

**AGENDA
OF THE CITY COUNCIL
CITY OF EAST GRAND FORKS
TUESDAY, JANUARY 22, 2013 - 5:00 P.M.**

CALL TO ORDER:

CALL OF ROLL:

DETERMINATION OF QUORUM:

PLEDGE OF ALLEGIANCE:

OPEN FORUM:

“An opportunity for members of the public to address the City Council on items not on the current Agenda. Items requiring Council action maybe deferred to staff or Boards and Commissions for research and future Council Agendas if appropriate.” If you would like to address the City Council, please come up to the podium to do so.”

APPROVAL OF MINUTES:

1. Consider approving the minutes of the “Organizational Meeting” and “Regular Meeting” for the East Grand Forks, Minnesota City Council of January 8, 2013.
2. Consider approving the minutes of the “Work Session” for the East Grand Forks, Minnesota City Council of January 15, 2013.

SCHEDULED BID LETTINGS: NONE

SCHEDULED PUBLIC HEARINGS: NONE

CONSENT AGENDA:

Items under the “Consent Agenda” will be adopted with one motion; however, council members may request individual items to be pulled from the consent agenda for discussion and action if they choose.

3. Consider awarding the repair job to Gatewell L-16 to RWI General Contractor for \$13,900.00.
4. Consider adopting Resolution No. 13-01-10 accepting the Staffing for Adequate Fire and Emergency Response (SAFER) Grant award.
5. Consider approving the purchase of five (5) Digital Ally DVM-500+ In-Car Video Systems for the East Grand Forks Police Department marked squad cars for \$19625.00.
6. Consider adopting Resolution No. 13-01-11 ceasing the extension of single policy health care plans to retired employees and dependents.

ACKNOWLEDGE RECEIPT OF REPORTS OF OFFICERS, BOARDS, AND COMMISSIONS:

7. Regular meeting minutes of the Water, Light, Power, and Building Commission for December 20, 2012.

COMMUNICATIONS: NONE

OLD BUSINESS: NONE.

NEW BUSINESS:

8. Consider adopting Resolution No. 13-01-12 establishing legislative priorities.
9. Consider adopting Resolution No. 13-01-13 approving the filing of plans and specifications and ordering the advertisement for bids for 2013 City Project No. 2 – Water Main and Force Main Improvements.
10. Consider adopting Resolution No. 13-01-14 waiving the monetary limits on tort liability and will purchase excess liability coverage.
11. Consider adopting Resolution No. 13-01-15 approving the post-issuance tax compliance procedures for tax-exempt bonds.
12. Consider adopting Resolution No. 13-01-16 designating the council appointments to the East Grand Forks Boards and Commissions for 2013.

CLAIMS:

13. Consider adopting Resolution No. 13-01-17 authorizing the City of East Grand Forks to approve purchases from Hardware Hank the goods referenced in check numbers 14836 for a total of \$1003.64 whereas Council Member Buckalew is personally interested financially in the contract.
14. Consider authorizing the City Administrator/Clerk-Treasurer to issue payment of recommended bills and payroll.

ADJOURN:

Upcoming Meetings:

Work Session - January 29, 2013 – Training Room – 5:00 PM

Regular Meeting – February 5, 2013 – Council Chambers – 5:00 PM

Work Session – February 12, 2013 – Training Room – 5:00 PM

Regular Meeting – February 19, 2013 – Council Chambers – 5:00 PM

Work Session – February 26, 2013 – Training Room – 5:00 PM

CITY COUNCIL MEETING

January 8, 2013

**UNAPPROVED MINUTES
OF THE CITY COUNCIL
CITY OF EAST GRAND FORKS
TUESDAY, JANUARY 8, 2013 - 5:00 P.M.**

ORGANIZATIONAL MEETING

CALL TO ORDER:

The Organizational Meeting of the East Grand Forks City Council for January 8, 2013 was called to order by Ron Galstad, City Attorney at 5:00 P.M.

CALL OF ROLL:

On a Call of Roll the following members of the East Grand Forks City Council were present: Mayor Lynn Stauss, Council Members Clarence Vetter, Ron Vonasek, Craig Buckalew, Henry Tweten, Mark Olstad, Greg Leigh, and Chad Grassel.

STAFF PRESENT: DO NOT READ

Dave Aker, Parks & Recreation Superintendent; Karla Anderson, Finance Director; Greg Boppre, City Engineer; Dan Boyce, Water & Light Manager; Ron Galstad, City Attorney; Charlotte Helgeson, Library Director; Scott Huizenga, City Administrator; Gary Larson, Fire Chief; Megan Nelson, Executive Assistant; Jim Richter, EDHA Director; and Jason Stordahl, Public Works Director.

Other Staff: _____

ADMINISTER OATH OF OFFICE FOR ELECTED OFFICIALS:**ELECTION OF COUNCIL PRESIDENT AND VICE-PRESIDENT BY WRITTEN BALLOT:****PRESIDENT OF CITY COUNCIL**

- a) Temporary Chairman announces that nominations for the Council Presidency are now open.

A MOTION WAS MADE BY COUNCIL MEMBER LEIGH, SECONDED BY COUNCIL MEMBER VONASEK, TO NOMINATE CRAIG BUCKALEW FOR PRESIDENT OF THE CITY COUNCIL.

- b) Written ballot for Council President
- c) Results declared and elected Council President asked to take the Chair.

THE BALLOTS WERE READ AND CRAIG BUCKALEW WAS DECLARED THE PRESIDENT OF THE CITY COUNCIL.

VICE-PRESIDENT OF CITY COUNCIL

- a) Council President Announces that nominations are now open for the Vice-Presidency of the City Council.

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER OLSAD, TO NOMINATE GREG LEIGH FOR VICE-PRESIDENT OF THE CITY COUNCIL.

- b) Written ballot for Council Vice-President.
- c) Results declared and Council Vice-President installed.

THE BALLOTS WERE READ AND GREG LEIGH WAS DECLARED THE VICE-PRESIDENT OF THE CITY COUNCIL.

OTHER REQUIRED ACTION:

1. SET TIME AND HOUR OF REGULAR CITY COUNCIL MEETINGS

Consider adopting Resolution No. 13-01-01 to set time and hour of regular City Council Meetings and Work Sessions.

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER LEIGH, TO ADOPT RESOLUTION NO. 13-01-01 TO SET TIME AND HOUR OF REGULAR CITY COUNCIL MEETINGS AND WORK SESSIONS.

Voting Aye: Vetter, Vonasek, Buckalew, Tweten, Olsad, Leigh, and Grassel.
Voting Nay: None.

2. DESIGNATE OFFICIAL NEWSPAPER

Consider adopting Resolution No. 13-01-02 to designate The Exponent as the official newspaper.

A MOTION WAS MADE BY COUNCIL MEMBER VONASEK, SECONDED BY COUNCIL MEMBER GRASSEL, TO ADOPT RESOLUTION NO. 13-01-02 TO DESIGNATE THE EXPONENT AS THE OFFICIAL NEWSPAPER.

Voting Aye: Vetter, Vonasek, Buckalew, Tweten, Olsad, Leigh, and Grassel.
Voting Nay: None.

3. DESIGNATE FINANCIAL DEPOSITORIES

Consider adopting Resolution No. 13-01-03 to designate the following financial depositories.

- a. American Federal
- b. Frandsen Bank & Trust

- c. Smith Barney
- d. Multi-Bank Securities
- e. Dain Rausher
- f. PMA – 4M Fund

A MOTION WAS MADE BY COUNCIL MEMBER VETTER, SECONDED BY COUNCIL MEMBER OLSTAD, TO ADOPT RESOLUTION NO. 13-01-03 TO DESIGNATE THE FOLLOWING FINANCIAL DEPOSITORIES:

- A. AMERICAN FEDERAL**
- B. FRANDSEN BANK & TRUST**
- C. SMITH BARNEY**
- D. MULTI-BANK SECURITIES**
- E. DAIN RAUSHER**
- F. PMA – 4M FUND**

Voting Aye: Vetter, Vonasek, Buckalew, Tweten, Olstad, Leigh, and Grassel.
Voting Nay: None.

Consider adopting Resolution No. 13-01-04 authorizing Persons listed below (subject to any expressed restrictions) is authorized for ACH origination and for online banking:

Name and Title Signature

- (A) Lynn Stauss, Mayor
- (B) Scott Huizenga, City Administrator
- (C) Megan Nelson, Executive Assistant
- (D) Terry Knudson, Accounting Technician
- (E) Karla Anderson, Finance Director

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER VONASEK, TO ADOPT RESOLUTION NO. 13-01-04 AUTHORIZING PERSONS LISTED BELOW (SUBJECT TO ANY EXPRESSED RESTRICTIONS) IS AUTHORIZED FOR ACH ORIGINATION AND FOR ONLINE BANKING:

NAME AND TITLE SIGNATURE

- (A) Lynn Stauss, Mayor
- (B) Scott Huizenga, City Administrator
- (C) Megan Nelson, Executive Assistant
- (D) Terry Knudson, Accounting Technician
- (E) Karla Anderson, Finance Director

Voting Aye: Vetter, Vonasek, Buckalew, Tweten, Olstad, Leigh, and Grassel.
Voting Nay: None.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER LEIGH, SECONDED BY COUNCIL

CITY COUNCIL MEETING

January 8, 2013

MEMBER GRASSEL, TO ADJOURN THE JANUARY 8, 2013 ORGANIZATIONAL MEETING OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 5:08 P.M.

Voting Aye: Vetter, Vonasek, Buckalew, Tweten, Olstad, Leigh, and Grassel.

Voting Nay: None.

**UNAPPROVED MINUTES
OF THE CITY COUNCIL
CITY OF EAST GRAND FORKS
TUESDAY, JANUARY 8, 2013 - 5:00 P.M.**

CALL TO ORDER:

The Regular Meeting of the East Grand Forks City Council for January 4, 2011 was called to order by Council President Craig Buckalew at 5:08 P.M.

CALL OF ROLL:

On a Call of Roll the following members of the East Grand Forks City Council were present: Mayor Lynn Stauss, Council President Craig Buckalew, Council Vice President Greg Leigh, Council Members Clarence Vetter, Ron Vonasek, Henry Tweten, Mark Olstad, and Chad Grassel.

STAFF PRESENT: DO NOT READ

Dave Aker, Parks & Recreation Superintendent; Karla Anderson, Finance Director; Greg Boppre, City Engineer; Dan Boyce, Water & Light Manager; Ron Galstad, City Attorney; Charlotte Helgeson, Library Director; Scott Huizenga, City Administrator; Gary Larson, Fire Chief; Megan Nelson, Executive Assistant; Jim Richter, EDHA Director; and Jason Stordahl, Public Works Director.

Other Staff: _____

DETERMINATION OF QUORUM:

The Council President Determined a Quorum was present

PLEDGE OF ALLEGIANCE:

OPEN FORUM:

“An opportunity for members of the public to address the City Council on items not on the current Agenda. Items requiring Council action maybe deferred to staff or Boards and Commissions for research and future Council Agendas if appropriate.” If you would like to address the City Council, please come up to the podium to do so.”

Mr. Karl Lindquist, 804 Central Ave NE, wanted to remind the council members how important it is for them to use their microphones during the meetings. They do work well and are especially important when the snowbirds have gone south for the winter. This keeps them informed about what is happening in the city.

APPROVAL OF MINUTES:

For the December 18th Regular Meeting.

1. Consider approving the minutes of the “Regular Meeting” for the East Grand Forks, Minnesota City Council of December 18, 2012.

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER LEIGH, TO APPROVE ITEM ONE (1).

Voting Aye: Vetter, Vonasek, Buckalew, Tweten, Olstad, Leigh, and Grassel.

Voting Nay: None.

SCHEDULED BID LETTINGS: NONE

SCHEDULED PUBLIC HEARINGS: NONE

CONSENT AGENDA:

Items under the “Consent Agenda” will be adopted with one motion; however, council members may request individual items to be pulled from the consent agenda for discussion and action if they choose.

2. Consider adopting Resolution No. 13-01-05 to designate “C&H Insurance” as the insurance agency to handle City Policy for 2013.
3. Consider adopting Resolution No. 13-01-06 approving the 2013 Administrative Services Agreement with Discovery Benefits, Inc.

