

MILACA CITY COUNCIL AGENDA
FEBRUARY 18, 2010

6:30

Call meeting to order
Roll Call

Consent Agenda

Minutes of January 21 regular council meeting

Bills for payment

Resolution No. 10 - 06 Assessing unpaid water service charge

Resolution No. 10 - 07 Assessing unpaid water service charge

Resolution No. 10 - 08 Assessing unpaid hazardous bldg. costs

Resolution No. 10 - 09 Assessing unpaid water and sewer bill

City Treasurer's report

Citizens Forum

Public Hearing

Requests and Communications

Pat Buss - City of Bock

Susan Shaw

Ordinances and Resolutions

Ordinance No. 388 Water and Sewer rates (1st reading)

Resolution No. 10 - 10 Approving lot sale (Heggies)

Resolution No. 10 - 11 Approving LETG joint powers

Reports of Boards and Commissions

Planning commission

Economic Development commission

Airport commission

Parks commission

Downtown Initiative

Unfinished Business

New Business

Cable Commission

Council Comments

Adjourn

This agenda and attachments are available on the city's website, www.cityofmilaca.org

MILACA CITY COUNCIL MINUTES
JANUARY 21, 2010

The regular meeting of the Milaca City Council was called to order at 6:30 p.m. by Mayor Harold Pedersen. Upon roll call the following Council members were present: Totzke, Muller, Dillan, and Bekius.

Staff present: Lerud, Gann, and Toven.

Others present: Shelley Larson and Luther Dorr.

Motion by Totzke, second by Muller to approve the consent agenda:

1. Minutes of the December 17 regular council meeting.
2. General bills, 809260E-809264E, #36492-36493, #36539-36543, #36557-36621, totaling \$602,523.07; Liquor bills, 909048E-909051E, #21209-21223, #21239-21240, #21260-21274, totaling \$96,402.19.
3. RESOLUTION NO. 10 – 01 RESOLUTION TO WRITE OFF NSF/ACCOUNT CLOSED CHECKS (entire text appears in Resolution book.)
4. RESOLUTION NO. 10 – 02 RESOLUTION ASSESSING UNPAID WATER/SEWER BILL (entire text appears in Resolution book.)
5. Official Designations and appointments

Depositories

First National Bank of Milaca, Bremer Bank, Greater Minnesota Credit Union, Prudential-Bache, Salomon Smith Barney, Schoenberg, Kosel & Hjort, 4M Fund, any FDIC insured institution

Individuals authorized to conduct Electronic Funds Transfers

Tracy Gann

Greg Lerud

Mayor Protem

Dave Dillan

Newspaper

Mille Lacs County Times

Order of Succession for declaring an emergency

Pedersen – Dillan – Bekius – Muller – Totzke

Commission appointments

Planning Commission

Bekius

Economic Development Commission

Dillan and Muller

Cable Commission

Totzke

Building Official Joint Powers

Pedersen

Airport Commission

Muller

Airport Commissioners

Doug Ostien

Three-year term ending December 31, 2012

Leo Voss

Three-year term ending December 31, 2012

Ken Muller

Three-year term ending December 31, 2012

Steve Nelson Two-year term ending December 31, 2011
Deb Frantz Two-year term ending December 31, 2011

Parks Commission Appointments

Matt Follmuth Term expires December 31, 2010 (fill vacancy)
Jason Lidman Term expires December 31, 2010 (fill vacancy)
Jim Gerads Term expires December 31, 2011
Cory Pedersen Term expires December 31, 2011
Steve Voshell Term expires December 31, 2011
John Ostmoe Term expires December 31, 2012
Chelly VanderHeyden Term expires December 31, 2012
Cindy Biederman Term expires December 31, 2012

Unanimous consent.

Mayor Pedersen opened citizen's forum and invited anyone to speak to an item not on the agenda. Shelley Larson said she was speaking for the Friends of the Library. She said the Friends have volunteered many hours and donated money toward the library project, and she wanted to raise concerns about outside maintenance issues that have not been addressed. Larson said the first winter after the building was built the cover for the book drop was damaged during snow removal, the downspouts on the south side have not been completed, sod has been torn up and a tree was hit. She said the biggest issue is the paver walkway on the south side of the building. She stated the retaining wall installation was done incorrectly and it has lead to a settling behind the wall and the pavers have settled. Larson presented an estimate of \$6,500 to make the repairs. She asked the council to fix the wall and replace the grass where it has gotten scalped or not growing.

The council directed Lerud to contact the landscaping wall contractors to see if there can be a resolution.

No one else came forward. Mayor Pedersen closed citizen's forum.

A letter from the MN Department of Natural Resources was presented. Lerud said the city's grant application for the Rec Park improvements was not approved.

Council member Dillan offered Resolution No. 10 – 03 and moved for its adoption, second by Totzke

RESOLUTION NO. 10 – 03
RESOLUTION AUTHORIZING CITY OF MILACA TO BE A PARTY TO THE
MINNESOTA WATER AGENCY RESPONSE NETWORK (MnWARN)
(entire text appears in Resolution book)

Lerud said he spoke with the City Attorney and the indemnification language was current.

Upon voting, all voted in favor.

Council member Bekius offered Resolution No. 10 – 04 and moved for its adoption, second by Muller

RESOLUTION NO. 10 – 04
RESOLUTION APPROVING BUDGET ADJUSTMENTS
(entire text appears in Resolution book)

Unanimous consent.

Council member Dillan offered Resolution No. 10 – 05 and moved for its adoption, second by Bekius

RESOLUTION NO. 10 – 05
RESOLUTION APPROVING MILLE LACS COUNTY FEDERAL AID PROJECT
WITHIN MUNICIPAL CORPORATE LIMITS
(entire text appears in Resolution book)

Unanimous consent.

Council member Bekius said the planning commission did not meet this month.

The economic development commission meeting minutes were presented.

The airport commission meeting minutes were presented.

The parks commission meeting minutes were presented.

Council member Dillan said the HCP group did not meet last month due to the Soup with the Mayor meeting on January 18. Mayor Pedersen said he was pleased with the meeting and he said two people stepped forward for the parks commission, two for the HCP group, and there was quite a bit of interest in the community fund. He said he would like to move forward on the community fund following the EXPO on February 6.

A snow removal policy addition was presented. Lerud said clearing snow from the city-owned lot by the theater has been an issue because the parking is used as overnight parking for the apartments around the lot. After a brief discussion about the policy a motion was made by Bekius, second by Dillan to adopt the policy as presented, unanimous consent. Lerud said he would contact the residents advising them of the policy and discussion tonight, and to work with public works on signage.

Mayor Pedersen called for Council comments.

Council member Totzke asked about the status of the warming house. Lerud said work should begin very soon. The insurance adjuster has been here, and he spoke with Moyer this week about it.

Council member Muller thanked Pedersen and Dillan for their Soup with the Mayor event at the Phoenix Ballroom.

Council member Dillan said it is probably a county issue, but he has heard concern about the cross walk on Central Avenue at First Street.

Council member Bekius suggested that a plan be developed to make the library landscape corrections permanent. There was a brief discussion about using decorative rock or wood chips in all the grassy areas.

Mayor Pedersen said the HCP will have a booth at the Feb. 6 Business EXPO.

With no other business a motion to adjourn was made by Dillan, second by Muller, all voted in favor and the meeting adjourned at 7:15.

Mayor Harold Pedersen

ATTEST

Greg Lerud, City Manager

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JANUARY 2010

Check Amt Invoice Comment

10100 General Bank

Paid Chk#			Date		Vendor	
810017E			1/19/2010		CENTERPOINT ENERGY MINNEGASCO	
G 208-20200	Accounts Payable	\$231.79	5813915		NATURAL GAS-SR CENTER-NOV	
G 101-20200	Accounts Payable	\$227.71	5817670		NATURAL GAS-HISTORICAL SOCIETY-NOV	
G 101-20200	Accounts Payable	\$669.57	5826633		NATURAL GAS-PW-NOV	
G 101-20200	Accounts Payable	\$145.39	5831068		NATURAL GAS-CITY HALL-NOV	
G 101-20200	Accounts Payable	\$36.56	6122593		NATURAL GAS-FIRE-NOV	
G 602-20200	Accounts Payable	\$199.20	6672186		NATURAL GAS-WATER TRMT-NOV	
G 101-20200	Accounts Payable	\$389.10	7142283		NATURAL GAS-LIBRARY-NOV	
Total CENTERPOINT ENERGY MINNEGASCO		\$1,899.32				
810018E			1/7/2010		EAST CENTRAL ENERGY	
G 101-20200	Accounts Payable	\$6,477.71			NOV ELECTRIC	
G 208-20200	Accounts Payable	\$174.71			NOV ELECTRIC	
G 603-20200	Accounts Payable	\$924.31			NOV ELECTRIC	
G 602-20200	Accounts Payable	\$2,628.12			NOV ELECTRIC	
Total EAST CENTRAL ENERGY		\$10,204.85				
810019E			1/15/2010		MILACA LOCAL LINK	
G 619-20200	Accounts Payable	\$97.47	320-982-1099		PHONE SERVICE-DEP REG	
G 101-20200	Accounts Payable	\$39.06	320-982-1549		ALARM LINE - LIBRARY	
G 101-20200	Accounts Payable	\$87.38	320-982-3465		PHONE SERVICE-FIRE	
Total MILACA LOCAL LINK		\$223.91				
810020E			1/8/2010		UNION SECURITY INSURANCE CO.	
G 101-21707	Disability	\$285.75	4022335-0-1		JAN LTD	
Total UNION SECURITY INSURANCE CO.		\$285.75				
810021E			1/20/2010		MN DEPT OF REVENUE	
G 101-20200	Accounts Payable	\$5.00			4TH QTR SALES TAX	
G 101-20200	Accounts Payable	\$9.00			4TH QTR SALES TAX	
G 619-20200	Accounts Payable	\$1.58			4TH QTR USE TAX	
G 101-20200	Accounts Payable	\$238.25			4TH QTR USE TAX	
G 602-20800	Sales Tax Payable	\$1,240.00			W/S SALES TAX	
G 603-20200	Accounts Payable	\$10.17			4TH QTR USE TAX	
G 602-20200	Accounts Payable	\$15.00			4TH QTR SALES TAX	
Total MN DEPT OF REVENUE		\$1,519.00				
810022E			1/31/2010		INCONTACT INC	
G 101-20200	Accounts Payable	\$8.13	4020342		DEC LONG DISTANCE-FIRE	
G 101-20200	Accounts Payable	\$39.02	4020370		DEC LONG DISTANCE-CITY HALL	
G 101-20200	Accounts Payable	\$10.55	4020375		DEC LONG DISTANCE-PW	
G 101-20200	Accounts Payable	\$40.51	4021370		DEC LONG DISTANCE-PD	
G 619-20200	Accounts Payable	\$2.85	4021396		DEC LONG DISTANCE-DEP REG	
G 101-20200	Accounts Payable	\$12.82	4021397		DEC LONG DISTANCE-LIQUOR	
E 602-49400-321	Telephone	\$0.06	4021432		DEC LONG DISTANCE-WATER	
E 101-45200-321	Telephone	\$9.85	4580547		DEC LONG DISTANCE-PARKS	
Total INCONTACT INC		\$123.79				
10100 General Bank		\$14,256.62				

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JANUARY 2010

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Fund Summary

	10100 General Bank	
101 GENERAL FUND	\$8,731.36	
208 CHARITABLE GAMBLING FUND	\$406.50	
602 WATER FUND	\$4,082.38	
603 SEWER FUND	\$934.48	
619 DEPUTY REGISTRAR FUND	\$101.90	
	<hr/>	
	\$14,256.62	

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FEBRUARY 2010

Check Amt Invoice Comment

10100 General Bank

Paid Chk#	Invoice#	Date	Vendor	Check Amt	Invoice	Comment
10100 General Bank						
Paid Chk# 036634	2/16/2010		FRONTIER			
E 602-49400-321	Telephone			\$1.92	983-0121	PHONE SVC-WATER
E 101-49810-321	Telephone			\$49.26	983-2648	PHONE SVC-AIRPORT
E 101-41940-321	Telephone			\$186.57	983-3141	PHONE SVC-CITY HALL
E 101-45500-321	Telephone			\$16.20	983-3141	PHONE SVC-LIBRARY
E 101-41940-321	Telephone			\$47.82	983-3142	PHONE SVC-CITY HALL
E 619-49900-321	Telephone			\$89.60	983-3143	PHONE SVC-DEP REG
E 101-42280-321	Telephone			\$48.01	983-3465	PHONE SVC-FIRE
E 101-45200-321	Telephone			\$44.42	983-5729	PHONE SVC-PARKS
E 602-49400-321	Telephone			\$143.36	983-6134	PHONE SVC-WATER
E 101-42110-321	Telephone			\$94.01	983-6166	PHONE SVC-POLICE
E 101-43000-321	Telephone			\$101.11	983-6547	PHONE SVC-PW
Total FRONTIER				\$822.28		
Paid Chk# 036635	2/16/2010		MN PUBLIC FACILITIES AUTHORITY			
E 602-49400-611	Bond Interest			\$14,461.05	050055RFY07	WATER TMT FACILITY - INTEREST
Total MN PUBLIC FACILITIES AUTHORITY				\$14,461.05		
Paid Chk# 036636	2/16/2010		NORTHERN SAFETY CO.			
E 101-42280-434	Uniforms			\$364.34	P26181370101	SAFETY VESTS
Total NORTHERN SAFETY CO.				\$364.34		
Paid Chk# 036637	2/16/2010		SPRINT PCS			
E 101-45200-321	Telephone			\$32.74	613620816	FEB CELL SERVICE
E 101-43000-321	Telephone			\$32.75	613620816	FEB CELL SERVICE
E 101-42280-321	Telephone			\$32.74	613620816	FEB CELL SERVICE
Total SPRINT PCS				\$98.23		
Paid Chk# 036638	2/18/2010		ALL STAR TROPHY & AWARDS, INC.			
E 101-42280-201	Accessories (paper, pens, etc)			\$96.64	30208	PLAQUE-FIRE DEPT
Total ALL STAR TROPHY & AWARDS, INC.				\$96.64		
Paid Chk# 036639	2/18/2010		AMERIPRIDE			
E 101-45500-310	Other Professional Services			\$23.11	S717253	RUGS-LIBRARY
E 619-49900-310	Other Professional Services			\$15.58	S717254	RUGS-DEP REG
E 101-41940-310	Other Professional Services			\$6.75	S717254	RUGS-CITY HALL
E 101-45500-310	Other Professional Services			\$23.56	S722343	RUGS-LIBRARY
E 619-49900-310	Other Professional Services			\$16.00	S722344	RUGS-DEP REG
E 101-41940-310	Other Professional Services			\$6.80	S722344	RUGS-CITY HALL
Total AMERIPRIDE				\$91.80		
Paid Chk# 036640	2/18/2010		AUTOMATIC SYSTEMS CO.			
E 603-49450-310	Other Professional Services			\$360.00	22438	SEWER ALARM REPAIR
Total AUTOMATIC SYSTEMS CO.				\$360.00		
Paid Chk# 036641	2/18/2010		BAAS CONSTRUCTION, INC			
E 101-45200-401	Repairs/Maint Buildings			\$10,421.77		WARMING HOUSE REPAIRS
Total BAAS CONSTRUCTION, INC				\$10,421.77		
Paid Chk# 036642	2/18/2010		BAN-KOE SYSTEMS, INC.			
E 101-41940-310	Other Professional Services			\$284.00	56141	FIRE ALARM SYSTEM SUPPORT
Total BAN-KOE SYSTEMS, INC.				\$284.00		
Paid Chk# 036643	2/18/2010		BEAUDRY OIL & PROPANE			
E 101-49810-381	Utilities			\$659.61	205745	PROPANE FOR AIRPORT HANGER
Total BEAUDRY OIL & PROPANE				\$659.61		

