$ 974,641.00	\$ 1,681,007.00
Montevideo	5,343	\$ 2,321,997.00	\$ 41.48	\$ 80.40	\$ 25.10	\$ 1.42	\$ 148.40	\$ 1,674,841.00	\$ 1,866,890.00	\$ 3,541,731.00
New Ulm	13,418	\$ 7,779,275.00	\$ 41.49	\$ 74.14	\$ 15.43	\$ 1.68	\$ 132.74	\$ 4,111,762.00	\$ 5,767,788.00	\$ 9,879,550.00
Benson	3,200	\$ 1,790,720.00	\$ 45.67	\$ 70.64	\$ 7.35	\$ 0.96	\$ 124.62	\$ 776,650.00	\$ 1,264,983.00	\$ 2,041,633.00
Litchfield	6,688	\$ 3,526,394.00	\$ 49.65	\$ 62.98	\$ 19.99	\$ 0.23	\$ 132.85	\$ 1,588,853.00	\$ 2,237,700.00	\$ 3,826,553.00
Owatonna	25,469	\$ 16,424,066.00	\$ 62.54	\$ 59.03	\$ 19.40	\$ 0.73	\$ 141.70	\$ 3,153,124.00	\$ 9,697,539.00	\$ 12,850,663.00
Morris	5,396	\$ 2,142,578.00	\$ 44.21	\$ 56.75	\$ 36.04	\$ 2.90	\$ 139.90	\$ 2,110,244.00	\$ 1,237,243.00	\$ 3,347,487.00
Marshall	13,619	\$ 9,913,382.00	\$ 36.43	\$ 50.06	\$ 29.40	\$ 0.17	\$ 116.06	\$ 2,110,608.00	\$ 4,975,977.00	\$ 7,086,585.00
Willmar	19,694	\$ 12,183,850.00	\$ 59.06	\$ 33.98	\$ 19.72	\$ 2.57	\$ 115.33	\$ 4,052,790.00	\$ 4,140,117.00	\$ 8,192,907.00



# 2013 Comparative Property Tax Data Similar Size Communities

City	2012 Census	Taxable Tax Capacity	County Tax Rates	City Tax Rates	School Tax Rates	Special Tax Rates	Total
1. New Ulm	13,418	\$ 7,779,275	41.49	74.14	15.43	1.68	132.74
2. Hutchinson	14,034	\$ 8,778,532	59.66	73.23	16.81	3.65	153.35
3. Northfield	20,373	\$11,470,782	37.58	61.82	38.29	4.34	142.03
4. Albert Lea	17,957	\$ 8,978,213	59.51	60.63	28.73	2.00	150.87
5. Brainerd	13,621	\$ 6,651,101	33.51	58.62	24.22	1.75	118.11
6. Worthington	12,900	\$ 5,632,938	35.36	55.77	20.89	3.95	115.96
7. N. Mankato	13,462	\$ 9,866,600	52.03	54.57	18.92	0.54	126.06
8. Fergus Falls	13,228	\$ 9,163,252	40.84	51.19	25.40	1.45	118.88
9. Saint Peter	11,503	\$ 4,098,430	52.00	50.67	16.75	0.54	119.97
10. Marshall	13,619	\$ 9,913,382	36.43	50.06	29.40	0.17	116.06
11. Fairmount	10,521	\$ 6,640,423	34.62	47.41	30.16	0.42	112.62
12. Alexandria	13,008	\$13,638,586	52.63	41.73	22.50	2.34	119.19
13. Sartell	16,100	\$12,614,818	58.29	37.68	38.43	2.24	136.64
14. Willmar	19,694	\$12,183,850	59.06	33.98	19.72	2.57	115.32

• 2014 Rates Available in September 2014



★ WILLMAR

**WILLMAR FIRE DEPARTMENT  
FIRE CHIEF  
515 SW 2<sup>ND</sup> ST**

**WILLMAR, MN 56201-0932  
320-235-1354**

To: Finance Committee Members:

Chair: Denis Anderson  
Vice Chair: Tim Johnson  
Members: Rick Fagerlie  
Audrey Nelsen

From: Gary Hendrickson Fire Chief

Date: September 8, 2014

**RE: Potential Revenue Source**

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State Farm, American Family, and Farmers all have a fire department service charge listed under additional coverages within their homeowner policy.

State Farms fire department service charge states: "We will pay up to \$500.00 for your liability assumed by contract or agreement for fire department charges. This means charges incurred when the fire department is called to save or protect covered property from a **Loss Insured**. No deductible applies to this coverage".

The key to the statement is Loss Insured; this would mean the property owner would have had to suffer some sort of property loss in order for the insurance company to pay the service charge. Hence when we respond to an actual fire verses a false alarm and there is a physical loss all the fire department has to do is submit an invoice to the insurance carrier and the fire department service charge would be paid. I have been offered this in the past and have not submitted an invoice to the insurance carrier because I feel the homeowner has already been assessed for fire department services through their property tax. Additionally this would be a ratable claim which means the property owner's insurance rates may be susceptible to an increase if they file a claim. The caveat to this is the insured would have to submit a claim to their insurance company. In some circumstances it has been my experience the insured will not submit a claim depending on the dollar loss to minimize the risk of their insurance costs rising.

