

MILACA CITY COUNCIL AGENDA  
May 17, 2007

5:00 Water Treatment Plant tour

6:30 Call meeting to order  
Roll Call

Consent Agenda

Approve minutes of April 19 regular council meeting

Approve bills for payment

Resolution No. 07 – 18 Assessing an unpaid water and sewer bill

Resolution No. 07 – 19 Assessing an unpaid water and sewer bill

City Treasurer's report

City Manager's report

Citizens Forum

Public Hearing

CMDI – Request for tax exempt financing - Resolution No. 07-20

Requests and Communications

2006 Audit presentation

Letter from Catholic Charities

Ordinances and Resolutions

Reports of Boards and Commissions

Planning commission

Economic Development commission

Youth Involvement – skate park

Downtown Initiative

Unfinished Business

Liquor store project update

New Business

Jaycee temporary liquor license

Council Comments

Adjourn

MILACA CITY COUNCIL MINUTES  
APRIL 19, 2007

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: Judd, Totzke, Bekius, and Dillan.

Staff present: Lerud, Burklund, Schieffer, Toven.

Others present: Shawn Dockter, Jim Robertson, Stacey Wiedewitsch, Peter Masterson.

Mayor Pedersen read the items on the consent agenda. Motion by Totzke, second by Dillan to approve the consent agenda:

1. Change the June council meeting to June 14 due to conflict with the parade.
2. Approve Minutes of the March 15 regular meeting.
3. General bills, 7058E-7062E, #34025-34040, #34043-34122, totaling \$444,693.22; Liquor bills, E907009-E907012, #20112-20133, #20152-20158, #20160-20167, totaling \$182,993.39.
4. Accept Milaca Friends of the Library financial report.
5. RESOLUTION NO. 07-13 APPROVING CHARITABLE GAMBLING PREMISES PERMIT (entire text appears in Resolution book).
6. RESOLUTION NO. 07-14 CALLING FOR PUBLIC HEARING FOR CENTRAL MINNESOTA DIAGNOSTIC, INC. (entire text appears in Resolution book).

Unanimous consent.

Mayor Pedersen opened citizen's forum and invited anyone to speak to an item not on the agenda. No one came forward. Mayor Pedersen closed citizen's forum.

Lerud said the school, city, and county worked on a Safe Routes to School grant application and we received notice last week that the grant was awarded. The \$175,000 grant will be used to improve pedestrian safety around the school. Some of the work that will be done with the grant include installing interactive driver signs on Highway 23, building a new sidewalk through Rec Park and the school in order to keep children off of 3<sup>rd</sup> Street SW, and installing highly reflective tape or paint on the Highway 23 crosswalk. Lerud said the county will be the fiscal agent for the project.

A letter from the Milaca Historical Society was presented.

Council member Bekius offered Resolution No. 07-15 and moved for its adoption, second by Dillan.

**RESOLUTION NO. 07-15**  
**A RESOLUTION APPROVING A VARIANCE TO EXCEED THE 35 FOOT**  
**MAXIMUM HEIGHT REQUIREMENT BY 7 FEET FOR MIDWESTERN RURAL**  
**INVESTMENT**  
(entire text appears in Resolution book)

Council member Bekius said the planning commission recommended approval. He said some neighbors were present and expressed concern, but he thought their concerns were addressed, and there might be a willingness from the Heritage House owner to purchase that neighboring property if it were to come up for sale.

Council member Judd said the pitched roof makes sense as a transition to a residential area, and that type of roof would last longer. Mayor Pedersen said there appear to be a couple of other properties in the area that are that height with a pitched roof and it looks better than a flat roof.

Mayor Pedersen asked if the Zoning Administrator recommended denying the application. Lerud said he did because, in his judgment, the request did meet the requirements of a variance.

With no other discussion, all voted in favor.

Council member Totzke offered Resolution No. 07-16 and moved for its adoption, second by Judd

**RESOLUTION NO. 07-16**  
**A RESOLUTION APPROVING A VARIANCE TO EXCEED THE NUMBER OF**  
**FREE STANDING SIGNS ALLOWED ON A SINGLE PREMISE**  
(entire text appears in Resolution book)

Peter Masterson, vice president of marketing for the Greater Minnesota Credit Union, said once this new sign is installed, they will abandon the current electronic message center. Council member Bekius expressed concern about the old lighted sign being used. Masterson said they have no plans or intention to replace the old changeable letter sign, as the technology is old.

After a brief discussion, Bekius made a motion that the Resolution be approved on the condition that the current lighted changeable letter sign not be used once the new sign is in, and that no signs be added to the existing free-standing sign without the city granting permission, second by Judd, unanimous consent.

Upon voting on the Resolution, all voted in favor.

Council member Totzke offered Resolution No. 07-17 and moved for its adoption, second by Dillan

**RESOLUTION NO. 07-17**  
**RESOLUTION APPROVING SALE OF LOT 4, BLOCK 2, HIGHWAY 169**  
**INDUSTRIAL PARK AND LOT 1, BLOCK 3, HIGHWAY 169 INDUSTRIAL PARK**  
**2<sup>ND</sup> ADDITION, MILLE LACS COUNTY, TO HEGGIES PIZZA LLC**  
(entire text appears in Resolution book)

Lerud gave the background on this project and said the purchase agreement was virtually identical to the one considered last year. After a brief discussion, all voted in favor.

Council member Bekius said the planning commission agenda contained the two variance requests acted on tonight.

Council member Dillan said the economic development commission discussed the library, the water treatment plant, Heggies Pizza, and the downtown development effort. Dillan said that the economic development commission will be the base group for this effort. He said they already meet monthly so the process can be kept on track without additional meetings. Dillan said the group is working on a survey for residents and businesses that will hopefully be finalized at the May meeting, and then go out for distribution.

Council member Dillan said he also spoke with Brian Ross at Hometown Minnesota about coming up during the summer to discuss the city's plans. He said the Healthy Community Partnership has a December 1 application deadline, with a training session in November.

Steve Burklund said the control panel at the new water treatment plant is in the process of being hooked up. He said the contractor will be sanitizing the filter cells and detention tank, and it is planned to do some start up testing next week. There will be a generator startup on April 26, a temporary full test on May 3, and a permanent switch over to the new plant on May 7.

Lerud said the city engineer, Phil Gravel, would like to meet at the water treatment plant at 5:00 before the May 17 regular meeting. Lerud said he would take care of the notices.

Mayor Pedersen said the library open house last Saturday was a great success. Lerud said the library is complete on the inside. There is landscaping and concrete work yet to be done outside. He said that as a part of the work, the parking lot entrance off of First Street is going to be removed in order to eliminate the hump where many cars scrape.

Lerud said the liquor store project is finally moving at a good clip. The roofers are on site, and painting on the inside of the addition was done this week. He said a tentative timeline is to move into the addition the first week in May, and then remodel the existing building, with a completion date during the first week of June.

Motion by Totzke, second by Dillan to not waive the monetary limits on municipal tort liability, unanimous consent.

Mayor Pedersen called for Council comments.

Council member Judd asked if he could attend the League of MN Cities annual conference. Mayor Pedersen said any council member is encouraged to attend. Lerud asked him to stop in and they would get him registered.

Council member Bekius asked Shawn Dockter, owner of Heggies Pizza, if they were moving the entire operation and how many employees they had. Dockter said they were moving the whole operation, and they currently employ 24 people, but anticipate losing some with the move, so they will be hiring locally as well. Bekius welcomed them to Milaca.

Mayor Pedersen said there was a good article in the Times about returning soldiers. He said the Pastor of Trinity Lutheran approached him and the Legion is starting a group called "Beyond the Yellow Ribbon" to welcome returning soldiers, and they will be coming to a future council meeting requesting support. Council member Judd said the meeting is tomorrow morning and he plans on attending.

Mayor Pedersen asked if the city wanted to take a stand on the proposed elimination of the JOBZ program. He encouraged council members to contact our representatives and urge that the program be continued.

Mayor Pedersen said he was approached by skateboarders wanting to put material for ramps on the concrete slab in Rec Park. Pedersen said he told them that is a staff decision, as the day to day activities are managed by staff and not by council. He said he spoke with some of the skateboarders about their responsibilities when they are using the park.

With no other business a motion to adjourn was made by Dillan, second by Bekius, all voted in favor and the meeting adjourned at 7:05.

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Mayor Harold Pedersen

ATTEST

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Greg Lerud, City Manager



## CITY OF MILACA

05/01/07 4:15 PM

Page 1

## \*Check Detail Register©

APRIL 2007

			Check Amt	Invoice	Comment
<b>10100 General Bank</b>					
Paid Chk#	007079E	4/20/2007	<b>MN DEPT OF REVENUE</b>		
	G 602-20800	Sales Tax Payable	\$1,094.00		W/S SALES TAX
	R 101-34780	Park Fees	\$21.00	8023854	PARK RESERVATION
	R 602-37120	Sale of Water Parts	\$20.00	8023854	WATER PARTS
	<b>Total MN DEPT OF REVENUE</b>		<b>\$1,135.00</b>		
Paid Chk#	007080E	4/9/2007	<b>CINGULAR WIRELESS</b>		
	E 101-42280-321	Telephone	\$13.51	023-70064803	FIRE DEPT CELLULAR
	<b>Total CINGULAR WIRELESS</b>		<b>\$13.51</b>		
Paid Chk#	007081E	4/11/2007	<b>UNION SECURITY INSURANCE CO.</b>		
	G 101-21707	Disability	\$230.22	4022335-0-1	APRIL LTD INSURANCE
	<b>Total UNION SECURITY INSURANCE CO.</b>		<b>\$230.22</b>		
Paid Chk#	007082E	4/19/2007	<b>MILACA LOCAL LINK</b>		
	E 101-45500-321	Telephone	\$69.98	320-982-1099	PHONE SERVICE
	E 619-49900-321	Telephone	\$92.88	320-982-1099	PHONE SERVICE-DEP REG
	E 101-42280-321	Telephone	\$86.76	320-982-3465	PHONE SERVICE-FIRE
	<b>Total MILACA LOCAL LINK</b>		<b>\$249.62</b>		
Paid Chk#	007083E	4/7/2007	<b>EAST CENTRAL ENERGY</b>		
	E 603-49450-381	Utilities	\$20.00	201875902	ELECTRIC
	E 603-49450-381	Utilities	\$43.61	203981301	ELECTRIC
	E 101-43000-380	Street Lights	\$2,622.99	204619700	ELECTRIC
	E 101-45200-381	Utilities	\$14.91	205400900	ELECTRIC
	E 602-49400-381	Utilities	\$405.10	206041500	ELECTRIC
	E 101-45500-381	Utilities	\$278.83	206085200	ELECTRIC
	E 101-45200-381	Utilities	\$14.91	5379600	ELECTRIC
	E 101-49810-381	Utilities	\$150.20	5448100	ELECTRIC
	E 101-42110-437	Other Miscellaneous	\$37.28	6302100	ELECTRIC
	E 603-49450-381	Utilities	\$49.33	6678100	ELECTRIC
	E 101-42280-381	Utilities	\$544.72	6751501	ELECTRIC
	E 101-42280-381	Utilities	\$487.16	7546001	ELECTRIC
	E 101-41940-381	Utilities	\$854.50	8145502	ELECTRIC
	E 101-49810-381	Utilities	\$67.43	830700	ELECTRIC
	E 101-49810-381	Utilities	\$57.31	831000	ELECTRIC
	E 101-43000-380	Street Lights	\$186.28	831300	ELECTRIC
	E 101-43000-381	Utilities	\$495.70	831500	ELECTRIC
	E 603-49450-381	Utilities	\$407.28	832000	ELECTRIC
	E 602-49400-381	Utilities	\$190.53	832100	ELECTRIC
	E 101-45600-381	Utilities	\$251.04	832400	ELECTRIC
	E 603-49450-381	Utilities	\$55.32	832500	ELECTRIC
	E 603-49450-381	Utilities	\$62.16	832600	ELECTRIC
	E 602-49400-381	Utilities	\$1,460.70	833100	ELECTRIC
	E 602-49400-381	Utilities	\$72.09	833300	ELECTRIC
	E 101-45200-381	Utilities	\$14.91	833400	ELECTRIC
	E 101-45200-381	Utilities	\$26.63	833600	ELECTRIC
	E 208-49010-381	Utilities	\$117.42	9084202	ELECTRIC
	E 602-49400-381	Utilities	\$849.89	970110800	ELECTRIC
	E 101-42110-437	Other Miscellaneous	\$14.00	97017300	ELECTRIC
	<b>Total EAST CENTRAL ENERGY</b>		<b>\$9,852.23</b>		
Paid Chk#	007084E	4/17/2007	<b>CENTERPOINT ENERGY MINNEGASCO</b>		
	E 602-49400-381	Utilities	\$823.38	14099-8	NATURAL GAS

CITY OF MILACA

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APRIL 2007

		Check Amt	Invoice	Comment
E 208-49010-381	Utilities	\$462.51	5813915	NATURAL GAS-SR CENTER
E 101-45600-381	Utilities	\$450.59	5817670	NATURAL GAS-LIBRARY
E 602-49400-381	Utilities	\$977.28	5818184	NATURAL GAS-WATER
E 101-43000-381	Utilities	\$2,088.22	5826633	NATURAL GAS-PW
E 101-41940-381	Utilities	\$468.26	5831068	NATURAL GAS-CITY HALL
E 101-42280-381	Utilities	\$370.09	6122593	NATURAL GAS-FIRE
<b>Total CENTERPOINT ENERGY MINNEGASCO</b>		<b>\$5,640.33</b>		