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FEBRUARY 2010

			Check Amt	Invoice	Comment
Paid Chk# 036644	2/18/2010	BILLINGS SERVICE			
E 101-42280-212	Auto Expense (Fuel/Repair)		\$141.46		GAS-FIRE DEPT
E 101-45200-212	Auto Expense (Fuel/Repair)		\$65.86		GAS-PARKS
E 101-42280-212	Auto Expense (Fuel/Repair)		\$112.95		BATTERY-FIRE DEPT
E 101-43000-212	Auto Expense (Fuel/Repair)		\$282.54		GAS-PW
	Total BILLINGS SERVICE		\$602.81		
Paid Chk# 036645	2/18/2010	BILLINGS, CRAIG			
E 101-42280-208	Training and Travel		\$36.38		EMT REFRESHER-2/5-7
	Total BILLINGS, CRAIG		\$36.38		
Paid Chk# 036646	2/18/2010	BONESTROO ROSENE ANDERLIK			
G 602-20200	Accounts Payable		\$650.00	175907	1ST ST SW WATERMAIN
G 603-20200	Accounts Payable		\$1,985.00	175908	WASTEWATER SYSTEM IMPROVEMENTS
	Total BONESTROO ROSENE ANDERLIK		\$2,635.00		
Paid Chk# 036647	2/18/2010	CORNER MART			
E 101-45200-212	Auto Expense (Fuel/Repair)		\$223.00		GAS-PARKS
E 602-49400-212	Auto Expense (Fuel/Repair)		\$202.34		GAS-WATER
E 101-42110-212	Auto Expense (Fuel/Repair)		\$693.08		GAS-POLICE
E 700-50000-212	Auto Expense (Fuel/Repair)		\$103.00		GAS-JP
E 101-43000-212	Auto Expense (Fuel/Repair)		\$311.85		GAS-PW
	Total CORNER MART		\$1,533.27		
Paid Chk# 036648	2/18/2010	D & M OIL			
E 101-43000-212	Auto Expense (Fuel/Repair)		\$461.11	338636	AIR FILTERS (55)-PW
E 101-43000-212	Auto Expense (Fuel/Repair)		\$69.51	338676	TRANSMISSION FLUID-PW
E 101-43000-221	Equipment Parts/Repairs		\$87.78	338678	SWEEPER PARTS-PW
	Total D & M OIL		\$618.40		
Paid Chk# 036649	2/18/2010	DEPT. OF PUBLIC SAFETY			
E 101-42110-437	Other Miscellaneous		\$180.00	P07 MY04801	REMOTE ACCESS-PD
	Total DEPT. OF PUBLIC SAFETY		\$180.00		
Paid Chk# 036650	2/18/2010	DOVE FRETLAND & VAN VALKENBURG			
E 101-41610-304	Legal Fees		\$875.00	54893	CIVIL RETAINER-JAN
E 101-41610-304	Legal Fees		\$3,113.86	54894	CRIMINAL RETAINER-JAN
	Total DOVE FRETLAND & VAN VALKENBURG		\$3,988.86		
Paid Chk# 036651	2/18/2010	E.C.M. PUBLISHERS, INC.			
E 211-49000-343	Other Advertising		\$139.50	205640	SOUP WITH THE MAYOR AD
	Total E.C.M. PUBLISHERS, INC.		\$139.50		
Paid Chk# 036652	2/18/2010	FIRE EQUIPMENT SPECIALTIES INC			
E 101-42280-434	Uniforms		\$401.61	6476	GLOVES AND HOODS
	Total FIRE EQUIPMENT SPECIALTIES INC		\$401.61		
Paid Chk# 036653	2/18/2010	GANN, TRACY			
E 101-41510-208	Training and Travel		\$39.77		STATE AUDITOR ANNL TRNG 1/27
E 101-41510-208	Training and Travel		\$32.50		BASIC SALES & USE TAX 2/9
	Total GANN, TRACY		\$72.27		
Paid Chk# 036654	2/18/2010	GOPHER STATE ONE CALL			
E 602-49400-310	Other Professional Services		\$127.55	11380	JAN LOCATES
	Total GOPHER STATE ONE CALL		\$127.55		
Paid Chk# 036655	2/18/2010	GRANITE ELECTRONICS			
E 603-49450-226	Radio Repair		\$60.00	236192	PAGER REPAIR
E 602-49400-226	Radio Repair		\$60.00	236192	PAGER REPAIR

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FEBRUARY 2010

			Check Amt	Invoice	Comment
E 101-42280-226	Radio Repair		\$35.63	445242	PAGER BATTERIES
E 101-42280-226	Radio Repair		\$41.15	445279	PAGER CHARGER
Total GRANITE ELECTRONICS			\$196.78		
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Paid Chk# 036656	2/18/2010	H & L MESABI			
E 101-43000-221	Equipment Parts/Repairs		\$113.05	79510	PLOW PARTS-PW
E 101-43000-221	Equipment Parts/Repairs		\$762.17	79511	PLOW PARTS-PW
E 101-43000-221	Equipment Parts/Repairs		\$162.45	79643	PLOW PARTS-PW
Total H & L MESABI			\$1,037.67		
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Paid Chk# 036657	2/18/2010	HALBERG, JOSHUA			
E 101-42110-437	Other Miscellaneous		\$9.48		PUSH BROOM FOR PD GARAGE
E 101-42110-208	Training and Travel		\$22.88		CHILD RESTRAINT TRNG 1/13-14
Total HALBERG, JOSHUA			\$32.36		
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Paid Chk# 036658	2/18/2010	HAWKINS, INC.			
E 602-49400-216	Chemicals and Chem Products		\$2,656.01	3087964	CHEMICALS
Total HAWKINS, INC.			\$2,656.01		
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Paid Chk# 036659	2/18/2010	HJORT EXCAVATING			
E 602-49400-310	Other Professional Services		\$962.25	2010.18	WATERMAIN RPR (525 4TH AVE NW) TO BE ASSESSED
E 602-49400-310	Other Professional Services		\$3,064.72	2010.5	WATERMAIN RPR (NEUHART) TO BE ASSESSED
Total HJORT EXCAVATING			\$4,026.97		
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Paid Chk# 036660	2/18/2010	JOHNSON OIL CO.			
E 101-42110-212	Auto Expense (Fuel/Repair)		\$29.16	627	SQUAD 03 MAINTENANCE
Total JOHNSON OIL CO.			\$29.16		
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Paid Chk# 036661	2/18/2010	KDV TECHNOLOGY AND CONSULTING			
E 101-41940-309	EDP, Software and Design		\$825.00	3051	JAN NETWORK
Total KDV TECHNOLOGY AND CONSULTING			\$825.00		
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Paid Chk# 036662	2/18/2010	KNIFE RIVER CORP. - NORTH CENT			
E 101-43000-215	Shop Supplies		\$32.54	165281	SHOP SUPPLIES-PW
Total KNIFE RIVER CORP. - NORTH CENT			\$32.54		
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Paid Chk# 036663	2/18/2010	KOCH'S HARDWARE HANK			
E 101-42280-217	Other Operating Supplies		\$89.52		SUPPLIES-FIRE DEPT
E 101-43000-240	Small Tools and Minor Equip		\$57.69		SAW-PW
E 101-45500-217	Other Operating Supplies		\$11.51		SUPPLIES-LIBRARY
E 101-49810-217	Other Operating Supplies		\$14.30		SUPPLIES-AIRPORT
E 101-45200-434	Uniforms		\$18.99		WORK RUBBERS-PARKS
E 101-45200-434	Uniforms		\$32.76		GLOVES-PARKS
E 101-43000-240	Small Tools and Minor Equip		\$47.00		PARTS ORGANIZER-PW
E 101-43000-240	Small Tools and Minor Equip		\$69.46		TORCH-PW
E 101-43000-230	Safety		\$70.17		SAFETY SUPPLIES-PW
E 101-42280-384	Refuse/Garbage Disposal		\$72.50		LIGHT BULB DISPOSAL-FIRE DEPT
E 101-45200-215	Shop Supplies		\$88.67		SHOP SUPPLIES-PARKS
E 101-43000-215	Shop Supplies		\$107.89		SHOP SUPPLIES-PW
E 101-42280-240	Small Tools and Minor Equip		\$213.71		RESCUE TOOLS-FIRE DEPT
E 603-49450-217	Other Operating Supplies		\$2.13		SUPPLIES-SEWER
E 101-45200-240	Small Tools and Minor Equip		\$82.27		RINK HOSES-PARKS
Total KOCH'S HARDWARE HANK			\$978.57		
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Paid Chk# 036664	2/18/2010	LEAGUE OF MN CITIES INSUR TRST			
E 700-50000-151	Worker's Comp Insurance Prem		\$346.00	17214	JOINT POWERS WORK COMP
Total LEAGUE OF MN CITIES INSUR TRST			\$346.00		

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FEBRUARY 2010

			Check Amt	Invoice	Comment
Paid Chk# 036665 2/18/2010 M.E. PLUMBING & HEATING					
E 101-41940-310	Other Professional Services		\$396.00	30194	HVAC REPAIR-CITY HALL
Total M.E. PLUMBING & HEATING			\$396.00		
Paid Chk# 036666 2/18/2010 M.G.F.O.A.					
E 101-41940-433	Dues and Subscriptions		\$60.00		2010 ANNUAL DUES-GANN
Total M.G.F.O.A.			\$60.00		
Paid Chk# 036667 2/18/2010 MEYER'S MILACA BTB					
E 101-43000-221	Equipment Parts/Repairs		\$227.47	151-35578	LOADER PARTS-PW
E 101-45200-221	Equipment Parts/Repairs		\$18.08	151-35683	BROOM PARTS-PARKS
E 101-45200-215	Shop Supplies		\$11.75	151-35844	SHOP SUPPLIES-PARKS
E 101-45200-221	Equipment Parts/Repairs		\$17.97	151-35961	PARTS-PARKS
E 101-45200-221	Equipment Parts/Repairs		\$16.65	151-35971	PARTS-PARKS
E 101-45200-221	Equipment Parts/Repairs		\$11.95	151-36175	HYSLER PARTS-PARKS
Total MEYER'S MILACA BTB			\$303.87		
Paid Chk# 036668 2/18/2010 MILACA AUTO VALUE					
E 101-43000-221	Equipment Parts/Repairs		\$367.11	1302823	SWEEPER PARTS-PW
E 101-43000-215	Shop Supplies		\$217.87	1302823	SHOP SUPPLIES-PW
Total MILACA AUTO VALUE			\$584.98		
Paid Chk# 036669 2/18/2010 MILACA, CITY OF					
E 101-45200-401	Repairs/Maint Buildings		\$215.25	10-001	BLDG PERMIT-WARMING HSE REPAIRS
Total MILACA, CITY OF			\$215.25		
Paid Chk# 036670 2/18/2010 MILLE LACS CO. PUBLIC HEALTH					
E 101-42280-305	Medical and Dental Fees		\$36.00	08-2010-103	DAVID LOS-HEP B-2ND DOSE
Total MILLE LACS CO. PUBLIC HEALTH			\$36.00		
Paid Chk# 036671 2/18/2010 MILLE LACS VETERINARY CLINIC					
G 410-20200	Accounts Payable		\$3,817.91		DEVELOPER 90%-TIF4-7(76)
Total MILLE LACS VETERINARY CLINIC			\$3,817.91		
Paid Chk# 036672 2/18/2010 MN COPY SYSTEMS, INC.					
G 101-20200	Accounts Payable		\$74.74	43642	DEC COPIER MAINTENANCE
E 101-41940-310	Other Professional Services		\$74.74	43642	JAN COPIER MAINTENANCE
E 101-42280-310	Other Professional Services		\$180.00	43642	COPIER MAINTENANCE-FIRE DEPT
Total MN COPY SYSTEMS, INC.			\$329.48		
Paid Chk# 036673 2/18/2010 MN POLLUTION CONTROL AGENCY					
E 603-49450-208	Training and Travel		\$300.00		ANNUAL WASTEWATER-STIMMLER
Total MN POLLUTION CONTROL AGENCY			\$300.00		
Paid Chk# 036674 2/18/2010 MN STATE FIRE DEPT. ASSOC					
E 101-42280-433	Dues and Subscriptions		\$216.00		2010 DUES
Total MN STATE FIRE DEPT. ASSOC			\$216.00		
Paid Chk# 036675 2/18/2010 NORTHLAND FIRE PROTECTION					
E 101-45500-310	Other Professional Services		\$45.00	81032	FIRE EXTINGUISHER-LIBRARY
E 101-41940-310	Other Professional Services		\$45.00	81033	FIRE EXTINGUISHER-CITY HALL
E 101-42280-310	Other Professional Services		\$90.00	81034	FIRE EXTINGUISHER-FIRE DEPT
E 101-45200-310	Other Professional Services		\$65.00	81036	FIRE EXTINGUISHER-PARKS
E 602-49400-310	Other Professional Services		\$45.00	81036	FIRE EXTINGUISHER-WATER
Total NORTHLAND FIRE PROTECTION			\$290.00		
Paid Chk# 036676 2/18/2010 OAK GROVE COMMERCIAL MTG LLC					
G 407-20200	Accounts Payable		\$21,554.39		DEVELOPERS 90%-TIF2-6 (75)

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Total OAK GROVE COMMERCIAL MTG LLC			\$21,554.39		
Paid Chk#	036677	2/18/2010	PHOENIX HOTEL & BANQUET CTR		
E 211-49000-437	Other Miscellaneous		\$354.00		SOUP WITH THE MAYOR
Total PHOENIX HOTEL & BANQUET CTR			\$354.00		
Paid Chk#	036678	2/18/2010	QUILL CORPORATION		
E 619-49900-201	Accessories (paper, pens, etc)		\$38.00	2879481	PAPER-DEP REG
E 607-42400-201	Accessories (paper, pens, etc)		\$38.00	2879481	PAPER-B&Z
E 603-49450-201	Accessories (paper, pens, etc)		\$38.00	2879481	PAPER-SEWER
E 602-49400-201	Accessories (paper, pens, etc)		\$38.00	2879481	PAPER-WATER
E 101-41110-201	Accessories (paper, pens, etc)		\$38.00	2879481	PAPER-COUNCIL
E 101-43000-215	Shop Supplies		\$38.00	2879481	PAPER-PW
E 101-45200-215	Shop Supplies		\$38.00	2879481	PAPER-PARKS
E 101-42110-201	Accessories (paper, pens, etc)		\$38.00	2879481	PAPER-POLICE
E 101-42110-201	Accessories (paper, pens, etc)		\$109.36	2948001	SUPPLIES-POLICE
E 101-41940-201	Accessories (paper, pens, etc)		\$377.58	2949407	ENVELOPES/PAPER-CITY
E 602-49400-201	Accessories (paper, pens, etc)		\$5.09	2949407	PENS-WATER
E 101-41110-201	Accessories (paper, pens, etc)		\$11.15	2949407	PASTEL PAPER-COUNCIL
E 619-49900-201	Accessories (paper, pens, etc)		\$3.57	3195515	BINDER-DEP REG
E 101-41940-201	Accessories (paper, pens, etc)		\$8.54	3195515	FILE FOLDERS-CITY
Total QUILL CORPORATION			\$819.29		
Paid Chk#	036679	2/18/2010	ST. CLOUD TECHNICAL COLLEGE		
E 101-42280-208	Training and Travel		\$975.00	91027	FIREFIGHTER I & 11-LOS
E 101-42280-208	Training and Travel		\$975.00	91027	FIREFIGHTER I & 11-HOEFT
Total ST. CLOUD TECHNICAL COLLEGE			\$1,950.00		
Paid Chk#	036680	2/18/2010	TEALS MARKET		
E 101-42110-437	Other Miscellaneous		\$6.25		DOG FOOD-POLICE DEPT
Total TEALS MARKET			\$6.25		
Paid Chk#	036681	2/18/2010	TOTAL CONTROL SYSTEMS, INC.		
E 603-49450-221	Equipment Parts/Repairs		\$97.06	5134	LIFTSTATION MONITOR
Total TOTAL CONTROL SYSTEMS, INC.			\$97.06		
Paid Chk#	036682	2/18/2010	TRI-COUNTY HUMANE SOCIETY		
E 101-42110-310	Other Professional Services		\$25.00		DOG SURRENDER
Total TRI-COUNTY HUMANE SOCIETY			\$25.00		
10100 General Bank			\$79,511.91		

Fund Summary

	10100 General Bank
101 GENERAL FUND	\$27,736.88
211 INITIATIVE FOUNDATION	\$493.50
407 TIF# 2-6 (APARTMENTS)	\$21,554.39
410 TIF #4-7	\$3,817.91
602 WATER FUND	\$22,417.29
603 SEWER FUND	\$2,842.19
607 BLDG INSPECTION FUND	\$38.00
619 DEPUTY REGISTRAR FUND	\$162.75
700 BRAHAM-MILACA JOINT POWERS	\$449.00
	<u>\$79,511.91</u>