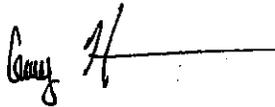
As I review calls for service from 2013 where a property owner suffered some sort of property loss and the fire department was eligible to compensation under the fire department service charge. The revenue generated from these types of calls would have been \$15,000.00 (assuming each policy paid a minimum of \$500.00 per occurrence multiplied by 30 calls). Since the beginning of this year we have had 13 calls which would have been eligible for compensation under the fire department service charge or \$6,500.00 of revenue to date in 2014.

In comparison I did poll other similar size communities to see what their policy was for billing homeowners for fire department services. The communities of Alexandria, Brainerd, and Owatonna have responded and indicated they did not bill for fire department services nor did they pursue any compensation offered by the homeowner's insurance carrier.

In the end I do not see this as a viable revenue source for the city. Ultimately I believe if a homeowner was aware they would be charged for the fire department to respond to their home there would be a delay in calling 911 while trying to mitigate the situation themselves. I believe this practice would increase fire injuries and possible fire fatalities. Additionally the possible delay in calling 911 would lead to higher property loss and subject responding firefighters to additional risk and injury due to the homeowner delaying their call to 911.

If you require additional information or have questions please feel free to let me know.

Thank You,

A handwritten signature in black ink, appearing to read "Gary H", followed by a horizontal line extending to the right.

Gary Hendrickson

Fire Chief

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE AMENDING WILLMAR ORDINANCE NO. 1192  
BY ESTABLISHING A FRANCHISE FEE

The City Council of the City of Willmar does ordain as follows:

Section 1. ESTABLISHMENT OF FRANCHISE FEE

Willmar Municipal Ordinance No. 1192 is amended by adding the following section:

For the use of the public streets, public alleys, and other municipal property for the construction and maintenance of underground gas mains and appurtenances thereto, a franchise fee is hereby imposed and shall be computed as follows:

<u>Center Point Energy Rate Class</u>	<u>Monthly Fee</u>
Residential	\$ 2.30
Commercial A	4.59
Commercial B	7.66
Commercial C	15.32
SVDF A	30.63
SVDF B	45.95
LVDF	76.58

The franchisee shall pay the above fees monthly, on or before the 15<sup>th</sup> day of each month, commencing with the first payment due February 15, 2008.

Section 2. Effective Date. This ordinance shall be effective from and after its adoption and second publication or on December 31, 2007, whichever date is later.

This Ordinance introduced by Councilman Anderson  
This Ordinance introduced on November 5, 2007  
This Ordinance published on November 9, 2007  
This Ordinance given a hearing on \_\_\_\_\_  
This Ordinance adopted on \_\_\_\_\_  
This Ordinance published on \_\_\_\_\_

**WILLMAR CITY COUNCIL PROCEEDINGS**  
**COUNCIL CHAMBERS**  
**WILLMAR MUNICIPAL UTILITIES BUILDING**  
**WILLMAR, MINNESOTA**

January 7, 2008  
7:00 p.m.

The regular meeting of the Willmar City Council was called to order by the Honorable Mayor Lester Heitke. Members present on a roll call were Mayor Heitke, Council Members Doug Reese, Ron Christianson, Bruce DeBlieck, Denis Anderson, Cindy Swenson, Jim Dokken, and Steven Gardner; Present 8, Absent 1 - Rick Fagerlie was excused from the meeting.

Also present were City Administrator Michael Schmit, Police Chief Jim Kulset, Fire Chief Marv Calvin, Public Works Director Mel Odens, Finance Director Steven Okins, Planning and Development Services Director Bruce Peterson, Community Education and Recreation Director Steve Brisendine, and City Clerk Kevin Halliday.

Additions to the Agenda included the tabled Charter Commission motion from December 17, 2007, and a Hawk Creek Watershed Project announcement.

Mayor Heitke announced, and congratulated, Council Member Denis Anderson who recently received an award from Jennie-O Turkey Store for his 40 years of service.

The Council requested the Municipal Utilities Commission Minutes dated December 31, 2007, be removed from the Consent Agenda.

Council Member Christianson offered a motion adopting the Consent Agenda which included the following: City Council Minutes of December 17, Municipal Utilities Commission Minutes of December 24, Planning Commission Minutes of December 26, Community Ed. and Recreation Advisory Council Minutes of November 30, Police Commission Minutes of December 6, 2007; Exempt Permit Application, Willmar Sertoma Club; and Mayoral Reappointments: MUC - Doug Lindblad and Jerry Gesch, Cable Advisory Committee - Robert Flegel, Rice Hospital Board - Steve Cederstrom, Economic Development Commission Operations Board - Milan Schmiesing; and Planning Commission - Carol Laumer. Council Member Reese seconded the motion, which carried.