Paid Chk# 007085E 4/17/2007 MN DEPT OF LABOR & INDUSTRY

R 607-32210	Building Permits	\$646.70		1ST QTR BUILDING SURCHARGE
<b>Total MN DEPT OF LABOR &amp; INDUSTRY</b>		<b>\$646.70</b>		

10100 General Bank \$17,767.61

Fund Summary

	10100 General Bank
101 GENERAL FUND	\$9,917.43
208 CHARITABLE GAMBLING FUND	\$579.93
602 WATER FUND	\$5,892.97
603 SEWER FUND	\$637.70
607 BLDG INSPECTION FUND	\$646.70
619 DEPUTY REGISTRAR FUND	\$92.88
	<b>\$17,767.61</b>

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APRIL 2007

			Check Amt	Invoice	Comment
<b>10100 General Bank</b>					
Paid Chk#	034041	4/10/2007	<b>JIM'S MILLE LACS DISPOSAL</b>		
	E 101-42110-437	Other Miscellaneous	\$20.00		PRINTER DISPOSAL - PD
	E 101-43000-384	Refuse/Garbage Disposal	\$98.28		REFUSE-PW
	E 101-43000-311	Snow Removal	\$1,430.00		SNOW REMOVAL
	E 101-42280-384	Refuse/Garbage Disposal	\$20.00		FIRE HALL
	<b>Total</b>	<b>JIM'S MILLE LACS DISPOSAL</b>	<b>\$1,568.28</b>		
Paid Chk#	034042	4/10/2007	<b>MILACA BLDG CENTER</b>		
	E 101-43000-215	Shop Supplies	\$18.94		PW
	E 101-45500-217	Other Operating Supplies	\$30.87		LIBRARY
	<b>Total</b>	<b>MILACA BLDG CENTER</b>	<b>\$49.81</b>		
Paid Chk#	034124	4/25/2007	<b>BLUE CROSS BLUE SHIELD OF MINN</b>		
	G 101-21706	Medical Insur.	\$10,448.00		MEDICAL INSUR
	<b>Total</b>	<b>BLUE CROSS BLUE SHIELD OF MINN</b>	<b>\$10,448.00</b>		
Paid Chk#	034125	4/25/2007	<b>CARL E. JOHNSON</b>		
	E 500-45500-520	Buildings and Structures	\$5,315.25	PAY REQ #7	LIBRARY PROJECT
	<b>Total</b>	<b>CARL E. JOHNSON</b>	<b>\$5,315.25</b>		
Paid Chk#	034126	4/25/2007	<b>DZIEDZIC CAULKING, INC.</b>		
	E 500-45500-520	Buildings and Structures	\$3,106.50	PAY REQ #2	LIBRARY PROJECT
	<b>Total</b>	<b>DZIEDZIC CAULKING, INC.</b>	<b>\$3,106.50</b>		
Paid Chk#	034127	4/25/2007	<b>EAGLE CONSTRUCTION CO. INC.</b>		
	E 500-45500-520	Buildings and Structures	\$18,016.75	PAY REQ #4	LIBRARY PROJECT
	<b>Total</b>	<b>EAGLE CONSTRUCTION CO. INC.</b>	<b>\$18,016.75</b>		
Paid Chk#	034128	4/25/2007	<b>ELECTRICAL VISIONS, INC.</b>		
	E 500-45500-520	Buildings and Structures	\$5,093.90	PAY REQ #7	LIBRARY PROJECT
	<b>Total</b>	<b>ELECTRICAL VISIONS, INC.</b>	<b>\$5,093.90</b>		
Paid Chk#	034129	4/25/2007	<b>GOPHER STATE CONTRACTORS</b>		
	E 500-45500-520	Buildings and Structures	\$1,428.66	PAY REQ #7	LIBRARY PROJECT
	<b>Total</b>	<b>GOPHER STATE CONTRACTORS</b>	<b>\$1,428.66</b>		
Paid Chk#	034130	4/25/2007	<b>HEARTLAND GLASS CO., INC.</b>		
	E 500-45500-520	Buildings and Structures	\$3,800.51	PAY REQ #3	LIBRARY PROJECT
	<b>Total</b>	<b>HEARTLAND GLASS CO., INC.</b>	<b>\$3,800.51</b>		
Paid Chk#	034131	4/25/2007	<b>KRAUS-ANDERSON</b>		
	E 500-45500-303	Engineering Fees	\$49,485.82	KMW4294	LIBRARY PROJECT
	<b>Total</b>	<b>KRAUS-ANDERSON</b>	<b>\$49,485.82</b>		
Paid Chk#	034132	4/25/2007	<b>L.E.L.S.</b>		
	G 101-21710	Union Dues	\$197.50		POLICE UNION DUES
	<b>Total</b>	<b>L.E.L.S.</b>	<b>\$197.50</b>		
Paid Chk#	034133	4/25/2007	<b>MII LIFE INCORPORATED</b>		
	G 101-21707	Disability	\$188.80	MN811-356	DISABILITY/LIFE
	<b>Total</b>	<b>MII LIFE INCORPORATED</b>	<b>\$188.80</b>		
Paid Chk#	034134	4/25/2007	<b>MN BENEFITS</b>		
	G 101-21709	Life Insur.	\$177.90		LIFE/DENTAL

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APRIL 2007

			Check Amt	Invoice	Comment
G 101-21712	Dental		\$452.82		LIFE/DENTAL
<b>Total MN BENEFITS</b>			<b>\$630.72</b>		
<hr/>					
Paid Chk#	034135	4/25/2007	<b>QUILL CORPORATION</b>		
E 619-49900-201	Accessories (paper, pens, etc)		\$148.43	6159937	PRINTER CARTRIDGES (2)
E 619-49900-201	Accessories (paper, pens, etc)		\$107.82	6159937	DEP REG SUPPLIES
<b>Total QUILL CORPORATION</b>			<b>\$256.25</b>		
<hr/>					
Paid Chk#	034136	4/25/2007	<b>R&amp;S CASEWORK, INC.</b>		
E 500-45500-520	Buildings and Structures		\$21,005.35	PAY REQ #2	LIBRARY PROJECT
<b>Total R&amp;S CASEWORK, INC.</b>			<b>\$21,005.35</b>		
<hr/>					
Paid Chk#	034137	4/25/2007	<b>SENTRY SYSTEMS, INC.</b>		
E 101-41940-310	Other Professional Services		\$50.08		JUNE MONITORING SERVICE
E 101-41940-310	Other Professional Services		\$50.08		JULY MONITORING SERVICE
E 101-41940-310	Other Professional Services		\$50.08	531801	MAY MONITORING SERVICE
<b>Total SENTRY SYSTEMS, INC.</b>			<b>\$150.24</b>		
<hr/>					
Paid Chk#	034138	4/25/2007	<b>SONUS INTERIORS INC.</b>		
E 500-45500-520	Buildings and Structures		\$1,605.50	PAY REQ #3	LIBRARY PROJECT
<b>Total SONUS INTERIORS INC.</b>			<b>\$1,605.50</b>		
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Paid Chk#	034139	4/25/2007	<b>ST. PAUL LINOLEUM &amp; CARPET CO.</b>		
E 500-45500-520	Buildings and Structures		\$7,921.10	PAY REQ #3	LIBRARY PROJECT
<b>Total ST. PAUL LINOLEUM &amp; CARPET CO.</b>			<b>\$7,921.10</b>		
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Paid Chk#	034140	4/30/2007	<b>U.S. POSTMASTER</b>		
E 602-49400-322	Postage		\$96.76		5/1 BILLING (APRIL USAGE)
E 603-49450-322	Postage		\$96.77		5/1 BILLING (APRIL USAGE)
<b>Total U.S. POSTMASTER</b>			<b>\$193.53</b>		
<hr/>					
Paid Chk#	034141	4/30/2007	<b>HASLER MAILING SYSTEMS</b>		
E 101-41940-413	Office Equipment Rental		\$79.23		POSTAGE METER UPDATE
<b>Total HASLER MAILING SYSTEMS</b>			<b>\$79.23</b>		
<hr/>					
Paid Chk#	034142	4/30/2007	<b>BRAHAM, CITY OF</b>		
E 705-49840-313	Cable Franchise Fee		\$1,666.28		1ST QUARTER FRANCHISE FEES
<b>Total BRAHAM, CITY OF</b>			<b>\$1,666.28</b>		
<hr/>					
Paid Chk#	034143	4/30/2007	<b>CAMBRIDGE, CITY OF</b>		
E 705-49840-313	Cable Franchise Fee		\$9,611.50		1ST QUARTER FRANCHISE FEE
<b>Total CAMBRIDGE, CITY OF</b>			<b>\$9,611.50</b>		
<hr/>					
Paid Chk#	034144	4/30/2007	<b>ISANTI, CITY OF</b>		
E 705-49840-313	Cable Franchise Fee		\$4,380.43		1ST QUARTER FRANCHISE FEE
<b>Total ISANTI, CITY OF</b>			<b>\$4,380.43</b>		
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Paid Chk#	034145	4/30/2007	<b>MILACA, CITY OF</b>		
E 705-49840-313	Cable Franchise Fee		\$2,066.52		1ST QUARTER FRANCHISE FEES
<b>Total MILACA, CITY OF</b>			<b>\$2,066.52</b>		
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Paid Chk#	034146	4/30/2007	<b>MORA, CITY OF</b>		
E 705-49840-313	Cable Franchise Fee		\$4,722.13		1ST QUARTER FRANCHISE FEE
<b>Total MORA, CITY OF</b>			<b>\$4,722.13</b>		
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Paid Chk#	034147	4/30/2007	<b>NORTH BRACH, CITY OF</b>		

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APRIL 2007

			Check Amt	Invoice	Comment
E 705-49840-313	Cable Franchise Fee		\$7,060.06		1ST QTR FRANCHISE FEES
<b>Total NORTH BRACH, CITY OF</b>			<b>\$7,060.06</b>		
<hr/>					
Paid Chk# 034148	4/30/2007	<b>PINE CITY TOWNSHIP</b>			
E 705-49840-313	Cable Franchise Fee		\$479.06		1ST QUARTER FRANCHISEE FEE
<b>Total PINE CITY TOWNSHIP</b>			<b>\$479.06</b>		
<hr/>					
Paid Chk# 034149	4/30/2007	<b>PINE CITY, CITY OF</b>			
E 705-49840-313	Cable Franchise Fee		\$3,876.03		1ST QUARTER FRANCHISE FEE
<b>Total PINE CITY, CITY OF</b>			<b>\$3,876.03</b>		
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Paid Chk# 034150	4/30/2007	<b>POKEGEMA TOWNSHIP</b>			
E 705-49840-313	Cable Franchise Fee		\$625.93		1ST QUARTER FRANCHISE FEE
<b>Total POKEGEMA TOWNSHIP</b>			<b>\$625.93</b>		
<hr/>					
Paid Chk# 034151	4/30/2007	<b>PRINCETON, CITY OF</b>			
E 705-49840-313	Cable Franchise Fee		\$6,693.21		1ST QUARTER FRANCHISE FEE
<b>Total PRINCETON, CITY OF</b>			<b>\$6,693.21</b>		
<hr/>					
Paid Chk# 034152	4/30/2007	<b>RUSH CITY, CITY OF</b>			
E 705-49840-313	Cable Franchise Fee		\$2,172.78		1ST QUARTER FRANCHISE FEE
<b>Total RUSH CITY, CITY OF</b>			<b>\$2,172.78</b>		
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10100 General Bank			\$173,895.63		

Fund Summary

101 GENERAL FUND	\$13,312.58
500 CAPITAL PROJECT FUND	\$116,779.34
602 WATER FUND	\$96.76
603 SEWER FUND	\$96.77
619 DEPUTY REGISTRAR FUND	\$256.25
705 CABLE COMMISSION	\$43,353.93
	<hr/>
	\$173,895.63