A MOTION WAS MADE BY COUNCIL MEMBER LEIGH, SECONDED BY COUNCIL MEMBER VONASEK, TO ADOPT ITEMS TWO (2) AND THREE (3) AS SUBMITTED.

Voting Aye: Vetter, Vonasek, Buckalew, Tweten, Olstad, Leigh, and Grassel.

Voting Nay: None.

ACKNOWLEDGE RECEIPT OF REPORTS OF OFFICERS, BOARDS, AND COMMISSIONS:

4. Regular meeting minutes of the Water, Light, Power, and Building Commission for December 6, 2012.

COMMUNICATIONS:

5. Hiring of Jeffery Hanson, Truck Driver, to fill the truck driver vacancy effective January 7, 2013.

OLD BUSINESS: NONE.

NEW BUSINESS:

6. Consider adopting Resolution No. 13-01-07 approving the following Boards & Commission appointments and reappointments as presented by the appropriate Elected Officials.

A MOTION WAS MADE BY COUNCIL MEMBER _____, SECONDED BY COUNCIL MEMBER _____, TO ADOPT RESOLUTION NO. 13-01-07 APPROVING THE

FOLLOWING BOARDS & COMMISSION APPOINTMENTS AND REAPPOINTMENTS AS PRESENTED BY THE APPROPRIATE ELECTED OFFICIALS.

Voting Aye: Vetter, Vonasek, Buckalew, Tweten, Olstad, Leigh, and Grassel.

Voting Nay: None.

- 7. Consider adopting Resolution No. 13-01-08 enabling elected and/or appointed officials of the City of East Grand Forks to be covered by the Minnesota Workers Compensation Law.

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER OLSTAD, TO ADOPT RESOLUTION NO. 13-01-08 ENABLING ELECTED AND/OR APPOINTED OFFICIALS OF THE CITY OF EAST GRAND FORKS TO BE COVERED BY THE MINNESOTA WORKERS COMPENSATION LAW.

Council Member Vetter asked if members of boards have always been covered by Workers Compensation. Both City Administrator and Council member Tweten explained that this has not always been the case but this coverage has covered the city council, board, and commission members for the last several years.

Voting Aye: Vetter, Vonasek, Buckalew, Tweten, Olstad, Leigh, and Grassel.

Voting Nay: None.

CLAIMS:

- 8. Consider adopting Resolution No. 13-01-09 authorizing the City of East Grand Forks to approve purchases from Hardware Hank the goods referenced in check numbers 14713 for a total of \$551.59 whereas Council Member Buckalew is personally interested financially in the contract.

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER GRASSEL, TO ADOPT RESOLUTION NO. 13-01-09 AUTHORIZING THE CITY OF EAST GRAND FORKS TO APPROVE PURCHASES FROM HARDWARE HANK THE GOODS REFERENCED IN CHECK NUMBERS 14713 FOR A TOTAL OF \$551.59 WHEREAS COUNCIL MEMBER BUCKALEW IS PERSONALLY INTERESTED FINANCIALLY IN THE CONTRACT.

Voting Aye: Vetter, Vonasek, Tweten, Olstad, Leigh, and Grassel.

Voting Nay: None.

Abstain: Buckalew

- 9. Consider authorizing the City Administrator/Clerk-Treasurer to issue payment of recommended bills and payroll.

A MOTION WAS MADE BY COUNCIL MEMBER OLSTAD, SECONDED BY COUNCIL MEMBER GRASSEL, TO AUTHORIZE THE CITY ADMINISTRATOR/CLERK-TREASURER TO ISSUE PAYMENT OF RECOMMENDED BILLS AND PAYROLL.

Voting Aye: Vetter, Vonasek, Buckalew, Tweten, Olstad, Leigh, and Grassel.

Voting Nay: None.

COUNCIL/STAFF REPORTS:

Mayor Stauss informed the board he was contacted about an updating project the Minnesota Department of Transportation will be starting in June and finishing up in July. He continued on by congratulating the new council members. He stated he had an open door policy so the council can work together and accomplish the tasks at hand.

Council Member Buckalew told the new council members that being on the council has been challenging but rewarding at the same time. He also welcomed Jeffery Hanson to the city.

Council Member Tweten told the council many people have asked when the apartment complex will be done. He thinks by February they will have made good progress. The growth in town has created work for local businesses. East Grand Forks has a bright future and we need to have enthusiasm when telling people all of the good things about this city. He also told the council his door is always open and will be there to help.

Council Member Olstad told the council he is looking forward to working with everyone on the council.

Council Member Leigh also said he likes working with everyone and also has an open door policy. He also invited the council members to attend the Metropolitan Planning Organization (MPO) Board Meeting to see what it is all about. The meeting is at noon on January 16th here at City Hall in the Training Room.

Council Member Grassel informed the council he is excited about getting to work and helping out.

Attorney Galstad wished everyone a Happy New Year.

Engineer Boppre wished everyone a Happy New Year and welcomed the new council members.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER LEIGH, SECONDED BY COUNCIL MEMBER OLSTAD, TO ADJOURN THE JANUARY 8, 2013 COUNCIL MEETING OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 5:23 P.M.

Voting Aye: Vetter, Vonasek, Buckalew, Tweten, Olstad, Leigh, and Grassel.

Voting Nay: None.

Scott Huizenga, City Administrator/Clerk-Treasurer

**UNAPPROVED MINUTES
OF THE CITY
COUNCIL WORK SESSION
CITY OF EAST GRAND FORKS
TUESDAY, JANUARY 15, 2013 - 5:00 P.M.**

CALL TO ORDER:

The Work Session of the East Grand Forks City Council for January 15, 2013 was called to order by Council President Craig Buckalew at 5:00 P.M.

CALL OF ROLL:

On a Call of Roll the following members of the East Grand Forks City Council were present: Mayor Lynn Stauss, Council President Craig Buckalew, Council Vice President Greg Leigh, Council Members Clarence Vetter, Ron Vonasek, Henry Tweten, Mark Olstad, and Chad Grassel.

STAFF PRESENT: DO NOT READ

Dave Aker, Parks & Recreation Superintendent; Karla Anderson, Finance Director; Steve Emery, City Engineer; Dan Boyce, Water & Light Manager; Ron Galstad, City Attorney; Mike Hedlund, Police Chief; Charlotte Helgeson, Library Director; Scott Huizenga, City Administrator; Gary Larson, Fire Chief; Megan Nelson, Executive Assistant; Jim Richter, EDHA Director; and Jason Stordahl, Public Works Director.

Other Staff: _____

DETERMINATION OF A QUORUM:

The Council President Determined a Quorum was present

1. Rollin on the River Friday Night Event – Melaine Parvey

Ms. Parvey told the council about an event her organization would like to have in August. There is an inline skating marathon held in Grand Forks. They would like to bring this event back to the river, give the people in the race a place to warm up the night before on the greenway, and make this a Grand Cities event so both communities are involved. The idea is to try and partner up with either one or more of the restaurants down by the boardwalk area and have a place for racers to come and pick up their materials as well as with other activities for everyone to participate in the night before the race begins. Ms. Parvey will be filling out a special event application and possibly informing the council what the next step is once they have a partner to help with the event.

2. 2013 City Project No. 2 – Steve Emery

Mr. Emery informed the council about issues with some of the water and sewer lines that were originally going to be replaced in 2014 but since these issues are getting worse it has been proposed to complete work that was scheduled for 2014 this year. With combining these projects the overall costs could be less. This

project could also help with the odor issues the city was experiencing this last fall.

3. Gatewell L-16 Repair – Jason Stordahl

Mr. Stordahl told the council about a repair that is needed on gatewell L-16. He informed the council on how the gatewells work and minimal maintenance required by the Army Corps of Engineers since this is part of the levee system. Mr. Stordahl also informed the council of the new maintenance schedule that will be put in place to try and prevent more repairs in the future.

4. Waste Water Inspection Response – Jason Stordahl

Mr. Stordahl gave an update to the council about the issues the Minnesota Pollution Control Agency (MPCA) had found and that these issues had been corrected or will be corrected once the weather starts to warm up. He explained how the MPCA had asked for an update and progress reports about the city's plans for its future treatment of waste water which are needed in short order. After much discussion and debate the council felt they need to be proactive with this issue and possibly even sent up a night separate from council meetings to discuss this topic since this is a major issue. The mayor also suggested creating a committee made up of residents of the city which then would report back to the council.

5. 2013 Legislative Priorities – Scott Huizenga

Mr. Huizenga reminded the board that representatives from the council will be going down to the state capital for Legislative Day. This is when the city can present its priorities to the state legislature. The mayor reminded the council that they need to show up united with the same priorities. After some discussion the council decided the list of priorities that should be presented down at the capital. The list consists of the expansion of the campground, waste water improvements, and a wellness center.

6. Drinking Fountains in Civic Center – Henry Tweten

Council member Tweten had been asked to see if there could be a drinking fountain installed in the boy's locker room at the Civic Center for the convenience of the players. Council member Grassel explained how he had spoken to the boy's hockey coach and the need of a sink with hot and cold water was more of a priority. The water bottles could also be filled in the sink. Mr. Tweten suggested Mr. Grassel and Mr. Aker speak with the coach and get what would be needed and what would cost less.

7. Special Assessment Interest Rates – Henry Tweten

Council member Tweten made a suggestion to the council to lower the interest rates on special assessments. He felt this could help encourage more growth and development in the city. After some discussion council this item was tabled until a future meeting.

8. Safer Grant Award – Chief Larson

Chief Larson informed the council the city has been awarded the SAFER Grant he had applied for to help pay the wages for a fire fighter for two years. He recommended they accept the grant.

9. Radar Speed Signs – Chief Hedlund

Chief Hedlund told the council about the information he had received from Polk County about a new radar speed sign. The county proposed this new sign to be installed on County Road 19. After speaking with Nancy Ellis, both Nancy and the Chief thought this would be better to be placed on the south end of town by the middle school. The proposal from the county also said the city would have to pay for half. After answering some of the questions from the council, Chief Hedlund will be contacting the county for more information about placement and to see if the county would pay the total cost since they proposed this and it is not a budgeted item.

10. In-Car Video Systems – Chief Hedlund

Chief Hedlund showed the proposed plans for moving ahead with the upgrade and installation of new in-car video systems since it was a budget for 2013. The department likes the current system they are on but are in need of an upgrade due to the many issues taking place, especially with microphones not working properly. His recommendation was for purchasing the less expensive unit since it is smaller and would fit better in the cars.

11. Retiree Health Insurance – Scott Huizenga

Mr. Huizenga informed the council that for many years once someone retires from the city they have an option to purchase two single policies, one for them self and one for their spouse, instead of purchasing a family policy. He stated that this practice doesn't make sense, especially since active employees are not able to have this same benefit. He proposed to end this and suggested July as a termination of this practice to give time to those who are affected by this to make the necessary changes.

12. Civic Center Private Event – Dave Aker

This item was postponed until another meeting.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER LEIGH, TO ADJOURN THE JANUARY 15, 2013 COUNCIL MEETING OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 7:20 P.M.

Voting Aye: Vonasek, Buckalew, Tweten, Olstad, Leigh, Grassel, and Vetter.

Voting Nay: None.

Scott Huizenga, City Administrator/Clerk-Treasurer

Request for Council Action

Date: 1/10/2013

To: East Grand Forks City Council, Mayor Lynn Stauss, Council President Craig Buckalew, Council Vice President Greg Leigh, Council members: Clarence Vetter, Ron Vonasek, Henry Tweten, Mark Olstad, and Chad Grassel

Cc: File

From: Jason Stordahl, Public Work Director

RE: Gatewell repair

Consider approving the request to approve :

During routine maintenance at Gatewell L-16 one of the shafts was damaged. The damaged shaft must be removed and replaced. Below you will find the two quotes that I received to remove the damaged shaft and replace with new shaft.

ICS General Contractor \$24,325

RWI General Contractor \$13,900

Recommendation: Award repair/replace job to RWI General Contractor for \$13,900.