Council Member DeBlieck discussed the recent Power Sales Agreement with CMMPA. Municipal Utilities Commissioner Bob Bonawitz provided details of the 30 megawatt proposal. The Municipal Utilities Commission Minutes of December 31, 2007, were approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member DeBlieck, seconded by Council Member Dokken, and carried.

At 7:38 p.m. Mayor Heitke opened a hearing on an Ordinance Amending Willmar Ordinance No. 1192, by Establishing a Franchise Fee. City Clerk Halliday presented details of the proposed Ordinance establishing a natural gas franchise fee. Ken Warner, representing the Chamber of Commerce, questioned the dedicating of the funds collected going to the flood control issues which were discussed, but not part of the Ordinance. Mr. Warner was also looking for a sunset date and questioned the biannual review process in Section 3. John Sullivan spoke in opposition of the Ordinance, stating the fee is really a tax and not best for tax-exempt properties. Gerry Gesch urged the Council to get going on the Grass Lake Project and dedicate the funds to water concerns until the problem is resolved. Upon hearing all those who wished to be heard, Mayor Heitke closed the meeting at 7:46 p.m.

Council Member Reese offered a motion to adopt, assign a number, and order final publication of an Ordinance Amending Willmar Ordinance No. 1192 by Establishing a Franchise Fee. Council Member Gardner seconded the motion, resulting in a roll call vote of Ayes 4, Noes 3 - Council Member Christianson, Swenson,

and Dokken voted "No." The Ordinance failed for failure to obtain the five votes needed for adoption.

Representatives of Turch and Associates, David Turch and Kodiak Hill-David, appeared before the Mayor and Council to present an annual update. As the City's Federal lobbyist, they reported on successful Federal grants as follows: \$300,000 Willmar Municipal Utilities power generation study; \$141,700 Gang Enforcement Team; and \$23,500 for meth education. The \$15 million water resources (new Wastewater Treatment Plant) authorization must now be taken to the Appropriations Committee in 2008. It was also noted that Senator Coleman, Representative Peterson, and Representative Oberstar are up for re-election in 2008. This matter was for information only.

Mayor Heitke acknowledged several individuals who had signed up to address the City Council during its scheduled Open Forum. Terrill Reimber inquired as to the status of the Police Civil Service Commission, and Jerry Gesch and Laura Becker expressed concerns regarding flooding issues.

The Community Development Committee Report for December 20, 2007, was presented to the Mayor and Council by Council Members DeBlieck. There were three items for Council consideration.

Item No. 1 The Committee discussed recommendations offered by the Mayor's Housing Task Force. It was a consensus of the Committee that as the educational process unfolds, all educational information should be printed for distribution in three languages. The Committee addressed recommendations in the order offered by the Task Force.

Section No. 1. The Committee discussed amending the exterior maintenance ordinance with stricter standards and was of the opinion that Staff could maintain a complaint-based system of enforcement for these types of violations. The Committee was recommending to the Council that Staff draft amendments to the exterior maintenance ordinance and bring the matter back to the Council for the ordinance adoption process. Council Member DeBlieck moved to approve the recommendation of the Community Development Committee with Council Member Dokken seconding the motion, which carried.

Section No. 2. Because the issues under Exterior Storage and Off-Street parking generally fall under the purview of the Planning Commission, Staff suggested that the Commission should review them and offer their comments to the Council. Following discussion, the Committee was recommending the Council refer the recommendations in Section 2 to the Planning Commission to draft amendments to the Zoning Ordinance and to bring them back to the Council for the ordinance adoption process. Council Member DeBlieck moved to approve the recommendation of the Community Development Committee with Council Member Dokken seconding the motion, which carried.

Section 3. The Committee discussed the Animals, Noise, Snow and Ice sections recommendations offered by the Task Force and was recommending to the Council that Staff and the City Attorney draft amendments to the Municipal Code and bring the matter back to the Council for the ordinance adoption process. Council Member DeBlieck moved to approve the recommendation of the Community Development Committee with Council Member Swenson seconding the motion, which carried.

Section 4. The Committee discussed the Rental Housing Ordinance recommendation at length. No action was taken by the Committee. Rather, personal responsibility and accountability was encouraged in dealing with garbage containment and pick-up. This matter was for information only.

Item No. 2 The Committee discussed the on-going issue of the \$1 million State grant for airport expenditures. Staff offered the opinion that reimbursement for land did not look promising at this point. The airport capital improvement program for the next several years was discussed. Staff requested that the Council authorize staff to work to amend the previous legislation to allow the City to spend the \$1 million grant on other airport items.

The Committee was recommending the Council authorize Staff to pursue an amendment to the 2005 legislation granting the City \$1 million for airport expenditures. Council Member DeBlieck moved to approve



November 14, 2007

Mr. Michael Schmit  
City Administrator - Willmar  
333 SW 6<sup>th</sup> Street  
Willmar, MN 56201-0755

Dear Michael,

Thank you for the opportunity to comment on the Franchise Fee Ordinance that the city will be discussing at the November 19, 2007 city council meeting. In reviewing the ordinance as currently proposed, CenterPoint Energy offers the following suggestions in the interest of making the fee more equitable for the customer who will be paying them and more administratively manageable for CenterPoint Energy to implement.