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Check Amt Invoice Comment

10100 General Bank

Paid Chk#		Date	Vendor		Check Amt	Invoice	Comment
Paid Chk# 036544		1/6/2010	BLUE CROSS BLUE SHIELD OF MINN				
G 101-21706	Medical Insur.			\$10,716.00	7S034-M0 4	MEDICAL INSUR-JAN 2010	
Total BLUE CROSS BLUE SHIELD OF MINN				\$10,716.00			
Paid Chk# 036545		1/6/2010	JIM'S MILLE LACS DISPOSAL				
G 101-20200	Accounts Payable			\$83.66	211948	GARBAGE-CITY	
G 101-20200	Accounts Payable			\$25.00	211948	GARBAGE-FIRE	
G 101-20200	Accounts Payable			\$47.06	211948	GARBAGE-PARKS	
G 101-20200	Accounts Payable			\$1,610.00	302877	SNOW REMOVAL	
Total JIM'S MILLE LACS DISPOSAL				\$1,765.72			
Paid Chk# 036546		1/6/2010	L.E.L.S.				
G 101-21710	Union Dues			\$168.00	LOCAL #238	POLICE UNION DUES-JAN 2010	
Total L.E.L.S.				\$168.00			
Paid Chk# 036547		1/6/2010	MILACA BLDG CENTER				
G 602-20200	Accounts Payable			\$26.69	3141	TORCH KIT-WATER	
G 101-20200	Accounts Payable			\$265.30	3141	SHOP SUPPLIES-PARKS	
G 101-20200	Accounts Payable			\$11.23	3141	SHOP SUPPLIES-PW	
Total MILACA BLDG CENTER				\$303.22			
Paid Chk# 036548		1/6/2010	MILLE LACS CO. RECORDER				
E 619-49900-433	Dues and Subscriptions			\$100.00		NOTARY RENEWAL-HARTMAN	
E 101-41940-433	Dues and Subscriptions			\$100.00		NOTARY RENEWAL-KATKE	
Total MILLE LACS CO. RECORDER				\$200.00			
Paid Chk# 036549		1/6/2010	MN BENEFITS				
G 101-21712	Dental			\$159.32		LIFE/DENTAL	
G 101-21709	Life Insur.			\$179.19		LIFE/DENTAL	
Total MN BENEFITS				\$338.51			
Paid Chk# 036550		1/6/2010	MN BLDG PERMIT TECHS ASSOC.				
E 607-42400-433	Dues and Subscriptions			\$50.00	07048	2010 MEMBERSHIP-P MILLER	
Total MN BLDG PERMIT TECHS ASSOC.				\$50.00			
Paid Chk# 036551		1/6/2010	MN SECRETARY OF STATE				
E 101-41940-433	Dues and Subscriptions			\$40.00	6150238	NOTARY RENEWAL-D KATKE	
E 619-49900-433	Dues and Subscriptions			\$40.00	6170532	NOTARY RENEWAL-P HARTMAN	
Total MN SECRETARY OF STATE				\$80.00			
Paid Chk# 036552		1/6/2010	MN STATE AUDITOR				
E 101-41510-208	Training and Travel			\$125.00		REGISTRATION-T GANN-1/27/10	
Total MN STATE AUDITOR				\$125.00			
Paid Chk# 036553		1/6/2010	SELECT ACCOUNT-HSA				
G 101-21705	Health Saving Account			\$12,975.00		1ST QTR CONTRIBUTIONS	
Total SELECT ACCOUNT-HSA				\$12,975.00			
Paid Chk# 036554		1/6/2010	SENTRY SYSTEMS, INC.				
E 101-41940-310	Other Professional Services			\$604.85	611848	2010 ALARM MONITORING-CITY HALL	
E 101-45500-310	Other Professional Services			\$38.48	611848	DAILY TEST-LIBRARY	
E 101-45500-310	Other Professional Services			\$397.32	611848	ANNUAL PANEL TEST-LIBRARY	
E 101-45500-310	Other Professional Services			\$341.15	611848	COMMERCIAL MONITORING-LIBRARY	
Total SENTRY SYSTEMS, INC.				\$1,381.80			
Paid Chk# 036555		1/6/2010	USABLE LIFE				
G 101-21707	Disability			\$220.30	101408001G	DISABILITY/LIFE-JAN 2010	

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Total USABLE LIFE			\$220.30		
Paid Chk#	036556	1/11/2010	INTERNATIONAL CODE COUNCIL		
E 700-50000-208	Training and Travel		\$472.00		REGISTRATION-M LIND
Total INTERNATIONAL CODE COUNCIL			\$472.00		
Paid Chk#	036622	1/25/2010	BLUE CROSS BLUE SHIELD OF MINN		
G 101-21706	Medical Insur.		\$10,716.00	7S034-M0 4	MEDICAL INSUR-FEB
Total BLUE CROSS BLUE SHIELD OF MINN			\$10,716.00		
Paid Chk#	036623	1/25/2010	L.E.L.S.		
G 101-21710	Union Dues		\$280.20	LOCAL #238	POLICE UNION DUES-FEB
Total L.E.L.S.			\$280.20		
Paid Chk#	036624	1/25/2010	MILLE LACS CO. RECORDER		
E 602-49400-437	Other Miscellaneous		\$46.00		RECORDING FEE
Total MILLE LACS CO. RECORDER			\$46.00		
Paid Chk#	036625	1/25/2010	MN BENEFITS		
G 101-21712	Dental		\$159.32		LIFE/DENTAL-FEB
G 101-21709	Life Insur.		\$179.19		LIFE/DENTAL-FEB
Total MN BENEFITS			\$338.51		
Paid Chk#	036626	1/25/2010	SANDERSON, ALYCE		
E 101-42110-437	Other Miscellaneous		\$85.98		CROSSING GUARD VESTS
Total SANDERSON, ALYCE			\$85.98		
Paid Chk#	036627	1/25/2010	USABLE LIFE		
G 101-21707	Disability		\$225.05	101408001G	DISABILITY/LIFE
Total USABLE LIFE			\$225.05		
Paid Chk#	036628	1/29/2010	U.S. POSTMASTER		
E 602-49400-322	Postage		\$99.21		JANUARY BILLINGS
E 603-49450-322	Postage		\$99.21		JANUARY BILLINGS
Total U.S. POSTMASTER			\$198.42		
10100 General Bank			\$40,685.71		

Fund Summary

	10100 General Bank	
101 GENERAL FUND		\$39,752.60
602 WATER FUND		\$171.90
603 SEWER FUND		\$99.21
607 BLDG INSPECTION FUND		\$50.00
619 DEPUTY REGISTRAR FUND		\$140.00
700 BRAHAM-MILACA JOINT POWERS		\$472.00
		<u>\$40,685.71</u>

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Check Amt Invoice Comment

10900 Liquor Bank

Paid Chk#			Date		Vendor		Check Amt	Invoice	Comment
Paid Chk# 021241			1/5/2010		BELLBOY CORP.				
G 609-2020	Accounts Payable		\$2,180.11	51344400		LIQUOR			
G 609-2020	Accounts Payable		\$1,704.85	51504000		LIQUOR			
Total BELLBOY CORP.			\$3,884.96						
Paid Chk# 021242			1/5/2010		BERNICKS				
G 609-2020	Accounts Payable		\$75.05	75677		NA			
G 609-2020	Accounts Payable		\$276.60	75678		BEER			
G 609-2020	Accounts Payable		\$9.58	78110		NA			
G 609-2020	Accounts Payable		\$504.80	78111		BEER			
G 609-2020	Accounts Payable		\$160.00	78112		WINE			
G 609-2020	Accounts Payable		\$26.65	80613		NA			
G 609-2020	Accounts Payable		\$124.60	80614		BEER			
G 609-2020	Accounts Payable		\$89.25	82825		NA			
G 609-2020	Accounts Payable		\$701.15	82826		BEER			
G 609-2020	Accounts Payable		\$45.45	84851		NA			
G 609-2020	Accounts Payable		\$706.00	84852		BEER			
Total BERNICKS			\$2,719.13						
Paid Chk# 021243			1/5/2010		C & L DISTRIBUTING CO.				
G 609-2020	Accounts Payable		\$4,362.55	222597		BEER			
G 609-2020	Accounts Payable		(\$30.00)	222597		DEPOSITS			
G 609-2020	Accounts Payable		\$13.55	222597		NA			
G 609-2020	Accounts Payable		\$308.00	223068		BEER			
G 609-2020	Accounts Payable		\$41.15	223393		NA			
G 609-2020	Accounts Payable		\$4,598.10	223393		BEER			
G 609-2020	Accounts Payable		\$30.00	224119		DEPOSITS			
G 609-2020	Accounts Payable		\$4,462.40	224119		BEER			
G 609-2020	Accounts Payable		\$133.25	224888		NA			
G 609-2020	Accounts Payable		\$10,574.10	224888		BEER			
G 609-2020	Accounts Payable		\$30.00	225635		DEPOSITS			
G 609-2020	Accounts Payable		\$35.40	225635		NA			
G 609-2020	Accounts Payable		\$6,836.30	225635		BEER			
Total C & L DISTRIBUTING CO.			\$31,394.80						
Paid Chk# 021244			1/5/2010		DAHLHEIMER DISTRIBUTING CO.				
G 609-2020	Accounts Payable		\$2,693.59	60579		BEER			
G 609-2020	Accounts Payable		(\$30.00)	60579		DEPOSITS			
G 609-2020	Accounts Payable		\$15.50	60579		NA			
G 609-2020	Accounts Payable		\$4,260.82	61344		BEER			
G 609-2020	Accounts Payable		\$151.50	62033		NA			
G 609-2020	Accounts Payable		\$3,361.52	62033		BEER			
G 609-2020	Accounts Payable		\$21.95	62917		NA			
G 609-2020	Accounts Payable		\$3,860.67	62917		BEER			
G 609-2020	Accounts Payable		\$6,312.74	63559		BEER			
Total DAHLHEIMER DISTRIBUTING CO.			\$20,648.29						
Paid Chk# 021245			1/5/2010		DANIMAL DISTRIBUTING INC				
G 609-2020	Accounts Payable		\$49.20	1201249		BEER			
G 609-2020	Accounts Payable		\$38.96	1218120		NA			
G 609-2020	Accounts Payable		\$106.00	1218120		BEER			
Total DANIMAL DISTRIBUTING INC			\$194.16						
Paid Chk# 021246			1/5/2010		FIELDSTONE VINEYARDS				
G 609-2020	Accounts Payable		\$239.40	2009685		WINE			
G 609-2020	Accounts Payable		\$321.48	2009756		WINE			
G 609-2020	Accounts Payable		\$203.83	2009757		WINE			

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Total FIELDSTONE VINEYARDS			\$764.71		
Paid Chk#	021247	1/5/2010	JIM'S MILLE LACS DISPOSAL		
G 609-20200	Accounts Payable		\$81.90	219225	REFUSE COLLECTION
Total JIM'S MILLE LACS DISPOSAL			\$81.90		
Paid Chk#	021248	1/5/2010	JOHNSON BROTHERS LIQUOR CO.		
G 609-20200	Accounts Payable		\$7,751.27	1742743	LIQUOR
G 609-20200	Accounts Payable		\$1,674.20	1742743	WINE
G 609-20200	Accounts Payable		\$181.99	1742743	DELIVERY
G 609-20200	Accounts Payable		\$58.09	1746765	DELIVERY
G 609-20200	Accounts Payable		\$1,935.20	1746765	WINE
G 609-20200	Accounts Payable		\$902.58	1746765	LIQUOR
G 609-20200	Accounts Payable		\$206.31	1750889	DELIVERY
G 609-20200	Accounts Payable		\$14.70	1750889	NA
G 609-20200	Accounts Payable		\$3,614.60	1750889	WINE
G 609-20200	Accounts Payable		\$3,224.84	1750889	LIQUOR
G 609-20200	Accounts Payable		\$64.64	1755067	DELIVERY
G 609-20200	Accounts Payable		\$776.55	1755067	WINE
G 609-20200	Accounts Payable		\$2,292.66	1755067	LIQUOR
G 609-20200	Accounts Payable		\$195.50	1758856	LIQUOR
G 609-20200	Accounts Payable		\$163.90	1758856	WINE
G 609-20200	Accounts Payable		\$33.39	1758856	NA
G 609-20200	Accounts Payable		\$10.99	1758856	DELIVERY
G 609-20200	Accounts Payable		(\$6.60)	441561	CREDIT-LIQUOR
G 609-20200	Accounts Payable		(\$0.26)	441561	CREDIT-DELIVERY
G 609-20200	Accounts Payable		(\$5.54)	442399	CREDIT-LIQUOR
G 609-20200	Accounts Payable		(\$16.93)	443122	CREDIT-LIQUOR
G 609-20200	Accounts Payable		(\$3.19)	443219	CREDIT-LIQUOR
G 609-20200	Accounts Payable		(\$8.17)	443220	CREDIT-LIQUOR
G 609-20200	Accounts Payable		(\$6.08)	443221	CREDIT-LIQUOR
G 609-20200	Accounts Payable		(\$180.00)	443222	CREDIT-WINE
G 609-20200	Accounts Payable		(\$7.85)	443222	CREDIT-DELIVERY
Total JOHNSON BROTHERS LIQUOR CO.			\$22,866.79		
Paid Chk#	021249	1/5/2010	MINNESTALGIA WINERY		
G 609-20200	Accounts Payable		\$85.50	3386	WINE
Total MINNESTALGIA WINERY			\$85.50		
Paid Chk#	021250	1/5/2010	PAUSTIS & SONS		
G 609-20200	Accounts Payable		\$8.75	8243943	FREIGHT
G 609-20200	Accounts Payable		\$328.00	8243943	WINE
Total PAUSTIS & SONS			\$336.75		
Paid Chk#	021251	1/5/2010	PHILLIPS WINE AND SPIRITS		
G 609-20200	Accounts Payable		\$751.10	2841694	WINE
G 609-20200	Accounts Payable		\$25.12	2841694	DELIVERY
G 609-20200	Accounts Payable		\$351.30	2841694	LIQUOR
G 609-20200	Accounts Payable		\$126.00	2844454	LIQUOR
G 609-20200	Accounts Payable		\$669.00	2844732	LIQUOR
G 609-20200	Accounts Payable		\$1,303.40	2844732	WINE
G 609-20200	Accounts Payable		\$33.36	2844732	DELIVERY
G 609-20200	Accounts Payable		\$2,462.70	2848020	WINE
G 609-20200	Accounts Payable		\$3,245.43	2848020	LIQUOR
G 609-20200	Accounts Payable		\$100.47	2848020	DELIVERY
G 609-20200	Accounts Payable		\$115.00	2848504	LIQUOR
G 609-20200	Accounts Payable		\$906.24	2851165	LIQUOR
G 609-20200	Accounts Payable		\$18.84	2851165	DELIVERY

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			Check Amt	Invoice	Comment
G 609-20200	Accounts Payable		\$18.84	2854037	DELIVERY
G 609-20200	Accounts Payable		\$89.50	2854037	LIQUOR
G 609-20200	Accounts Payable		\$356.00	2854037	WINE
G 609-20200	Accounts Payable		(\$66.00)	3426554	CREDIT-WINE
Total PHILLIPS WINE AND SPIRITS			\$10,506.30		
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Paid Chk#	021252	1/5/2010	QUALITY WINE & SPIRITS		
G 609-20200	Accounts Payable		\$164.00	245663	WINE
G 609-20200	Accounts Payable		\$1,327.10	245663	LIQUOR
Total QUALITY WINE & SPIRITS			\$1,491.10		
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Paid Chk#	021253	1/5/2010	SEGERSTROM, VICTORIA		
G 609-20200	Accounts Payable		\$42.70		ANTIVIRUS PROTECTION-TREND MICRO
Total SEGERSTROM, VICTORIA			\$42.70		
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Paid Chk#	021254	1/5/2010	SENTRY SYSTEMS, INC.		
E 609-49750-310	Other Professional Services		\$578.28	611366	2010 ALARM MONITORING
Total SENTRY SYSTEMS, INC.			\$578.28		
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Paid Chk#	021255	1/5/2010	SUNNY HILL DISTRIBUTORS		
G 609-20200	Accounts Payable		\$744.39	215284	WINE
G 609-20200	Accounts Payable		\$23.75	215284	DELIVERY
Total SUNNY HILL DISTRIBUTORS			\$768.14		
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Paid Chk#	021256	1/5/2010	THE WINE COMPANY		
G 609-20200	Accounts Payable		\$200.00	231979	WINE
Total THE WINE COMPANY			\$200.00		
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Paid Chk#	021257	1/5/2010	VINOCOPIA		
G 609-20200	Accounts Payable		\$16.00	21161	DELIVERY
G 609-20200	Accounts Payable		\$111.00	21161	LIQUOR
G 609-20200	Accounts Payable		\$704.01	21161	WINE
G 609-20200	Accounts Payable		\$104.00	21934	WINE
G 609-20200	Accounts Payable		\$2.50	21934	DELIVERY
Total VINOCOPIA			\$937.51		
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Paid Chk#	021258	1/5/2010	WINE MERCHANTS		
G 609-20200	Accounts Payable		\$4.71	298257	DELIVERY
G 609-20200	Accounts Payable		\$327.00	298257	WINE
Total WINE MERCHANTS			\$331.71		
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Paid Chk#	021259	1/5/2010	WIRTZ BEVERAGE MN WINE & SPRTS		
G 609-20200	Accounts Payable		\$2,077.75	327370	LIQUOR
G 609-20200	Accounts Payable		\$40.50	327370	DELIVERY
G 609-20200	Accounts Payable		\$9.00	327371	DELIVERY
G 609-20200	Accounts Payable		\$67.90	327371	WINE
G 609-20200	Accounts Payable		\$121.60	327371	NA
G 609-20200	Accounts Payable		\$208.50	334208	DELIVERY
G 609-20200	Accounts Payable		\$24.85	334208	NA
G 609-20200	Accounts Payable		\$12,309.58	334208	LIQUOR
G 609-20200	Accounts Payable		\$446.90	334209	WINE
G 609-20200	Accounts Payable		\$19.50	334209	DELIVERY
Total WIRTZ BEVERAGE MN WINE & SPRTS			\$15,326.08		
10900 Liquor Bank			\$113,158.81		