**\*Check Detail Register©**

MAY 2007

Check Amt Invoice Comment

**10100 General Bank**

Paid Chk#		Date	Vendor	Check Amt	Invoice	Comment
Paid Chk# 034156		5/18/2007	<b>AMERICAN LEGAL PUBLISHING CORP</b>			
E 200-46500-310	Other Professional Services			\$200.00	57810	INTERNET SUPPLEMENT
<b>Total AMERICAN LEGAL PUBLISHING CORP</b>				<b>\$200.00</b>		
Paid Chk# 034157		5/18/2007	<b>AMERICAN RED CROSS</b>			
E 603-49450-208	Training and Travel			\$82.50	40165	SAFETY TRAINING
E 602-49400-208	Training and Travel			\$82.50	40165	SAFETY TRAINING
R 101-36200	Miscellaneous Revenues			\$1,210.00	40165	MILLE LACS COUNTY TRAINING
<b>Total AMERICAN RED CROSS</b>				<b>\$1,375.00</b>		
Paid Chk# 034158		5/18/2007	<b>AMERIPRIDE</b>			
E 101-45500-310	Other Professional Services			\$20.32	S096766	LIBRARY RUGS
E 101-45500-310	Other Professional Services			\$26.63	S358284	LIBRARY RUGS
<b>Total AMERIPRIDE</b>				<b>\$46.95</b>		
Paid Chk# 034159		5/18/2007	<b>ARNIE BILLMARK ELECTRIC</b>			
E 101-42280-401	Repairs/Maint Buildings			\$520.29	11444	ELECTRICAL WORK AT FIRE HALL
<b>Total ARNIE BILLMARK ELECTRIC</b>				<b>\$520.29</b>		
Paid Chk# 034160		5/18/2007	<b>AUTO BODY TECHNICIANS</b>			
E 101-45200-221	Equipment Parts/Repairs			\$1,347.73		MOWER PARTS-PARKS
<b>Total AUTO BODY TECHNICIANS</b>				<b>\$1,347.73</b>		
Paid Chk# 034161		5/18/2007	<b>BILLINGS SERVICE</b>			
E 101-45200-221	Equipment Parts/Repairs			\$8.00	79232	MOUNT 2 TIRES
<b>Total BILLINGS SERVICE</b>				<b>\$8.00</b>		
Paid Chk# 034162		5/18/2007	<b>BILLINGS, CRAIG</b>			
E 101-42280-208	Training and Travel			\$46.90		4/12 ST. CROIX VALLEY FIRE MTG
E 101-42280-208	Training and Travel			\$53.12		4/14 BRAINERD FIRE SCHOOL
<b>Total BILLINGS, CRAIG</b>				<b>\$100.02</b>		
Paid Chk# 034163		5/18/2007	<b>BONESTROO ROSENE ANDERLIK</b>			
E 202-46400-444	Boulder Ridge			\$159.00	143110	BOULDER RIDGE
E 203-46400-447	Ringham 1st Addn			\$242.50	143111	FIELDSTONE GREENE
E 602-49400-303	Engineering Fees			\$15,009.12	143112	WATER TREATMENT PLANT
E 501-43100-303	Engineering Fees			\$1,440.86	143119	HWY 169 INDUSTRIAL
<b>Total BONESTROO ROSENE ANDERLIK</b>				<b>\$16,851.48</b>		
Paid Chk# 034164		5/18/2007	<b>BUTCH'S TOWING</b>			
E 101-42110-310	Other Professional Services			\$85.20	5258	IMPOUND VEHICLE-JASON NELSON
<b>Total BUTCH'S TOWING</b>				<b>\$85.20</b>		
Paid Chk# 034165		5/18/2007	<b>CORNER MART</b>			
E 602-49400-212	Auto Expense (Fuel/Repair)			\$100.00		GAS-WATER
E 101-43000-212	Auto Expense (Fuel/Repair)			\$262.55		GAS-PW
E 603-49450-212	Auto Expense (Fuel/Repair)			\$100.00		GAS-SEWER
E 101-42110-212	Auto Expense (Fuel/Repair)			\$876.25		GAS-PD
E 700-50000-212	Auto Expense (Fuel/Repair)			\$175.00		GAS-JP
E 101-45200-212	Auto Expense (Fuel/Repair)			\$285.57		GAS-PARK
<b>Total CORNER MART</b>				<b>\$1,799.37</b>		
Paid Chk# 034166		5/18/2007	<b>CREAMERY CROSSING</b>			
E 705-49840-437	Other Miscellaneous			\$32.02		FRANCHISE CABLE MTG.

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MAY 2007

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<b>Total CREAMERY CROSSING</b>			<b>\$32.02</b>		
<b>Paid Chk# 034167</b>	<b>5/18/2007</b>	<b>DAMA-MP INC.</b>			
E 101-45500-437	Other Miscellaneous		\$142.19		FIRE DEPT. KEY LOCK BOX FOR LI
<b>Total DAMA-MP INC.</b>			<b>\$142.19</b>		
<b>Paid Chk# 034168</b>	<b>5/18/2007</b>	<b>DESIGNER SIGN SYSTEMS</b>			
E 500-45500-560	Furniture and Fixtures		\$5,272.82	42891	DONOR PLAQUES
<b>Total DESIGNER SIGN SYSTEMS</b>			<b>\$5,272.82</b>		
<b>Paid Chk# 034169</b>	<b>5/18/2007</b>	<b>DI-MAR CONSTRUCTION</b>			
E 602-49400-520	Buildings and Structures		\$125,170.29	PAY REQ#11	WATER TREATMENT PROJECT
<b>Total DI-MAR CONSTRUCTION</b>			<b>\$125,170.29</b>		
<b>Paid Chk# 034170</b>	<b>5/18/2007</b>	<b>DOVE FRET LAND &amp; VAN VALKENBURG</b>			
E 101-41610-304	Legal Fees		\$875.00	46835	CIVIL RETAINER
E 101-41610-304	Legal Fees		\$3,120.80	46839	APRIL CRIMINAL RETAINER
<b>Total DOVE FRET LAND &amp; VAN VALKENBURG</b>			<b>\$3,995.80</b>		
<b>Paid Chk# 034171</b>	<b>5/18/2007</b>	<b>E.C.M. PUBLISHERS, INC.</b>			
E 101-41110-201	Accessories (paper, pens, etc)		\$30.99	146248	COUNCIL NAME PLATE
E 101-42280-437	Other Miscellaneous		\$13.13	68401	FIRE DEPT MTG
<b>Total E.C.M. PUBLISHERS, INC.</b>			<b>\$44.12</b>		
<b>Paid Chk# 034172</b>	<b>5/18/2007</b>	<b>EGGEN'S DIRECT SERVICE</b>			
E 602-49400-212	Auto Expense (Fuel/Repair)		\$75.00		GAS-WATER
E 101-45200-212	Auto Expense (Fuel/Repair)		\$74.42		GAS-PARKS
E 101-42280-212	Auto Expense (Fuel/Repair)		\$164.25		GAS-FIRE
E 101-43000-212	Auto Expense (Fuel/Repair)		\$141.50		GAS-PW
E 603-49450-212	Auto Expense (Fuel/Repair)		\$75.00		GAS-SEWER
<b>Total EGGEN'S DIRECT SERVICE</b>			<b>\$530.17</b>		
<b>Paid Chk# 034173</b>	<b>5/18/2007</b>	<b>FIRE EQUIPMENT SPECIALTIES INC</b>			
E 101-42280-240	Small Tools and Minor Equip		\$612.79	5062	LIGHTS/HELMET CLIPS
<b>Total FIRE EQUIPMENT SPECIALTIES INC</b>			<b>\$612.79</b>		
<b>Paid Chk# 034174</b>	<b>5/18/2007</b>	<b>FIRE INSTRUCTION &amp; RESCUE ED.</b>			
E 101-42280-208	Training and Travel		\$240.00	05208	4/16/07 PUMPS-CLASS ROOM
E 101-42280-208	Training and Travel		\$480.00	05212	4/21/07 PUMPS-HO
<b>Total FIRE INSTRUCTION &amp; RESCUE ED.</b>			<b>\$720.00</b>		
<b>Paid Chk# 034175</b>	<b>5/18/2007</b>	<b>FRONTIER</b>			
E 101-45500-321	Telephone		\$41.34		MAY PHONE SERVICE
E 602-49400-321	Telephone		\$1.92	983-0121	PHONE SERVICE-WATER
E 602-49400-321	Telephone		\$16.07	983-0900	PHONE SERVICE-WATER
E 602-49400-321	Telephone		\$8.40	983-0902	PHONE SERVICE-WATER
E 101-49810-321	Telephone		\$48.77	983-2648	PHONE SERVICE-AIRPORT
E 101-41940-321	Telephone		\$204.57	983-3141	PHONE SERVICE-CITY HALL
E 101-41940-321	Telephone		\$47.15	983-3142	PHONE SERVICE-CITY HALL
E 619-49900-321	Telephone		\$88.54	983-3143	PHONE SERVICE-DEP REG
E 101-42280-321	Telephone		\$48.73	983-3465	PHONE SERVICE-FIRE
E 101-45200-321	Telephone		\$43.86	983-5729	PHONE SERVICE-PARK
E 602-49400-321	Telephone		\$276.54	983-6134	PHONE SERVICE-SEWER
E 101-42110-321	Telephone		\$45.01	983-6166	PHONE SERVICE-POLICE
E 101-43000-321	Telephone		\$99.49	983-6547	PHONE SERVICE-PW

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MAY 2007

			Check Amt	Invoice	Comment
<b>Total FRONTIER</b>			<b>\$970.39</b>		
Paid Chk# 034176	5/18/2007	<b>GALL'S INC.</b>			
E 101-42110-437	Other Miscellaneous		\$57.46	584406470001	DRUG TESTKITS
<b>Total GALL'S INC.</b>			<b>\$57.46</b>		
Paid Chk# 034177	5/18/2007	<b>GOLDSMITH, JAMES</b>			
E 700-50000-208	Training and Travel		\$12.45		4/25 MILEAGE
<b>Total GOLDSMITH, JAMES</b>			<b>\$12.45</b>		
Paid Chk# 034178	5/18/2007	<b>GRANITE ELECTRONICS</b>			
E 101-42280-226	Radio Repair		\$106.70	227891	REPAIR PAGER
E 101-42280-240	Small Tools and Minor Equip		\$262.35	435356	REMOTE SPEAKER/CASE/CHARGER
E 101-42280-240	Small Tools and Minor Equip		\$1,865.88	435361	PAGERS (3)
E 101-42280-240	Small Tools and Minor Equip		\$2,357.06	435362	RADIOS (4)
<b>Total GRANITE ELECTRONICS</b>			<b>\$4,591.99</b>		
Paid Chk# 034179	5/18/2007	<b>HACH COMPANY</b>			
E 602-49400-217	Other Operating Supplies		\$508.55	5123748	TESTING KITS
<b>Total HACH COMPANY</b>			<b>\$508.55</b>		
Paid Chk# 034180	5/18/2007	<b>HAWKINS, INC.</b>			
E 602-49400-310	Other Professional Services		\$43.40	1055699	TESTING
E 602-49400-216	Chemicals and Chem Products		\$1,791.14	1059640	CHEMICALS
<b>Total HAWKINS, INC.</b>			<b>\$1,834.54</b>		
Paid Chk# 034181	5/18/2007	<b>HD SUPPLY WATERWORKS, LTD</b>			
E 602-49400-310	Other Professional Services		\$200.00	4602520	MARCH METER READS
E 603-49450-310	Other Professional Services		\$200.00	4602520	MARCH METER READS
E 603-49450-310	Other Professional Services		\$200.00	4602531	APRIL METER READS
E 602-49400-310	Other Professional Services		\$200.00	4602531	APRIL METER READS
E 603-49450-310	Other Professional Services		\$200.00	5142776	MAY METER READ
E 602-49400-310	Other Professional Services		\$200.00	5142776	MAY METER READ
<b>Total HD SUPPLY WATERWORKS, LTD</b>			<b>\$1,200.00</b>		
Paid Chk# 034182	5/18/2007	<b>HJORT EXCAVATING</b>			
E 602-49400-310	Other Professional Services		\$1,085.22	2006.259	SUPER VALUE ALLEY REPAIR
<b>Total HJORT EXCAVATING</b>			<b>\$1,085.22</b>		
Paid Chk# 034183	5/18/2007	<b>ISD #912</b>			
E 208-49020-440	Summer Programming		\$1,000.00		COMMUNITY ED - SUMMER BASEBALL
<b>Total ISD #912</b>			<b>\$1,000.00</b>		
Paid Chk# 034184	5/18/2007	<b>JENSEN - ANDERSEN</b>			
E 101-45200-401	Repairs/Maint Buildings		\$87.18	32449	PARK BATHROOMS
<b>Total JENSEN - ANDERSEN</b>			<b>\$87.18</b>		
Paid Chk# 034185	5/18/2007	<b>JOHNSON OIL CO.</b>			
E 101-42110-212	Auto Expense (Fuel/Repair)		\$29.43	10	SERVICE SQUAD '03
E 101-42110-221	Equipment Parts/Repairs		\$98.01	2	BATTERY - '05 SQUAD
E 101-42110-212	Auto Expense (Fuel/Repair)		\$12.50	34	SERVICE
E 101-42110-212	Auto Expense (Fuel/Repair)		\$29.43	7	SERVICE '07 SQUAD
<b>Total JOHNSON OIL CO.</b>			<b>\$169.37</b>		
Paid Chk# 034186	5/18/2007	<b>K.E.E.P.R.S.</b>			
E 101-42110-434	Uniforms		\$21.25	68130	UNIFORM KEY HOLDER - JOSH HALB