- yes
- 1) Refine the fee schedule: We suggest lowering the proposed fees on residential and commercial A/B customers to more equitably spread fees across customer classifications.
- 2) Impose fees on both gas and electric service (or neither): If the city feels it is in the best interest of the community to impose utility fees for energy service, both electric and gas customers should be subject to the same fee requirements.
- yes
- 3) Franchise fee should be in-lieu of permit fees: If approved, CenterPoint Energy will administer the collection, reconciliation and distribution of approximately \$250,000 in fees annually – at no cost to the city. In return, we ask to be exempted from paying permit fees for work necessary to maintain / expand the gas distribution system (work that will ultimately lead to increased property tax collections and/or franchise fees).
- my quarters.
- 4) Extend start date: We suggest an April 1, 2008 implementation date to provide sufficient time to inform customers and make the necessary programming changes to the billing system.
- help
- 5) Add a sunset review provision: Ideally the ordinance should included a sunset provision requiring future city councils to review and actively renew the fee if it is determined that collecting the fee continues to be in the best interest of the community.
- yes
- 6) Pay on a quarterly vs. monthly basis: The administrative processes associated with collecting, reconciling and paying the fee on a monthly basis is extremely difficult. The process will be more manageable if fees are paid by the last day of the month following each quarter.

In addition to the above, it is critically important that home and business owners are made aware of the financial impact to them and fully understand that the City - not CenterPoint Energy - is imposing the fee. As part of this, we would prefer that the City take the lead in pro-actively communicating the issue to its constituents vs. CenterPoint Energy.

Thank you in advance for giving thoughtful consideration to these suggestions. While we encourage the city council to consider alternative ways to meet the City's budget challenges, we understand the decision ultimately rests with them. Knowing this, if there's any additional information I can provide to help clarify or expand on our suggestions, please don't hesitate to call me.

Sincerely,

Al Swintek  
Manager, Local Government Relations  
612-321-4799

**Franchise Fee Analysis  
City of Willmar**

**1) GENERAL REVENUE INFORMATION**

	Customers (meters)	Volume (In Therms)	Annual Revenue (all customers)	Annual Revenue (per customer)	Weather Adjustment Factor	Weather Adjusted Revenue
Residential	5,670	4,415,369	\$4,985,526	\$879	1.081	\$5,466,630
Com - A	336	323,748	\$363,777	\$1,083	1.081	\$398,882
Com/Ind-B	224	557,909	\$620,624	\$2,771	1.081	\$680,514
Com/Ind-C	214	2,792,018	\$2,966,338	\$13,861	1.081	\$3,252,590
SVDF - A	27	1,120,967	\$881,531	\$32,649	1.081	\$966,599
SVDF - B	3	681,795	\$569,840	\$189,947	1.081	\$624,830
LVDF	4	2,720,778	\$1,374,717	\$343,679	1.081	\$1,507,377
<b>TOTAL</b>	<b>6,478</b>	<b>12,612,584</b>	<b>\$11,762,353</b>		<b>1.081</b>	<b>\$12,897,421</b>

**2) TOTAL FRANCHISE FEE COLLECTION PROJECTIONS**

	Adjusted Revenue	Annual fee all customers (Factor = 1%)	Annual fee all customers (Factor = 2%)	Annual fee all customers (Factor = 3%)	Annual fee all customers (Factor = 4%)	Annual fee all customers (Factor = 5%)
Residential	\$5,466,630	\$54,666	\$109,333	\$163,999	\$218,665	\$273,331
Com - A	\$398,882	\$3,989	\$7,978	\$11,966	\$15,955	\$19,944
Com/Ind-B	\$680,514	\$6,805	\$13,610	\$20,415	\$27,221	\$34,026
Com/Ind-C	\$3,252,590	\$32,526	\$65,052	\$97,578	\$130,104	\$162,629
SVDF - A	\$966,599	\$9,666	\$19,332	\$28,998	\$38,664	\$48,330
SVDF - B	\$624,830	\$6,248	\$12,497	\$18,745	\$24,993	\$31,241
LVDF	\$1,507,377	\$15,074	\$30,148	\$45,221	\$60,295	\$75,369
<b>TOTAL</b>	<b>\$12,897,421</b>	<b>\$128,974</b>	<b>\$257,948</b>	<b>\$386,923</b>	<b>\$515,897</b>	<b>\$644,871</b>