***Check Detail Register©**

JANUARY 2010

Check Amt Invoice Comment

Fund Summary

609 MUNICIPAL LIQUOR FUND	10900 Liquor Bank		
	\$113,158.81		
	<hr/>		
	\$113,158.81		

***Check Detail Register©**

FEBRUARY 2010

Check Amt Invoice Comment

10900 Liquor Bank

Paid Chk# 021289 2/16/2010 FRONTIER						
E 609-49750-321	Telephone		\$103.61	983-6255		FEB PHONE SVC
Total FRONTIER			\$103.61			
Paid Chk# 021290 2/18/2010 AMERICAN BOTTLING CO.						
E 609-49750-254	Mix/Non Alcoholic		\$102.00	2462600578		NA
Total AMERICAN BOTTLING CO.			\$102.00			
Paid Chk# 021291 2/18/2010 AMERIPRIDE						
E 609-49750-310	Other Professional Services		\$27.45	S712137		RUGS
E 609-49750-310	Other Professional Services		\$62.80	S714664		RUGS
E 609-49750-310	Other Professional Services		\$27.45	S717260		RUGS
E 609-49750-310	Other Professional Services		\$62.80	S719746		RUGS
Total AMERIPRIDE			\$180.50			
Paid Chk# 021292 2/18/2010 BELLBOY CORP.						
E 609-49750-259	Other For Resale		\$17.64	83277700		MISC
E 609-49750-254	Mix/Non Alcoholic		\$26.22	83277700		NA
Total BELLBOY CORP.			\$43.86			
Paid Chk# 021293 2/18/2010 CRYSTAL SPRINGS ICE						
E 609-49750-259	Other For Resale		(\$4.60)	51638c		CREDIT
E 609-49750-259	Other For Resale		\$142.00	57404		ICE
E 609-49750-259	Other For Resale		\$72.80	57516		ICE
Total CRYSTAL SPRINGS ICE			\$210.20			
Paid Chk# 021294 2/18/2010 GODFATHER'S EXTERMINATING						
E 609-49750-310	Other Professional Services		\$52.75	26412526		PEST CONTROL
Total GODFATHER'S EXTERMINATING			\$52.75			
Paid Chk# 021295 2/18/2010 GRANITE CITY JOBBING						
E 609-49750-256	Tobacco Products For Resale		\$463.40	630435		TOBACCO
E 609-49750-214	Liquor Store Paper Supplies		\$9.98	630435		PAPER SUPPLIES
E 609-49750-333	Freight and Express		\$4.25	630435		DELIVERY
E 609-49750-259	Other For Resale		\$81.20	631182		MISC
E 609-49750-333	Freight and Express		\$4.25	631182		DELIVERY
E 609-49750-254	Mix/Non Alcoholic		\$5.64	631182		NA
E 609-49750-256	Tobacco Products For Resale		\$677.17	631182		TOBACCO
E 609-49750-214	Liquor Store Paper Supplies		\$13.05	631182		PAPER SUPPLIES
E 609-49750-333	Freight and Express		\$4.25	631899		DELIVERY
E 609-49750-217	Other Operating Supplies		\$8.05	631899		KIDDIE KANDY
E 609-49750-259	Other For Resale		\$19.80	631899		MISC
E 609-49750-256	Tobacco Products For Resale		\$201.49	631899		TOBACCO
E 609-49750-214	Liquor Store Paper Supplies		\$38.77	631899		PAPER SUPPLIES
Total GRANITE CITY JOBBING			\$1,531.30			
Paid Chk# 021296 2/18/2010 KOCH'S HARDWARE HANK						
E 609-49750-217	Other Operating Supplies		\$4.89			SUPPLIES
E 609-49750-240	Small Tools and Minor Equip		\$17.09			SALT SPREADER
E 609-49750-240	Small Tools and Minor Equip		\$80.15			WET/DRY VAC
Total KOCH'S HARDWARE HANK			\$102.13			
Paid Chk# 021297 2/18/2010 M. AMUNDSON LLP						
E 609-49750-259	Other For Resale		\$42.61	77999		MISC
E 609-49750-256	Tobacco Products For Resale		\$248.40	77999		TOBACCO
E 609-49750-256	Tobacco Products For Resale		\$656.66	78350		TOBACCO

***Check Detail Register©**

FEBRUARY 2010

			Check Amt	Invoice	Comment
Total M. AMUNDSON LLP			\$947.67		
Paid Chk# 021298	2/18/2010	MASS MARKETING, INC			
E 609-49750-343	Other Advertising		\$180.00	525227	ADVERTISING
Total MASS MARKETING, INC			\$180.00		
Paid Chk# 021299	2/18/2010	MILLER TRUCKING			
E 609-49750-333	Freight and Express		\$56.05	2439	DELIVERY
Total MILLER TRUCKING			\$56.05		
Paid Chk# 021300	2/18/2010	QUILL CORPORATION			
E 609-49750-201	Accessories (paper, pens, etc)		\$38.00	2879481	PAPER
Total QUILL CORPORATION			\$38.00		
Paid Chk# 021301	2/18/2010	ST. CLOUD REFRIGERATION			
E 609-49750-310	Other Professional Services		\$293.00	210687	HVAC MAINTENANCE
Total ST. CLOUD REFRIGERATION			\$293.00		
Paid Chk# 021302	2/18/2010	TEALS MARKET			
E 609-49750-217	Other Operating Supplies		\$10.45	2000020837	TASTING SUPPLIES
E 609-49750-217	Other Operating Supplies		\$6.28	3000410937	TASTING SUPPLIES
E 609-49750-217	Other Operating Supplies		\$5.45	4000581145	TASTING SUPPLIES
Total TEALS MARKET			\$22.18		
Paid Chk# 021303	2/18/2010	TRAVELERS DIRECTORY SERVICE			
E 609-49750-343	Other Advertising		\$179.00		ADVERTISING
Total TRAVELERS DIRECTORY SERVICE			\$179.00		
Paid Chk# 021304	2/18/2010	VIKING BOTTLING CO.			
E 609-49750-254	Mix/Non Alcoholic		\$201.40	25305394	NA
E 609-49750-254	Mix/Non Alcoholic		\$174.00	25305560	NA
Total VIKING BOTTLING CO.			\$375.40		
10900 Liquor Bank			\$4,417.65		

Fund Summary

609 MUNICIPAL LIQUOR FUND	10900 Liquor Bank	\$4,417.65
		\$4,417.65

***Check Detail Register©**

JANUARY 2010

Check Amt Invoice Comment

10900 Liquor Bank

10900 Liquor Bank			
Paid Chk# 910001E	1/15/2010	MILACA, CITY OF (WATER/SEWER)	
G 609-20200	Accounts Payable	\$29.23	01-00015990 WATER/SEWER
Total MILACA, CITY OF (WATER/SEWER)		\$29.23	
<hr/>			
Paid Chk# 910002E	1/7/2010	EAST CENTRAL ENERGY	
G 609-20200	Accounts Payable	\$1,803.21	7115200 ELECTRIC
Total EAST CENTRAL ENERGY		\$1,803.21	
<hr/>			
Paid Chk# 910003E	1/11/2010	CENTERPOINT ENERGY MINNEGASCO	
G 609-20200	Accounts Payable	\$364.78	128-000-782-1 NATURAL GAS
Total CENTERPOINT ENERGY MINNEGASCO		\$364.78	
<hr/>			
Paid Chk# 910004E	1/20/2010	MN DEPT OF REVENUE	
G 609-20800	Sales Tax Payable	\$15,048.00	9576201 LIQUOR SALES TAX
Total MN DEPT OF REVENUE		\$15,048.00	
10900 Liquor Bank		\$17,245.22	

Fund Summary

609 MUNICIPAL LIQUOR FUND	10900 Liquor Bank	\$17,245.22
		<u>\$17,245.22</u>

RESOLUTION NO. 10 – 06

A RESOLUTION ASSESSING AN UNPAID WATER SERVICE CHARGE

WHEREAS property owner of record, Jordan & Jenna Kovarik, own the property located at 525 4th Avenue NW; and,

WHEREAS the property owner's water service shutoff was leaking and it is the property owners' responsibility to repair those problems; and,

WHEREAS in an effort to limit further damage to public and private property, the city contracted the excavation work to repair the problem, and the water curb stop standpipe was repaired in February, 2010;

NOW THEREFORE BE IT RESOLVED by the Milaca City Council that the Council hereby approves the following unpaid water and sewer service charge be levied against the described property at a rate of six (6) percent per annum for a period of one year:

Jordan & Jenna Kovarik
525 4th Avenue NW
Milaca, MN 56353
PID #21-762-0020
\$962.25

Adopted this 18th day of February, 2010.

Mayor Harold Pedersen

ATTEST

Greg Lerud, City Manager

Hjort Excavating, Inc.

7454 140th Street
Milaca, MN 56353

Invoice

Date	Invoice #
2/11/2010	2010.18

FEB 12 2010

Bill To
City of Milaca 255 First Street East Milaca MN 56353

P.O. No.	Terms	Project
525 4th Ave NW	Due on receipt	

Quantity	Description	Rate	Amount
1	1/9/10 - Materials for repair	152.25	152.25
4	1/9/10 - #410G, dig for standpipe repair (Mark)	105.00	420.00
1.5	1/9/10 - #190, repair of standpipe (Nate)	95.00	142.50
4.5	1/9/10 - Labor, repair of standpipe (Mark, Nate)	55.00	247.50

Date _____/_____/_____

Initial _____

Brief _____

Desc _____

18% Annual Interest Charged on All Past Due Amounts	Sales Tax (6.875%)	\$0.00
	Total	\$962.25

Phone #
320.983.3912

RESOLUTION NO. 10 – 07

A RESOLUTION ASSESSING AN UNPAID WATER SERVICE CHARGE

WHEREAS property owner of record, Nathan Neuhart, owns the property located at 160 5th Avenue SE; and,

WHEREAS the property owner's water service line was leaking and it is the property owners' responsibility to repair those problems; and,

WHEREAS in an effort to limit further damage to public and private property, and upon receiving an Agreement of Assessment and Waiver of Irregularity and Appeal form was received, the city contracted the excavation work to repair the problem, and the water curb stop standpipe was repaired in January, 2010;

NOW THEREFORE BE IT RESOLVED by the Milaca City Council that the Council hereby approves the following unpaid water and sewer service charge be levied against the described property at a rate of six (6) percent per annum for a period of four years:

Nathan Neuhart
160 5th Avenue SE
Milaca, MN 56353
PID #21-043-1890
\$3,177.53

Adopted this 18th day of February, 2010.

Mayor Harold Pedersen

ATTEST

Greg Lerud, City Manager

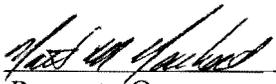
**AGREEMENT OF ASSESSMENT
and
WAIVER OF IRREGULARITY AND APPEAL**

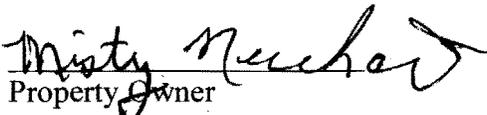
Milaca, MN

January 5th, 2010

THIS AGREEMENT is made this 5th day of January, 2010, between the City of Milaca, State of Minnesota, hereinafter referred to as the "City", and Nathan and Misty Neuhart, City of Milaca, State of Minnesota, hereinafter referred to as "Owners."

In consideration of the action of the City Council to repair the water service standpipe at the property located at 160 5th Avenue SE, the Owners agree to pay one hundred percent (100 percent) of the cost of said work. This amount shall be assessed against the above-referenced property in equal payments for a term to be negotiated between the City and Owners for a period not to exceed four years at interest rate of 6.5 percent annually. Owner(s) expressly waive objection to any irregularity with regard to the said improvement assessment and any claim that the amount thereof levied against Owner's property is excessive, together with all rights to appeal in the courts.

In testimony whereof, 
Property Owner


Property Owner

has hereunto set their hand on the ____ day of _____, 2010.

In presence of:

Greg Lerud, City Manager

Or

Notary Public

Hjort Excavating, Inc.

7454 140th Street
Milaca, MN 56353

Invoice

Date	Invoice #
1/15/2010	2010.5

Bill To
Nathan Neuhart 160 5th Avenue SE Milaca, MN 56353

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
9	1/6/10 - #410G, dig for water line (Mark)	105.00	945.00
7	1/6/10 - #190, jack hammer, backfill water line (Nate)	95.00	665.00
17	1/6/10 - Labor, water line (Dean, Doug, Jr, Nate)	55.00	935.00
1	1/6/10 - Material for repair	519.72	519.72
Date _____ / _____ / _____ Initial _____ Brief _____ Desc _____			

18% Annual Interest Charged on All Past Due Amounts	Sales Tax (6.875%)	\$0.00
Total		\$3,064.72

Phone #
320.983.3912

CITY OF MILACA - PUBLIC WORKS DEPT.
SERVICES & PARTS PRICE LIST FOR BILLING

Dated: February 5, 2009

Sold to: _____ Property Address: 160 5TH AVE SE
 Address: 160 5TH AVE SE Milaca MN 56353
 City: MILACA Date: 1-6-10
 State: mn Zip Code: 56353 Time: 3:40
 Signature: _____ Form Completed By: Darryl
 (Public Works Dept)

SECTION I - SERVICES:

SUB-METER HOOKUPS, STREET SWEEPING, DUMP TRUCK/PLOW & MISC.		
DESCRIPTION	NUMBER OF HOURS (if overtime indicate)	EMPLOYEE(S) PERFORMING WORK
Labor for Sub-Meter Hookups (\$30/hr)	1 HR	
Street Sweeping (\$90/hr- \$100/hr if OT)		
Snow Plowing/Dump Truck- \$75/hr - \$85/hr if OT)		
Miscellaneous		

SECTION II - PARTS:

BIN #	FORD PAGE #	PART #	DESCRIPTION
1	J21	C22-33	$\frac{3}{4} \times \frac{3}{4}$ - 3 pc. coupling
2	J21	C22-34	$\frac{3}{4} \times 1$ - 3 pc. coupling
3	J21	C22-44	1 x 1 3 Pc Coupling
4	J21	CS22-33	$\frac{3}{4} \times \frac{3}{4}$ 2 Pc Coupling
5	J21	CS22-44	1 x 1 2 Pc Coupling
6	J21	CS22-55	1 $\frac{1}{2}$ x 1 $\frac{1}{4}$ 2 Pc Coupling
7	J20	C21-33	$\frac{3}{4} \times \frac{3}{4}$ Copper to Iron Female Thread
8	J20	C28-33	$\frac{3}{4} \times \frac{3}{4}$ Copper to Iron Male Thread
9	J20	C21-44	1 x 1 Copper to Iron Female Thread
10	J20	C28-44	1 x 1 Copper to Iron Male Thread
11	J23	C02-43	1 x $\frac{3}{4}$ Piggy Back Nuts
12	/	4.80	Meter Horn Adapter $\frac{3}{4}$ Male Iron Pipe
13			Meter Horn Adapter $\frac{3}{4}$ Female Iron Pipe
14			Meter Horn Adapter $\frac{3}{4}$ Sweat
15	/	7.70	Meter Horn Adapter 1" Male Iron Pipe
16			Meter Horn Adapter 1" Female Iron Pipe
17			Meter Horn Adapter 1" Sweat
18	All	F600-34	$\frac{3}{4} \times 1$ Flared Copper Corp. Stop
19	All	F600-3	$\frac{3}{4} \times \frac{3}{4}$ Flared Copper Corp. Stop
20	All	F600-4	1 x 1 Flared Copper Corp. Stop
21	G6	B22-333	$\frac{3}{4} \times \frac{3}{4}$ Flared Copper Curb Stop
22	G5	B21-333	$\frac{3}{4}$ Meter Valve