P.O. Box 13158 • Grand Forks, ND 58208-3158
 (P) 701.775.8480 (F) 701.775.8479
 www.icsgf.com

Proposal

PROPOSAL SUBMITTED TO <i>City of East Grand Forks</i>		PHONE <i>(218) 773-1313</i>	DATE <i>3-Jan-13</i>
STREET <i>1001 2nd. St. NE</i>		FAX <i>(218) 773-5615</i>	
CITY, STATE AND ZIP CODE <i>East Grand Forks, MN 56721</i>		JOB NAME <i>Repair L-16 Gate Stem and Guides</i>	
ARCHITECT <i>N/A</i>		DATE OF PLANS <i>N/A</i>	ATTN: <i>Terry Vonasek</i>
		Email <i>tvonasek@eastgrandforks.net</i>	

We hereby submit specifications and estimates for:

1. Remove existing operator, upper stem and upper 2 stem guides (1 gate only).
2. Install upper 2 new stem guides, upper stem (171.75" long) and re-install operator (1 gate only).
3. Inspect and adjust existing gate (1 gate only).
4. Test and operate gate and operator (1 gate only).
5. Owner to provide portable electric or hydraulic operator to lift and raise the gate.

Excludes:

1. Performance and Payment Bond. Builders Risk Insurance.
2. Removal of ice to repair the gate. **Add \$2,000.00 to the price below to remove up to 4 foot thick ice if required. If the ice is over 4 feet thick additional charges would apply.**
3. Dewatering the gatewell, working in a flooded condition, or installation/removal of stoplogs. Minor dewatering with a 2" electric pump is included.
4. Replacement of the lower 214.00" long stem, thrust nut or lower stem guide. It appears that these are in good condition but this can't be confirmed until the gate can be operated. If these need to be replaced additional charges and significant material lead time may be required.
5. As the gate is currently under approximately 3 feet of ice and the stem and guides are damaged we are unable to determine if there is any damage to the gate or operator. If any damage is discovered after replacing the stems and guides additional charges and significant material lead time may be required.

MINIMUM 8-10 WEEK DELIVERY OF MATERIALS AFTER RECEIPT OF PURCHASE ORDER

We Propose hereby to furnish material and labor - complete in accordance with above specifications,

for the sum of: *Twenty Two Thousand Three Hundred and Twenty Five Dollars* (\$ **22,325.00**)

Payment to be made as follows:

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accident or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Authorized Signature

Note: This proposal may be withdrawn by us if not accepted within 30 days.

Acceptance of Proposal - The above prices, specifica-

tions and conditions are satisfactory and are hereby accepted. You are authorized to do the work specified. Payment will be made as outlined above.

Signature _____

Date of Acceptance: _____

Signature _____



QUOTE

Date: 1/10/2013 12:45 PM

RWI General Contractors
1011 11th Ave. NE Suite E
PO Box 587
East Grand Forks, MN 56721
Phone: 1-218-773-0886 Fax: 1-218-773-0887

Submitted To: City of East Grand Forks
Attn: Terry Vonasek

Bid Title: Lift Station Repair
Bid Number: 661
Project Location: East Grand Forks, MN

This quote is to remove and replace a shaft and bracket on a lift station south of East Grand Forks, MN. The number is a time and materials, cost not to exceed, quote.

Grand Total: **\$13,900.00**

Quote is to be reviewed and accepted or declined within seven days. By signing below you agree that the prices, specifications, and conditions are satisfactory.

Payment terms: Upon receipt of the invoice.

ACCEPTED:

Printed Name _____

Signature _____

Date of acceptance _____

CONFIRMED:

Printed Name _____

Authorized Signature _____

Date of signature _____

Request for Council Action

Date: 1/8/2013

To: East Grand Forks City Council, Mayor Lynn Stauss, Council Member Clarence Vetter, Ron Vonasek, Craig Buckalew, Henry Tweten, Mark Olstad, Chad Grassel, and Greg Leigh.

Cc: File

From: Fire Chief Gary Larson

RE: 2012 Safer Grant

Background and supporting documentation of request: In August we applied for the Staffing for Adequate Fire and Emergency Response (SAFER) grant. We received notification on Dec. 14, 2012 that we have received the award. This award will pay wages and benefits for a new firefighter for two years, at a value of \$101758.00. If you decide to accept the grant we will have to maintain staffing for two years which are paid for by the grant. The third year has to be maintained by the City of East Grand Forks.

Recommendation: To accept the SAFER grant award.

Request: Council approval of the award, so I can do the proper paper work to accept the grant.

Enc. SAFER Award Letter

RESOLUTION NO. 13-01-10

RESOLUTION ACCEPTING A GRANT AWARD FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) FOR THE STAFFING FOR ADEQUATE FIRE AND EMERGENCY RESPONSE (SAFER) PROGRAM

Council Member _____, supported by Council Member _____, introduced the following resolution and moved its adoption:

WHEREAS, the Federal Emergency Management Agency (FEMA) awarded the City of East Grand Forks a grant of \$101,758 under the FY 2012 Staffing for Adequate Fire and Emergency Response (SAFER); and

WHEREAS, the SAFER grant provides funding directly to Fire Departments to help increase the number of trained, “front-line” firefighters; and

WHEREAS, the performance period is from March 3, 2013 through March 2, 2015; and

WHEREAS, the City must maintain its current staffing levels in the Fire Department throughout the performance period as a condition of the grant agreement.

THEREFORE, BE IT RESOLVED by the City Council of the City of East Grand Forks, Minnesota that the City accepts the SAFER grant; and

BE IT FURTHER RESOLVED that the City shall maintain current fire department full-time staffing levels of at least nine fire fighters plus the fire chief through at least March 2, 2015; and

BE IT FURTHER RESOLVED that the City Council authorizes the Mayor and the City Administrator to execute all necessary documents related to the grant.

Voting Aye:

Voting Nay:

The President declared the resolution passed.

Passed: January 22, 2013

Attest:

City Administrator/Clerk-Treasurer

President of Council

I hereby approve the foregoing resolution this 22nd of January, 2013.

Mayor

Request for Council Action

Date: January 2, 2013

To: East Grand Forks City Council, Mayor Lynn Stauss, President Craig Buckalew, Council Vice-President Greg Leigh, Council members Clarence Vetter, Ron Vonasek, Henry Tweten, Mark Olstad, and Chad Grassel.

Cc: File

From: Michael S. Hedlund – Chief of Police

RE: Request to Purchase In-Car Video Systems

Background:

The East Grand Forks Police Department has used the Digital Ally DVM-500 In-Car Video system for several years. These systems are part of our long term capital improvements plan and were originally scheduled to be replaced in 2012. During the 2012 budget process (in 2011) the systems were still operating effectively and we pushed the replacement date to 2013. We have begun to have problems with these systems and we would like to replace them at this time. The Digital Ally systems have been a very good unit for our department and have proven to be a very valuable tool. The videos from these systems are often used in court – and in many instances the suspect chooses to plead guilty after viewing their actions on the video. Digital Ally offers several models of their systems at various price ranges. They currently have the MN State Bid for these systems for their DVM-750 but the cost for those units is \$4,870.00 per the State Bid. Digital Ally also offers an improved version of our current system, the DVM-500+ which sells for \$4,295.00 per unit but is not available as part of the State Bid. Digital Ally has provided a sole source letter reference the DVM-500+ (see attachments). The 2013 Budget includes \$22,500.00 for the purchase of these units we need five (5) units. Digital Ally will give us a trade-in allowance for our current systems of \$750.00 per unit if we purchase the DVM 750 and of \$500.00 per unit if we purchase the DVM-500+. We have four units that could be traded in. (We are using an old videotape Mobile Vision system in our Expedition and this system has no trade-in value with Digital Ally.) The cost breakdown is as follows:

DVM-750 – Five (5) units @ \$4,870.00 per unit = \$24,350.00 less \$3,000.00 trade-in allowance for a final price of \$21,350.00 (plus tax and shipping)

DVM-500+ - Five (5) units @ \$4,295.00 per unit = \$21,475.00 less \$2,000.00 trade-in allowance for a final price of \$19,475.00 (plus tax and shipping)

Recommendation:

I am recommending that the EGF City Council approve the purchase of five (5) Digital Ally DVM-500+ In-Car Video Systems for use in the EGFDP marked squad cars. These systems are very similar to our existing systems meaning there will be no learning curve for the officers to use the systems. While we could purchase the DVM-750 systems and come in under budget I

believe the DVM-500+ systems will allow us to more effectively meet our overall needs. In-car video systems come with the inherent problem of how to store the images that are recorded. With the older VHS systems you need to save videotapes. With the digital systems you need to save digital copies which require additional computer storage space. With the digital systems we are using significantly more storage space than just a few years ago and this is likely to continue to increase. We are currently working with Corey Thompson and Kris Kovar of the Water & Light Department to try to enhance our storage capacity. The lower overall cost of the DVM-500+ systems will provide us with some funding to put towards the cost of this enhanced storage. The total cost of this project does exceed the threshold where the city typically requires competitive bids but I believe that the sole source letter, consistency of systems by staying with Digital Ally and the price of the systems (including trade-in) justify waiving the existing standard in the purchasing policy.

Attachments:

Sole Source Letter from Digital Ally reference the DVM-500+
Detailed Information on Digital Ally In-Car Video Systems
Digital Ally Quote on the DVM-500+
Digital Ally Quote on DVM-750



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9705 Loiret Blvd.
Lenexa, KS 66219

End User:

East Grand Forks Police Department Chief Michael Hendlund PO Box 373 East Grand Forks, MN 56721
--

Customer ID	Salesperson	Shipping Method	Payment Terms	Created By	Quote Valid
EASMNO	CH2	UPS GROUND		Cody Swope	90 Days

Ordered	Item Number	Description	Discount	Price	Ext. Price
5	001-0550-30	DVM500Plus Mirror Kit w/ 915MHz Radio, V3	\$2,000.00	\$4,295.00	\$19,475.00

Notes:

Total Discount	\$2,000.00
Subtotal	\$19,475.00
Misc	
Tax	\$0.00
Freight	\$150.00
Total	\$19,625.00

Thank you for your interest!

If you would like to place an order, please contact Digital Ally or your local rep.

TERMS OF SALE

Your purchase of goods from Digital Ally, Inc., a Nevada corporation ("**Digital Ally**") will be governed by the following terms of sale ("**Terms**"). You will be referred to throughout these Terms as "**you**".

- 1. Exclusion of Other Terms; Entire Agreement.** Additional or different terms or conditions proposed by you (including any additional or different terms provided in a purchase order) will be void and of no effect unless specifically accepted in writing by Digital Ally. Digital Ally's sales invoice, these Terms, the warranty and any special conditions executed by you and Digital Ally (collectively, the "**Order**") supersedes and cancels all prior communications between us, whether verbal or written, and constitutes the entire agreement between us unless modified in writing and signed by each of us.
- 2. Payment.** Payment terms are cash on delivery, except where credit has been established and maintained to Digital Ally's satisfaction. If you have established credit, payment terms are net 30 days from date of shipment. Any invoice that you fail to pay when due will bear interest at the rate of 1-1/2% per month or the highest rate then permitted by law, whichever is less. You must also reimburse Digital Ally for its costs incurred (including internal administrative expenses and reasonable attorneys' fees) in the collection of your past due invoices.
- 3. Security Interest.** Digital Ally retains a security interest in all goods delivered to you and all proceeds until paid in full. You agree, without further consideration, at any time to do or cause to be done, all acts, and to execute and deliver, all such documents as may reasonably be requested in order to protect Digital Ally's security interest in the goods, including the filing of financing statements may deem necessary to perfect its security interest.
- 4. Taxes.** In addition to the purchase price, you must pay any sales, excise or similar taxes applicable to the transaction, unless you provide Digital Ally with a valid tax exemption certificate. You must pay use taxes, if applicable to the transaction, directly to the appropriate taxing authority.
- 5. Shipment.** Digital Ally will use commercially reasonable efforts to comply with your shipping instructions. You must prepay all transportation and insurance charges prior to shipment. Unless otherwise stated by Digital Ally, all shipments will be F.O.B. (free on board) Digital Ally's manufacturing facility in Grain Valley, Missouri.
- 6. Force Majeure.** Digital Ally will not be liable to you for any loss, damage, delay, or failure of delivery resulting from causes that are beyond



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Digital Ally's reasonable control. DIGITAL ALLY WILL NOT BE LIABLE FOR CONSEQUENTIAL DAMAGES FROM ANY DELAY WHATSOEVER.