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MAY 2007

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E 101-42110-434	Uniforms		\$54.07	68130-01	UNIFORM SHIRT -JOSH HALBERG
E 101-42110-434	Uniforms		\$114.72	68409	UNIFORM BOOTS - JEFF SHAW
E 101-42110-434	Uniforms		\$77.90	68409-01	2 SHIRTS - JEFF SHAW
<b>Total K.E.E.P.R.S.</b>			<b>\$267.94</b>		
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<b>Paid Chk#</b>	<b>034187</b>	<b>5/18/2007</b>	<b>KATKE, DELORIS</b>		
E 209-49000-437	Other Miscellaneous		\$150.00		GHOV SHIRTS/COATS
<b>Total KATKE, DELORIS</b>			<b>\$150.00</b>		
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<b>Paid Chk#</b>	<b>034188</b>	<b>5/18/2007</b>	<b>KERN, DEWENTER, VIERE, LTD.</b>		
E 603-49450-301	Auditing and Acct'g Services		\$800.00	68914	2006 AUDIT
E 700-50000-301	Auditing and Acct'g Services		\$500.00	68914	2006 AUDIT
E 602-49400-301	Auditing and Acct'g Services		\$1,250.00	68914	2006 AUDIT
E 101-41540-301	Auditing and Acct'g Services		\$5,200.00	68914	2006 AUDIT
E 619-49900-301	Auditing and Acct'g Services		\$500.00	68914	2006 AUDIT
<b>Total KERN, DEWENTER, VIERE, LTD.</b>			<b>\$8,250.00</b>		
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<b>Paid Chk#</b>	<b>034189</b>	<b>5/18/2007</b>	<b>KNIFE RIVER CORP. - NORTH CENT</b>		
E 101-43000-403	Repairs/Maint Streets		\$436.41	5887	CLASS 5
E 101-43000-403	Repairs/Maint Streets		\$145.22	6592	CLASS 5
<b>Total KNIFE RIVER CORP. - NORTH CENT</b>			<b>\$581.63</b>		
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<b>Paid Chk#</b>	<b>034190</b>	<b>5/18/2007</b>	<b>KOCH'S HARDWARE HANK</b>		
E 101-45200-221	Equipment Parts/Repairs		\$231.68		MOWER PARTS-PARKS
E 101-42280-217	Other Operating Supplies		\$53.22		GRASS SEED-FD
E 101-45500-217	Other Operating Supplies		\$45.38		SUPPLIES-LIBRARY
E 208-49020-406	Trail Maintenance		\$8.46		SUPPLIES-TRAILS
E 101-45600-437	Other Miscellaneous		\$2.32		SUPPLIES-HS
E 101-41940-217	Other Operating Supplies		\$26.75		SUPPLIES-CITY HALL
E 101-42280-240	Small Tools and Minor Equip		\$29.04		SMALL TOODS-FD
E 101-42110-437	Other Miscellaneous		\$4.46		SUPPLIES-PD
E 602-49400-217	Other Operating Supplies		\$50.88		SUPPLIES-WATER
E 101-43000-215	Shop Supplies		\$27.76		SUPPLIES-PW
<b>Total KOCH'S HARDWARE HANK</b>			<b>\$479.95</b>		
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<b>Paid Chk#</b>	<b>034191</b>	<b>5/18/2007</b>	<b>LEAGUE OF MN CITIES</b>		
E 101-43000-208	Training and Travel		\$20.00	1-000030356	LEAGUE WORKSHOP - BURKLUND
E 101-41110-208	Training and Travel		\$295.00	1-000030571	NEWLY ELECTED OFFICIALS - GARY
<b>Total LEAGUE OF MN CITIES</b>			<b>\$315.00</b>		
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<b>Paid Chk#</b>	<b>034192</b>	<b>5/18/2007</b>	<b>LEAGUE OF MN CITIES INSUR TRST</b>		
E 101-49200-450	Unallocated		\$490.40	11058054	TRIP/FALL CLAIM DEDUCTIBLE
E 101-49200-450	Unallocated		\$500.00	11059598	INSURANCE CLAIM DEDUCTIBLE
<b>Total LEAGUE OF MN CITIES INSUR TRST</b>			<b>\$990.40</b>		
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<b>Paid Chk#</b>	<b>034193</b>	<b>5/18/2007</b>	<b>LEEF</b>		
E 619-49900-310	Other Professional Services		\$25.00	1323472	RUGS
E 101-41940-310	Other Professional Services		\$8.40	1323472	RUGS
E 619-49900-310	Other Professional Services		\$25.00	1331370	RUGS
E 101-41940-310	Other Professional Services		\$8.40	1331370	RUGS
<b>Total LEEF</b>			<b>\$66.80</b>		
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<b>Paid Chk#</b>	<b>034194</b>	<b>5/18/2007</b>	<b>LIND, MARSHALL</b>		
E 700-50000-208	Training and Travel		\$11.00		4/25 2007 SPRING SEMINAR
<b>Total LIND, MARSHALL</b>			<b>\$11.00</b>		

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MAY 2007

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<b>Paid Chk# 034195 5/18/2007 M.E. PLUMBING &amp; HEATING</b>					
E 101-42280-240	Small Tools and Minor Equip		\$155.00	26214	SUMP PUMP -FD
E 101-42280-401	Repairs/Maint Buildings		\$150.00	26214	SUMP PUMP -FD
<b>Total M.E. PLUMBING &amp; HEATING</b>			<b>\$305.00</b>		
<b>Paid Chk# 034196 5/18/2007 MARCO</b>					
E 101-43000-240	Small Tools and Minor Equip		\$206.05	INV0165112	PRINTER - BLDG INSPEC
E 607-42400-309	EDP, Software and Design		\$292.42	INV100549	UPDATE NETWORK FIREWALL
E 101-41940-309	EDP, Software and Design		\$146.21	INV100549	UPDATE NETWORK FIREWALL
E 101-45200-309	EDP, Software and Design		\$146.21	INV100549	UPDATE NETWORK FIREWALL
E 101-43000-309	EDP, Software and Design		\$146.22	INV100549	UPDATE NETWORK FIREWALL
E 101-41940-309	EDP, Software and Design		\$146.22	INV100549	UPDATE NETWORK FIREWALL-CHAMBE
E 101-42110-309	EDP, Software and Design		\$292.42	INV100549	UPDATE NETWORK FIREWALL
E 602-49400-309	EDP, Software and Design		\$146.22	INV100549	UPDATE NETWORK FIREWALL
E 603-49450-309	EDP, Software and Design		\$146.22	INV100549	UPDATE NETWORK FIREWALL
E 619-49900-309	EDP, Software and Design		\$292.42	INV100549	UPDATE NETWORK FIREWALL
E 602-49400-309	EDP, Software and Design		\$72.47	SERV496853	NETWORK ADMIN
E 101-42110-309	EDP, Software and Design		\$144.94	SERV496853	NETWORK ADMIN
E 101-41940-309	EDP, Software and Design		\$217.41	SERV496853	NETWORK ADMIN
E 619-49900-309	EDP, Software and Design		\$144.94	SERV496853	NETWORK ADMIN
E 607-42400-309	EDP, Software and Design		\$144.94	SERV496853	NETWORK ADMIN
<b>Total MARCO</b>			<b>\$2,685.31</b>		
<b>Paid Chk# 034197 5/18/2007 MED-COMPASS, INC.</b>					
E 101-45200-310	Other Professional Services		\$32.66	10883	HEARING TESTS-PARK
E 101-43000-305	Medical and Dental Fees		\$65.34	10883	HEARING TESTS-PW
E 101-42280-305	Medical and Dental Fees		\$102.50	10888	SCBA TESTS - FD
<b>Total MED-COMPASS, INC.</b>			<b>\$200.50</b>		
<b>Paid Chk# 034198 5/18/2007 METRO FIRE</b>					
E 101-42280-240	Small Tools and Minor Equip		\$214.18	27765	SENSOR KIT GAS DETECTOR
<b>Total METRO FIRE</b>			<b>\$214.18</b>		
<b>Paid Chk# 034199 5/18/2007 MEYER'S MILACA BTB</b>					
E 101-45200-221	Equipment Parts/Repairs		\$358.36		PARTS-PARKS
E 101-43000-221	Equipment Parts/Repairs		\$212.89		PARTS-PW
<b>Total MEYER'S MILACA BTB</b>			<b>\$571.25</b>		
<b>Paid Chk# 034200 5/18/2007 MILACA AUTO VALUE</b>					
E 101-45200-221	Equipment Parts/Repairs		\$342.85		PARTS-PARK
<b>Total MILACA AUTO VALUE</b>			<b>\$342.85</b>		
<b>Paid Chk# 034201 5/18/2007 MILACA GENERAL RENTAL CENTER</b>					
E 101-45200-437	Other-Miscellaneous		\$15.80	7265	RENT DRILL
<b>Total MILACA GENERAL RENTAL CENTER</b>			<b>\$15.80</b>		
<b>Paid Chk# 034202 5/18/2007 MILACA LAWN &amp; GARDEN</b>					
E 101-43000-221	Equipment Parts/Repairs		\$33.20	047035	REPAIR BLOWER
E 101-43000-240	Small Tools and Minor Equip		\$511.15	048255	BLOWER
E 101-45200-221	Equipment Parts/Repairs		\$8.68	048655	MOWER PARTS
E 101-45200-221	Equipment Parts/Repairs		\$42.66	049140	MOWER PARTS
<b>Total MILACA LAWN &amp; GARDEN</b>			<b>\$595.69</b>		
<b>Paid Chk# 034203 5/18/2007 MILACA SUPER VALU</b>					
E 602-49400-217	Other Operating Supplies		\$6.38		SUPPLIES-WATER

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MAY 2007

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E 101-43000-217	Other Operating Supplies		\$17.51		SUPPLIES-PW
E 101-42280-208	Training and Travel		\$105.41		MEALS FOR TRAINING
<b>Total MILACA SUPER VALU</b>			<b>\$129.30</b>		
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Paid Chk# 034204	5/18/2007	<b>MILLE LACS VETERINARY CLINIC</b>			
E 101-42110-310	Other Professional Services		\$238.50		DOG IMPOUND
<b>Total MILLE LACS VETERINARY CLINIC</b>			<b>\$238.50</b>		
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Paid Chk# 034205	5/18/2007	<b>MN FIRE SERVICE CERTIFICATION</b>			
E 101-42280-433	Dues and Subscriptions		\$15.00		BEUTZ RECERTIFICATION
E 101-42280-433	Dues and Subscriptions		\$15.00		LERUD RECERTIFICATION
E 101-42280-433	Dues and Subscriptions		\$15.00		TILLOTSON RECERTIFICATION
<b>Total MN FIRE SERVICE CERTIFICATION</b>			<b>\$45.00</b>		
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Paid Chk# 034206	5/18/2007	<b>MN VALLEY TESTING LABS</b>			
E 602-49400-310	Other Professional Services		\$60.50	341886	TESTING
E 602-49400-310	Other Professional Services		\$48.00	345770	TESTING
<b>Total MN VALLEY TESTING LABS</b>			<b>\$108.50</b>		
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Paid Chk# 034207	5/18/2007	<b>MTI DISTRIBUTING</b>			
E 101-45200-221	Equipment Parts/Repairs		\$72.97	566464-00	MOWER PARTS
<b>Total MTI DISTRIBUTING</b>			<b>\$72.97</b>		
<hr/>					
Paid Chk# 034208	5/18/2007	<b>NELSON, MIKE</b>			
E 101-42280-208	Training and Travel		\$295.85		3/30 - 4/1 ROCHESTER SECTIONAL
<b>Total NELSON, MIKE</b>			<b>\$295.85</b>		
<hr/>					
Paid Chk# 034209	5/18/2007	<b>ONE CALL CONCEPTS</b>			
E 602-49400-310	Other Professional Services		\$34.80	7040587	APRIL LOCATES
<b>Total ONE CALL CONCEPTS</b>			<b>\$34.80</b>		
<hr/>					
Paid Chk# 034210	5/18/2007	<b>QUAINTANCE, VERNA</b>			
E 101-41510-208	Training and Travel		\$27.39		MILEAGE - 4M TRAINING
E 101-43000-240	Small Tools and Minor Equip		\$34.22		USB CABLE FOR PRINTER
<b>Total QUAINTANCE, VERNA</b>			<b>\$61.61</b>		
<hr/>					
Paid Chk# 034211	5/18/2007	<b>QUILL CORPORATION</b>			
E 101-43000-217	Other Operating Supplies		\$223.63		(2) PRINTER CARTRIDGES - PW
E 101-42110-201	Accessories (paper, pens, etc)		\$214.33	6545755	OFFICE SUPPLIES - PD
E 101-41940-202	Copier/Printer Supplies		\$92.64	6687316	DRUM KIT
<b>Total QUILL CORPORATION</b>			<b>\$530.60</b>		
<hr/>					
Paid Chk# 034212	5/18/2007	<b>RUSH CITY, CITY OF</b>			
E 705-49840-437	Other Miscellaneous		\$111.06		CREAMERY CROSSING REIMBURSEMEN
<b>Total RUSH CITY, CITY OF</b>			<b>\$111.06</b>		
<hr/>					
Paid Chk# 034213	5/18/2007	<b>SAFEGUARD LOCKSMITH</b>			
E 101-45500-437	Other Miscellaneous		\$44.73	4527	KEYS FOR LIBRARY
<b>Total SAFEGUARD LOCKSMITH</b>			<b>\$44.73</b>		
<hr/>					
Paid Chk# 034214	5/18/2007	<b>SALSBURY INDUSTRY</b>			
E 602-49400-240	Small Tools and Minor Equip		\$73.75	914347	PAYMENT DROP BOX
<b>Total SALSBURY INDUSTRY</b>			<b>\$73.75</b>		
<hr/>					
Paid Chk# 034215	5/18/2007	<b>SANDERSON, ALYCE</b>			
E 101-41940-217	Other Operating Supplies		\$12.69		PAPER TOWELS