SECTION II - PARTS cont'd

BIN #	FORD PAGE #	PART #	DESCRIPTION
23	G5	B21-343	1" Meter Valve
24	G22	KV23-332W	$\frac{3}{4}$ " Angle Inverted Key Meter Valve
25	G22	KV23-444W	1" Angle Inverted Key Meter Valve
26	J22	T222-333	$\frac{3}{4}$ " Cpr. to $\frac{3}{4}$ " Cpr. to $\frac{3}{4}$ " Cpr. Service T
27	J22	T222-444	1" Cpr. to 1" Cpr. to 1" Cpr. Service T
28		15.60	$\frac{3}{4}$ " Full Flow Ball Valve
29			1" Full Flow ball Valve
30	G6	B22-444M	1" x 1" Flared Copper Curb Stop
31	G5	B21-444	1" Flared Cpr. to 1" Female Pipe Curb Stop
32	H8	L38-23	5/8 x $\frac{3}{4}$ " & $\frac{3}{4}$ " Meter x $\frac{3}{4}$ " Pipe
33	H7	C38-23-2.5	$\frac{3}{4}$ " Str. Meter Coupl. (Male Thread STYLE A)
34	H7	C38-44-2.625	1" Str. Meter Coupl. (Male Thread STYLE A)
35	A19	CTN-4	1" Copper Tube Nuts
36	A19	CTN-3	$\frac{3}{4}$ " Copper Tube Nuts
37	J21	C22-44	1" Cpr. to 1" Cpr. ELL. Coupl.
38	A17	LA02-33	$\frac{3}{4}$ " Flared Cpr. 8 th Bend
39			Sleeved Curb Stop Repair Caps
40			$\frac{3}{4}$ " Copper Tubing
41			1" Copper Tubing
42	GA5		7 $\frac{1}{2}$ ' Curb Box (Stand Pipe)
43	GA7	Rod 60"	60" Stand Pipe Rod
44	GA7	Rod 66"	66" Stand Pipe Rod
45	GA7	Rod 72"	72" Stand Pipe Rod
46	B4	#2 / 52.10	5/8 x $\frac{3}{4}$ " Meter Horn
47	B4	#3	Full $\frac{3}{4}$ " Meter Horn
48	B4	#4	Full 1" Meter Horn
49			Frost Bottom (SRII)
50			Base Cup
51			Bottom Gasket
52			MXU Single Port -nonpit
53			ECR 5/8"
54			ECR SRII $\frac{3}{4}$ x $\frac{3}{4}$ "
55			Repair Curb Cap
56			Threaded Curb Cap
57			3" Compound Meter
58			Flange Kit for 3" Compound Meter
59		KV23-332	$\frac{3}{4}$ " Angle Meter Valve -
60			$\frac{3}{4}$ " K Copper 100' Roll
61			1" K Copper 100' Roll

**CITY OF MILACA - PUBLIC WORKS DEPT.
SERVICES & PARTS PRICE LIST FOR BILLING**

Dated: February 5, 2009

Sold to: H Jortt ~~_____~~ Property Address: 160 - 5TH AVE SE
 Address: _____ Milaca MN 56353
 City: _____ Date: 1-6-10
 State: _____ Zip Code: _____ Time: 10:00 AM
 Signature: _____ Form Completed By: Darryl
 (Public Works Dept)

SECTION I - SERVICES:

SUB-METER HOOKUPS, STREET SWEEPING, DUMP TRUCK/PLOW & MISC.		
DESCRIPTION	NUMBER OF HOURS (if overtime indicate)	EMPLOYEE(S) PERFORMING WORK
Labor for Sub-Meter Hookups (\$30/hr)	1 HR	
Street Sweeping (\$90/hr- \$100/hr if OT)		
Snow Plowing/Dump Truck- \$75/hr - \$85/hr if OT)		
Miscellaneous		

SECTION II - PARTS:

BIN #	FORD PAGE #	PART #	DESCRIPTION
1	J21	C22-33	$\frac{3}{4} \times \frac{3}{4}$ - 3 pc. coupling
2	J21	C22-34	$\frac{3}{4} \times 1$ - 3 pc. coupling
3	J21	C22-44	1 x 1 3 Pc Coupling
4	J21	CS22-33	$\frac{3}{4} \times \frac{3}{4}$ 2 Pc Coupling
5	J21	CS22-44	1 x 1 2 Pc Coupling
6	J21	CS22-55	1 $\frac{1}{4}$ x 1 $\frac{1}{4}$ 2 Pc Coupling
7	J20	C21-33	$\frac{3}{4} \times \frac{3}{4}$ Copper to Iron Female Thread
8	J20	C28-33	$\frac{3}{4} \times \frac{3}{4}$ Copper to Iron Male Thread
9	J20	C21-44	1 x 1 Copper to Iron Female Thread
10	J20	C28-44	1 x 1 Copper to Iron Male Thread
11	J23	C02-43	1 x $\frac{3}{4}$ Piggy Back Nuts
12			Meter Horn Adapter $\frac{3}{4}$ Male Iron Pipe
13			Meter Horn Adapter $\frac{3}{4}$ Female Iron Pipe
14			Meter Horn Adapter $\frac{3}{4}$ Sweat
15			Meter Horn Adapter 1" Male Iron Pipe
16			Meter Horn Adapter 1" Female Iron Pipe
17			Meter Horn Adapter 1" Sweat
18	All	F600-34	$\frac{3}{4} \times 1$ Flared Copper Corp. Stop
19	All	F600-3	$\frac{3}{4} \times \frac{3}{4}$ Flared Copper Corp. Stop
20	All	F600-4	1 x 1 Flared Copper Corp. Stop
21	G6	B22-333	$\frac{3}{4} \times \frac{3}{4}$ Flared Copper Curb Stop
22	G5	B21-333	$\frac{3}{4}$ Meter Valve

SECTION II - PARTS cont'd

BIN #	FORD PAGE #	PART #	DESCRIPTION
23	G5	B21-343	1" Meter Valve
24	G22	KV23-332W	3/4" Angle Inverted Key Meter Valve
25	G22	KV23-444W	1" Angle Inverted Key Meter Valve
26	J22	T222-333	3/4" Cpr. to 3/4" Cpr. to 3/4" Cpr. Service T
27	J22	T222-444	1" Cpr. to 1" Cpr. to 1" Cpr. Service T
28			3/4" Full Flow Ball Valve
29			1" Full Flow ball Valve
30	G6	B22-444M	1" x 1" Flared Copper Curb Stop
31	G5	B21-444	1" Flared Cpr. to 1" Female Pipe Curb Stop
32	H8	L38-23	5/8 x 3/4 & 3/4 Meter x 3/4 Pipe
33	H7	C38-23-2.5	3/4 Str. Meter Coupl. (Male Thread STYLE A)
34	H7	C38-44-2.625	1" Str. Meter Coupl. (Male Thread STYLE A)
35	A19	CTN-4	1" Copper Tube Nuts
36	A19	CTN-3	3/4" Copper Tube Nuts
37	J21	C22-44	1" Cpr. to 1" Cpr. ELL. Coupl.
38	A17	LA02-33	3/4" Flared Cpr. 8 th Bend
39			Sleeved Curb Stop Repair Caps
40			3/4" Copper Tubing
41			1" Copper Tubing
42	GA5		7 1/2' Curb Box (Stand Pipe)
43	GA7	Rod 60"	60" Stand Pipe Rod
44	GA7	Rod 66"	66" Stand Pipe Rod
45	GA7	Rod 72"	72" Stand Pipe Rod
46	B4	#2	5/8 x 3/4 Meter Horn
47	B4	#3	Full 3/4 Meter Horn
48	B4	#4	Full 1" Meter Horn
49			Frost Bottom (SRII)
50			Base Cup
51			Bottom Gasket
52			MXU Single Port -nonpit
53			ECR 5/8"
54			ECR SRII 3/4 x 3/4
55			Repair Curb Cap
56			Threaded Curb Cap
57			3" Compound Meter
58			Flange Kit for 3" Compound Meter
59		KV23-332	3/4" Angle Meter Valve -
60			3/4" K Copper 100' Roll
61			1" K Copper 100' Roll
	1	25.35	3/4" COPPER TO 3/4" COMPRESSION FITTING

RESOLUTION NO. 10 – 08

A RESOLUTION ASSESSING COSTS RELATED TO HAZARDOUS BUILDING

BE IT RESOLVED by the Milaca City Council that the Council hereby approves the following unpaid charges related to a hazardous building be levied against the described property at a rate of six (6) percent per annum for a period of one year:

Alexis Guthrie & Christopher Guthrie
325 5th Avenue SE
Milaca, MN 56353
PID #21-043-0510
\$3,122.20

Adopted this 18th day of February, 2010.

Mayor Harold Pedersen

ATTEST

Greg Lerud, City Manager

STATE OF MINNESOTA
COUNTY OF MILLE LACS

DISTRICT COURT
SEVENTH JUDICIAL DISTRICT

In Re: A Resolution Declaring a Hazardous Building
located at 325 5th Ave. SE, Milaca, MN.

City of Milaca,

Court File No. 48-CV-09-900

Plaintiff,

AFFIDAVIT OF DAMIEN TOVEN

vs.

Alexis Guthrie, an individual,
Christopher Guthrie, an individual
and America's Wholesale Lender,
a corporation,

Defendants.

I, Damien Toven, the Affiant herein, being first duly sworn, hereby states:

1. My true and correct name is Damien Toven.
2. I am the attorney for Plaintiff.
3. My contract rate for services performed as City Attorney for the City of Milaca is One Hundred Thirty Dollars and Zero Cents (\$130.00) per hour.
4. To date, Plaintiff has incurred Attorney's fees of Two Thousand Seven Hundred Thirty Six Dollars and Zero Cents (\$2,736.00), in connection with these proceedings.
5. To date, Plaintiff has incurred costs of Three Hundred Eighty Six Dollars and Twenty Cents (\$386.20), in connection with these proceedings.

Further Affiant Sayeth Naught.

Date: 12-21-09



Damien Toven

STATE OF MINNESOTA
COUNTY OF MILLE LACS

DISTRICT COURT
SEVENTH JUDICIAL DISTRICT

In Re: A Resolution Declaring a Hazardous Building
located at 325 5th Ave. SE, Milaca, MN.

City of Milaca,

Plaintiff,

Court File No. 48-CV-09-900

ORDER

vs.

Alexis Guthrie, an individual,
Christopher Guthrie, an individual
and America's Wholesale Lender,
a corporation,

**COPY FOR YOUR
INFORMATION**

Defendants.

IT IS HEREBY ORDERED THAT:

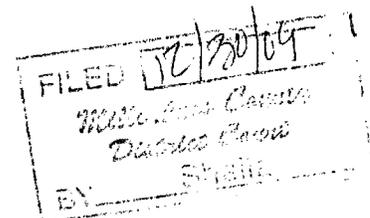
1. Plaintiff shall recover attorney's fees of Two Thousand Seven Hundred Thirty Six Dollars and Zero Cents (\$2,736.00), and costs of Three Hundred Eighty Six Dollars and Twenty Cents (\$386.20), for a total amount of Three Thousand One Hundred Twenty Two Dollars and Twenty Cents (\$3,122.20).
2. Said amounts shall be assessed against the subject property and collected by Plaintiff in all manners allowed by law.

BY THE COURT

Date: 12/30/09



Judge of District Court



RESOLUTION #10 – 09
RESOLUTION ASSESSING UNPAID WATER/SEWER BILL

BE IT RESOLVED that the following unpaid water and sewer bills be levied against the described property for 2011 property taxes, for 1 year, at a rate of 7 percent per annum:

PID #	OWNER	ADDRESS	ASSESSED
21-043-0980	Brander, Peggy A.	425 2 nd Ave SE	\$346.55

Adopted this 18th day of February, 2010.

Mayor Harold Pedersen

ATTEST

Greg Lerud, City Manager

CITY OF MILACA
Council Monthly Budget Report
February 2010

DEPT Descr	2010 YTD Budget	2010 YTD Amt	Balance	2010 % of Budget Remain
Airport	\$74,750.00	\$5,087.99	\$69,662.01	93.19%
Assessing	\$12,800.00	\$0.00	\$12,800.00	100.00%
Auditing	\$13,000.00	\$0.00	\$13,000.00	100.00%
City Attorney	\$49,000.00	\$3,988.86	\$45,011.14	91.86%
City Hall	\$222,250.00	\$18,532.08	\$203,717.92	91.66%
City Manager	\$29,075.00	\$2,948.66	\$26,126.34	89.86%
Council	\$12,250.00	\$449.15	\$11,800.85	96.33%
Elections	\$2,000.00	\$0.00	\$2,000.00	0.00%
Fire Dept.	\$174,475.00	\$4,579.94	\$169,895.06	97.38%
Historical Society	\$5,000.00	\$0.00	\$5,000.00	100.00%
Liaison Officer	\$56,965.00	\$7,399.52	\$49,565.48	87.01%
Libraries	\$20,225.00	\$1,362.48	\$18,862.52	93.26%
Parks	\$146,575.00	\$19,229.66	\$127,345.34	86.88%
Planning Comm.	\$2,000.00	\$0.00	\$2,000.00	100.00%
Police Dept.	\$396,400.00	\$39,101.34	\$357,298.66	90.14%
Public Works	\$204,900.00	\$11,202.75	\$193,697.25	94.53%
Recreation	\$2,000.00	\$0.00	\$2,000.00	100.00%
Treasurer	\$31,100.00	\$3,378.50	\$27,721.50	89.14%
Unallocated	\$5,500.00	\$500.00	\$5,000.00	90.91%
	\$1,460,265.00	\$117,760.93	\$1,342,504.07	91.94%

The City of Bock is requesting to have their sewer usage chart reduced.

The city is looking in to getting a micro loan from rural water to help the citizens of the city to repair their sewers. We are planning on getting this done this summer in hopes to get our sewer usage lower.

1. Get reduced sewer rate from Milaca
2. Get easements from all the citizens
3. Get loan
4. Repair all homes needing to be fixed
5. Put a special assessment on all properties.
6. Final would be to have the sewer in the City of Bock fixed so rain water is no longer going into the sewer for treatment.

From: City of Bock <cityofbock@yahoo.com>
To: Greg Lerud <glerud@milacacity.com>
Date: 2/11/2010 8:05:38 AM
Subject: Fw: Service Line Micro Loan

Greg The below e-mail is from Rural Water about what the city is trying to do to get the sewer issue under control

Also Greg is a list of things that the city is going to try to get done this is in an attachment. Please let me know if there is anything else that I will need to provide to you before Tuesday

Thank you for all of you help.

Pat

City of Bock
Patricia Buss
Clerk/Treasurer (320) 556-3379
PO Box 88
Bock, MN 56313
cityofbock@yahoo.com

--- On Fri, 1/29/10, David Drown <David@daviddrown.com> wrote:

From: David Drown <David@daviddrown.com>
Subject: Service Line Micro Loan
To: "Pat Buss (cityofbock@yahoo.com)" <cityofbock@yahoo.com>
Cc: "Ruth Hubbard" <ruth.hubbard@mrwa.com>
Date: Friday, January 29, 2010, 3:23 PM

Pat: This email follows our phone conversations earlier today regarding micro loan financing for your project. Here are the major points:

1. We can do this deal as a micro loan, payable over 7 years with an interest rate of 4%. I have a verbal commitment from the First National Bank in Milaca to finance this loan, which means you can make payments directly to the bank just down the road.
2. To be a legal project, it will be necessary for the City to obtain and record easements on private property where the service line work will be done. You will need to agree to obtain and record easements on all service lines as a condition of the loan.
3. You will need to levy special assessments totaling \$45,000 (\$40K for construction and an additional \$5K for finance-related expenses) to every property served. If you have a petition signed by all 40 lots involved, you do not have to have a public hearing on the project. But if not all homeowners agree, you will need to hold a public hearing before you start construction. We can provide you with assistance in preparing resolutions and notices that are involved.

Assuming \$45K is assessed over the 40 homes equally and paid over 7 years at 4% interest, each home's assessment will be \$1,125, and annual payments over 7 years will be \$160.97 each year.

Assessments will not start until taxes paid in 2011.

With this, Pat, I think you have a pretty workable approach to this project if you and your council want to proceed. Talk about what you want to do at your February 8th meeting – especially the part about getting formal easements on all the lines; which will probably involve a extra bit of engineering and/or legal expense. If you want to proceed, we can have the deal put together for approval at your March 8th meeting, and close about the 1st of April.

Questions, feel free to call or email me.

David P. Drown, President
David Drown Associates, Inc.
5029 Upton Avenue South
Minneapolis, MN 55410-2244
612-920-3320 | fax: 612-605-2375
www.daviddrown.com

SCENARIOS

SCENARIO #1:

1. Increased Base Charge on Water \$1.00 (\$11.00)
2. Increased Base Charge on Commercial Water \$1.00 (\$11.00)
3. Eliminated the 101-999999999 tier of Commercial Water \$2.00/CF. Now just have 3 tiers

1-20	\$3.75
21-50	\$2.75
51-999999999	\$2.50

There are currently 6 accounts that would be affected by eliminating the 101-999999999 Commercial Water tier.

SCENARIO #2:

1. Increased Base Charge on Water \$1.00 (\$11.00)
2. Increased Base Charge on Commercial Water \$1.00 (\$11.00)
3. Eliminated the last 2 tiers of the Commercial Water table. Now just have 2 tiers

1-20	\$3.75
21-999999999	\$2.75

There are currently 27 accounts that would be affected by eliminating the last 2 tiers of Commercial Water.