**3) ANNUAL FEE COLLECTED PER ACCOUNT (PERCENTAGE BASED)**

	Customers (meters)	Annual fee per customer (Factor = 1%)	Annual fee per customer (Factor = 2%)	Annual fee per customer (Factor = 3%)	Annual fee per customer (Factor = 4%)	Annual fee per customer (Factor = 5%)
Residential	5,670	\$9.64	\$19.28	\$28.92	\$38.57	\$48.21
Com - A	336	\$11.87	\$23.74	\$35.61	\$47.49	\$59.36
Com/Ind-B	224	\$30.38	\$60.76	\$91.14	\$121.52	\$151.90
Com/Ind-C	214	\$151.99	\$303.98	\$455.97	\$607.96	\$759.95
SVDF - A	27	\$358.00	\$716.00	\$1,074.00	\$1,432.00	\$1,790.00
SVDF - B	3	\$2,082.77	\$4,165.53	\$6,248.30	\$8,331.07	\$10,413.83
LVDF	4	\$3,768.44	\$7,536.88	\$11,305.33	\$15,073.77	\$18,842.21

**4) MONTHLY FEE COLLECTED PER ACCOUNT (PERCENTAGE BASED)**

	Customers (meters)	Monthly fee per customer (Factor = 1%)	Monthly fee per customer (Factor = 2%)	Monthly fee per customer (Factor = 3%)	Monthly fee per customer (Factor = 4%)	Monthly fee per customer (Factor = 5%)
Residential	5,670	\$0.80	\$1.61	\$2.41	\$3.21	\$4.02
Com - A	336	\$0.99	\$1.98	\$2.97	\$3.96	\$4.95
Com/Ind-B	224	\$2.53	\$5.06	\$7.60	\$10.13	\$12.66
Com/Ind-C	214	\$12.67	\$25.33	\$38.00	\$50.66	\$63.33
SVDF - A	27	\$29.83	\$59.67	\$89.50	\$119.33	\$149.17
SVDF - B	3	\$173.56	\$347.13	\$520.69	\$694.26	\$867.82
LVDF	4	\$314.04	\$628.07	\$942.11	\$1,256.15	\$1,570.18

**5) MONTHLY FEE COLLECTED PER ACCOUNT (METER BASED - FLAT FEE)**

	Customers (meters)	Monthly fee per customer	Percent charged per customer	Annual fee per customer	Total monthly Fee to City	Annual Fee to City
Residential	5,670	\$2.30	2.86%	\$28	\$13,041	\$156,492
Com - A	336	\$4.59	4.64%	\$55	\$1,542	\$18,507
Com/Ind-B	224	\$7.66	3.03%	\$92	\$1,716	\$20,590
Com/Ind-C	214	\$15.32	1.21%	\$184	\$3,278	\$39,342
SVDF - A	27	\$30.63	1.03%	\$368	\$827	\$9,924
SVDF - B	3	\$45.95	0.26%	\$551	\$138	\$1,654
LVDF	4	\$76.58	0.24%	\$919	\$306	\$3,676
<b>TOTAL</b>					<b>\$20,849</b>	<b>\$250,185</b>

**Franchise Fee Analysis  
City of Willmar**

**1) GENERAL REVENUE INFORMATION**

	Customers (meters)	Volume (In Therms)	Annual Revenue (all customers)	Annual Revenue (per customer)	Weather Adjustment Factor	Weather Adjusted Revenue
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LVDF	4	2,720,778	\$1,374,717	\$343,679	1.081	\$1,507,377
<b>TOTAL</b>	<b>6,478</b>	<b>12,612,584</b>	<b>\$11,762,353</b>		<b>1.081</b>	<b>\$12,897,421</b>

**2) TOTAL FRANCHISE FEE COLLECTION PROJECTIONS**

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Com - A	\$398,882	\$3,989	\$7,978	\$11,966	\$15,955	\$19,944
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Com/Ind-C	\$3,252,590	\$32,526	\$65,052	\$97,578	\$130,104	\$162,629
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<b>TOTAL</b>	<b>\$12,897,421</b>	<b>\$128,974</b>	<b>\$257,948</b>	<b>\$386,923</b>	<b>\$515,897</b>	<b>\$644,871</b>

**3) ANNUAL FEE COLLECTED PER ACCOUNT (PERCENTAGE BASED)**

	Customers (meters)	Annual fee per customer (Factor = 1%)	Annual fee per customer (Factor = 2%)	Annual fee per customer (Factor = 3%)	Annual fee per customer (Factor = 4%)	Annual fee per customer (Factor = 5%)
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SVDF - A	27	\$358.00	\$716.00	\$1,074.00	\$1,432.00	\$1,790.00
SVDF - B	3	\$2,082.77	\$4,165.53	\$6,248.30	\$8,331.07	\$10,413.83
LVDF	4	\$3,768.44	\$7,536.88	\$11,305.33	\$15,073.77	\$18,842.21

**4) MONTHLY FEE COLLECTED PER ACCOUNT (PERCENTAGE BASED)**

	Customers (meters)	Monthly fee per customer (Factor = 1%)	Monthly fee per customer (Factor = 2%)	Monthly fee per customer (Factor = 3%)	Monthly fee per customer (Factor = 4%)	Monthly fee per customer (Factor = 5%)
Residential	5,670	\$0.80	\$1.61	\$2.41	\$3.21	\$4.02
Com - A	336	\$0.99	\$1.98	\$2.97	\$3.96	\$4.95
Com/Ind-B	224	\$2.53	\$5.06	\$7.60	\$10.13	\$12.66
Com/Ind-C	214	\$12.67	\$25.33	\$38.00	\$50.66	\$63.33
SVDF - A	27	\$29.83	\$59.67	\$89.50	\$119.33	\$149.17
SVDF - B	3	\$173.56	\$347.13	\$520.69	\$694.26	\$867.82
LVDF	4	\$314.04	\$628.07	\$942.11	\$1,256.15	\$1,570.18