7. **Limitation of Liability.** You assume all risk from your purchase and use of the goods. Neither you nor Digital Ally will be liable to the other for any consequential damages, punitive damages, special, incidental or exemplary damages suffered by the other in connection with its performance of its obligations under this Order. DIGITAL ALLY'S AGGREGATE LIABILITY UNDER THIS ORDER WILL NOT EXCEED AMOUNTS PAID BY YOU TO DIGITAL ALLY UNDER THIS ORDER.

8. **Warranty; Limitations on Remedies.** Digital Ally's warranty on the goods provided under the Order is set out in a separate statement, which sets forth the only warranty applicable to the goods sold under this Order. THAT WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES. THERE ARE NO WARRANTIES THAT EXTEND BEYOND DIGITAL ALLY'S WARRANTY STATEMENT. ALL IMPLIED WARRANTIES ARE DISCLAIMED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, FITNESS FOR A PARTICULAR PURPOSE, AND WARRANTIES IMPLIED FROM A COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE. YOUR SOLE AND EXCLUSIVE REMEDY FOR A WARRANTY CLAIM WILL BE THE REPAIR OR REPLACEMENT OF THE GOODS

9. **Indemnity.** You will defend Digital Ally, its managers, agents, employees, successors and assigns, and will pay all damages, losses, costs and expenses, including reasonable attorney's fees, incurred by the indemnified party arising out of, or incidental to, your selection, purchase and use of the goods under this Order. This indemnification will survive the expiration or termination of this Order.

10. **Risk of Loss.** Risk of loss to goods purchased will pass to you at the earlier of the time the goods are (a) duly delivered to the carrier, or (b) duly tendered to you for delivery.

11. **Acceptance; Claims for Shortage or Error.** Delivered goods will be deemed accepted upon the earlier of your formal acceptance of the goods or the expiration of 30 days from receipt. If you discover upon initial inspection that (a) some or all of the goods are defective or (b) do not conform to Digital Ally's warranty, may be returned to Digital Ally for replacement or a refund of the purchase price. Digital Ally is not responsible for goods lost or damaged in transit. You are solely responsible for filing claims against the carrier for any loss or damage. Digital Ally will furnish all available information and give any other reasonable assistance requested to assist you in filing a claim. Claims for shortages in shipment not chargeable against the carrier will not be considered unless notice is given within 10 days from date of receipt.

12. **Compliance with Laws.** You will comply with all laws and regulations applicable to you, including those dealing with the purchase and distribution of the products purchased under this Agreement. You will further keep Digital Ally informed of any laws, regulations, governmental orders, or requirements, which affect the ordering, shipment, importation, sale, marketing, or distribution of the Products within your jurisdiction and will, in all cases, refrain from engaging in any activities or conduct, which would cause Digital Ally to be in violation of the laws of any jurisdiction. You agree at all times to comply with all United States laws or regulations, as they may exist from time to time, regarding export licenses or the control or regulation of exportation or re-exportation of products or technical data sold or supplied to you. Without limiting the generality of the foregoing, you specifically agree not to resell any Products purchased under this Agreement to any party, if such a sale would constitute a violation of any laws or regulations of the United States. You represent and warrant that neither you, nor any of its directors or any of its members, managers, officers, employees, or agents is an official agent, or employee of any government or governmental agency or political party. You agree to promptly notify Digital Ally of the occurrence of any event, which would render the foregoing representation and warranty incorrect or misleading. In addition, you will at all times comply with all applicable laws of the United States concerning foreign corrupt practices or which in any manner prohibits the giving of anything of value to any official, agents or employee of any government, governmental agency, political party or any officer, employee, or agent thereof.

13. **Governing Law; Jurisdiction and Venue.** This Order and all disputes arising under this Order are exclusively subject to, governed by, and construed in accordance with the law of the State of Kansas, without regard to rules of conflicts of law. Any action relating to this Order must be brought in state or federal courts located in Johnson County, Kansas, and the parties hereby irrevocably consent to the exclusive jurisdiction of, and venue in such courts.

14. **Prevailing Party's Attorneys' Fees.** In the event of any litigation or arbitration related to this Order, the prevailing party will be entitled to recover from the non-prevailing party, the costs and expenses (including attorneys' fees) reasonably incurred by the prevailing party in connection therewith.



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9705 Loiret Blvd.
Lenexa, KS 66219

End User:

East Grand Forks Police Department
Chief Michael Hendlund
PO Box 373
East Grand Forks, MN 56721

Customer ID	Salesperson	Shipping Method	Payment Terms	Created By	Quote Valid
EASMNO	CH2	UPS GROUND		Cody Swope	90 Days
Ordered	Item Number	Description	Discount	Price	Ext. Price
5	001-0750-30	DVM750 Mirror Kit Complete V3	\$3,000.00	\$4,995.00	\$21,975.00

Notes:

Total Discount	\$3,000.00
Subtotal	\$21,975.00
Misc	
Tax	\$0.00
Freight	\$150.00
Total	\$22,125.00

Thank you for your interest!

If you would like to place an order, please contact Digital Ally or your local rep.

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- 2. Payment.** Payment terms are cash on delivery, except where credit has been established and maintained to Digital Ally's satisfaction. If you have established credit, payment terms are net 30 days from date of shipment. Any invoice that you fail to pay when due will bear interest at the rate of 1-1/2% per month or the highest rate then permitted by law, whichever is less. You must also reimburse Digital Ally for its costs incurred (including internal administrative expenses and reasonable attorneys' fees) in the collection of your past due invoices.
- 3. Security Interest.** Digital Ally retains a security interest in all goods delivered to you and all proceeds until paid in full. You agree, without further consideration, at any time to do or cause to be done, all acts, and to execute and deliver, all such documents as may reasonably requested in order to protect Digital Ally's security interest in the goods, including the filing of financing statements may deem necessary to perfect its security interest.
- 4. Taxes.** In addition to the purchase price, you must pay any sales, excise or similar taxes applicable to the transaction, unless you provide Digital Ally with a valid tax exemption certificate. You must pay use taxes, if applicable to the transaction, directly to the appropriate taxing authority.
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Digital Ally's reasonable control. DIGITAL ALLY WILL NOT BE LIABLE FOR CONSEQUENTIAL DAMAGES FROM ANY DELAY WHATSOEVER.

7. **Limitation of Liability.** You assume all risk from your purchase and use of the goods. Neither you nor Digital Ally will be liable to the other for any consequential damages, punitive damages, special, incidental or exemplary damages suffered by the other in connection with its performance of its obligations under this Order. DIGITAL ALLY'S AGGREGATE LIABILITY UNDER THIS ORDER WILL NOT EXCEED AMOUNTS PAID BY YOU TO DIGITAL ALLY UNDER THIS ORDER.

8. **Warranty; Limitations on Remedies.** Digital Ally's warranty on the goods provided under the Order is set out in a separate statement, which sets forth the only warranty applicable to the goods sold under this Order. THAT WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES. THERE ARE NO WARRANTIES THAT EXTEND BEYOND DIGITAL ALLY'S WARRANTY STATEMENT. ALL IMPLIED WARRANTIES ARE DISCLAIMED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, FITNESS FOR A PARTICULAR PURPOSE, AND WARRANTIES IMPLIED FROM A COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE. YOUR SOLE AND EXCLUSIVE REMEDY FOR A WARRANTY CLAIM WILL BE THE REPAIR OR REPLACEMENT OF THE GOODS

9. **Indemnity.** You will defend Digital Ally, its managers, agents, employees, successors and assigns, and will pay all damages, losses, costs and expenses, including reasonable attorney's fees, incurred by the indemnified party arising out of, or incidental to, your selection, purchase and use of the goods under this Order. This indemnification will survive the expiration or termination of this Order.

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13. **Governing Law; Jurisdiction and Venue.** This Order and all disputes arising under this Order are exclusively subject to, governed by, and construed in accordance with the law of the State of Kansas, without regard to rules of conflicts of law. Any action relating to this Order must be brought in state or federal courts located in Johnson County, Kansas, and the parties hereby irrevocably consent to the exclusive jurisdiction of, and venue in such courts.

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Request for Council Action

Date: 1/9/13

To: East Grand Forks City Council, Mayor Lynn Stauss, Council President Craig Buckalew, Council Vice President Greg Leigh, Council members: Clarence Vetter, Ron Vonasek, Henry Tweten, Mark Olstad, and Chad Grassel

Cc: File

From: Scott Huizenga, City Administrator

RE: Retiree Health Insurance Premiums

Minnesota state law requires public employers to allow eligible retirees to retain health insurance with the employers until the employees are eligible for Medicare coverage. Employers are not required to contribute to retiree health insurance premiums.

The City has allowed retirees and their spouses to enroll in two single policies (spouses) rather than one family policy. For example, a retired couple that elects the City's zero-deductible plan (e.g. the "Cadillac plan") will pay the full cost of two single premiums at \$626.45 each, or \$1252.90, rather than the full family plan would cost of \$2000.25. The result is a savings of \$747.35 per month for the family.

The employee is responsible for the full cost of the plan(s). Therefore, the City is not directly subsidizing the plan, but the City is receiving less revenue toward the health care plan. Because a family plan is almost \$750 higher, and because older persons tend to incur more health care costs, the City is implicitly subsidizing a zero-deductible retiree health insurance plan by \$750. Similarly, the City's implicit subsidy for the \$500-deductible plan is \$626.03 per month. The subsidy for the \$1500-deductible (single) plan is \$572.32 per month. And, the subsidy for the \$2500-deductible (single) plan is \$505.89 per month.

There is a fairness principle in addition to the financial issue of implicit subsidy. An active employee who enrolls as an employee plus spouse (no dependents) must enroll as a family, not as two single policies. Therefore, there is little justification to provide a benefit to retired persons that is not available to active employees.

Currently, the use of this policy is not widespread. There are only two families (retiree + plus spouse) that are enrolled as single policies. The City Council may wish to allow a grace period before fully implementing a revised policy so that any employee considering retirement or resignation (for COBRA benefits) has the opportunity to adequately plan for a proposed change to retiree health insurance.

Recommendation:

Effective July 1, 2013, require that any employee who retires on or after July 1, 2013 and who chooses to enroll a spouse or dependent in the retiree health insurance policy to enroll in an eligible family health insurance policy. Employees plus spouses would no longer be eligible to enroll in two single policies.

Attachment:

2013 Health Insurance Renewal information

2013 Health Insurance Renewal Information						2013 Medical Employee Monthly Share	Per Payroll Deduction	EGF Annual H.S.A.	
	Current	% Increase	Total Prem 2013	EGF Share 2013	EE Share 2013				
100% -\$25 - Plan 80956	Single	\$ 626.45	13.50%	\$ 711.02	\$ 472.57	\$ 238.46	\$ 119.23		
	Family	\$ 2,000.25	13.50%	\$ 2,270.28	\$ 1,081.85	\$ 1,188.43	\$ 594.22		
\$500 -\$25 Plan 80957	Single	\$ 524.74	13.50%	\$ 595.58	\$ 472.57	\$ 123.01	\$ 61.51		
	Family	\$ 1,675.51	13.50%	\$ 1,901.70	\$ 1,081.85	\$ 819.85	\$ 409.93		
\$1,500/\$3,000 100% HAS	Single (Plan 80958)	\$ 479.74	13.50%	\$ 544.50	\$ 472.57	\$ 71.94	\$ 35.97		\$ 327.16
	Family (Plan 80959)	\$ 1,531.80	13.50%	\$ 1,738.59	\$ 1,081.85	\$ 656.74	\$ 328.37		\$ 748.97
\$2,500/\$5,000 embedded - 100% HAS - Plan 80960	Single	\$ 424.04	13.50%	\$ 481.29	\$ 472.57	\$ 8.72	\$ 4.36	\$ 327.16	
	Family	\$ 1,353.97	13.50%	\$ 1,536.76	\$ 1,081.85	\$ 454.91	\$ 227.45	\$ 748.97	

4% Increase in Employer Contribution

H.S.A. Contribution

RESOLUTION NO. 13-01-11

A RESOLUTION CEASING THE EXTENSION OF SINGLE POLICY HEALTH CARE PLANS TO RETIRED EMPLOYEES AND DEPENDENTS

Council Member _____, supported by Council Member _____, introduced the following resolution and moved its adoption:

WHEREAS, the City health insurance policy provides neither for an “employee plus one dependent” policy nor for two single health care policies active employees and their dependents; and

WHEREAS, “dependents” includes spouses, children, and other legal dependents recognized by Internal Revenue Service or other federal and state law; and

WHEREAS, the City has provided for retired employees and/or their dependents to enroll in single health care policies rather than family coverage, thereby providing an additional benefit to retirees that is not available to active employees; and

WHEREAS, the City’s past policy regarding retirees in single health care policies has provided an undue financial and fairness burden upon the city’s health care plan.