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MAY 2007

			Check Amt	Invoice	Comment
<b>Total SANDERSON, ALYCE</b>			<b>\$12.69</b>		
<b>Paid Chk# 034216</b>	<b>5/18/2007</b>	<b>SD PROMOTIONS</b>			
E 209-49000-437	Other Miscellaneous		\$432.00		GET HOOKED ON FISHING T-SHIRTS
<b>Total SD PROMOTIONS</b>			<b>\$432.00</b>		
<b>Paid Chk# 034217</b>	<b>5/18/2007</b>	<b>SHERBURNE COUNTY AUDITOR/TREAS</b>			
E 101-43000-230	Safety		\$45.06	50705	SAFETY MEETING
E 101-45200-208	Training and Travel		\$45.06	50705	SAFETY MEETING
<b>Total SHERBURNE COUNTY AUDITOR/TREAS</b>			<b>\$90.12</b>		
<b>Paid Chk# 034218</b>	<b>5/18/2007</b>	<b>SPRINT PCS</b>			
E 101-43000-321	Telephone		\$37.27		CELLULAR PHONE - PW
E 101-42280-321	Telephone		\$198.67		CELLULAR PHONE-FD
E 101-45200-321	Telephone		\$230.55		CELLULAR PHONE - PARK
<b>Total SPRINT PCS</b>			<b>\$466.49</b>		
<b>Paid Chk# 034219</b>	<b>5/18/2007</b>	<b>ST. CLOUD OVERHEAD DOOR CO.</b>			
E 101-43000-401	Repairs/Maint Buildings		\$242.18	0073743-IN	GARAGE DOOR REPAIR - REMOTES -
<b>Total ST. CLOUD OVERHEAD DOOR CO.</b>			<b>\$242.18</b>		
<b>Paid Chk# 034220</b>	<b>5/18/2007</b>	<b>ST. CLOUD TECHNICAL COLLEGE</b>			
E 101-42280-208	Training and Travel		\$65.00	00066828	BRAINERD FIRE SCHOOL - BILLING
<b>Total ST. CLOUD TECHNICAL COLLEGE</b>			<b>\$65.00</b>		
<b>Paid Chk# 034221</b>	<b>5/18/2007</b>	<b>THOMSEN, MARY</b>			
E 209-49000-437	Other Miscellaneous		\$300.00	113	JACKETS-SHIRTS FOR H.OF.
<b>Total THOMSEN, MARY</b>			<b>\$300.00</b>		
<b>Paid Chk# 034222</b>	<b>5/18/2007</b>	<b>TIMMER IMPLEMENT</b>			
E 101-43000-221	Equipment Parts/Repairs		\$26.63	241449	PARTS
<b>Total TIMMER IMPLEMENT</b>			<b>\$26.63</b>		
<b>Paid Chk# 034223</b>	<b>5/18/2007</b>	<b>U.S. POSTMASTER</b>			
E 101-41940-322	Postage		\$700.00	55554	POSTAGE FOR METER
E 602-49400-322	Postage		\$300.00	55554	POSTAGE FOR METER
E 603-49450-322	Postage		\$500.00	55554	POSTAGE FOR METER
E 607-42400-322	Postage		\$500.00	55554	POSTAGE FOR METER
E 619-49900-322	Postage		\$1,250.00	55554	POSTAGE FOR METER
<b>Total U.S. POSTMASTER</b>			<b>\$3,250.00</b>		
<b>Paid Chk# 034224</b>	<b>5/18/2007</b>	<b>ZEP MANUFACTURING</b>			
E 101-43000-215	Shop Supplies		\$52.98	57246015	SHOP SUPPLIES
<b>Total ZEP MANUFACTURING</b>			<b>\$52.98</b>		
10100 General Bank			\$193,099.45		

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MAY 2007

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## Fund Summary

	10100 General Bank	
101 GENERAL FUND	\$30,674.15	
200 ECONOMIC DEV. FUND	\$200.00	
202 BOULDER RIDGE	\$159.00	
203 RINGHAM 1ST ADDN	\$242.50	
208 CHARITABLE GAMBLING FUND	\$1,008.46	
209 H.O.F. FUND	\$882.00	
500 CAPITAL PROJECT FUND	\$5,272.82	
501 INDUSTRIAL PARK PROJ.	\$1,440.86	
602 WATER FUND	\$146,811.15	
603 SEWER FUND	\$2,303.72	
607 BLDG INSPECTION FUND	\$937.36	
619 DEPUTY REGISTRAR FUND	\$2,325.90	
700 BRAHAM-MILACA JOINT POWERS	\$698.45	
705 CABLE COMMISSION	\$143.08	
	\$193,099.45	

CITY OF MILACA

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	Check Amt	Invoice	Comment
<b>10900 Liquor Bank</b>			
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Paid Chk# 907013E 4/13/2007	<b>MILACA, CITY OF (WATER/SEWER)</b>		
E 609-49750-381 Utilities	\$33.13	01-00015990	WATER/SEWER
<b>Total MILACA, CITY OF (WATER/SEWER)</b>	<b>\$33.13</b>		
<hr/>			
Paid Chk# 907014E 4/7/2007	<b>EAST CENTRAL ENERGY</b>		
E 609-49750-381 Utilities	\$803.07	7115200	ELECTRIC
<b>Total EAST CENTRAL ENERGY</b>	<b>\$803.07</b>		
<hr/>			
Paid Chk# 907015E 4/12/2007	<b>CENTERPOINT ENERGY MINNEGASCO</b>		
E 609-49750-381 Utilities	\$692.10	128-000-782-1	NATURAL GAS
<b>Total CENTERPOINT ENERGY MINNEGASCO</b>	<b>\$692.10</b>		
<hr/>			
Paid Chk# 907016E 4/20/2007	<b>MN DEPT OF REVENUE</b>		
G 609-20800 Sales Tax Payable	\$10,141.00	9576201	LIQUOR SALES TAX
<b>Total MN DEPT OF REVENUE</b>	<b>\$10,141.00</b>		
	<b>10900 Liquor Bank</b>		<b>\$11,669.30</b>

Fund Summary

609 MUNICIPAL LIQUOR FUND	10900 Liquor Bank	\$11,669.30
		<hr/>
		\$11,669.30

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APRIL 2007

			Check Amt	Invoice	Comment
<b>10900 Liquor Bank</b>					
Paid Chk#	020159	4/10/2007	<b>JIM'S MILLE LACS DISPOSAL</b>		
E 609-49750-384	Refuse/Garbage Disposal		\$86.58		MARCH REFUSE
<b>Total JIM'S MILLE LACS DISPOSAL</b>			<b>\$86.58</b>		
Paid Chk#	020168	4/30/2007	<b>BELLBOY CORP.</b>		
E 609-49750-251	Liquor For Resale		\$177.90	40448600	LIQUOR
E 609-49750-253	Wine For Resale		\$788.00	40448600	WINE
E 609-49750-253	Wine For Resale		\$118.00	40597700	WINE
E 609-49750-251	Liquor For Resale		\$543.70	40597700	LIQUOR
<b>Total BELLBOY CORP.</b>			<b>\$1,627.60</b>		
Paid Chk#	020169	4/30/2007	<b>BERNICKS</b>		
E 609-49750-254	Mix/Non Alcoholic		\$63.95	187089	NA
E 609-49750-252	Beer For Resale		\$156.45	187090	BEER
E 609-49750-254	Mix/Non Alcoholic		\$17.00	189599	NA
E 609-49750-252	Beer For Resale		\$263.00	189600	BEER
E 609-49750-254	Mix/Non Alcoholic		\$17.00	192281	NA
E 609-49750-252	Beer For Resale		\$667.75	192282	
E 609-49750-254	Mix/Non Alcoholic		\$12.39	195055	NA
E 609-49750-252	Beer For Resale		\$315.00	195056	BEER
E 609-49750-254	Mix/Non Alcoholic		\$19.20	195056	NA
<b>Total BERNICKS</b>			<b>\$1,531.74</b>		
Paid Chk#	020170	4/30/2007	<b>C &amp; L DISTRIBUTING CO.</b>		
E 609-49750-252	Beer For Resale		\$7,731.90	071477	BEER
E 609-49750-254	Mix/Non Alcoholic		\$46.30	071477	NA
E 609-49750-260	Deposits		(\$20.00)	071477	DEPOSITS
E 609-49750-252	Beer For Resale		\$5,564.10	100746	BEER
E 609-49750-260	Deposits		\$40.00	100746	DEPOSITS
E 609-49750-254	Mix/Non Alcoholic		\$102.60	101705	NA
E 609-49750-252	Beer For Resale		\$11,922.65	101705	BEER
E 609-49750-252	Beer For Resale		\$67.50	101708	BEER
E 609-49750-260	Deposits		\$20.00	101708	DEPOSIT
E 609-49750-254	Mix/Non Alcoholic		\$47.95	72283	NA
E 609-49750-260	Deposits		\$20.00	72283	DEPOSITS
E 609-49750-252	Beer For Resale		\$6,682.45	72283	BEER
<b>Total C &amp; L DISTRIBUTING CO.</b>			<b>\$32,225.45</b>		
Paid Chk#	020171	4/30/2007	<b>DAHLHEIMER DISTRIBUTING CO.</b>		
E 609-49750-252	Beer For Resale		\$2,577.50	42787	BEER
E 609-49750-254	Mix/Non Alcoholic		\$40.00	42787	NA
E 609-49750-252	Beer For Resale		\$1,105.51	43325	BEER
E 609-49750-260	Deposits		(\$16.80)	43325	DEPOSITS
E 609-49750-252	Beer For Resale		\$690.05	43908	BEER
E 609-49750-260	Deposits		\$2.40	44506	DEPOSITS
E 609-49750-254	Mix/Non Alcoholic		\$21.95	44506	NA
E 609-49750-252	Beer For Resale		\$5,289.90	44506	BEER
<b>Total DAHLHEIMER DISTRIBUTING CO.</b>			<b>\$9,710.51</b>		
Paid Chk#	020172	4/30/2007	<b>DICK SALES CO., INC.</b>		
E 609-49750-252	Beer For Resale		\$112.50	18611	BEER
E 609-49750-252	Beer For Resale		\$532.50	338701	BEER
E 609-49750-252	Beer For Resale		\$725.25	338972	BEER

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APRIL 2007

			Check Amt	Invoice	Comment
<b>Total DICK SALES CO., INC.</b>			<b>\$1,370.25</b>		
<hr/>					
Paid Chk#	020173	4/30/2007	<b>GRIGGS, COOPER &amp; CO., INC.</b>		
E 609-49750-333	Freight and Express		\$28.75	571421	FREIGHT
E 609-49750-251	Liquor For Resale		\$1,197.66	571421	LIQUOR
E 609-49750-253	Wine For Resale		\$356.18	571421	WINE
E 609-49750-251	Liquor For Resale		\$723.34	575327	LIQUOR
E 609-49750-333	Freight and Express		\$13.75	575327	FREIGHT
E 609-49750-253	Wine For Resale		\$41.59	575327	WINE
E 609-49750-333	Freight and Express		\$71.25	578790	FREIGHT
E 609-49750-253	Wine For Resale		\$344.14	578790	WINE
E 609-49750-254	Mix/Non Alcoholic		\$63.63	578790	NA
E 609-49750-251	Liquor For Resale		\$4,195.44	578790	LIQUOR
E 609-49750-333	Freight and Express		\$98.75	582297	FREIGHT
E 609-49750-253	Wine For Resale		\$80.50	582297	WINE
E 609-49750-251	Liquor For Resale		\$6,910.87	582297	LIQUOR
<b>Total GRIGGS, COOPER &amp; CO., INC.</b>			<b>\$14,125.85</b>		
<hr/>					
Paid Chk#	020174	4/30/2007	<b>GROSSLEIN BEVERAGES, INC.</b>		
E 609-49750-252	Beer For Resale		\$3,440.40	315179	BEER
E 609-49750-252	Beer For Resale		\$408.50	315497	BEER
E 609-49750-260	Deposits		(\$2.40)	315814	DEPOSITS
E 609-49750-252	Beer For Resale		\$2,872.50	315814	BEER
E 609-49750-252	Beer For Resale		\$358.00	315919	BEER
E 609-49750-252	Beer For Resale		\$2,489.45	316220	BEER
<b>Total GROSSLEIN BEVERAGES, INC.</b>			<b>\$9,566.45</b>		
<hr/>					
Paid Chk#	020175	4/30/2007	<b>JOHNSON BROTHERS LIQUOR CO.</b>		
E 609-49750-253	Wine For Resale		\$1,069.78	1236192	WINE
E 609-49750-251	Liquor For Resale		\$2,002.63	1236192	LIQUOR
E 609-49750-333	Freight and Express		\$57.38	1236192	FREIGHT
E 609-49750-251	Liquor For Resale		\$1,237.92	1240010	LIQUOR
E 609-49750-253	Wine For Resale		\$575.69	1240010	WINE
E 609-49750-333	Freight and Express		\$51.62	1240010	FREIGHT
E 609-49750-333	Freight and Express		\$63.50	1247249	FREIGHT
E 609-49750-253	Wine For Resale		\$1,626.34	1247249	WINE
E 609-49750-251	Liquor For Resale		\$1,058.08	1247249	LIQUOR
E 609-49750-252	Beer For Resale		(\$9.46)	339287	WINE
E 609-49750-253	Wine For Resale		(\$2.41)	341292	CREDIT
E 609-49750-253	Wine For Resale		(\$12.40)	341293	WINE
E 609-49750-253	Wine For Resale		(\$4.83)	341294	
E 609-49750-253	Wine For Resale		(\$17.92)	341295	
E 609-49750-253	Wine For Resale		(\$6.90)	341403	
E 609-49750-253	Wine For Resale		(\$13.79)	341404	
E 609-49750-253	Wine For Resale		(\$6.67)	341405	
E 609-49750-253	Wine For Resale		(\$8.67)	341406	
E 609-49750-253	Wine For Resale		(\$9.65)	341407	
E 609-49750-253	Wine For Resale		(\$6.90)	341444	
E 609-49750-253	Wine For Resale		(\$6.90)	341445	
<b>Total JOHNSON BROTHERS LIQUOR CO.</b>			<b>\$7,636.44</b>		
<hr/>					
Paid Chk#	020176	4/30/2007	<b>PAUSTIS &amp; SONS</b>		
E 609-49750-253	Wine For Resale		\$339.00	8141831	WINE
E 609-49750-333	Freight and Express		\$3.50	8141831	FREIGHT