**5) MONTHLY FEE COLLECTED PER ACCOUNT (METER BASED - FLAT FEE)**

	Customers (meters)	Monthly fee per customer	Percent charged per customer	Annual fee per customer	Total monthly Fee to City	Annual Fee to City
Residential	5,670	\$2.00	2.49%	\$24	\$11,340	\$136,080
Com - A	336	\$2.50	2.53%	\$30	\$840	\$10,080
Com/Ind-B	224	\$6.00	2.37%	\$72	\$1,344	\$16,128
Com/Ind-C	214	\$30.00	2.37%	\$360	\$6,420	\$77,040
SVDF - A	27	\$50.00	1.68%	\$600	\$1,350	\$16,200
SVDF - B	3	\$100.00	0.58%	\$1,200	\$300	\$3,600
LVDF	4	\$150.00	0.48%	\$1,800	\$600	\$7,200
<b>TOTAL</b>					<b>\$22,194</b>	<b>\$266,328</b>

**Audrey Peterson**

---

**From:** Michael Schmit  
**Sent:** Wednesday, September 12, 2007 2:47 PM  
**To:** apeterson@ci.willmar.mn.us  
**Subject:** FW: Willmar Franchise Fee Analysis - CenterPoint Energy  
**Attachments:** Franchise Fee Analysis- Willmar 2007.xls; 1FRANCHIE FEE FACT SHEET...2007..logo.doc

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**From:** Hargest, Connie S. [mailto:connie.s.hargest@centerpointenergy.com]  
**Sent:** Wednesday, September 12, 2007 2:39 PM  
**To:** Michael Schmit  
**Subject:** Willmar Franchise Fee Analysis - CenterPoint Energy

Michael,

I have attached a spreadsheet with a couple of calculation tools that should help you determine the revenue a franchise fee could generate in Willmar. I am also attaching a "Franchise Fee Fact Sheet" which should help to further explain our position on franchise fees and implementation guidelines, if the city does decide to move forward on this fee. Our large volume customers (LVDF = Large Vol. Dual Fuel) and other commercial customers consider gas usage/costs to be competitive information and therefore confidential. Please, help us maintain this confidentiality by limiting the number of hard copies and restricting the attached information as it applies to the city's franchise fee analysis only.

A franchise fee is a straight pass-through tax to our customers and even though it will show as a separate line item on the gas bill, it gives the impression that our product, natural gas, is more expensive than it really is. As I mentioned to you today, CenterPoint Energy (CNP) does not advocate the use of franchise fees (taxes) to generate revenue but will not actively oppose the city's decision to do so.

Since we already pay almost \$100K per year in property taxes on all natural gas infrastructure in Willmar, CenterPoint Energy would prefer that revenue to operate the city continue to be generated through the tax levy process. General statistics regarding CenterPoint Energy's service to the City of Willmar are as follows:

**CenterPoint Energy Investment in Willmar**

- 6,478 residential, commercial and industrial customers served in the city
- \$5,866,057.31 of capital investments in the last 45 years to expand and support the distribution system in Willmar
- 531,326 feet of natural gas main to ensure reliable natural gas service
- \$99,332 in total property and real estate taxes paid in year 2006 to benefit the Willmar community

State Statue 216.B.36 does allow for the implementation of franchise fees as follows: "... Under the license, permit, right, or franchise, the utility may be obligated by any municipality to pay to the municipality fees to raise revenue or defray increased municipal costs accruing as a result of utility operations, or both". Therefore, if the city council of Willmar implements a franchise fee, using a separate fee ordinance, CenterPoint Energy will calculate and collect it ( note: 60 days needed to

9/12/2007

implement after ordinance is passed) using our billing system.

If you, your staff, or the city council need further information, or want me to participate in a council workshop/planning meeting, please let me know. We can also provide a franchise fee ordinance model. If this is something you are interested in seeing, just let me know.