NOW, THEREFORE, BE IT RESOLVED that the City Council of East Grand Forks hereby authorizes the City Administrator to cease extending single policy plans to retired employees and their dependents.

BE IT FURTHER RESOLVED that retired employees who wish to cover dependents, when applicable and eligible, must enroll in the City’s family health care plan.

BE IT FURTHER RESOLVED, retired employees and dependents who are currently enrolled in the City’s health care plan as single policies as of January 1, 2013 shall not have their benefits adjusted.

BE IT FURTHER RESOLVED, that the new health policy contained in this resolution shall be effective July 1, 2013.

Voting Aye:

Voting Nay:

The President declared the resolution passed.

Passed: January 22, 2013

Attest:

City Administrator/Clerk-Treasurer

President of the Council

I hereby approve the foregoing resolution this 22nd day of January, 2013.

Mayor

Minutes of the regular meeting of the Water, Light, Power and Building Commission of the City of East Grand Forks, Minnesota held December 20, 2012 at 5:00 P.M. at the Distribution Service Center.

Present: Ogden, Brickson, Quirk

Absent: Tweten

It was moved by Commissioner Brickson second by Commissioner Quirk that the minutes of the previous meeting of December 6, 2012 be approved as read.

Voting Aye: Ogden, Brickson, Quirk

Voting Nay: None

It was moved by Commissioner Quirk second by Commissioner Brickson to authorize the Secretary to issue payment of the recommended bills and payroll in the amount of \$1,511,921.55.

Voting Aye: Ogden, Brickson, Quirk

Voting Nay: None

Commissioner Tweten now entered the meeting.

It was moved by Commissioner Tweten second by Commissioner Quirk to approve the 2013 advertising contract with Midcontinent Communications.

Voting Aye: Ogden, Brickson, Quirk, Tweten

Voting Nay: None

It was moved by Commissioner Quirk second by Commissioner Tweten to adjourn to the next regular meeting on January 3, 2013 at 5:00 P.M.

Voting Aye: Ogden, Brickson, Quirk, Tweten

Voting Nay: None

Lori Maloney
Sec'y

Request for Council Action

Date: 1/16/13

To: East Grand Forks City Council, Mayor Lynn Stauss, President Craig Buckalew, Vice President Greg Leigh, Council members: Clarence Vetter, Ron Vonasek, Henry Tweten, Mark Olstad, and Chad Grassel

Cc: File

From: Scott Huizenga, City Administrator

RE: 2013 Legislative Priorities

The 2013 Minnesota Legislative convened last Tuesday. The Coalition of Greater Minnesota Cities is sponsoring its annual Greater Minnesota at the Capitol Day on Wednesday, February 6. The City Council discussed the Legislative Agenda at the work session of January 15. The following priorities were identified.

- **Expand Red River State Recreational Area (RRSRA) campground** – The campground experienced record attendance and revenues in 2012 with nearly \$240,000 in gross revenue. This welcome rush highlighted an issue to state officials that we have known locally. Specifically, the campground needs more spaces. The campground contains 25 “rustic” spaces, or those without utilities, in addition to the 100+ spaces that have utilities. Recreational Vehicle (RV) travelers are the primary demographic in the RRSRA. RVs require utility connections. The City paid for the previous campground expansion – which totaled over \$400,000 – exclusively with local funds. Both the state and the City have benefited from that expansion. Therefore, the City can promote strongly the assertion that the state should pay for most or all of the newly-proposed expansion. We anticipate a payback period of 4-5 years based on a cost of \$8000-10,000 per lot.
- **Waste Water Improvements** – The City continues to discuss options for a potential Waste Water Phase II project, which primarily addresses improvements to the City’s waste water treatment facility. Current estimates range from \$7-13 million depending upon project scope and alternatives. Project funding options include low-interest borrowing from the Minnesota Public Facilities Authority (PFA); and potential state bonding. Currently, the City is in the PFA’s Intended Use Plan (IUP). The City used PFA loan funding for Phase I improvements, which totaled approximately \$4.2 million. Financing for Phase I necessitated an increase in single-family base meter charges from \$2 per month to \$10 per month over a year and a half period. The City Council also approved greater increases to multi-family and commercial rates. The City Council last year adopted an additional increase of approximately \$5 per month for the average residential user with corresponding increases for commercial and multi-family users. Using similar assumptions, rates would have to increase again by \$10-15 per month on single-family homes in order to finance Phase II improvements without supplemental funding. Finally, the City is currently updating the Minnesota Pollution Control Agency (MPCA) on routine maintenance

issues resulting from an annual inspection last fall. The City should be allowed adequate time and adequate funding to analyze all waste water issues before embarking on an ultimate treatment solution.

- **Northwest Regional Wellness and Recreational Center** – The City has discussed several community improvement projects in recent years including a Civic Center expansion, a swimming pool, and/or an indoor wellness facility. Mayor Stauss proposes a project that encapsulates the highlights of these proposals into a regional facility. A Northwest Regional Wellness and Recreational Center would expand the Civic Center, construct a new swimming pool, construct a walk/run track, develop a modest fitness center, and reconstruct the Civic Center parking lot. As proposed, Northland College, the East Grand Forks School District, and Polk County, at minimum, would be included in the partnership to create truly regional facility. We do not know at this time whether or not the legislature will sponsor a bonding bill in 2013, nor do we know the potential size or scope of a bonding bill. Nonetheless, the City should begin this conversation as soon as possible should the City Council choose to prioritize this project.

Recommendation:

Adopt by resolution an official City Legislative platform to present in the City's 2013 Legislative outreach efforts.

Attachments:

Proposed City of East Grand Forks Legislative Priorities
Coalition of Greater Minnesota Cities 2013 Legislative Packet
LGA charts

RESOLUTION NO. 13-01-12

A RESOLUTION ESTABLISHING LEGISLATIVE PRIORITIES

Council Member _____, supported by Council Member _____, introduced the following resolution and moved its adoption:

WHEREAS, the City Council of East Grand Forks recognizes that a consistent, unified voice is vital in state-local discussions;

And WHEREAS, the City Council of East Grand Forks has identified its top legislative priorities to be submitted to the 2013 Minnesota State Legislature;

NOW, THEREFORE, BE IT RESOLVED that the City Council of East Grand Forks establishes six primary Legislative priorities list below and attached to this document.

- Fund expansion of the Red River State Recreational Area (RRSRA) campground
- Fund Waste Water Treatment Improvements Phase II through state bonding or other financial assistance programs
- Support the concept of a proposed Northwest Regional Wellness and Recreational Center

Voting Aye:

Voting Nay:

The President declared the resolution passed.

Passed: January 22, 2013

Attest:

City Administrator/Clerk-Treasurer

President of the Council

I hereby approve the foregoing resolution this 22nd day of January, 2013.

Mayor



City of East Grand Forks

600 DeMers Ave · P.O. Box 373 · East Grand Forks, MN 56721
218-773-2483 · 218-773-9728 fax www.eastgrandforks.net

CITY OF EAST GRAND FORKS LEGISLATIVE PRIORITIES:

- EXPAND RED RIVER STATE RECREATIONAL AREA (RRSRA) CAMPGROUND
 - Demand continues to grow – 2012 generated record gross receipts of \$240,000
 - 25 campground lots remain undeveloped
 - Great Return for City and State; Lot expansion payback period is 4-5 years

- FUND WASTE WATER TREATMENT IMPROVEMENTS
 - Phase II is projected to cost **between \$7-14 million**
 - City-only financing would add **\$250 annually** (over \$20 per month) to local taxpayer burdens
 - The project will significantly reduced environmental impacts to the surrounding area and the Red River
 - The City should be granted adequate time to fully analyze alleged issues and any viable alternatives

- NORTHWEST REGIONAL WELLNESS AND RECREATIONAL CENTER
 - Project could include an indoor swimming pool, walk/run tracks, Civic Center Arena expansion, and fitness center
 - Recognizes and expands East Grand Forks presence as a regional hub of Northwest Minnesota
 - Potential community partnerships including East Grand Forks School District, Northland College

LEAGUE OF MINNESOTA CITIES PRIORITIES (listed alphabetically):

- Allied Radio Matrix for Emergency Management (ARMER) funding
- Broadband issue priorities
- **City revenue diversification**
- Clean Water Fund distribution
- Data practices
- Data requests for citizen email addresses
- Election issues
- Expanding economic development options for cities
- Foreclosure prevention and neighborhood recovery
- **Funding local government aid**
- Local government aid reform
- Modernizing bid publication requirements
- Organized solid waste collection
- Procurement/contracting
- Right-of-way management
- **State restrictions on local budgets**
- **Street improvement district authority**
- Water permit fees and agency budgets

RESOLUTION NO. 13-01-13

**RESOLUTION APPROVING PLANS AND SPECIFICATIONS AND ORDERING
ADVERTISEMENT FOR BIDS FOR CITY PROJECT NUMBER TWO – WATER
MAIN AND FORCE MAIN IMPROVEMENTS**

Council Member _____, supported by Council Member _____, introduced the following resolution and moved its adoption:

WHEREAS, the City Council has directed the City Engineer to prepare plans and specifications for the improvement of 2013 City Project No. 2 – Water Main and Force Main Improvement;

WHEREAS, the City Engineer has presented such plans and specifications to the Council for approval;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST GRAND FORKS, MINNESOTA:

1. Such plans and specifications, a copy of which is attached hereto and made a part hereof, are hereby approved.
2. The City Administrator shall prepare and cause to be inserted in the official paper and in the *Construction Bulletin* an advertisement for bids upon the making of such improvement under such approved plans and specifications. The advertisement shall be published for 21 days, shall specify the work to be considered by the Council at 5:00 p.m. on February, 19, 2013 in the Council Chambers of the East Grand Forks City Hall. Any bidder whose responsibility is questioned during consideration of the bid will be given an opportunity to address the council on the issue of responsibility. No bids will be considered unless sealed and filed with the City Administrator and accompanied by a cash deposit, cashier’s check, bid bond or certified check payable to the City of East Grand Forks for five percent of the amount of such bid.

Voting Aye:

Voting Nay:

The President declared the resolution passed.

Passed: January 22, 2013

Attest:

City Administrator/Clerk-Treasurer

President of Council

I hereby approve the foregoing resolution this 22nd of January, 2012.

Mayor

RESOLUTION NO. 13-01-14

Council Member _____ supported by Council Member _____, introduced the following resolution and moved its adoption:

BE IT RESOLVED, By the City Council of the City of East Grand Forks, Minnesota, that "C&H Insurance" has been designated as the insurance agency to handle City Policy for 2013 and The City chooses to "Waive" the monetary limits on tort liability and will purchase excess liability coverage to protect the City.

Voting Aye:

Voting Nay:

The President declared the resolution passed.

Passed:

Attest:

City Administrator/Clerk-Treasurer

President of Council

I hereby approve the foregoing resolution this 22nd of January, 2013.

Mayor

SECTION I: LIABILITY COVERAGE WAIVER FORM

Cities obtaining liability coverage from the League of Minnesota Cities Insurance Trust must decide whether or not to waive the statutory tort liability limits to the extent of the coverage purchased. The decision to waive or not to waive the statutory limits has the following effects:

- “ *If the city does not waive the statutory tort limits*, an individual claimant would be able to recover no more than \$500,000. on any claim to which the statutory tort limits apply. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000. These statutory tort limits would apply regardless of whether or not the city purchases the optional excess liability coverage.
- “ *If the city waives the statutory tort limits and does not purchase excess liability coverage*, a single claimant could potentially recover up to \$1,500,000. on a single occurrence. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to \$1,500,000., regardless of the number of claimants.
- “ *If the city waives the statutory tort limits and purchases excess liability coverage*, a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants.