	REGULAR BILLING	SCENARIO #1		SCENARIO #2	
	Current Charges	Current Charges	Increase	Current Charges	Increase
01 Accounts	\$60,911.87	\$62,795.81	\$1,883.94	\$63,359.85	\$2,447.98
02 Accounts	\$ 3,942.13	\$ 4,048.13	\$ 106.00	\$ 4,048.13	\$ 106.00
03 Accounts	\$11,112.01	\$ 11,411.61	\$ 299.60	\$11,411.61	\$ 299.60
TOTAL	\$75,966.01	\$78,255.55	\$2,289.54	\$78,819.59	\$2,853.58

The 6 accounts that would be affected by both scenarios are:

ACCOUNT NAME	SCENARIO #1 INCREASE	SCENARIO #2 INCREASE
Elim Rest Home	\$300.50	\$462.75
Mille Lacs County (01-16262)	\$ 2.50	\$ 15.75
Mille Lacs County (01-16261)	\$ 68.50	\$114.75
Milaca Laundry	\$ 53.50	\$ 92.25
Fairview Clinic	\$ 55.00	\$ 94.50
Elementary School	\$370.00	\$567.00

ORDINANCE NO. 366

AN ORDINANCE AMENDING WATER AND SEWER RATES

BE IT ORDAINED by the Milaca City Council, that the monthly water and sewer rate table be as follows:

Water:

Residential

Base rate - \$10.00

Minimum - \$2.50

Usage - \$3.75 per hundred cubic feet

Commercial

Base rate - \$10.00

Minimum - \$2.50

Usage (in 100 cubic feet) (\$ per 100 cubic feet)

1 to 20 \$3.75

21 to 50 \$2.75

51 to 100 \$2.50

101 and up \$2.00

Sewer:

Residential and Commercial

Base rate - \$1.75

Minimum - \$8.25

Usage (in 100 cubic feet) (\$ per 100 cubic feet)

1 and up \$2.45

Sewer only - \$15.00

Be it further ordained that these rates are effective with the February 1, 2007 billing.

Passed this 16th day of November, 2006.

ATTEST

Mayor Randy Furman

Greg Lerud, City Manager

1st reading: 10-19-06

2nd reading: 11-16-06

Published _____

RESOLUTION NO. 10 – 10

RESOLUTION APPROVING THE SALE OF PROPERTY

WHEREAS the City of Milaca has a parcel of land, described on the attached deed, and desires to sell to Heggies Pizza, LLC; and,

WHEREAS the City has received an offer to purchase the property,

NOW THEREFORE BE IT RESOLVED by the Milaca City Council that the City Council hereby approves the sale of the land described on the attached deed along with the purchase agreement for the purchase price of \$20,000.00

Adopted this 18th day of February, 2010.

Mayor Harold Pedersen

ATTEST

Greg Lerud, City Manager

Quit Claim Deed

STATE DEED TAX DUE HEREON: \$66.00

Date: _____

FOR VALUABLE CONSIDERATION City of Milaca, a Grantor(s), a Minnesota Statutory City under the laws of the State of Minnesota, hereby convey(s) and quitclaim(s) to Heggies Milaca Property LLC, Grantee(s), a Limited Liability Company under the laws of the State of Minnesota, real property in Mille Lacs County, Minnesota, described as follows:

Lot Three (3), Block Two (2), Highway 169 Industrial Park, First Addition, according to the recorded plat thereof on file;

together with all hereditaments and appurtenances.

Check box if applicable:

- The Seller certifies that the Seller does not know of any wells on the described real property.
- A Well Disclosure Certificate accompanies this document.
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed Well Disclosure Certificate.

CITY OF MILACA

Affix Deed Tax Stamp Here

BY _____
Harold Pedersen, Its Mayor

BY _____
Greg Lerud, Its City Manager

STATE OF MINNESOTA)
) ss:
COUNTY OF MILLE LACS)

The foregoing instrument was acknowledged before me on _____, by Harold Pedersen and Greg Lerud, the Mayor and City Manager, respectively, of the City of Milaca, a Minnesota Statutory City under the laws of Minnesota on behalf of the City of Milaca.

Seal

Notary Public

Check here if part or all of the land is Registered (Torrens)

THIS INSTRUMENT WAS DRAFTED BY:
Paul D. Dove, Esq.
DOVE FRETLAND & VAN VALKENBURG
5881 Cedar Lake Road
Minneapolis, Minnesota 55416
(952) 545-9000

TAX STATEMENTS FOR THE REAL PROPERTY DESCRIBED
IN THIS INSTRUMENT SHOULD BE SENT TO (INCLUDE
NAME AND ADDRESS OF GRANTEE):

Heggies Milaca Property LLC
1115 - 6th Avenue NE
Milaca, MN 56353



Heggies Pizza LLC
1115 6th Avenue NE
P.O. Box 250
Milaca, MN 56353
320~982~7777
320~982~1717 fax
1~800~955~6045

February 8, 2010

City Council, Milaca, MN
Attn: Greg Lerud, City Manager
255 1st St E.
Milaca, MN 56353

Greg,

Heggies Pizza would like to purchase the two acre parcel of land that lies between our current property line and Magnus Engineering to our south. From the time we moved to Milaca, it was our intention to either sign a Right of First Refusal with the City on that parcel, or to purchase the property outright.

For future growth opportunities, we would like to purchase those two acres. Please let me know anything that you need from us to begin this process.

Sincerely,

Shawn Dockter
President, Heggies Pizza LLC

**LAW ENFORCEMENT DEPARTMENT OF THE CITY OF MILACA AND
SHERIFF OF MILLE LACS COUNTY
(DRAFT COPY)**

**JOINT POWERS AGREEMENT
* Records Management System (RMS) System*
* Computer Aided Dispatching (CAD) System *
* Mobile System***

COPY

This Joint Powers Agreement (JPA) is between the Mille Lacs County Sheriff's Office (Provider) and the Police Department of Milaca (Users), all parties, are either governmental or political subdivisions of the State of Minnesota.

Recitals

Pursuant to Minnesota State Statute 471.59, subd. 10, this JPA outlines the understanding between the Provider and Users (Two or more local governments exercising power common to the contracting parties) to provision of CAD Computer Aided Dispatching services, RMS Records Management Systems, Mobile Systems and related services between the parties to this agreement.

Agreement

NOW THEREFORE, Provider and Users pursuant to the authority granted by Minnesota Statutes in order to accomplish the foregoing purposes, agree as follows:

1. Term of Agreement

- 1.1 Effective date: July 1st 2010, or the date all required signatures under Minnesota State Statute, Section 16C.05, subd. 2, are obtained, whichever is later.
- 1.2 Expiration date: This Agreement continues indefinitely until duly terminated pursuant to the Termination Section of this Agreement.

2. Agreement Between Parties

2.1 The Provider will provide the following services to the Police Departments of Milaca:

- (a) A shared Computer Aided Dispatching System, ICR Records Management System/Mobile Message Switch and frame relay connections for cellular digital packet data;
- (b) all technical support for servers, equipment and frame relays at the records storage/message switch site (located at the Mille Lacs County Sheriff's Office), and software of the User required to connect to the Provider's RMS, CAD and Mobile Systems;
- (c) maintenance and repairs of server components and hardware/software at the Mille Lacs County site, and software of the User required to connect to the Provider's RMS, CAD, and Mobile Systems;
- (d) and off-hours response and repairs to the records storage/message switch hardware/software at the Mille Lacs County site seven days a week, 24 hours a day with a four (4) hour response time.

2.2 Each User will:

- (a) provide for its respective department all required hardware, hardware software, and equipment necessary for the User to connect to the Providers RMS, CAD, and Mobile systems. It is understood that the CAD and Mobile system requires that the User mobiles be equipped with Global Positioning Systems (GPS) capabilities in order to be connected to Providers CAD system;
- (b) provide and maintain in working order at all times all required computers located at their police departments and in their squad cars

2.3 Each User agrees:

- (a) that all technical support maintenance agreements for all required computers located at their police departments and in their squad cars are the responsibility of the User;
- (b) to provide off hours response and repairs to the hardware/software at their police departments seven days per week, 24 hours per day with a four (4) hour response time.

2.4 The parties agree that:

- (a) the subject date entered by a User agency and/or a User employee will become information and date of the Provider;
- (b) each party will be able to access information entered into the system as may be needed and as otherwise provided herein;
- (c) upon entering into this agreement, information and data currently owned and managed by each party will be provided to the Provider's vendor to be converted to the extent that said information and date can be entered into the RMS system.

3. Payment

Beginning in 2010 police department Users connection to the Providers CAD, RMS, Mobile will be billed in the manner outlined below. Said user fee will be used to offset maintenance fees associated with continued operation of the Providers CAD, RMS, Mobile system.

User Fees:

\$200.00 per year per mobile squad connected. (One time per Mobile Routing charge below)

\$100.00 per year per office station connected.

\$600.00 per year per fulltime officer employed. (Within Mille Lacs County)

Mid year officer hires or additional office stations will be prorated on monthly basis to include their start month.

All Mobile units have a one time \$299.00 Mobile Routing charge not included in the user fees listed above

of Mobile units x \$299.00 = \$ _____

Payments for each fiscal year beginning in 2007 are due on the 15th day of January each year.

The parties agree and understand that expenses to upgrade and manage the providers CAD, RMS, and Mobile system will be reflected in User fees. To that end, User fees may need to be adjusted. It is understood that the fees will not change during a fiscal year. Any increases to the User fee will take effect in January of each year and must be mutually agreed upon in writing by Provider and Users by November 15th of any fiscal year to take effect for the next fiscal year.

4. Authorized Representatives

4.1 This User's Authorized Representative shall be its City Manager or his/her successor.

4.2 The Provider's Authorized Representative shall be its Sheriff or his/her successor.

5. Assignment, Amendments, Waiver and Contract Complete

5.1 Assignment. Neither the User nor the Provider may assign nor transfer any rights or obligations under this Agreement without the prior written consent of all parties hereto. Any approved assignment must be set forth in a fully executed Assignment Agreement attached to this Agreement approved by the same parties who executed and approved this Agreement. Should any party not consent to an assignment that party may terminate its involvement with this Agreement.

5.2 Amendments. Any amendment to this agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved by each party's Authorized Representative.

5.3 Waiver. If any party fails to enforce any provision of this agreement that failure does not waive the provision or its right to enforce it.

5.4 Contract Complete. This Agreement, plus the attached Certification Form, contains all agreements between User and Provider. Duly adopted amendments to this Agreement, will be written, signed by the parties, and attached to each copy of the original Agreement.

6. Liability

Each party to this Agreement will indemnify, save and hold harmless the other parties, their agents and employees from any claims or causes of action, including attorney's fees incurred by that party, arising out of the performance of this Agreement by the party, its agents or employees. This clause shall not be construed to bar any legal remedies each party may have for the other party's failure to fulfill its obligations under this Agreement. This clause shall not be construed to limit or waive any defenses one party may have against another.

7. Government Data Practices

The Provider and User must comply with the Minnesota Government Data Practices Act, Minnesota State Statute Chapter 13, as it applies to all data provided to the User and submitted to the Provider under this Agreement and as it applies to all data created, collected, received, stored, used, maintained or disseminated by the Provider and the User under the Agreement. The civil remedies of Minnesota State Statute 13.08 apply to the release of the data referred to in this clause by either the Provider or the User.

If the Provider or User receives a request to release the data referred to in this Clause, the Provider or User must immediately notify the other. The User or Provider will give the other instructions concerning the release of the data to the requesting party before the data is released.

It is mutually agreed that both the User and Provider will endeavor to refer all requests for the release of any information and/or data to the originator of said information or data. All information and data provided by the Users may be used by the Provider for statistical purposes and/or reporting. The statistics and reports may be shared with other law enforcement departments as allowed by law. The original information and data may be shared by the originating department with other law enforcement agencies to assist in active investigations.

8. Venue

Venue for any and all legal proceedings arising out of this Agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Mille Lacs County, Minnesota unless and until a change of venue is ordered by Mille Lacs County District Court.

9. Termination

9.1 Termination. The Users or the Provider may terminate this Agreement at any time with or without cause, upon 30 days written notice to the other parties prior to the beginning of a subsequent year of operation. Mid year separations or terminations by a User will forfeit any and all user fees already paid to the Provider.

9.2 Termination for Insufficient Funding. The User or Provider may with 30 day written notice to the other parties terminate this Agreement if it does not obtain funding; or if funding cannot be continued at a level sufficient to allow for the payment of the services required to be paid to the Provider. Termination must be in writing and hand delivered, mailed or faxed to the other parties. The User or Provider is not obligated to pay for any services that are provided after the required notice and effective date of termination. However, the Provider shall be entitled to payment determined on a pro rata basis for services satisfactorily performed. Neither the User nor the Provider will be assessed any penalty for terminating the Agreement if the other party immediately provided the required notice to the other advising of the lack of funding upon receiving such notice themselves. Conversely, the Users shall be entitled to a pro rata reimbursement of all user fees paid if this Agreement is duly terminated by the Provider.

- 9.3 Termination of this agreement by a User in no way requires the provider to extract User data or joined data upon separation. User understands that all data and information entered under this agreement into CAD, RMS, and Mobile systems are joined; commingled and combined information in the Providers system and it may be difficult or impossible to extract or separate said data in the future. User accepts any and all costs associated with termination initiated by the User and any and all costs associated with extracting information or data should a user agency choose to separate, terminate, start or choose to maintain a separate system in the future. The Provider agrees to work with User in the future if such a separation or termination occurs.

Certification

Individuals certify that they have authorization to approve the JPA and funding as outlined. It is further agreed that this agreement shall stay in full force and effect, subject to the terms and conditions outlined above, until the participating Users and Provider mutually agree to amend or revise said agreement in writing.

1. User Police Department/Authorized Representative:

Greg Lerud City Manager

Date

Mayor, City of Milaca

Date

2. Provider Mille Lacs County Sheriff's Office

Brent Lindgren, Mille Lacs County Sheriff

Date

Jan Kolb, Mille Lacs County Attorney
(Reviewed as to content and form)

Date

Frank Courteau, Chairman
Mille Lacs County Board

Date

February 2010 Airport Advisory Commission Report

February 18th, 2010

To: Mr. Greg Lerud

The Milaca Airport Advisory Commission held their monthly meeting on February 10th in Hangar 15. The following commission members were present:

Ken Muller, Doug Ostien, Deb Frantz, Sid Frantz, Steve Nelson, Leo Vos, Steve Burklund, Tim Porter and Judy Muller.

The Minutes for January were approved. (See attached copy) The tie-down policies were discussed and it was recommended that the following policy be implemented. Signage with contact information would be posted on the City Hangar and the A/D Building.

Tie-Down Fees

First 3 days are free
Minimum fee \$10.00
Weekly \$10.00
Monthly \$30.00
Yearly \$100.00

An Ad for FBO was emailed to all airports in Minnesota. (See attached copy). It was suggested that an Ad be placed on Barnstormers. The price for running this Ad will be investigated.

The SkydiveMinnesota Co. hopes to increase their business in 2010.

In summary, the airport has remained open and in good condition so far this winter. The Fly-In/Drive-In for 2010 scheduled for August 7th and 8th and is being planned. It would be good if the Chamber is involved again this year.

If anyone has questions or needs more information please call me at (320) 982-1808.

Respectfully

Ken Muller

Attachments:

Minutes for January 2010
Ad for FBO

Milaca Airport Advisory Commission
January 13th, 2009 Minutes

The meeting was called to order at 6:15 by Ken Muller.

The December 2009 minutes were read and approved with corrections.

Old business

Mille-Lacs Aviation is no longer based at the Milaca Airport.

Ken is continuing to review "Tie down" policy.

With the startup of a Taxi service in Milaca we need to post information in the pilots lounge.

New business:

Steve Burklund attended the Airport funding meeting. Politicians are working on funding issues with the state.

We need to discuss standards for an F.B.O. before we get any inquiries.

We need to get an ad together before March 13th for an F.B.O.

We should start to get contacts for help with the Fly-In.

The Boy Scouts are still looking for projects.

A motion to adjourn was made by Steve Nelson and seconded by Deb Frantz.

Meeting was adjourned at 7:00 with Leo Vos, Steve Nelson, Ken Muller and Deb Frantz present.

Respectfully submitted
Steve Nelson

FBO Opportunity

Milaca Municipal Airport (18Y)



Picture of our Fly-In the week after Oshkosh

Milaca is looking for an FBO to service General Aviation at Milaca Municipal Airport. This is a great opportunity for a startup or an established FBO business.