Respectfully,

Connie Hargest  
Government Relations  
CenterPoint Energy  
800 LaSalle Avenue  
Minneapolis, Minnesota 55402  
612-321-4899  
612-910-1478 (Cell)  
612-321-4812 (Fax)  
[connie.s.hargest@centerpointenergy.com](mailto:connie.s.hargest@centerpointenergy.com)

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**CenterPoint Energy Franchise Fee Analysis  
City of Willmar**

**REVENUE DATA-12 Months ( Aug 06-Aug 07)**

CONFIDENTIAL

Rate Class	Customers (meter)	Volume (In Therms)	Revenue
(a)	(b)	(c)	(d)
Residential	5,670	4,415,369	\$4,985,526
Com - A	336	323,748	\$363,777
Com/Ind-B	224	557,909	\$620,624
Com/Ind-C	214	2,792,018	\$2,966,338
SVDF - A	27	1,120,967	\$881,531
SVDF - B	3	681,795	\$569,840
LVDF	4	2,720,778	\$1,374,717
<b>TOTAL</b>	<b>6,478</b>	<b>12,612,584</b>	<b>\$11,762,353</b>

Heating Degree Days-Actual	7,038		
Heating Degree Days-Normal	7,609	\$12,716,645	Weather Normal Revenue Estimate

**CALCULATION TOOL**

**Examples: Fee Generated (assumes each rate class assessed equally)**

Yearly Franchise Fee Revenue Generated (e)	% of Franchise Fee Needed (Total (d) / e) (f)	Flat/\$mo Month needed (Total (b) / e) / 12 (g)
\$100,000	0.79%	\$ 1.29
\$200,000	1.57%	\$ 2.57
\$300,000	2.36%	\$ 3.86
\$400,000	3.15%	\$ 5.15
\$500,000	3.93%	\$ 6.43

**CALCULATION TOOL**

**Examples: Fee Generated-flat rate (per meter) assessed differently for each class**

Rate Class	Customers (meter)	Flat Fee \$/mo	# months	Yearly Franchise Fee Revenue Generated
Resid.	5,670	\$ 1.50	12	\$ 102,060.00
Com A	336	\$ 3.00	12	\$ 12,096.00
Com B	224	\$ 5.00	12	\$ 13,440.00
Com C	214	\$ 10.00	12	\$ 25,680.00
SVDF A	27	\$ 20.00	12	\$ 6,480.00
SVDF B	3	\$ 30.00	12	\$ 1,080.00
LVDF	4	\$ 50.00	12	\$ 2,400.00
<b>TOTAL</b>				<b>\$ 163,236.00</b>

# Franchise Fee Report

To: <b>MICHAEL SWANIT</b>	From: <b>AL SWINTER</b>
Co./Dept: <b>CITY OF WIRELESS</b>	Co.:
Phone #:	Phone #: <b>612-321-9799</b>
Box #: <b>229-2754917</b>	Fax #:

City	Fee Status	Calc. Method	Franch			
Afton	Approved	Flat Rate	Residential = \$2.00 Comm A = \$4.00 Comm B = \$5.00 Comm C = \$5.00 SVDF A = \$5.00 SVDF B = \$5.00 LVDF = \$5.00	Yes	01/01/2005	6/30/2006
Alexandria	Approved	% of Revenue	All Customers = 5%	Yes	04/01/2004	None
Anoka	Approved	Flat Rate	Residential = \$2.75 Comm A = \$2.75 Comm B = \$8.00 Comm C = \$35.00 SVDF A = \$75.00 SVDF B = \$300.00 LVDF = \$900.00	Yes	01/05/2004	Sunset 12/31/2007
Blue Earth	Approved	Flat Rate	Residential = \$2.00 Commercial = \$3.00	Yes	12/01/2003	None
Brooklyn Center	Approved	Flat Rate	Residential = \$1.48 Comm A = \$1.53 Comm B = \$5.00 Comm C = \$20.00 SVDF A = \$50.00 SVDF B = \$96.00 LVDF = \$96.00	Yes	01/29/2004	None
Coon Rapids	Approved	% of Revenue	All customers = 4%	No	01/01/1992	None
Cottage Grove	Approved	Flat Rate	Residential = \$1.25 Comm A = \$3.75 Comm B & C = \$6.25 SVDF A & B = \$12.50 LVDF = \$18.75 F&I tp \$18.75	Yes	01/29/2004 01/01/2007	None
Deephaven	Approved	Flat Rate	All Customers = \$2.50	No	02/04/2002	Review 02/04/2005
Excelsior	Approved	Flat Rate	\$2.50 / meter	Yes	10/15/2005	
Granite Falls	Approved	% of Revenue	5% with a \$1,500 maximum per month	No	03/31/2005	
Hopkins	Approved	Flat Rate	Residential = \$1.00 Comm A = \$1.00 Comm B = \$3.00 Comm C = \$9.00 SVDF A = \$18.00 SVDF B = \$63.00 LVDF = \$63.00	No	02/06/2004	Sunset 12/31/2007
Lake Crystal	Approved	% of Revenue	All customers = 5%	No	08/01/2003	None
Little Falls	Approved	Flat Rate	Residential = \$1.00 All others = \$5.00	No	01/01/2004	None
Long Prairie	Approved	Flat Rate	\$1.00 / meter	No	01/01/2007	None
Minneapolis	Approved	% of Revenue	2/2001, Res = 4.25% 2/2008, Res = 4.50% Commercial A,B,C = 5% SVDF = 5% LVDF = 3%	Yes	01/01/1992	None