Claims to which the statutory municipal tort limits do not apply are not affected by this decision.

This decision must be made by the city council. **Cities purchasing coverage must complete and return this form to LMCIT before the effective date of the coverage.** For further information, contact LMCIT. You may also wish to discuss these issues with your city attorney.

_____ accepts liability coverage limits of \$ _____ from the League of Minnesota Cities Insurance Trust (LMCIT).

Check one:

- The city **DOES NOT WAIVE** the monetary limits on municipal tort liability established by Minnesota Statutes 466.04.
- The city **WAIVES** the monetary limits on tort liability established by Minnesota Statutes 466.04, to the extent of the limits of the liability coverage obtained from LMCIT.

Date of city council meeting _____

Signature _____ Position _____

Return this completed form to LMCIT, 145 University Ave. W., St. Paul, MN. 55103-2044

Request for Council Action

Date: 1/17/13

To: East Grand Forks City Council; Mayor Lynn Stauss, President Craig Buckalew , Council Vice President Greg Leigh, Council Members: Mark Olstad, Henry Tweten , Ron Vonasek and Chad Grassel, Clarence Vetter.

Cc: File

From: Karla Anderson

RE: Recommendations for Post-Issuance Tax Compliance Procedures for Tax-Exempt bonds

Background:

From recommendations from our Bond counsel, Jerry Gilligan, partner of Dorsey & Whitney LLP, the IRS requires Form 8038-G be filed annually in February, line 43 and 44 specifically asks if the governmental organization has established written procedures for Post-Issuance Tax Compliance Procedures for Tax-Exempt bonds. Mr. Gilligan will fill out IRS Form 8038-G as part of his contract with the city.

RESOLUTION NO. 13 – 01-15

RESOLUTION APPROVING THE POST-ISSUANCE TAX COMPLIANCE PROCEDURES FOR TAX-EXEMPT BONDS

Council Member _____, supported by Council Member _____, introduced the following resolution and moved its adoption:

WHEREAS, the City Council does not currently have a Post-Issuance Tax Compliance Procedures for Tax-Exempt bonds and is recommended by Bond Counsel

WHEREAS, the IRS Form 8038-G #43 and #44 specifically asks if written procedures have been established,

BE IT RESOLVED, by the City Council of the City of East Grand Forks, Minnesota, that the Post-Issuance Tax Compliance Procedures for Tax-Exempt Bonds will be effective immediately.

Voting Aye:
Voting Nay:
Absent:

The President declared the resolution passed.

Passed:

Attest:

City Administrator/Clerk-Treasurer

Vice-President of Council

I hereby approve the foregoing resolution this 6th day of December, 2011.

Mayor

City of East Grand Forks, Minnesota
(the “Issuer” or “City”)
Post-Issuance Tax Compliance Procedures
For Tax-Exempt Bonds

Dated: _____, 2013

I. Purpose

These procedures are adopted by the Issuer to ensure that interest on tax-exempt bonds of the Issuer (the “Bonds”) remains excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”).

These written procedures are intended to formally memorialize certain policies and practices of the Issuer previously adopted or followed by the Issuer in connection with its issuance of Bonds. The Issuer reserves the right to use its discretion as necessary and appropriate to make exceptions to these procedures as facts and circumstances warrant.

II. Expenditure/Use of Bond Proceeds

A. Expenditure of Bond proceeds will be regularly reviewed by the Finance Director and/or Finance Department for consistency with the Capital Improvement Program and Bond documents, including any Bond Resolution or Trust Indenture and the Issuer’s Tax Certificate.

B. The Issuer’s Finance Department has separately established a form and procedures for preparation and review requests for payment of capital project expenses from Bond proceeds as part of its accounting system.

C. Requests must identify the Bond-financed property in conformity with the Issuer’s Tax Certificate executed at closing of the Bonds, including the character of the Bond-financed property. Such information is contained as part of the Issuer’s accounting system.

D. None of the proceeds of the Bonds will be used to reimburse the Issuer for costs paid prior to the date of issuance of the Bonds unless the Issuer shall have fully complied with Section 1.150-2 of the Treasury Regulations with respect to such reimbursed amounts, which section is summarized in Exhibit A hereto.

E. Staff costs may be financed with Bond proceeds only to the extent that they are properly capitalized as a cost of a capital project under generally accepted accounting principles and federal tax law.

F. Requests for expenditures will be summarized in a “final allocation” of Bond proceeds to uses not later than 18 months after the in-service date of the Bond-financed property (and in any event not later than 5 years and 60 days after the issuance of the Bonds and not later than 60 days after earlier retirement of the issue) in a manner consistent with the Code and Treasury Regulations and the applicable Tax Certificate.

G. Expenditure of proceeds of the Bonds will be measured against the Issuer's Tax Certificate expectation to spend or commit 5% of net sale proceeds within 6 months, to spend 85% of net sale proceeds within 3 years, and to proceed with due diligence to complete the capital project and fully spend the net sale and investment proceeds. In the event that the Bonds do not qualify for the small issuer exception under Section 148(f)(4)(D) of the Code, or the spending exceptions under the Code from the arbitrage rebate requirements are not met, calculations of rebate liability will be performed or caused to be performed by as provided herein.

H. If there are any Bond proceeds remaining other than in a reserve or debt service fund established pursuant to the Bond Resolution or Trust Indenture after completion of the project, such proceeds shall be applied in a manner consistent with the applicable Bond Resolution or Trust Indenture and Tax Certificate or pursuant to advice from Bond Counsel.

I. In the event that Bond proceeds are to be used to make a grant to an unrelated party, a grant agreement will be reviewed prior to execution for compliance with the Code. Such agreement will be approved by the Finance Director, with advice or consent of Bond Counsel, as necessary. The repayment of any portion of a grant by the grantee shall be treated as unspent Bond proceeds.

J. In the event that Bond proceeds are to be loaned to a conduit borrower, such conduit borrower will be required to agree to all terms of the Tax Certificate and provide evidence of post-issuance tax compliance procedures deemed adequate and consistent with those set forth herein; and all such obligations for post-issuance tax compliance shall be assumed by such conduit borrower.

III. Use of Bond-Financed Property

A. Use of Bond-financed property when completed and placed in service will be reviewed by the Director of Public Works, who shall be trained regarding restrictions on the use of Bond proceeds and facilities financed thereby and instructed to consult with the Finance Director regarding any third-party contract concerning use of the facilities, including without limitation leases, use, management or service contracts, and research contracts.

B. Upon issuance of Bonds, there shall be no expectation that the Bond-financed property will be sold or otherwise disposed of by the Issuer during the term of the Bonds, except for replacement due to normal wear and tear or obsolescence.

C. Agreements with third parties for lease, use, management, or any other service agreement or research contract with respect to, or non-governmental use in respect of, Bond-financed property will be reviewed prior to execution for compliance with the Code. Such agreement will be approved by the City Council upon the recommendation of the City Administrator, who will be responsible for determining whether the proposed agreement (1) results in private business use of the facilities, and (2) if applicable, meets the compensation, term and other requirements under Revenue Procedures 97-13 (included as Exhibit B) and 2007-47; all upon advice of Bond Counsel, as necessary.

D. No item of Bond-financed property will be sold or transferred by the Issuer without approval of the City Administrator, who shall seek advice of Bond Counsel, to provide guidance as to “remedial action” that may be required under the applicable Treasury Regulations if Bonds financing such property remain outstanding as of the date of sale or transfer of such property. Remedial action is summarized in Exhibit C hereto.

E. The Issuer acknowledges that any sale, transfer, change in use, or change in users of the Bond-financed property may require remedial action, as previously described, or resolution pursuant to the IRS Voluntary Closing Agreement Program (or “VCAP”) to assist in resolving violations of the federal tax laws applicable to the Bonds.

IV. Investments

A. Investment of Bond proceeds in compliance with the arbitrage and rebate requirements of the Code and applicable Treasury Regulations will be managed and supervised by the Finance Department, with the advice of outside consultants, as needed.

B. Guaranteed investment contracts (“GICs”) will be purchased according to the fair market value provisions of applicable Treasury Regulations, including bid requirements and fee limitations.

C. Calculations of rebate liability will be performed by outside consultants and reviewed by the Finance Department. Such calculations shall be made annually, as necessary, and prior to each 5 year anniversary of the date of issue of the Bonds.

D. Upon final expenditure of the gross proceeds of Bonds, and in any event promptly following the fifth anniversary of the date of issuance of the Bonds or earlier retirement of the Bonds, the Finance Department will consult a qualified professional to prepare a spending exception report or an arbitrage rebate computation (as applicable) for the issue of Bonds.

E. Rebate payments, as required based upon the advice of a qualified professional, will be made with Form 8038-T no later than 60 days after (a) each fifth anniversary of the date of issuance of the Bonds and (b) the final retirement of the Bond issue.

V. Record Management and Retention

A. Management and retention of records related to Bond issues will be supervised by the Finance Director.

B. Records for Bonds will be retained for not less than the life of the Bonds, plus any refunding bonds, plus three years. Such records may be in the form of documents or electronic copies of documents, appropriately indexed to specific Bond issues and compliance functions.

C. Retainable records pertaining to Bond issuance shall include a transcript of documents executed in connection with the issuance of the Bonds and any amendments; and copies of rebate calculations and records of payments, including Forms 8038-T.

D. Retainable records pertaining to expenditures of Bond proceeds include requisitions; trustee statements, if applicable; and final allocation of proceeds.

E. Retainable records pertaining to use of Bond-financed property include all third-party contracts concerning use of the facilities, including (without limitation) leases, use, management or service contracts, and research contracts.

F. Retainable records pertaining to investments include GIC documents under the Treasury Regulations, records of purchase and sale of other investments, and records of investment activity sufficient to permit calculation of arbitrage rebate or demonstration that no rebate is due.

VI. Overall Responsibility

A. Overall administration and coordination of this policy and the procedures set forth herein are the responsibility of the City Administrator.

B. Review of compliance with this policy and the procedures set forth herein shall be undertaken periodically, and in any event, not less than annually.

C. The Issuer understands that failure to comply with these policies and procedures could result in the retroactive loss of the exclusion of interest on Bonds from federal gross and Minnesota taxable net income; and, thus, it would be advisable to consult with Bond Counsel in advance regarding deviations from the facts and expectations as set forth in the closing certifications relating to any issue of Bonds.

D. Any violations or potential violations of federal tax requirements shall promptly be reported to the Finance Director, and the Finance Director will engage qualified consultants and bond counsel to further investigate potential violations or undertake appropriate remedial actions, which actions shall be approved by the City Council.

EXHIBIT A

REIMBURSEMENT BOND SUMMARY

Following is a general summary of the requirements relating to bonds that are issued to reimburse expenditures that were paid prior to the date of issuance of bonds (“Reimbursement Bonds”).

Reimbursement Bond proceeds cannot be used to reimburse expenditures paid more than 60 days prior to the adoption of the declaration of official intent/reimbursement resolution, which must contain:

- a general functional description of the property to which the reimbursement relates or an identification of the fund or account from which the expenditure is to be paid and a general functional description of the purposes of such fund or account; and
- the maximum principal amount of debt to be issued.

Reimbursement Bonds must be issued not later than 18 months after the later of (i) the date on which the original expenditure is paid, or (ii) the date on which the property is placed in service, but in any case not more than three years after the date on which the original expenditure is paid. If possible, actual reimbursement should be made within 30 days of the date of issuance of the Reimbursement Bonds.

Note that there are exceptions for “de minimis” amounts (not in excess of the lesser of \$100,000 or 5% of proceeds of the issue) and for “preliminary expenditures” (such as architectural, engineering, surveying, soil testing and similar costs and costs of issuance), so long as such preliminary expenditures do not exceed 20% of the aggregate issue price.

EXHIBIT B

SUMMARY OF REVENUE PROCEDURE 97-13

Background

A management, service or incentive payment contract with a private service provider with respect to tax exempt bond-financed property may result in private business use of that property, based on all facts and circumstances. None of the compensation may be based on a share of net profits.