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			Check Amt	Invoice	Comment
<b>Total PAUSTIS &amp; SONS</b>			<b>\$342.50</b>		
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Paid Chk#	020177	4/30/2007	<b>PHILLIPS WINE AND SPIRITS</b>		
E 609-49750-253	Wine For Resale		\$81.55	2447887	WINE
E 609-49750-251	Liquor For Resale		\$204.00	2447887	LIQUOR
E 609-49750-333	Freight and Express		\$9.18	2447887	FREIGHT
E 609-49750-251	Liquor For Resale		\$69.75	2450844	LIQUOR
E 609-49750-253	Wine For Resale		\$139.10	2450844	WINE
E 609-49750-333	Freight and Express		\$6.12	2450844	FREIGHT
E 609-49750-254	Mix/Non Alcoholic		\$30.00	2456385	NA
E 609-49750-251	Liquor For Resale		\$442.60	2456385	LIQUOR
E 609-49750-333	Freight and Express		\$9.18	2456385	FREIGHT
<b>Total PHILLIPS WINE AND SPIRITS</b>			<b>\$991.48</b>		
<hr/>					
Paid Chk#	020178	4/30/2007	<b>SPECIALTY WINES &amp; BEVERAGES</b>		
E 609-49750-333	Freight and Express		\$6.00	14759	FREIGHT
E 609-49750-253	Wine For Resale		\$165.00	14759	WINE
<b>Total SPECIALTY WINES &amp; BEVERAGES</b>			<b>\$171.00</b>		
<hr/>					
Paid Chk#	020179	4/30/2007	<b>VINTAGE ONE WINES</b>		
E 609-49750-253	Wine For Resale		\$320.00	11104	WINE
E 609-49750-333	Freight and Express		\$14.00	11104	FREIGHT
<b>Total VINTAGE ONE WINES</b>			<b>\$334.00</b>		
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Paid Chk#	020180	4/30/2007	<b>WINE MERCHANTS</b>		
E 609-49750-253	Wine For Resale		\$99.00	187680	WINE
E 609-49750-333	Freight and Express		\$1.53	187680	FREIGHT
E 609-49750-333	Freight and Express		\$1.53	188471	FREIGHT
E 609-49750-253	Wine For Resale		\$82.75	188471	WINE
E 609-49750-253	Wine For Resale		(\$10.67)	33001	WINE
<b>Total WINE MERCHANTS</b>			<b>\$174.14</b>		
10900 Liquor Bank			\$79,893.99		

Fund Summary

	10900 Liquor Bank	
609 MUNICIPAL LIQUOR FUND		\$79,893.99
		<b>\$79,893.99</b>

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**10900 Liquor Bank**

Paid Chk#	Date	Company	Check Amt	Invoice	Comment
<b>10900 Liquor Bank</b>					
Paid Chk# 020181	5/18/2007	<b>AMERICAN BOTTLING CO.</b>			
E 609-49750-254	Mix/Non Alcoholic		\$58.00	35070	NA
E 609-49750-254	Mix/Non Alcoholic		\$41.00	61395	NA
<b>Total AMERICAN BOTTLING CO.</b>			<b>\$99.00</b>		
<hr/>					
Paid Chk# 020182	5/18/2007	<b>AMERIPRIDE</b>			
E 609-49750-434	Uniforms		\$225.49	S097188	UNIFORMS
E 609-49750-310	Other Professional Services		\$28.36	S350826	RUGS
E 609-49750-310	Other Professional Services		\$26.03	S353287	RUGS
E 609-49750-310	Other Professional Services		\$27.01	S355775	RUGS
E 609-49750-310	Other Professional Services		\$26.03	S358289	RUGS
<b>Total AMERIPRIDE</b>			<b>\$332.92</b>		
<hr/>					
Paid Chk# 020183	5/18/2007	<b>BELLBOY CORP.</b>			
E 609-49750-259	Other For Resale		\$71.80	42802800	MISC
E 609-49750-259	Other For Resale		\$221.15	42856500	MISC
<b>Total BELLBOY CORP.</b>			<b>\$292.95</b>		
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Paid Chk# 020184	5/18/2007	<b>C &amp; L DISTRIBUTING CO.</b>			
E 609-49750-254	Mix/Non Alcoholic		\$32.00	6509	NA
<b>Total C &amp; L DISTRIBUTING CO.</b>			<b>\$32.00</b>		
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Paid Chk# 020185	5/18/2007	<b>CRYSTAL SPINGS ICE</b>			
E 609-49750-259	Other For Resale		\$103.60	300001144	ICE
E 609-49750-259	Other For Resale		\$89.20	300001166	ICE
E 609-49750-259	Other For Resale		(\$10.00)	50439C	CREDIT
<b>Total CRYSTAL SPINGS ICE</b>			<b>\$182.80</b>		
<hr/>					
Paid Chk# 020186	5/18/2007	<b>EXTREME BEVERAGES, LLC</b>			
E 609-49750-254	Mix/Non Alcoholic		\$64.00	541450	NA
E 609-49750-254	Mix/Non Alcoholic		\$64.00	545577	NA
<b>Total EXTREME BEVERAGES, LLC</b>			<b>\$128.00</b>		
<hr/>					
Paid Chk# 020187	5/18/2007	<b>FRONTIER</b>			
E 609-49750-321	Telephone		\$102.08	3209836255	MAY PHONE SERVICE
<b>Total FRONTIER</b>			<b>\$102.08</b>		
<hr/>					
Paid Chk# 020188	5/18/2007	<b>GRANITE CITY JOBBING</b>			
E 609-49750-214	Liquor Store Paper Supplies		\$32.63	531705	PAPER
E 609-49750-333	Freight and Express		\$3.25	531705	FREIGHT
E 609-49750-217	Other Operating Supplies		\$18.00	531705	KIDDIE CANDY
E 609-49750-254	Mix/Non Alcoholic		\$31.64	531705	NA
E 609-49750-259	Other For Resale		\$33.45	531705	MISC
E 609-49750-256	Tobacco Products For Resale		\$238.38	531705	TOBACCO
E 609-49750-256	Tobacco Products For Resale		\$493.70	532215	TOBACCO
E 609-49750-333	Freight and Express		\$3.25	532215	FREIGHT
E 609-49750-214	Liquor Store Paper Supplies		\$56.32	532798	PAPER
E 609-49750-256	Tobacco Products For Resale		\$428.39	532798	TOBACCO
E 609-49750-254	Mix/Non Alcoholic		\$27.52	532798	NA
E 609-49750-333	Freight and Express		\$3.25	532798	FREIGHT
E 609-49750-259	Other For Resale		\$128.54	532798	MISC
E 609-49750-256	Tobacco Products For Resale		\$122.02	533328	TOBACCO
E 609-49750-333	Freight and Express		\$3.25	533328	FREIGHT

**\*Check Detail Register©**

MAY 2007

			Check Amt	Invoice	Comment
<b>Total GRANITE CITY JOBBING</b>			<b>\$1,623.59</b>		
Paid Chk#	020189	5/18/2007	<b>GRANITE CITY ROOFING</b>		
	E 609-49750-520	Buildings and Structures	\$44,992.00	PAY REQ #2	LIQUOR PROJECT
<b>Total GRANITE CITY ROOFING</b>			<b>\$44,992.00</b>		
Paid Chk#	020190	5/18/2007	<b>HANENBURG TRUCKING</b>		
	E 609-49750-333	Freight and Express	\$78.40	4022	FREIGHT
<b>Total HANENBURG TRUCKING</b>			<b>\$78.40</b>		
Paid Chk#	020191	5/18/2007	<b>HEARTLAND GLASS CO., INC.</b>		
	E 609-49750-520	Buildings and Structures	\$9,119.05	PAY REQ #3	LIQUOR PROJECT
<b>Total HEARTLAND GLASS CO., INC.</b>			<b>\$9,119.05</b>		
Paid Chk#	020192	5/18/2007	<b>JIM'S MILLE LACS DISPOSAL</b>		
	E 609-49750-384	Refuse/Garbage Disposal	\$105.30	219225	REFUSE - APRIL
<b>Total JIM'S MILLE LACS DISPOSAL</b>			<b>\$105.30</b>		
Paid Chk#	020193	5/18/2007	<b>KANYETZNY, JENNIFER</b>		
	E 609-49750-217	Other Operating Supplies	\$9.12		CLEANING SUPPLIES
<b>Total KANYETZNY, JENNIFER</b>			<b>\$9.12</b>		
Paid Chk#	020194	5/18/2007	<b>KERN, DEWENTER, VIERE, LTD.</b>		
	E 609-49750-301	Auditing and Acct'g Services	\$1,750.00	68914	2006 AUDIT
<b>Total KERN, DEWENTER, VIERE, LTD.</b>			<b>\$1,750.00</b>		
Paid Chk#	020195	5/18/2007	<b>KLEIN ELECTRIC, INC.</b>		
	E 609-49750-520	Buildings and Structures	\$905.20	PAY REQ #3	LIQUOR PROJECT
<b>Total KLEIN ELECTRIC, INC.</b>			<b>\$905.20</b>		
Paid Chk#	020196	5/18/2007	<b>KOCH'S HARDWARE HANK</b>		
	E 609-49750-217	Other Operating Supplies	\$14.97		SUPPLIES
	E 609-49750-217	Other Operating Supplies	\$18.09		DE-ICE
	E 609-49750-240	Small Tools and Minor Equip	\$57.48		DRILL
<b>Total KOCH'S HARDWARE HANK</b>			<b>\$90.54</b>		
Paid Chk#	020197	5/18/2007	<b>KRAUS-ANDERSON</b>		
	E 609-49750-302	Architects' Fees	\$2,218.00	KMW4291	ARCHITECT FEE - LIQUOR PROJECT
<b>Total KRAUS-ANDERSON</b>			<b>\$2,218.00</b>		
Paid Chk#	020198	5/18/2007	<b>M.G. CARLSON CONSTRUCTION CO.</b>		
	E 609-49750-520	Buildings and Structures	\$7,319.75	PAY REQ #5	LIQUOR PROJECT
<b>Total M.G. CARLSON CONSTRUCTION CO.</b>			<b>\$7,319.75</b>		
Paid Chk#	020199	5/18/2007	<b>U.S. POSTMASTER</b>		
	E 609-49750-322	Postage	\$500.00	55554	POSTAGE FOR METER
<b>Total U.S. POSTMASTER</b>			<b>\$500.00</b>		
Paid Chk#	020200	5/18/2007	<b>VIKING BOTTLING CO.</b>		
	E 609-49750-254	Mix/Non Alcoholic	\$86.85	22171671	NA
	E 609-49750-254	Mix/Non Alcoholic	\$132.80	22172496	NA
	E 609-49750-254	Mix/Non Alcoholic	\$195.80	22173334	NA
<b>Total VIKING BOTTLING CO.</b>			<b>\$415.45</b>		
Paid Chk#	020201	5/18/2007	<b>WEIDNER'S PLUMBING &amp; HEATING</b>		
	E 609-49750-520	Buildings and Structures	\$15,497.35	PAY REQU #5	LIQUOR PROJECT

**\*Check Detail Register©**

MAY 2007

Check Amt Invoice Comment

**Total WEIDNER'S PLUMBING & HEATING \$15,497.35**

Paid Chk# 020202 5/18/2007 **WELLS FARGO**

E 609-49750-611 Bond Interest \$32,911.53 0001-601994F INTEREST ON BOND ISSUE

Total WELLS FARGO \$32,911.53

10900 Liquor Bank \$118,705.03

Fund Summary

10900 Liquor Bank

609 MUNICIPAL LIQUOR FUND \$118,705.03

\$118,705.03

RESOLUTION NO. 07-18

RESOLUTION ASSESSING UNPAID WATER AND SEWER BILL AGAINST A  
PROPERTY

BE IT RESOLVED that the following unpaid water and sewer bill be levied against the described property at a rate of 7 percent per annum:

\$45.53  
James L & Tanya Jo Simon  
550 4<sup>th</sup> Ave SE  
Milaca MN 56353  
(property address: 245 2<sup>nd</sup> Ave SE)  
PID #21-043-0110

Adopted this 17th day of May, 2007.