- Arrival Departure Building Wi-Fi available
- Excellent Sod Runway (2900' by 150'); Open all year with dusk to dawn lights
- Heated/Insulated Hangar (55 feet wide by 40 feet deep) with attached Office and Parts Room
- Home base for the only Commercial Skydiving Operation in Minnesota
- Average of 26 Aircraft based here
- Airport is maintained by the City of Milaca
- 24 hour Credit Card fuel facility
- Tie-downs available
- Hangar Lots available for lease

January 25, 2010

Contact Information:

Airport Manager: Steve Burklund
(320) 983-6547 Cell (320) 492-8246
City Manager: Greg Lerud
(320) 983-3141
Email <steveburklund@aol.com>

ECCC Meeting Minutes
Wednesday, January 27, 2010

In attendance: Victoria Hallin, President, Princeton; Dave Chmiel, Vice President, Mora; Kathy Blomquist, Secretary, North Branch; Nic Malchow, Treasurer, Rush City; Chris Caulk, Cambridge; Lowell Jaques, Braham; Paul Janssen, Pine City; Bridgitte Konrad, City Administrator for North Branch; and Steve Johnson, US Cable.

CALL TO ORDER

The meeting was called to order 6:35 pm at the Cambridge City Hall by President Hallin.

SECRETARY'S REPORT

Janssen made a motion and Chmiel seconded to approve the minutes with corrected spellings of Dave Chmiel's name.

DEMAND LETTER

Steve Johnson informed the Commission that in April 2005 US Cable became aware that the company had not been passing along enough franchise fee revenue to the cities. They determined that the underpayment was \$42,155.10. US Cable choose not to pass along this extra cost to their cable subscribers. US Cable felt that the audit of the Cambridge determined that there was not a problem with their processing to determine franchise fees. US Cable sent a letter in July 30, 2008 to Brian Grogan contending that the *annual rate payable according to the Franchise Agreement is equal to the lesser of the maximum rate permitted by Applicable Laws or 18% per annum during the period for which payment was due* and that the applicable law is Minnesota State Statute 334.01 that *the interest for any legal indebedness shall be at rate of \$6 upon \$100 for a year, unless a different rate is contracted for in writing*. US Cable made an offer on May 7, 2009 of \$5,000.

At this point, the demand letter has not been sent to US Cable. The Commission discussed if the letter should be sent. A motion was made by Caulk and seconded by Jaques that the letter drafted by Grogan should be mailed to US Cable. Motion carried unanimously.

A motion was made by Chmiel and seconded by Malchow to direct City Administrator Lynde Woulfe to clarify with the League of Minnesota Cities on how Minnesota State Statute 334.01 pertains in this circumstance. If the League cannot give her an answer, then Woulfe has the Commission's permission to seek a legal opinion. Motion carried unanimously.

MACTA/CURRENT TECHNOLOGY

MACTA is the state organization of cities with an access channel. Johnson informed the Commission that the technology used by US Cable is more advanced now and discussions are occurring with the legal entities in Isanti County about their own access channel.

CONTRACT RENEWAL

Within 36 months before the end of the contract, US Cable will send a letter to each of Commissions members to start the negotiation process for a new contract.

CURRENT JOINT POWERS AGREEMENT (JPA)

The JPA has not been modified since it was signed on September 14, 1981. Caulk handed out several examples of JPA used by other cities. Before revisions are made to the JPA, the Commission felt that each city should decide whether or not they want to remain a member of the Commission. Motion by Caulk and seconded by Malchow that each member of the Commission is to go back to their respective city councils to determine if their city wants to continue membership in the East Central Cable Commission. Motion carried unanimously. The Commission instructed City Administrator Konrad to contact the city administrators of each city now belonging to the Commission to inform them of this decision. Konrad also asked that the Commission members review the sample JPA's and let Woulfe know what modifications should be made to the document.

TREASURER'S REPORT

Malchow had handed out summaries of paid bills and quarterly franchise fee payments before the meeting began. A motion was made by Chmiel and seconded by Malchow to authorize the Treasure to pay up to \$60 for the Subways provided by the City of Cambridge. Motion carried.

NEXT MEETING

Motion by Jaques and seconded by Caulk to hold the next meeting on Wednesday, March 17 at 6:30 pm to discuss US Cable's response to the demand letter and what decision has been made by each city council on continued membership in the Commission. Motion carried unanimously.

There was a motion by Chmiel and seconded by Malchow to adjourn the meeting. Motion carried.

Administrator Notes from East Central Cable Commission Meeting January 27, 2010

- **DEMAND LETTER** - The Commission voted to send the demand letter to US Cable that was drafted by Brian Grogan.
 - Steve Johnson from US Cable was at the meeting
 - He provided copies of their settlement offer of \$5,000 from May 2009
 - Expressed opinion that the Commission can't require the 18% interest. He provided a letter from July 2008 from their attorney to Grogan that discussed this. It is their opinion that State Statutes caps the amount of interest that can be charged at 6%.
 - He provided a copy of a document that shows how they arrived at their \$5,000 offer amount.
 - It is their desire to settle the matter.
- **INTEREST RATE BEING CHARGED** – Prior to the next meeting they would like an opinion if Johnson's interpretation of the interest rate cap is correct. (MS 334.01) or if we can charge the 18% that is in the .
 - First try to get an opinion from LMC on the interest rate that can be charged. (Lynda will contact LMC)
 - If can't get opinion from LMC then contact Grogan.
- **JOINT POWERS AGREEMENT** - The current JPA is quite dated. Lynda provided copies of sample JPAs from other Commissions for review.
 - First the communities in JPA need to determine if they want to continue with JPA or have separate agreements with US Cable.
 - A motion was made that each Commissioner go back to their respective City Councils to discuss if they want to continue the Commission. City Administrators/Clerks from each community are to get responses to Lynda Woulfe within 45 days (March 13).
 - If the decision is to continue with JPA they want the City Administrators/Clerks to meet to draft an updated JPA for their consideration.
 - Commissioners were asked to review the sample JPAs that were provided to give feedback on things they liked/disliked in those agreements to possibly be incorporated into a new agreement.
- **NEXT MEETING** – A meeting was scheduled for March 17 at 6:30 p.m. at Cambridge City Hall. Agenda items: Response letter from US Cable on the demand letter; decision on continuing with new JPA or disbanding.

From: "Lynda Woulfe" <LWoulfe@ci.cambridge.mn.us>
To: "Greg Lerud" <GLerud@milacacity.com>, "Jeffery Kolb" <jeffery.kolb@hotmail.com>, "Sally Hoy" <shoy@braham.com>, "Mark Karnowski" <mark@princetonmn.org>, <admin01@pinecitygov.com>, "Amy Mell" <amell@ci.rush-city.mn.us>, "Joel Dhein" <joel.dhein@cityofmora.com>, "Bridgitte Konrad" <bridgittek@ci.north-branch.mn.us>
Date: 1/28/2010 12:43:13 PM
Subject: FW: Docs from Last Night

Greetings all,

These were documents distributed at last night's meeting. The next ECCC meeting is scheduled for March 17 at 6:30 pm at Cambridge City Hall. I was not at the meeting last night, but here are a few of the salient details. A big thanks to Bridgitte Konrad because she changed her schedule so she could attend the meeting and called me this am so we could get this info out. I expect the minutes to come sometime next week.

1. Participants were asked to respond back to me by March 17 as to whether or not they wanted to stay in the East Central Cable Commission.
2. The demand letter will be sent to US Cable for \$22,092.84
3. An opinion is to be sought from the League of Minnesota Cities if 18% interest can be used for the calculation on the underpayment of franchise fees (see comments from US Cable Attorney's letter on the statutory limitations for more background)

So if you could please ask your respective Councils for their decision on this and let me know it would be great. The group does not want to go to the expense and trouble of redrafting a JPA until they know who's in and who's out. THANKS and have a great day.

Lynda Woulfe

City Administrator, City of Cambridge

300 3rd Ave. NE

Cambridge, MN 55008

lwoulfe@ci.cambridge.mn.us

763-689-3211

763-689-6801 - Fax



402 Red River Ave. N. Sulte #5 ~ Cold Spring, MN 56320 ~ (320) 685-7113 ~ Fax (320) 685-2816

May 7, 2009

Mr. Joseph Morin
East Central Cable Commission
201 Third Avenue
Isanti, MN 55040

RE: East Central Cable Commission Letter Dated April 21, 2009

Dear Mr. Morin:

US Cable has reviewed your letter of April 21, 2009 regarding the East Central Cable Commission's ("Commission") franchise fee review of payments made by US Cable to the Commission's member cities. While we respect the efforts of the Commission to undertake this review and will continue to answer any questions posed to us by the Commission, we do not agree that we owe \$22,092.84 in interest on the voluntary payment of \$42,166.10 US Cable made to the Commission in April of 2005, nor do we concur that other areas of non-payment exist.

Notwithstanding our position, US Cable values its relationship with the Commission and wishes to bring this issue to closure. Therefore, US Cable is prepared to offer a one time goodwill payment of five thousand dollars (\$5,000) to help offset the cost that the Commission incurred in conducting its audit research, subject to both parties entering into a mutually acceptable agreement not later than May 31, 2009 which concludes this process. I have attached a proposed agreement for your review and am available at your convenience to discuss this.

We look forward to continuing our positive working relationship with the Commission and its member cities. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Steve Johnson". The signature is written in a cursive style with a large, prominent "S" at the beginning.

Steve Johnson
General Manager
US Cable

CONTRIBUTION AND RELEASE AGREEMENT

THIS CONTRIBUTION AND RELEASE AGREEMENT ("Agreement") is made and entered into as of this ___ day of May, 2009, by and between the East Central Cable Commission ("Commission") and US Cable of Coastal-Texas, L.P. ("US Cable") (individually "Party" and collectively the "Parties").

WHEREAS, on or about March 10, 1998, the Commission enacted an Ordinance granting a cable communications franchise ("Franchise") currently held by US Cable; and

WHEREAS, on April 29, 2005 US Cable voluntarily paid the Commission a check for \$42,166.10 reflecting franchise fees owed and inadvertently not collected from subscribers nor paid on non-subscriber revenue such as advertising and home shopping; and

WHEREAS, the Commission and US Cable have discussed various issues related to the payment of franchise fees; and

WHEREAS, US Cable and Commission have agreed to fully and finally settle and resolve any and all outstanding disputes, and/or issues regarding franchise fees as of the date first written above ("Effective Date") arising from or related to the acts or omissions of US Cable, including any alleged Franchise violations or any actions, damages, fines or penalties associated with such alleged Franchise violations ("Claims") and fully release US Cable by entering into this Agreement.

NOW, THEREFORE, in consideration of the foregoing, the Parties mutually agree as follows:

1. US Cable agrees to pay the Commission \$5,000. ("Contribution") within ten (10) days after the Effective Date of this Agreement.
2. Subject to receipt by Commission of the Contribution in accordance with this Agreement, Commission hereby releases and discharges US Cable and its affiliates, parent entities, successors, directors, officers, employees, agents, and representatives from any Claims which arose prior to the Effective Date of the Contribution Agreement.
3. Each Party shall be responsible for its own costs associated with this Agreement. In the event that legal action becomes necessary to enforce the terms of this Agreement, the prevailing Party shall be entitled to recover all reasonable costs incurred in that enforcement action including reasonable attorneys' fees.
4. Warranties, Representations and Acknowledgments
 - a. Each signatory hereto hereby, covenants, warrants and represents as follows:

i. Such person has the full authority and has been duly authorized to bind the Party or Parties for whom such person acts, and that his/her signature hereon and agreement hereto constitutes, evidences and creates a binding obligation of the Party on whose behalf said signatory has executed this Agreement;

ii. All the provisions of this Agreement have been carefully read and are fully understood;

iii. Such person is entering into this Agreement knowingly and voluntarily and that the Agreement is a product of good faith negotiations between the Parties;

iv. Execution, delivery and performance of this Agreement has been duly and properly authorized by all necessary internal action of each of the Parties hereto;

v. Nothing in this Agreement shall be construed as an admission of fault or wrongdoings of any nature whatsoever in that any and all allegations of fault or wrongdoing have been and are expressly denied.

5. Modifications. This Agreement may not be modified except in writing signed by all the Parties.

6. Successors and Assigns. All of the provisions in this Agreement shall be binding upon the Parties hereto and their respective successors, assigns, heirs and executors and shall inure to the benefit of, and shall be enforceable by, the Parties and their respective successors, assigns, heirs and executors.

7. Construction. Each of the Parties has participated in the drafting and/or negotiation of this Agreement after consulting with counsel. Therefore, the language of this agreement shall not be presumptively construed in favor of or against any of the Parties hereto.

8. Notices. All notices or other communications to be sent to the Parties shall be addressed and sent by (a) certified mail, return receipt requested, postage prepaid, (b) overnight courier, or (c) facsimile transmission and first class mail, at the following addresses, unless the other Parties hereto are notified, in writing, of a different address:

As to Commission:

Joseph Morin
East Central Cable Commission
201 Third Avenue
Isanti, MN 55040

As to US Cable:

Steve Johnson
State Manager
US Cable
402 Red River Avenue
Suite 5
Cold Spring, MN 56320

- 9. Governing Law and Jurisdiction. This Agreement shall be governed by, and construed in accordance with the laws of the State of Minnesota, without regard to Minnesota's conflict of laws provisions.
- 10. Entire Agreement. This Agreement sets forth the entire agreement between the Parties with respect to the subject matter hereof. The "Whereas" clauses above are incorporated by reference into the Terms and Conditions of this Agreement. This Agreement supersedes any and all prior understanding and agreements between the Parties and neither Party shall have any obligation toward the other except as set forth in this Agreement.

IN WITNESS WHEREOF, the Parties hereto have set their hands to this Contribution and Release Agreement.

East Central Cable Commission

By: _____
Its: _____
Date: _____

US Cable of Coastal-Texas, L.P.

By: _____
Its: _____
Date: _____

2009 Cable Commission Fees (E)801-49844-445

CHECKS PAID

	3rd Quarter 2009	Less CC	Misc Bills	Total Check	Check #
Braham	1,774.51	4.75	44.33	1,725.43	29462
North Branch	8,392.32	4.75	236.42	8,151.15	29466
Milaca	2,420.04	4.75	73.88	2,341.41	29461
Rush City	2,871.66	4.76	88.66	2,778.24	29469
Pine City	4,385.05	4.75	118.21	4,262.09	29467
Isanti	5,585.92	4.75	162.54	5,418.63	29464
Mora	5,067.73	4.75	147.76	4,915.22	29465
Princeton	7,938.48	4.75	221.64	7,712.09	29468
Cambridge	11,725.03	4.75	339.85	11,380.43	29463
Pokegama	1,168.98	4.75	29.55	1,134.68	29496
Pine City Township	491.71	4.75	14.78	472.18	29495
	<u>51,821.43</u>	<u>52.26</u>	<u>1,477.62</u>	<u>50,291.55</u>	

City of Cambridge Paid 10/27/09 Ck#29363
52.26 divided by 11

Moss & Barnett Paid 10/13/09 Ck#29328 612.00
Divide 612.00 by Percent 865.62

Moss & Barnett Paid 11/24/09 Ck # 1,477.62
Divide 865.62 by Percent

CHECKS PAID

	4th Quarter 2009	Less CC	Misc Bills	Total Check	Check #	Percent
Braham						
North Branch						
Milaca						
Rush City						
Pine City						
Isanti						
Mora						
Princeton						
Cambridge						
Pokegama						
Pine City Township						
	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>0.00</u>		0%

Bills Received:

2009 Cable Commission Fees (E)801-49844-445

CHECKS PAID 05/12/09

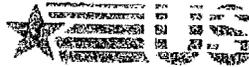
	1st Quarter 2009	Less CC	Misc Bills	Total Check	Check #
Braham	1,871.06	10.93	39.44	1,820.69	28702
North Branch	8,234.51	10.94	157.76	8,065.81	28706
Milaca	2,342.95	10.94	49.3	2,282.71	28701
Rush City	2,717.43	10.94	49.3	2,657.19	28709
Pine City	4,250.97	10.94	78.88	4,161.15	28707
Isanti	5,636.13	10.93	108.46	5,516.74	28704
Mora	5,085.09	10.93	98.6	4,975.56	28705
Princeton	7,766.13	10.94	147.9	7,607.29	28708
Cambridge	11,222.88	10.94	226.78	10,985.16	28703
Pokegama	901.79	10.93	19.72	871.14	28745
Pine City Township	416.60	10.93	9.86	395.81	28744
	<u>50,445.54</u>	<u>120.29</u>	<u>986.00</u>	<u>49,339.25</u>	

Bills Received: Creamery Crossing Paid 4/14/09 Ck#28571
 120.29 divided by 11
 Moss & Barnett Paid 4/14/09 Ck#28607
 \$986.00
 Divide by percent of City

CHECKS PAID 8/12/09

	2nd Quarter 2009	Less CC	Misc Bills	Total Check	Check #
Braham	1,787.13	6.93	123.98	1,656.22	29103
North Branch	8,470.17	6.93	495.93	7,967.31	29107
Milaca	2,403.21	6.93	154.98	2,241.30	29102
Rush City	2,885.98	6.93	154.98	2,724.07	29110
Pine City	4,421.97	6.94	247.97	4,167.06	29108
Isanti	5,700.14	6.94	340.95	5,352.25	29105
Mora	5,191.77	6.94	309.96	4,874.87	29106
Princeton	8,054.41	6.94	464.94	7,582.53	29109
Cambridge	11,611.32	6.94	887.91	10,716.47	29104
Pokegama	1,054.36	6.94	61.99	985.43	29112
Pine City Township	489.84	6.94	31.00	451.90	29111
	<u>52,070.30</u>	<u>76.30</u>	<u>3,274.59</u>	<u>48,719.41</u>	

Bills Received: Creamery Crossing Paid 7/15/09 Ck#28945 526.00
 76.30 divided by 11 2,018.75
 Moss & Barnett Paid 7/15/09 Ck#28979 442.00
 \$175 to Cambridge/Divide 526.00 by Percent 112.84
 Moss & Barnett Paid 6/23/09 Ck #28903 3,099.59
 2018.75 Divide by Percent Divide by City percent
 Moss & Barnett Paid 6/23/09 Ck #28903 3,099.59
 442.00 Divide by Percent 175.00 Cambridge
 Joseph Morin Paid 6/23/09 Ck# 28902 3,274.59
 112.84 Divide by Percent



Cable[®]
Corporation

28 West Grand Avenue • Montvale, NJ 07645-2100 • (201) 930-9000 • Fax (201) 930-9232 • www.uscable.com

October 29, 2009

East Central Minnesota Cable Commission
City of Rush City
PO Box 556
Rush City, MN 55069

Attn: Amy

RE: US Cable of Coastal-Texas, LP, Franchise Fees

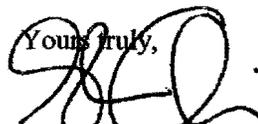
Dear Amy:

Enclosed please find a check in the amount of \$51,821.43 for payment of our quarterly franchise fees for the period from July 1, 2009, through September 30, 2009.