Revenue Procedure 97-13 establishes conditions under which a management contract generally does not result in private business use. Issuers and bond counsel typically attempt to satisfy, or substantially satisfy, one of these “safe harbors” because of uncertainty as to the treatment of nonconforming contracts. Below is a brief summary of the provisions of Rev. Proc. 93-17, as modified by Rev. Proc. 2001-39.

Rev. Proc. 93-17 establishes conditions based on (1) the compensation arrangements and the term of the agreement, and (2) whether the service provider has any role or relationship with the “qualified user”¹ that substantially limits the qualified user’s ability to exercise its rights under the contract.

General Rules

In all events, the contract must provide for reasonable compensation for services rendered, with no compensation based, in whole or in part, on a share of net profits from the operation of the facility. Reimbursement of the service provider for actual and direct expenses paid by the service provider to unrelated parties is not by itself treated as compensation.

The compensation, with the percentage determined by the term of the contract, subject to additional conditions, as described under “Compensation Safe Harbors” below, generally may be computed by:

(A) a periodic fixed fee, which is a stated dollar amount for a specified period of time²;

(B) a percentage fee, which is a percentage of gross revenues (or adjusted gross revenues) of the facility or a percentage of expenses of the facility, but not both;

(C) a capitation fee, which is a fixed periodic amount for each person for whom the service provider or the qualified user assumes the responsibility to provide all needed

¹ A “qualified user” of the financed property is a state or local governmental unit (or instrumentality thereof) or a 501(c)(3) organization if the financed property is not used in an unrelated trade or business under section 513(a) of the Internal Revenue Code.

² A periodic fixed fee may include an automatic increase based on a specific, objective, external standard that is not linked to the output or efficiency of the facility in question.

services for a specified period so long as the quantity and type of services actually provided to covered persons varies substantially³;

(D) a per-unit fee, which is a fee based on a unit of service specified in the contract or otherwise specifically determined by an independent third party or the qualified user⁴; or

(E) a productivity reward equal to a stated dollar amount based on increases or decreases in gross revenues (or adjusted gross revenues), or reductions in total expenses (but not both increases in gross revenues (or adjusted gross revenues) and reductions in total expenses) in any annual period during the term of the contract.

The service provider must not have any role or relationship with the qualified user that, in effect, substantially limits the qualified user's ability to exercise its rights, including cancellation rights, under the contract based on all facts and circumstances. The relationship does not limit the qualified user's ability to exercise its rights if the following conditions are satisfied: (1) not more than 20 percent of the voting power of the governing body of the qualified user in the aggregate is vested in the service provider and its directors, officers, shareholders, and employees, (2) overlapping board members do not include the chief executive officers of the service provider or its governing body or the qualified user or its governing body, and (3) the qualified user and the service provider are not related parties.

COMPENSATION SAFE HARBORS

A management contract generally will not result in private business use if the compensation arrangement meets the criteria in one of the following categories:

50% Periodic Fixed Fee Contracts

- At least 50 percent of the compensation for services for each annual period during the term of the contract is based on a periodic fixed fee;
- the term of the contract, including all renewal options⁵ in favor of the service provider, does not exceed 5 years; and

³ A capitation fee may include an automatic increase based on a specified, objective, external standard that is not linked to the output or efficiency of the facility. A capitation fee may also include a variable component of up to 20 percent of the total capitation fee designed to protect the service provider against risks such as catastrophic loss.

⁴ A periodic fee may include an automatic increase based on a specified, objective, external standard that is not linked to the output or efficiency of the facility.

⁵ A provision under which a contract is automatically renewed absent cancellation by either party is not a renewal option (even if it is expected to be renewed).

- the contract is terminable by the qualified user of the facility on reasonable notice, without penalty or cause, at the end of the third year of the contract term.

80% Periodic Fixed Fee Contracts

- At least 80 percent of the compensation for services for each annual period during the term of the contract is based on a periodic fixed fee; and
- the term of the contract, including all renewal options in favor of the service provider, does not exceed the lesser of 80 percent of the reasonably expected useful life of the financed property and 10 years.

For purposes of this safe harbor (but not the 50% periodic fixed fee safe harbor), a one-time incentive award during the term of the contract under which compensation automatically increases by a single, stated dollar amount when a gross revenue or expense target (but not both) is reached may be considered part of a fixed fee arrangement.

95% Periodic Fixed Fee Contracts

- At least 95 percent of the compensation for services for each annual period during the term of the contract is based on a periodic fixed fee; and
- the term of the contract, including all renewal options in favor of the service provider, does not exceed the lesser of 80 percent of the reasonably expected useful life of the financed property and 15 years.

For purposes of this safe harbor (but not the 50% periodic fixed fee safe harbor), a one-time incentive award during the term of the contract under which compensation automatically increases by a single, stated dollar amount when a gross revenue or expense target (but not both) is reached may be considered part of a fixed fee arrangement.

Capitation Fee Contracts (with or without fixed fees)

- All of the compensation for services is based on a capitation fee or a combination of a capitation fee and a periodic fixed fee;
- the term of the contract, including all renewal options in favor of the service provider, does not exceed 5 years; and
- the contract is terminable by the qualified user of the facility on reasonable notice, without penalty or cause, at the end of the third year of the contract term.

Per-unit Fee Contracts (with or without fixed fees)

- All of the compensation for services is based on a per-unit fee or a combination of a per-unit fee and a periodic fixed fee;

- the term of the contract, including all renewal options in favor of the service provider, does not exceed 3 years; and
- the contract is terminable by the qualified user of the facility on reasonable notice, without penalty or cause, at the end of the second year of the contract term.

Percentage of Revenue or Expenses

- All the compensation for services is based on a percentage of fees charged or a combination of a per-unit fee and a percentage of revenue or expense fee;
- the term of the contract, including all renewal options in favor of the service provider, does not exceed 2 years; and
- the contract is terminable by the qualified user of the facility on reasonable notice, without penalty or cause, at the end of the first year of the contract term.

During the start-up period, however, compensation may be based on a percentage of either gross revenues, adjusted gross revenues, or expenses of a facility. The contract must be terminable by the qualified user on reasonable notice, without penalty or cause, at the end of the first year of the contract term. This safe harbor applies only to contracts under which the service provider primarily provides services to third parties and management contracts involving a facility during an initial start-up period for which there have been insufficient operations to establish a reasonable estimate of the amount of the annual gross revenues and expenses (for example, a contract for general management services for the first year of operations).

Revision of Compensation Arrangements

Please note that if the compensation arrangements of a management contract are materially revised, the compensation arrangements are “retested” as of the date of the material revision, and the management contract is treated as one that was newly entered into as of the date of the material revision.

EXHIBIT C

REMEDIAL PROVISIONS APPLICABLE TO BONDS

The Issuer acknowledges that any deliberate action by the Issuer after Bond issuance that results in a satisfaction of the private business tests or the private loan test will result in private activity bond status unless one or more qualifying remedial actions are taken by the Issuer. Specifically, Treasury Regulations provide that actions are not treated as deliberate actions if (A) five conditional requirements are met, and (B) one of three remedial actions is taken, with respect to the disposition proceeds and nonqualified bonds*:

CONDITIONAL REQUIREMENTS

1. Reasonable Expectations – The issuer reasonably expected on the issue date that it would not meet the private business tests or the private loan test for the whole term of the bonds; and
2. Reasonable Bond Maturity – The term of the issue must not be unreasonably long; this requirement is met if the weighted average maturity of the bond issue is not greater than 120% of the expected economic life of the property financed; and
3. Fair Market Value Consideration – The terms of any agreement (relating to satisfaction of a private activity bond test) must be bona fide and at arm's-length, and the new user must pay a fair market value consideration for the use of the bond-financed property; and
4. Disposition Proceeds Are Gross Proceeds – The Issuer must treat any disposition proceeds as gross proceeds subject to arbitrage/rebate restrictions; and
5. Proceeds Spent for Authorized Purpose – Except as described with respect to redemption and defeasance options below, prior to deliberate actions, the affected proceeds must have been spent for the authorized purposes under the applicable bond documents.

REMEDIAL ACTIONS – Under Treasury Regulations, Sections 1.141-12(d), (e) and (f):

1. Redemption of Non-Qualified Bonds – Under the general rule, all nonqualified bonds of the issue must be redeemed. Tax-exempt bond proceeds (i.e., refunding bond proceeds) cannot be used unless the tax-exempt bonds are qualified bonds, taking into account the purchaser's use of the facility. The bonds must be redeemed within 90 days of the date of the deliberate action or a defeasance escrow for the bonds must be established within such 90-day period. Special rules apply to transfers exclusively for cash and to defeasance escrows.

* The portion of the outstanding bonds in an amount that, if the remaining bonds were issued on the date on which the deliberate action occurs, the remaining bonds would not satisfy the private business use test or the private loan financing test, as applicable. The amount of private business use is the highest percentage of business use in any one-year period, commencing with the deliberate action

2. Alternative Use of Disposition Proceeds – To meet this requirement, all disposition proceeds must be in cash, the issuer must reasonably expect to expend the proceeds within 2 years, the new use must not meet the private business tests or the private loan test (and the issuer cannot take any action subsequent to the date of the deliberate action to cause the tests to be met), and any unused proceeds must satisfy the redemption requirement in the preceding paragraph.
3. Alternative Use of Facility – This remedial action is satisfied if the bond-financed property itself (as distinguished from the proceeds of the issue) is used in an alternative manner (e.g., for a different purpose or by a different person); the nonqualified bonds are treated as reissued on the date of the deliberate action and independently meet all of the requirements for tax exemption under Sections 141 through 150 of the Code, except the arbitrage and rebate rules of Section 148, for the remaining term of the nonqualified bonds; the deliberate action does not involve a transfer of the property to a purchaser that finances the acquisition with the proceeds of another issue of tax-exempt bonds; and any disposition proceeds, other than those arising from an agreement to provide services, resulting from the deliberate action are used to pay debt service on the bonds on the next available payment date or escrowed within 90 days of receipt and yield restricted to pay debt service on the next available payment date.

The above is only a brief summary of remedial actions, and additional special rules may be applicable. As provided in the Issuer’s Compliance Procedures for Tax-Exempt Bonds, the Finance Director shall seek advice of Bond Counsel as necessary to provide guidance as to “remedial action” that may be required under the applicable Treasury Regulations.

The Commissioner of the IRS may, by publication, provide for additional remedial actions. In addition, the IRS provides a program in which issuers/borrowers which cannot meet a listed remedial action can enter into a closing agreement with the IRS to avoid private activity bond status. The closing agreement program includes several conditions, including providing for the redemption of the bonds and paying the IRS an amount based on an assumption that the non-qualified bonds are taxable from the date of the subsequent act until they are redeemed.

RESOLUTION NO. 13 – 01 - 16

**A RESOLUTION DESIGNATING THE COUNCIL’S APPOINTMENT TO THE EAST
GRAND FORKS BOARDS AND COMMISSIONS FOR 2013**

Council Member _____, supported by Council Member _____, introduced the following resolution and moved its adoption:

WHEREAS, the Council appoints council members to fill representative positions on various Boards and Commissions of the City of East Grand Forks each year; and

WHEREAS, These Boards and Commissions are important to the operation of the City due to the value of citizen input on recommendations that are forwarded to the City Council on many important issues.

THEREFORE BE IT RESOLVED, that the City Council of the City of East Grand Forks ratifies the following appointments of Council President Craig Buckalew to the respective Board and/or Commission:

CEMETERY COMMISSION –

Chad Grassel

ECONOMIC DEVELOPMENT HOUSING AUTHORITY -

Mark Olstad and Chad Grassel

LIBRARY BOARD –

Henry Tweten

METROPOLITAN PLANNING ORGANIZATION –

Clarence Vetter and Greg Leigh

PLANNING COMMISSION –

Craig Buckalew

SENIOR CITIZEN BOARD –

Greg Leigh

WATER, LIGHT, POWER & BUILDING COMMISSION –

Henry Tweten

POLK COUNTY PLANNING BOARD –

Ron Vonasek

PINE TO PRAIRIE DRUG TASK FORCE –

Mark Olstad

Voting Aye:
Voting Nay:

The President declared the resolution passed.