---

Mayor Harold Pedersen

ATTEST:

---

City Manager Greg Lerud

RESOLUTION NO. 07-19

RESOLUTION ASSESSING UNPAID WATER AND SEWER BILL AGAINST A  
PROPERTY

BE IT RESOLVED that the following unpaid water and sewer bill be levied against the  
described property at a rate of 7 percent per annum:

\$270.60  
Brenda Muller  
525 3<sup>rd</sup> Ave NW  
Milaca MN 56353

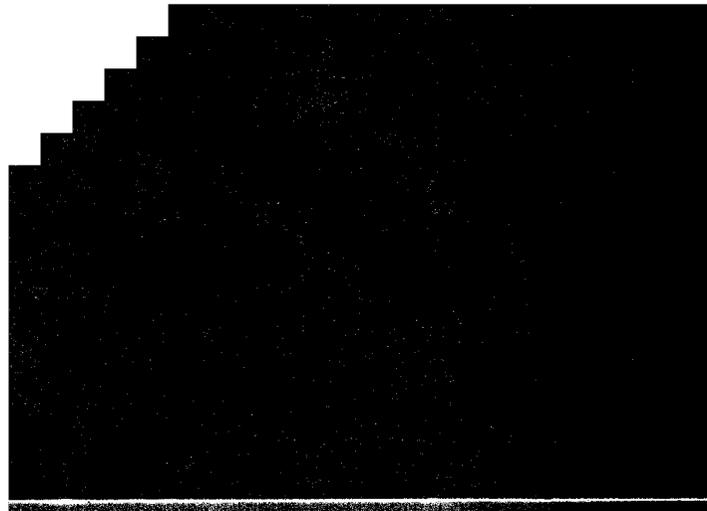
PID #21-045-0170

Adopted this 17th day of May, 2007.

\_\_\_\_\_  
Mayor Harold Pedersen

ATTEST:

\_\_\_\_\_  
City Manager Greg Lerud



**City Manager's Report**  
May, 2007

1. Starting with this month's agenda packet, we are going to be scanning all the documents contained in the agenda and then putting them up on our website under the agenda file. This will allow better access to all the information the council receives, and will save some staff time and the copying costs in reproducing the agenda. We will continue to make copies of the agenda for the council and the newspaper. I believe it is a big step forward in delivering information to the public.
2. A reminder that the June council meeting is going to be held on June 14 to avoid a conflict with the parade.
3. Council member Dillan informed me that the golf course gave permission to hold the Mega meet at the Milaca golf course, clearing the way for the cross country meet to come back to Milaca after two years in Foley.

**CMDI** CENTRAL MINNESOTA  
**DIAGNOSTIC** INC

150 10th St. N.W. • P.O. Box 158 • Milaca, MN 56353-1221 • 320-983-6300

April 23, 2007

City of Milaca Council Members  
Greg Lerud, City Administrator  
City of Milaca  
255 First Street East  
Milaca, MN 56353

Dear City Council Members;

Thank you for allowing CMDI to go through the city of Milaca for our most recent bond issue. Bond issues are very important to CMDI as we continue helping Hospitals to install some very expensive imaging equipment. As you know from past bond issues CMDI is a not-for profit company that only works with not-for profit Hospitals. The CMDI corporate office has been in Milaca for the past 10 years. We certainly value your willingness to work with us to continue our growth in the medical imaging business. The bond issue on May 17 is for the Fairview Lakes Hospital MRI scanner that we are installing. Unfortunately, I will be meeting with some Hospitals in southern Minnesota that week and won't be able to attend the council meeting. I will try to have Jody Link attend the meeting to represent CMDI at the hearing.

Again, thanks for working with CMDI.

Sincerely,



Glenn Erickson  
President/CEO

Specializing in

In-house and  
Mobile Services

Ultrasound  
Mammography

Computerized  
Tomography

Cardiac Echo

MRI

Stress Echo

Bone Densitometry

Nuclear Medicine

Positron Emission  
Tomography

STATE OF MINNESOTA  
MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT  
BUSINESS AND COMMUNITY DEVELOPMENT DIVISION

APPLICATION FOR APPROVAL OF INDUSTRIAL DEVELOPMENT BOND  
PROJECT PURSUANT TO MINNESOTA STATUTES, SECTION 469.152 THROUGH 469.165

(Please submit this form in duplicate - all supporting data in single copy only)

Date: April, 2007

The governing body of the City of Milaca, Minnesota, hereby applies to the Minnesota Department of Employment and Economic Development (Department) for approval of a proposed Industrial Development Bond issue as required by Minn. Stat. § 469.152 - 469.165.

Address of issuer: 255 First Street East

Milaca, MN 56353-1609

Attn: Greg Lerud

Telephone: 320-983-3141

Fax: 320-983-3142

We have entered into preliminary discussions with:

Firm: Central Minnesota Diagnostic, Inc.

Attorney: Trudy J. Halla, Briggs and Morgan, P.A.

Address: 150 – 10<sup>th</sup> Street NW

Address: 80 South 8th Street, Suite 2200

City: Milaca State MN Zip 56353

City: Minneapolis State MN Zip 55402

Name of Project: Central Minnesota Diagnostic, Inc.

This firm is engaged primarily in (nature of business): Owning and operating medical diagnostic equipment

The proceeds from the sale of the Industrial Development Bonds will be used to (describe the project): One (1) Siemens Magnetom 1.5 Magnet Avanto and related equipment and materials

Address of Project: Fairview Lakes Medical Center, 5200 Fairview Boulevard, Wyoming, Minnesota

Acquisition of land:	\$ _____
New construction:	_____
Demolition and site preparation:	_____
Acquisition and Installation of Equipment:	<u>1,500,000</u>
Fees: Architectural, engineering, inspection, fiscal, legal, administration, or printing:	_____
Construction Interest:	_____
Initial Bond Reserve:	_____
Contingencies:	_____
Other:	_____
Total:	<u>1,500,000</u>

It is presently estimated that construction will begin on or about \_\_\_\_\_, and will be complete on or about \_\_\_\_\_. When completed, there will be approximately \_\_\_ new job created by the project at an annual payroll of approximately \$\_\_\_\_\_, based upon

currently prevailing wages. (If applicable) There are \_\_\_\_\_ existing jobs provided by business.

(If applicable) There will be \_\_\_\_\_ jobs created by construction of the project. Number of hours \_\_\_\_\_. Average wage level \$\_\_\_\_\_.

Repayment of the proposed issue will be amortized over a period of 5 years.

The following exhibits are furnished with this application and are incorporated herein by reference:

1. An opinion of bond counsel that the proposal constitutes a project under Minn. Stat. § 469.153, subd. 2.
2. A copy of the resolution by the governing body of the issuer giving preliminary approval for the issuance of its revenue bonds and stating that the project, except for a project under Minn. Stat. § 469.153, subd. 2(g) or (j) would not be undertaken but for the availability of Industrial Development Bond financing.
3. A comprehensive statement by the municipality indicating how the project satisfies the public purpose and policies of Minn. Stat. § 469.152 - 469.165.
4. A letter of intent to purchase the bond issue or a letter confirming the feasibility of the project from a financial standpoint.
5. A statement signed by the principal representative of the issuing authority to the effect that upon entering into the revenue agreement, the information required by Minn. Stat. § 469.154, subd. 5 will be submitted to the Department (not applicable to projects under Minn. Stat. § 469.153, subd. 2(g) or (j)).
6. A statement signed by the principal representative of the issuing authority that the project does not include any property to be sold or affixed to or consumed in the production of property for sale, and does not include any housing facility to be rented or used as a permanent residence.
7. A statement signed by a representative of the issuing authority that a public hearing was conducted pursuant to Minn. Stat. § 469.154, subd. 4. The statement shall include the date, time and place of the meeting and certify that a draft copy of this application with all attachments was available for public inspection and that all interested parties were afforded an opportunity to express their views.
8. Copies of notice(s) as published which indicate the date(s) of publication and the newspaper(s) in which the notice(s) were published.
9. Provide a plan for compliance of employment preference of economically disadvantaged or unemployed individuals. (See Minn. Stat. § 469.154, subd. 7.)

We, the undersigned, are duly elected representatives of City of Milaca Minnesota and solicit your approval of this project at your earliest convenience so that we may carry it to a final conclusion.

Signed by: (Principal Officers or Representatives of Issuing Authority; type or print official's name on the line to the left of the signature line. Thank you.)

Harold Pederson  
Mayor

\_\_\_\_\_  
**Signature**

Greg Lerud  
Title: City Manager

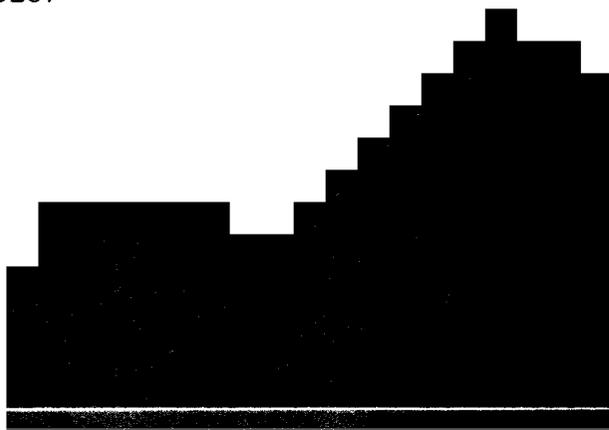
\_\_\_\_\_  
**Signature**

This approval shall not be deemed to be an approval by the Department of the State of the feasibility of the project or the terms of the revenue agreement to be executed or the bonds to be issued therefor.

\_\_\_\_\_  
Authorized Signature, Minnesota Department of  
Employment and Economic Development

\_\_\_\_\_  
Date of Approval

Please return to: Minnesota Department of Employment and  
Economic Development  
Paul A. Moe, Director  
Office of Business Finance  
1<sup>st</sup> National Bank Building  
332 Minnesota Street, Suite E200  
St. Paul, Minnesota 55101-1351  
Phone: 651-297-1391 Fax: 651-296-5287





**HOUSING SERVICES**

157 Roosevelt Rd., Suite 200  
P.O. Box 1416  
St. Cloud, MN 56302-1416  
320.229.4576  
320.253.7464 fax

April 16, 2007

Greg Lerud  
City Manager  
255 1<sup>st</sup> St E  
Milaca MN 56353

Re: Milaca Key Row Apartments

Dear Mr. Lerud:

The Milaca Key Row Apartments water and sewer bill from January 23, 2007, through March 27, 2007, was extremely high. The usage of the last bill was 595 and totaled \$4488.50, an amount that has already been paid.

We found that we had an outside leak in our water line between buildings 340 and 410. This leak caused a huge amount of water to come through the meter and drain through the soil.

The reason for this letter is to request a credit on the portion of the bill. We are not asking for a credit on the amount of water that came through the meter. We are only asking for a credit on the sewer cost. Most of the extra water drained into the ground and did not enter the sewer system and was not treated as a cost to the City of Milaca.

We have had other municipalities give us a credit on sewer cost when excess water was used but did not go into the sewer system and I am requesting a credit in the amount of \$945. I arrived at this number by averaging the usage on our bills from October 2006 through January 2007, which averaged out to 238. I multiplied this number by the 2007 rate of \$2.65 for a total of \$631. The last bill's sewer cost was \$1577, and subtracting \$631 leaves \$946.

Your attention to this matter is appreciated.

Sincerely,

  
Harvey Schmitt  
Director of Housing Services

*[Faint mirrored text bleed-through from the reverse side of the page]*

## MILACA PLANNING COMMISSION

**A MEETING OF THE PLANNING COMMISSION OF THE CITY OF MILACA WAS DULY HELD ON THE 9<sup>th</sup> DAY OF APRIL, 2007 AT 255 1<sup>st</sup> ST. E. FOR THE PURPOSE OF A PUBLIC HEARING AND REGULAR MEETING.**

**UPON ROLL CALL, THE FOLLOWING MEMBERS WERE PRESENT:**

Warren Peterson                      Scott Harlicker X      Pat Brusewitz X      Norris Johnson X  
Mary Fehring X                      Gloria Oien X      Arla Johnson X

### **EX-OFFICIO MEMBERS:**

Marshall Lind, Building Official/ Zoning X

Wayne Bekius, Liaison X

### **Others Present:**

Peter Masterson, John McElfresh, Bob Jr., Donna Neuman

Harlicker opened the public hearing for the Greater Minnesota Credit Union variance request.

Lind explained that the Credit Union is asking for a variance to have a second free standing sign put up. Pictures have been submitted as to the appearance of the sign, as well as to the location of the sign. Per Lind, the sign meets the city's square footage size and setbacks requirements, but because it will be the second free standing sign on the premises, a variance is required.

Peter Masterson, Vice President of Marketing for the Greater Minnesota Credit Union, explained that the sign would be located perpendicular to Highway 23, so those traveling east and west will be able to easily read the sign. He further explained that the message center sign currently there now is old and is constantly in need of repair. The Credit Union has just gone through a major mass remodel of the entire location both inside and out and they want to turn off the current electronic message center and put in a new sign in the parking lot to act more as a directional/informational sign in parking lot to direct people to products, services, ATM, etc. provided by the Credit Union.

There was a question from the commission as to whether the old sign would be removed. Masterson explained that a face plate would be placed over the message center but the tall sign on the pole would remain.

The commission questioned whether the new message sign would be larger or the same size as the older one.

Bob Gruber of Scenic Signs spoke and said that the older sign was much larger than the sign being proposed. The new message center will be 3 ft by 7ft. 7inches wide and very close in size to the sign at the realty company located on the corner of Central and Hwy 23.

The commission questioned why the Credit Union didn't just replace the message board on the existing stand. Masterson said that the existing stand is very high off the ground and is not easily visible. The new sign would be much more visible and more legible.

The commission questioned why the Credit Union doesn't just take down the existing one and Masterson stated that it was very expensive and they intend to put some other signage on that for their other products and services.