The following is a summary of what has been collected from all subscribers through the billing system for the time period noted above:

	<u>Gross Revenue</u>	<u>Franchise Fee Rate</u>	<u>Franchise Fee</u>
Braham (401)	\$35,490.11	.05	\$1,774.51 3
North Branch (402)	167,846.38	.05	8,392.32 1e
Milaca (403)	48,400.70	.05	2,420.04 5
Rush City (404)	57,433.27	.05	2,871.66 6
Pine City (405)	87,701.13	.05	4,385.05 8
Isanti (406)	111,718.33	.05	5,585.92 11
Mora (407)	101,354.61	.05	5,067.73 10
Princeton (408)	158,769.67	.05	7,938.48 15
Cambridge (409)	234,500.51	.05	11,725.03 23
Pokegama (415)	23,379.64	.05	1,168.98 2
Pine City Township (417)	<u>9,834.26</u>	.05	491.71 1
Total Franchise Fee	\$1,036,428.61		<u>\$51,821.43</u>

If you have any questions regarding the aforementioned, please do not hesitate to contact me at extension 317.

Yours truly,

SHANE ALISEO
Senior Accountant

SA:sb
Enclosure
cc: Steve Johnson
(Company Code: 2271-410-00) (E2550)

Steve Johnson

Bremer Law, P.C.

July 30, 2008

Brian Grogan, Esq.
Moss & Barnett
4800 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402-4129

Via Email & US Mail

RE: Desk Review of Franchise Fees – East Central Cable Commission (“ECCC”)

Dear Brian:

The purpose of this letter is to respond to both your letter dated June 3, 2008 to Steve Johnson (“June 3 Letter”) and the January 10, 2008 review of franchise fee payments by US Cable to the City of Cambridge for the calendar years 2005 and 2006 (“Desk Review”).

First, US Cable assumes that the member cities of the ECCC are accurately listed in your June 3 Letter. If the ECCC has added any members, it should inform both you and US Cable of those additions.

Second, US Cable shares your goal of expeditiously and cost-effectively concluding this review. US Cable has always exercised good faith in its dealings with the ECCC and significant time has already been invested by US Cable personnel in responding to the Desk Review which confirmed that US Cable is fully complying with the Franchise and Regulatory Ordinance as will be more fully outlined below.

Finally, I want to remind the ECCC that US Cable voluntarily provided the ECCC with a check in the amount of \$42,166.10 via letter dated April 29, 2005, when its own review indicated that certain revenue categories had been erroneously excluded from gross revenues for purposes of calculating franchise fees in the ECCC. US Cable has not passed this amount through to its customers even though it is legally entitled to do so. However, US Cable reserves its right to recoup this and any other fees or costs imposed on it to the maximum lawful extent.

You asked for our comments regarding the Desk Review. Our response follows the order of the items raised in the Desk Review below:

- 1) **Advertising and Home Shopping Revenue:** US Cable uses industry accepted methodologies to allocate advertising and home shopping revenue among its various franchise areas. The Desk Report erroneously indicates that US Cable’s allocation method does not account for variables such as monthly basic cable changes; on the

Brian Grogan, Esq.
July 30, 2008
Page 2 of 6

contrary the calculations are performed monthly and are based upon monthly subscriber numbers.

Under no circumstances does US Cable agree with the comment that it "neglected" to remit franchise fees related to advertising and home shopping revenue. As noted above, US Cable voluntarily provided a check to the ECCC when its own review indicated that certain revenue categories had been erroneously excluded from gross revenues for purposes of calculating franchise fees. Further, as part of the Desk Review, US Cable disclosed to the reviewer voluminous data regarding its revenues in the ECCC from home shopping and advertising, including data indicating that minor unpaid franchise fees with regard to advertising and home shopping revenues were discovered for the years 2005 and 2006 – these items totaled \$966.65. Consequently, it is wholly inappropriate to categorize US Cable's voluntary and forthright actions as "neglectful".

Upon further review, we have concluded our calculation that we underpaid the ECCC \$966.65 was incorrect. US Cable does NOT owe the ECCC additional franchise fees, rather it OVERPAID the ECCC franchise fees on advertising and home shopping revenues in the amount of \$1,849.48 during the period covered in the audit. The data provided for the Desk Review erroneously failed to show franchise fees paid on advertising and home shopping for the last seven (7) months of both 2005 and 2006. We have attached a revised spreadsheet which shows these payments. We apologize for the error and would be happy to answer any questions you might have.

The Desk Review goes on to recite antidotal evidence regarding average advertising revenue per basic cable subscriber without providing any background or documentation for the source or the relevance of these numbers. This section is somewhat confusing as these items were "asked and answered" in the reviewer's audit of the Forest Lake Cable Commission. US Cable's letter to the reviewer during that audit dated December 30, 2004 stated the following:

"We appreciate the report prepared by Mr. Yuri Berndt of Moss & Barnett [dated September 24, 2004] and find this report to be very detailed and well organized. However, we disagree with some of the findings prepared by Mr. Berndt, primarily the average advertising revenue assumptions used. Although his assumption on revenue per subscriber may appear reasonable for large cable operators, US Cable is not considered a first or second tier advertising source due to its size and lack of national advertising exposure. Additionally, US Cable outsources its advertising business to experienced third party vendors who pay US Cable a net value of advertising not the gross figures used in the findings report." (Emphasis added).

In summary, US Cable has fully complied with the Franchise and Regulatory Ordinance and has been forthright and open with the ECCC in voluntarily identifying and remedying calculation errors.

- 2) **Late Payment of Franchise Fees to the City:** US Cable disputes that the 18% per annum interest payment is the appropriate rate under the Regulatory Ordinance. The Cable Television Regulatory Ordinance provides:

"In the event that any Franchise Fee payment or recomputed amount is not made on or before the dates specified in the Franchise Agreement, Grantee shall pay as additional compensation an interest charge, computed from such due date, at an annual rate *equal to the lesser of the maximum rate permitted by Applicable Laws* or 18% per annum during the period for which payment was due." (Emphasis added).

Minnesota Statutes Section 334.01 states that the maximum interest rate is 6% as follows:

334.01 RATE OF INTEREST.

Subdivision 1. General. *The interest for any legal indebtedness shall be at the rate of \$6 upon \$100 for a year, unless a different rate is contracted for in writing.* No person shall directly or indirectly take or receive in money, goods, or things in action, or in any other way, any greater sum, or any greater value, for the loan or forbearance of money, goods, or things in action, than \$8 on \$100 for one year. In the computation of interest upon any bond, note, other instrument or agreement, interest shall not be compounded, but any contract to pay interest, not usurious, upon interest overdue, shall not be construed to be usury. Contracts shall bear the same rate of interest after they become due as before, and any provision in any contract, note, or instrument providing for an increase of the rate of interest after maturity, or any increase therein after making and delivery, shall work a forfeiture of the entire interest; nor shall it apply to any agreement which extends the maturity date of any contract, note, or instrument, and provides for an increased rate of interest after the original maturity date on the indebtedness than due. Any agreement which extends maturity date of any contract, note or instrument shall not provide for an increased rate of interest in excess of \$8 on \$100 for one year. (Emphasis added).

US Cable would submit that any interest charge assessed is simply a tax on subscribers and would urge the ECCC to consider this factor.

- 3) **Bad Debt Expenses.** US Cable agrees with the Desk Review. US Cable's actual bad debt expense is higher than the flat one percent (1%) it currently uses for administrative convenience and the company reserves its right to revisit this issue at any time in the future.
- 4) **Franchise Fee Rate Calculation.** US Cable agrees with the Desk Review. US Cable would note that its franchise fee was changed to 5.25% (rather than the 5.5% cited in the Desk Review) effective May 1, 2005 to recoup franchise fees assessed on non-subscriber revenue as authorized pursuant to applicable law.
- 5) **Annual Reports.** US Cable has submitted quarterly reports to the ECCC as required by the Regulatory Ordinance.

LMC
Ordinance
on which
valid
interest from
Bryan

- 6) **Other Revenues.** US Cable is fully in compliance with the ECCC Regulatory Ordinance regarding the payment of franchise fees on gross revenues and strongly disagrees that other fund categories have been inappropriately excluded from the definition of gross revenues.

The Regulatory Ordinance defines Section 1.2(n) gross revenues as follows:

(m) "Gross Revenues" means any and all *revenues* received by the Grantee, its affiliates, subsidiaries, parents, or any Person in which Grantee has a financial interest of five percent (5%) or more, arising from or attributable, to the sale or exchange of Cable Service by the Grantee within the ECCC Franchise Area including, but not limited to, monthly fees charged to Subscribers for Basic Cable Service; monthly fees charged to Subscribers for any optional service; monthly fees charged to Subscribers for any tier of service other than Basic Cable Service; Installation, disconnection and reconnection fees; leased Channel fees; converter and remote revenues; advertising revenues; and revenues from home shopping Channels. Gross Revenues shall be the basis for computing the Franchise Fees imposed pursuant to Section 1.20 hereof. Grantee shall not be required to pay a franchise fee on gross revenues derived from any Person receiving free Cable Service pursuant to a Franchise Agreement. Gross Revenues shall not include Franchise Fees, nor any Access Operating Funds or Access Capital Grants required in any franchise which are collected by Grantee on behalf of the ECCC." (Emphasis added.)

US Cable fully complies with this definition in calculating franchise fees. We further strongly disagree that launch or marketing incentive dollars are subject to the franchise fee. Launch or marketing incentive dollars are not "revenues" under GAAP or relevant case law and, therefore, are not included in "gross revenues" as defined in the Regulatory Ordinance. Our position is elaborated below:

Background

A programmer's primary objective is to maximize license fee profits it can receive from cable companies distributing its channels. The programmer does not "pay" a cable operator for distribution rights. Rather, the cable operator pays per-subscriber license fees to most programmers for the rights to distribute programming over its cable system. As a result, a complicated negotiation occurs over months, sometimes years, to establish the per subscriber licensing fees paid by the operator to the programmer.

When the parties are unable to come to terms on the licensee fee rates, programmers sometimes offer incentives in the form of launch and marketing support to effectively lower the per-subscriber license fee paid by the cable operator, while preserving the programmers "rate card" or published rate for negotiations with other operators. Thus, launch and marketing support are effectively discounts to the rate that US Cable pays to programmers. These discounts are usually offered in the form of an upfront payment to the cable operator and are analogous to a rebate.

Launch and Marketing Incentives Are Not Revenues

The industry practice, which is supported by GAAP, is to book launch and marketing support as a reduction in the expense for programming, not as revenue to the cable operator. Indeed, the cable industry, and the business community generally, takes this approach in reporting their results of operations on their financial statements for purposes as diverse as investor disclosure, reporting to creditors and prospective lenders, rate regulation, and a host of other contexts.

This was also the accepted view by the accounting profession when a special task force set up by the Financial Accounting Standards Board (FASB) was asked to confer and determine if there was an existing consensus as to the proper characterization of payments by a vendor to a customer. The Emerging Issues Task Force charged with examining this issue concluded that there was a consensus that as a general rule, "cash consideration received by a customer from a vendor is presumed to be a reduction of the prices of the vendor's products and services. ..." (November 21, 2002 EITF Meeting Minutes, p. 3.). This is based on the notion that the "vendor's providing of sales incentives and cash considerations to a reseller is so integral to the determination of the prices of a vendor's product that the cash consideration cannot be separated from the reseller's purchase of the vendor's products or services." (EITF Issue No. 02-16, Issue Summary 1, p. 3.)¹

There were two relevant exceptions to the general rule. The first was if the cash consideration represented "a reimbursement of a specific, incremental, identifiable cost incurred by the customer in selling the vendor's product or services," then such cash consideration represented a reimbursement of such costs and should be characterized as a reduction of those costs. The second exception addressed the situation where the cash consideration represented a payment for assets or services delivered to the vendor that were "separable from the customer's purchase of the vendor's products." It was only in this latter case of a payment for unrelated assets or services that payments were understood by the business and accounting communities (and the government) as giving rise to revenue.

Therefore launch and marketing incentives are not "revenue". As a result, they may not be included in the "Gross Revenues" on which the ECCC assesses franchise fees.

Guidance on this question is further found in the case of *City of Dallas v. FCC*, 118 F.3d 393, 395-396 (5th Cir. 1997). In *Dallas*, the Fifth Circuit held that Congressional intent regarding the scope of "gross revenues" must be ascertained by looking to common sources of definitions, such as industry practice and accounting standards. *Id.* at 395. Significantly, the *Dallas* court itself recognized that GAAP should be used to determine the scope of the term "gross revenues." For example, the Fifth Circuit relied on the

¹ Additional information regarding the FASB and the EITF can be found <http://www.fasb.org>.

Brian Grogan, Esq.
July 30, 2008
Page 6 of 6

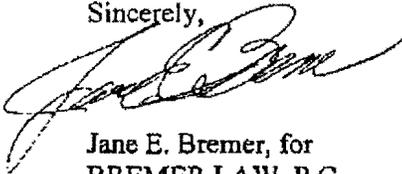
FASB's Statement of Financial Accounting Standards No. 51 to establish that cable franchise fees are "costs" and that monies received from subscribers to pay those costs should be included within an operator's gross revenues.

As discussed above, it is clear that launch and marketing incentives are not revenues under industry practice, and accounting standards. Consequently, they are not part of the "gross revenues" on which the ECCC may impose franchise fees.

7) **Review Fee.** US Cable concurs.

Thank you for your consideration and please feel free to contact me if you would like to discuss any of these matters further.

Sincerely,



Jane E. Bremer, for
BREMER LAW, P.C.

JEB/dw

cc: Steve Johnson

Attachment

Steve Johnson

On April 29, 2005 US Cable voluntarily paid the East Central Cable Commission a check for \$42,166.10 reflecting franchise fees owed and inadvertently not paid on non-subscriber revenue such as advertising and home shopping. US Cable did NOT directly collect this amount to subscribers as it had the right to do.

4 years later, the Commission is seeking **\$22,092.84** in interest on that voluntary payment. The Commission is assessing an interest rate of 18% when the state usury cap is 8% and is seeking not only interest on the voluntary payment, but interest on the interest.

US Cable is concerned as to the impact on already over-stretched customers of yet another unnecessary fee imposed by the Commission.

Commission Calculation:

US Cable paid on April 29, 2005 the amount of \$42,166.10.

Interest on Late Payment **18%**

(Estimated late payment period - 1.5 years.)

Interest Due on April 29, 2005 \$11,395.24

The \$11,395.24 was not paid on April 29, 2005 so compounded interest on the \$11,395.24 would be another \$10,697.60.

The sum of these two amounts equals **\$22,092.84**.

US Cable Calculation

\$42,166.10 with 8% interest for estimated late period of 1.5 years=
\$5,239.78 due.