Passed: January 22, 2013

Attest:

City Administrator/Clerk-Treasurer

President of Council

I hereby approve the foregoing resolution this 22nd day of January, 2013.

Mayor

RESOLUTION NO. 13 – 01 - 17

Council Member _____, supported by Council Member _____, introduced the following resolution and moved its adoption:

RESOLUTION RATIFYING CONTRACTS

WHEREAS, the City of East Grand Forks purchased from Hardware Hank the goods referenced in check number 14836 for a total of \$1003.64.

WHEREAS, Craig Buckalew, was personally interested financially in the contract, but the purchases were made because the price was as low as or lower than other local vendors.

NOW THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF EAST GRAND FORKS:

1. The above mentioned purchase by the City and the claim of the vendor based thereon are confirmed and the Mayor and Clerk are directed to issue an order-check in payment of such claim on the filing of the affidavit of official interest required under Minnesota Statutes, Section 471.89.
2. It is hereby determined that the total price of \$1003.64 paid for such goods is as low as, or lower than, the price at which they could have been obtained elsewhere at the time the purchase was made.
3. This resolution is passed to comply with the provisions of Minnesota Statutes, Section 471.87-89.
4. Resolution passed by unanimous vote of the council on January 22, 2013.

Voting Aye:
Voting Nay:
Abstain:

The President declared the resolution passed.

Passed: January 22, 2013

Attest:

City Administrator/Clerk-Treasurer

President of Council

I hereby approve the foregoing resolution this 22nd of January, 2013.

Mayor

AFFIDAVIT OF OFFICIAL INTEREST CLAIM

STATE OF MINNESOTA)
COUNTY OF POLK) ss
CITY OF EAST GRAND FORKS)

I, Craig Buckalew, being duly sworn states the following:

1. I am 3rd Ward Council Member of the City of East Grand Forks.
2. The City of East Grand Forks check number 14836 for a total of \$1003.64.
3. This resolution is passed to comply with the provisions of Minnesota Statutes, Section 471.87-89.
4. Resolution passed by unanimous vote of the council on January 22, 2013.

Affiant states further that to the best of his knowledge and belief (a) the contract price was as low as or lower than the price at which the services could be obtained from other sources.

Affiant further states that the affidavit constitutes a claim against the city for the contract price, that the claim is just and correct, and that no part thereof has been paid.

Dated: _____

(Signature of Official)

Accounts Payable

Check Register Totals Only



City of East Grand Forks

P. O. Box 373
 East Grand Forks, MN 56721
 (218) 773-2483

User: mnelson
 Printed: 1/18/2013 - 8:54 AM

Check	Date	Vendor No	Vendor Name	Amount	Voucher
14787	01/22/2013	ACM001	Acme Electric Companies	1,808.39	0
14788	01/22/2013	ADV001	Advanced Business Methods Inc	137.42	0
14789	01/22/2013	AGR001	Agri-Valley Grand Forks Petroleum	21,357.33	0
14790	01/22/2013	ALB001	Albrecht Manufacturing	90.95	0
14791	01/22/2013	AME016	American Society of Composers/Auth	327.00	0
14792	01/22/2013	AME005	Ameripride Linen & Apparel Services	154.08	0
14793	01/22/2013	AQU001	Aqua Water Solutions	37.10	0
14794	01/22/2013	AVE001	Avesis	0.02	0
14795	01/22/2013	BAR005	Barnes Distribution	443.33	0
14796	01/22/2013	BRI003	Brite-Way Window Cleaning	60.00	0
14797	01/22/2013	BUD003	Tom Budge	60.00	0
14798	01/22/2013	BCA003	Bureau of Crim Apprehension	1,530.00	0
14799	01/22/2013	C&R001	C&R Laundry & Cleaners	314.58	0
14800	01/22/2013	CAB001	Cabela's Retail	89.98	0
14801	01/22/2013	CAL002	California Contractors Supplies Inc	74.04	0
14802	01/22/2013	CAN001	Canon Financial Services	167.10	0
14803	01/22/2013	GFT003	Donald Scott Cash	2,946.33	0
14804	01/22/2013	CEN006	Century Link	1,020.65	0
14805	01/22/2013	CLA005	Clayton's Insulation and Coating, LLC	1,268.00	0
14806	01/22/2013	COL002	Cole Papers Inc	370.23	0
14807	01/22/2013	COM003	Complete Pest Control Inc	977.91	0
14808	01/22/2013	CRE003	Creative Interior & Exterior Designs, I	16,173.00	0
14809	01/22/2013	DAK006	Dakota TV & Appliance	523.44	0
14810	01/22/2013	EAS006	Dale Gulbranson	80.00	0
14811	01/22/2013	EAG001	Eagle Electric	8,312.39	0
14812	01/22/2013	EAS007	East Side Travel Plaza	53.18	0
14813	01/22/2013	ECO001	Economy Plumbing	831.27	0
14814	01/22/2013	EGF006	EGF City Petty Cash Ckng	416.75	0
14815	01/22/2013	ELE001	Electric Pump	474.51	0
14816	01/22/2013	EME003	Emerson Music and Sound	672.53	0
14817	01/22/2013	EMP001	Emphasys Computer Solutions	1,250.00	0
14818	01/22/2013	EXP003	Explorer Post #38	40.00	0
14819	01/22/2013	EXP002	Exponent	45.50	0
14820	01/22/2013	FAR004	Fargo Water Equipment	1,831.72	0
14821	01/22/2013	FAR003	Farmers Elevator Co of Alvarado	1,992.95	0
14822	01/22/2013	FLA001	Flaherty & Hood PA	1,064.07	0
14823	01/22/2013	FOR004	Forx Radiator	81.99	0
14824	01/22/2013	G&K001	G&K Services	97.02	0
14825	01/22/2013	GAF002	Gaffaney's	52.21	0
14826	01/22/2013	GAL003	Galstad Jensen & McCann PA	7,382.00	0
14827	01/22/2013	GAR001	Garden Hut Inc	6.91	0
14828	01/22/2013	GFC001	GF City Utility Billing	15,410.27	0
14829	01/22/2013	GFF001	GF Fire Equipment	406.16	0
14830	01/22/2013	GRA004	Grand Cities Towing	280.00	0
14831	01/22/2013	GRA008	Grand Forks City	37,103.00	0
14832	01/22/2013	GRA006	Grand View Lodge on Gull Lake	315.28	0
14833	01/22/2013	GGF003	Greater Grand Forks Young Professio	40.00	0
14834	01/22/2013	HLM001	H&L Mesabi	948.34	0
14835	01/22/2013	HAJ002	Rick Hajicek	142.50	0
14836	01/22/2013	HAR001	Hardware Hank	1,003.64	0

Check	Date	Vendor No	Vendor Name	Amount	Voucher
14837	01/22/2013	HAW001	Hawkins Chemical	2,195.52	0
14838	01/22/2013	HBS001	HB Sound & Light Inc	3,557.22	0
14839	01/22/2013	HEA001	Heartland Paper	97.79	0
14840	01/22/2013	HOL002	Holiday Credit Office	25.20	0
14841	01/22/2013	HOM001	Home of Economy	23.04	0
14842	01/22/2013	INP002	In Prints Screen Printing	108.00	0
14843	01/22/2013	INT011	Integrated Process Solutions Inc	7,257.52	0
14844	01/22/2013	JET001	Jet Way Multiple Services Inc	1,746.25	0
14845	01/22/2013	JobsHQ	JobsHQ	1,953.44	0
14846	01/22/2013	K&K001	K&K Trucking Inc	1,799.00	0
14847	01/22/2013	KEE002	Keepsr Inc	1,150.63	0
14848	01/22/2013	KEI001	Keith's Security World	108.56	0
14849	01/22/2013	KEL001	Kellermeier Building Service	1,603.13	0
14850	01/22/2013	LAK001	Laker Chemical	1,998.56	0
14851	01/22/2013	LIT001	Lithia Payment Processing	111.97	0
14852	01/22/2013	LOW001	Lowes	1,849.12	0
14853	01/22/2013	LUM001	Lumber Mart	1,073.45	0
14854	01/22/2013	M&W001	M&W Services	1,950.00	0
14855	01/22/2013	MAC002	MacQueen Equipment	289.63	0
14856	01/22/2013	MAR004	Marco	88.58	0
14857	01/22/2013	MCF001	McFarlane	504.00	0
14858	01/22/2013	MEN001	Menards	2,069.06	0
14859	01/22/2013	MID003	Midcontinent Communications	1,186.62	0
14860	01/22/2013	MIK001	Mike's Pizza	114.08	0
14861	01/22/2013	MPW001	Minnesota Pump Works	18,367.58	0
14862	01/22/2013	MIT001	Mitch Yoney Snow Removal	601.25	0
14863	01/22/2013	MNC004	MN Chief of Police Association	290.00	0
14864	01/22/2013	MND003	MN Dept of Labor & Industry	721.92	0
14865	01/22/2013	MNF003	MN Fire Chief Association	50.00	0
14866	01/22/2013	NEW001	Newman Signs	3,307.08	0
14867	01/22/2013	NOR017	Norby's Office Services	1,619.16	0
14868	01/22/2013	NOR010	North Central Rental & Leasing	2,324.53	0
14869	01/22/2013	NOR004	Northern Plumbing Supply	28.40	0
14870	01/22/2013	NOR005	Northern Safety Tech	290.76	0
14871	01/22/2013	NSC001	NSC Minerals	1,849.49	0
14872	01/22/2013	NWM001	NW MN Household Hazardous Waste	540.67	0
14873	01/22/2013	ORE001	O'Reilly Auto Parts	864.74	0
14874	01/22/2013	OPP001	Opp Construction	340.00	0
14875	01/22/2013	PEA006	Karen Peach	364.80	0
14876	01/22/2013	PET001	Peterson Veterinarian Clinic P.C.	401.24	0
14877	01/22/2013	POL004	Polk County Recorder	92.00	0
14878	01/22/2013	PRA003	Prairie Wind BG Inc	400.78	0
14879	01/22/2013	PRA001	Praxair Distribution	55.15	0
14880	01/22/2013	PRE001	Premium Waters Inc	51.12	0
14881	01/22/2013	QUI001	Quill Corp	1,715.15	0
14882	01/22/2013	RAY003	Shanon & Amy Ray	2,443.68	0
14883	01/22/2013	RIV002	Rivards Turf & Forage	1,788.89	0
14884	01/22/2013	ZAV001	RJ Zavoral & Sons	40,305.82	0
14885	01/22/2013	RMB001	RMB Environmental Lab Inc	206.00	0
14886	01/22/2013	SHO005	Shopko Store	77.97	0
14887	01/22/2013	SIG002	Sigma Controls Inc	4,557.86	0
14888	01/22/2013	STA006	Jon & Delores Stattine	2,744.25	0
14889	01/22/2013	STE001	Stennes Granite	900.00	0
14890	01/22/2013	STO008	Greg Stortroen	3,731.45	0
14891	01/22/2013	STU001	Stuart's Towing	100.00	0
14892	01/22/2013	SUN002	Sun Dot Communications	105.99	0
14893	01/22/2013	SPI005	Surface Pride, Inc and Bremer Bank	25,000.00	0
14894	01/22/2013	TAC001	TAC 10, Inc.	4,730.00	0
14895	01/22/2013	THU003	Thumper Pond Resort	175.70	0

Check	Date	Vendor No	Vendor Name	Amount	Voucher
14896	01/22/2013	TIG001	Tiger Direct.com	4,904.29	0
14897	01/22/2013	TRU001	True Temp	2,415.50	0
14898	01/22/2013	VER001	Verizon Wireless	624.01	0
14899	01/22/2013	VIL001	Vilandre Heating & A/C	2,175.95	0
14900	01/22/2013	WAS001	Waste Mgmt	28,558.85	0
14901	01/22/2013	WAT001	Water & Light Department	78,108.34	0
14902	01/22/2013	WDA001	WDAZ TV	357.00	0
14903	01/22/2013	WIZ001	Wizard's Enterprises Inc.	490.00	0
14904	01/22/2013	XER001	Xerox Corporation	43.58	0
14905	01/22/2013	ZEE001	Zee Medical Service	37.28	0
Check Total:				401,983.67	