11/15/2007

## Franchise Fee Report

City	Fee Status	Calc. Method	Franchise Fee Schedule	In Lieu of Permit Fees	Fee Start Date	Sunset/Review Date
Morris	Approved	Flat Rate	Residential \$2.00 Com-A \$5.00 Com/Ind-B \$9.00 Com/Ind-C \$27.00 SVDF-A \$35.00 SVDF-B \$35.00 LVDF \$750.00	Yes	07/01/2004	None
Mound	Approved	Flat Rate	All customers = \$2.00	No	10/20/2003	None
Mounds View	Approved	% of Revenue	All customers = 4%	No	01/01/2001	Sunset 12/31/2008
New Hope	Approved	Flat Rate	Residential = \$1.50 Comm A = \$3.00 Comm B = \$6.00 Comm C = \$20.00 SVDF A = \$30.00 SVDF B = \$40.00 LVDF = \$60.00	Yes	01/01/2004	Review 01/01/2006
Oakdale	Approved	Flat Rate	Residential = \$0.50 Comm A & B = \$3.00 Comm C = \$5.00 SVDF A & B = \$10.00 LVDF = \$10.00	No	01/20/2004	Review 06/30/2006
Owatonna	Approved	% of Revenue	Residential = 1.75% Comm A & B = 1.75% Comm C = 1.00% SVDF A & B = 1.00% LVDF = 1.00%	Yes	01/01/2003	None
Prior Lake	Approved	Flat Rate	Residential \$1.50 Comm-A \$1.50 Comm-B \$5.00 Comm-C \$5.00 SVDF-A \$10.00 SVDF-B \$10.00 LVDF \$50.00	Yes	07/01/2006	
Richfield	Approved	Flat Rate	Residential = \$1.60 - 1.65 Comm A = \$1.60 - 1.65 Comm B = \$4.95 - 5.10 Comm C = \$11.00 - 11.33 SVDF A = \$11.00 - 11.33 SVDF B = \$11.00 - 11.33 LVDF = \$11.00 - 11.33	Yes	02/03/2004	Review 06/30/2008 FF Inc. 01-01-06
Robbinsdale	Approved	% of Revenue	All customers = 4%	No - but not required to pay (same)	06/01/2003	Sunset 07/01/2009
Sleepy Eye	Approved	% of Revenue	All customers = 2%	Yes	01/01/1998	None
St. Louis Park	Approved	Flat Rate	Residential = \$1.25 Comm A = \$1.25 Comm B = \$4.00 Comm C = \$10.00 SVDF A & B = \$10.00 LVDF = \$65.00	No	01/04/2004	None

11/15/2007

# Franchise Fee Report

City	Fee Status	Calc. Method	Franchise Fee Schedule	In Lieu of Permit Fees	Fee Start Date	Sunset/Review Date
Waseca	Approved	Flat Rate	Residential \$1.40 Com A \$1.80 Com B \$5.00 Com C \$16.00 SVDF A \$100.00 SVDF B \$150.00 LVDF \$300.00	No	01/01/2006	None

**\$1,000,000**

**City of Willmar, Minnesota**  
**General Obligation Improvement Bonds, Series 2014B**  
**Heritage Bank Purchase**

**Post-Sale Tax Levies**

Payment Date	Principal	Coupon	Interest	Total P+I	City Cash Contribution	105% Overlevy	Assessment Income	Levy Required	Levy/Collect Year
02/01/2015	-	-	10,186.95	10,186.95	(10,186.95)	-	-	-	2013/2014
02/01/2016	91,000.00	2.170%	21,700.00	112,700.00	-	118,335.00	59,622.42	58,712.58	2014/2015
02/01/2017	92,000.00	2.170%	19,725.30	111,725.30	-	117,311.57	59,622.43	57,689.14	2015/2016
02/01/2018	95,000.00	2.170%	17,728.90	112,728.90	-	118,365.35	59,622.42	58,742.93	2016/2017
02/01/2019	97,000.00	2.170%	15,667.40	112,667.40	-	118,300.77	59,622.40	58,678.37	2017/2018
02/01/2020	99,000.00	2.170%	13,562.50	112,562.50	-	118,190.63	59,622.43	58,568.20	2018/2019
02/01/2021	100,000.00	2.170%	11,414.20	111,414.20	-	116,984.91	59,622.41	57,362.50	2019/2020
02/01/2022	103,000.00	2.170%	9,244.20	112,244.20	-	117,856.41	59,622.41	58,234.00	2020/2021
02/01/2023	105,000.00	2.170%	7,009.10	112,009.10	-	117,609.56	59,622.41	57,987.14	2021/2022
02/01/2024	108,000.00	2.170%	4,730.60	112,730.60	-	118,367.13	59,622.42	58,744.71	2022/2023
02/01/2025	110,000.00	2.170%	2,387.00	112,387.00	-	118,006.35	59,622.41	58,383.94	2023/2024
<b>Total</b>	<b>\$1,000,000.00</b>	<b>-</b>	<b>\$133,356.15</b>	<b>\$1,133,356.15</b>	<b>(10,186.95)</b>	<b>\$1,179,327.66</b>	<b>\$596,224.16</b>	<b>\$583,103.50</b>	<b>-</b>