Harlicker asked if there were any comments from the public and/or commission members. There were no questions or comments, so Harlicker closed the public hearing.

Harlicker opened up the public hearing for the request from Midwestern Rural Investment regarding a building height variance.

Lind explained that John McElfresh, owner of Midwestern Rural Investment LLC, was asking for a variance to exceed the maximum building height of 35 feet by 7 feet. Lind explained that McElfresh would like to put on a pitched roof which would make his building 42 feet tall. Lind went on to explain to the commission that the building could make the 35 foot requirement with a flat roof versus the pitched roof.

Oien questioned whether a hip roof would make a difference and Lind said it would not, that it would still run off the peak or from the highest part of the roof. He went on to explain that a pitched roof is measured from the top of the peak.

Oien inquired as to how tall the Tapestry Square buildings were, since they are two and three-story buildings. Lind answered that he didn't know the exact height, but that as he pointed out in his staff report, the city does have existing buildings exceeding the 35 foot requirement.

Oien commented that she drove through town and looked at various roofs and feels the flat roofs are more suitable for industrial type buildings versus residential buildings which this group home is.

John McElfresh of Midwestern Rural Investment spoke and said that they have already taken out the building permit for the three-story building and that footings were poured on this date. Although they could do a flat roof and will do so if this variance is not approved, he feels a pitched roof would blend in better with the existing facility, the existing house and adjacent homes in the neighborhood. He went on to say that keeping the existing house intact with a pitched roof would enable it to act as a buffer for the adjacent homes in the neighborhood; so that the neighbors when looking out their windows would look out at the existing remodeled house and not a three-story building. He stated that this would also help to maintain a residential look to the neighborhood.

The commission questioned whether an elevator was being put in and if so, would the roof need to go higher to accommodate the elevator. John answered there would be an elevator installed but that it would not require going higher.

Harlicker asked for comments from the public.

Robyn Dunn of 150 8<sup>th</sup> St. NW voiced her concern over this project and its proximity to her residence. The commission explained that the point in question tonight is not the project itself but rather the 7 ft. variance for the building height. It was also pointed out that the house on the building site will remain, and the actual three-story building will be going up on the south side of the existing facility and will not be built closer to the Dunn residence. Mr. McElfresh reiterated that by leaving the house intact, it will serve as a buffer for the residential area.

The commission asked if all the residents at the meeting tonight had a chance to look at the building diagram and they stated they had.

There was a question as to whether the location of the existing house has always been zoned commercial and Lind stated that it has. He went on to explain that the houses along Central on both sides are zoned for business.

Harlicker asked if there were any other comments or questions from the public or commission. There being none, the public hearing was closed.

Fehring made the motion to approve the February 12, 2007 Planning Commission meeting minutes, Norris Johnson seconded the motion.

Motion **passed** unanimously.

Fehring made the motion to approve the sign variance request from the Greater Minnesota Credit Union to have two free-standing signs on a single business premise, Arla Johnson seconded the motion.

Harlicker stated that with the street frontage that the credit union has and the distance between the signs there shouldn't be a problem.

Motion **passed** unanimously.

Oien made the motion to approve the variance request from Midwestern Rural Investment to exceed the maximum height requirement of 35 ft. by 7 ft. allowing the building to be 42 ft. in height in the B-2 zoning district. Norris Johnson seconded the motion.

Motion **passed** unanimously.

Oien made the motion to adjourn, Fehring seconded the motion.

Motion **passed** unanimously.

Minutes respectfully submitted by,

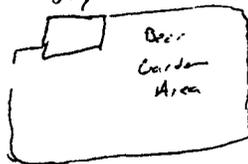


Marshall Lind  
Zoning Administrator

WT

Shed

Jaycees truck



Concession Stand

We will  
 Also Bring in  
 a couple of  
 Porta Potties.

Ballfield

Ballfield

Parking

Evan Be... 320-980-3226

**RESIDENTIAL**

	PERMITS	VALUE	PERMIT COST	MN STATE SURCHARGE
Remodeling	1	\$ 5,000.00	\$ 103.00	\$ 2.50
Reroof	1	\$ -	\$ 25.50	\$ 0.50
Reside	0	\$ -	\$ -	\$ -
Addition	0	\$ -	\$ -	\$ -
Plumb / Mech	2	\$ -	\$ 51.00	\$ 1.00
Decks	0	\$ -	\$ -	\$ -
Garages	0	\$ -	\$ -	\$ -
New Residential	0	\$ -	\$ -	\$ -
Multi Family	0	\$ -	\$ -	\$ -
Steps	0	\$ -	\$ -	\$ -
Sheds	0	\$ -	\$ -	\$ -
Demolition	0	\$ -	\$ -	\$ -
Septic	0	\$ -	\$ -	\$ -
Mobil Homes	0	\$ -	\$ -	\$ -
Hangars	0	\$ -	\$ -	\$ -
Fences	3	\$ -	\$ 76.50	\$ 1.50
<b>TOTAL</b>	<b>7</b>	<b>\$ 5,000.00</b>	<b>\$ 256.00</b>	<b>\$ 5.50</b>

WAC/SAC 0 \$ -

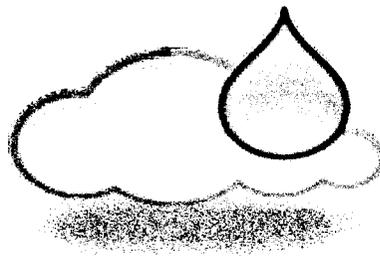
**COMMERCIAL**

	PERMITS	VALUE	PERMIT COST	MN STATE SURCHARGE
Remodeling	1	\$ 11,000.00	\$ 181.00	\$ 5.50
Addition	0	\$ -	\$ -	\$ -
New Construction	1	\$ 65,000.00	\$ 701.00	\$ 32.50
Plumbing/ Mechanical	0	\$ -	\$ -	\$ -
Sign	2	\$ -	\$ 51.00	\$ 1.00
Reroof	3	\$ 66,000.00	\$ 883.75	\$ 33.00
Siding	0	\$ -	\$ -	\$ -
Demolition	0	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>7</b>	<b>\$ 142,000.00</b>	<b>\$ 1,816.75</b>	<b>\$ 72.00</b>

WAC/SAC 0 \$ -

**MONTHLY TOTAL** 14 \$ 147,000.00 \$ 2,072.75 \$ 77.50

MONTHLY WAC/SAC 0 \$ -



**RESIDENTIAL**

	PERMITS	VALUE	PERMIT COST	MN STATE SURCHARGE
Remodeling	9	\$ 27,900.00	\$ 666.50	\$ 15.00
Reroof	1	\$ -	\$ 25.50	\$ 0.50
Reside Addition	0	\$ -	\$ -	\$ -
Plumb / Mech	2	\$ 15,000.00	\$ 296.50	\$ 8.00
Decks	2	\$ -	\$ 51.00	\$ 1.00
Garages	0	\$ -	\$ -	\$ -
New Residential	0	\$ -	\$ -	\$ -
Multi Family	2	\$ 385,000.00	\$ 4,669.17	\$ 185.00
Steps	0	\$ -	\$ -	\$ -
Sheds	0	\$ -	\$ -	\$ -
Demolition	0	\$ -	\$ -	\$ -
Septic	1	\$ 1,300.00	\$ 25.50	\$ 0.50
Mobil Homes	0	\$ -	\$ -	\$ -
Hangars	0	\$ -	\$ -	\$ -
Fences	4	\$ -	\$ 102.00	\$ 2.00
<b>TOTAL</b>	<b>21</b>	<b>\$ 429,200.00</b>	<b>\$ 5,836.17</b>	<b>\$ 212.00</b>

WAC/SAC 2 \$ 11,900.00

COMMERCIAL	PERMITS	VALUE	PERMIT COST	MN STATE SURCHARGE
Remodeling	1	\$ 11,000.00	\$ 181.00	\$ 5.50
Addition	2	\$ 856,000.00	\$ 7,962.69	\$ 429.00
New Construction	2	\$ 85,000.00	\$ 999.00	\$ 42.50
Plumbing/ Mechanical	0	\$ -	\$ -	\$ -
Sign	7	\$ 28,400.00	\$ 178.50	\$ 3.50
Reroof	5	\$ 125,000.00	\$ 1,698.25	\$ 62.50
Siding	0	\$ -	\$ -	\$ -
Demolition	0	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>17</b>	<b>\$ 1,105,400.00</b>	<b>\$ 11,019.44</b>	<b>\$ 543.00</b>

WAC/SAC 1 \$ 15,900.00

MONTHLY TOTAL 38 \$ 1,534,600.00 \$ 16,855.61 \$ 755.00

MONTHLY WAC/SAC 3 \$ 27,800.00





**RESOLUTION NO. 07-20**  
**FINAL NOTE RESOLUTION**

**CITY OF MILACA**

**\$1,500,000 HOSPITAL EQUIPMENT REVENUE NOTE OF 2007**

**(CENTRAL MINNESOTA DIAGNOSTIC, INC. PROJECT)**

**ADOPTED: May 17, 2007**

**NOTE RESOLUTION**

**(This Table of Contents is not a part of this Resolution, but is included for convenience only)**

**TABLE OF CONTENTS**

	<b>Page</b>
<b>ARTICLE I</b>	<b>DEFINITIONS, LEGAL AUTHORIZATION AND FINDINGS ..... 1</b>
Section 1.1	Definitions..... 1
Section 1.2	Legal Authorization ..... 2
Section 1.3	Findings..... 2
Section 1.4	Authorization and Ratification of Project Equipment ..... 3
<b>ARTICLE II</b>	<b>NOTE..... 3</b>
Section 2.1	Authorized Amount and Form of Note ..... 3
Section 2.2	The Note..... 3
Section 2.3	Execution ..... 4
Section 2.4	Delivery of Note ..... 4
Section 2.5	Disposition of Note Proceeds..... 4
Section 2.6	Registration of Transfer ..... 4
Section 2.7	Mutilated, Lost or Destroyed Note ..... 5
Section 2.8	Ownership of Note ..... 5
Section 2.9	Limitation on Note Transfers..... 5
Section 2.10	Issuance of New Notes..... 5
<b>ARTICLE III</b>	<b>GENERAL COVENANTS..... 5</b>
Section 3.1	Payment of Principal and Interest ..... 5
Section 3.2	Performance of and Authority for Covenants ..... 6
Section 3.3	Enforcement and Performance of Covenants ..... 6
Section 3.4	Nature of Security ..... 6
Section 3.5	Designation of Qualified Tax Exempt Obligations ..... 7
<b>ARTICLE IV</b>	<b>MISCELLANEOUS ..... 7</b>
Section 4.1	Severability ..... 7
Section 4.2	Authentication of Transcript..... 7
Section 4.3	Authorization to Execute Agreements ..... 7

## NOTE RESOLUTION

BE IT RESOLVED by the City Council of the City of Milaca, Minnesota, as follows:

### ARTICLE I

#### DEFINITIONS, LEGAL AUTHORIZATION AND FINDINGS

Section 1.1 *Definitions.* The terms used herein, unless the context hereof shall require otherwise shall have the following meanings, and any other terms defined in the Loan Agreement shall have the same meanings when used herein as assigned to them in the Loan Agreement unless the context or use thereof indicates another or different meaning or intent.

"*Act*" means Minnesota Statutes, Chapter 469.152-1651, as amended;

"*Bond Counsel*" means the firm of Briggs and Morgan, Professional Association, of St. Paul and Minneapolis, Minnesota, and any opinion of Bond Counsel shall be a written opinion signed by such Counsel;

"*Borrower*" means Central Minnesota Diagnostic, Inc., a Minnesota nonprofit corporation, its successors, assigns, and any surviving, resulting or transferee business entity which may assume its obligations under the Loan Agreement;

"*City*" means the City of Milaca, Minnesota, its successors and assigns;

"*Lender*" means Bremer Bank, National Association, its successors and assigns;

"*Loan Agreement*" means the agreement to be executed by the City and the Borrower, providing for the issuance of the Note and the loan of the proceeds thereof to the Borrower, including any amendments or supplements thereto made in accordance with its provisions;

"*Note*" means the up to \$1,500,000 Hospital Equipment Revenue Note of 2007 (Central Minnesota Diagnostic, Inc. Project), to be issued by the City pursuant to this Resolution and the Loan Agreement;

"*Note Register*" means the records kept by the City Manager to provide for the registration of transfer of ownership of the Note;

"*Pledge Agreement*" means the agreement to be executed by the City and the Lender pledging and assigning the Loan Agreement to the Lender;

"*Principal Balance*" means so much of the principal sum on the Note as remains unpaid at any time;

"*Project Costs*" means the total of all "Acquisition Costs" and "Loan and Carrying Charges," as those terms are defined in the Loan Agreement;

**"Project Equipment"** means hospital equipment consisting of a Siemens Magnetom 1.5 magnet Avanto to be located in the Fairview Lakes Medical Center, 5200 Fairview Boulevard, Wyoming, Minnesota;

**"Resolution"** means this Resolution of the City adopted May 17, 2007, together with any supplement or amendment thereto;

**"Security Agreement"** means the Security Agreement to be executed by the Borrower in favor of the Lender, securing payment of the Note and interest thereon.

**"Waiver"** means the Equipment Waiver and Disclaimer executed by Fairview Lakes Medical Center in favor of the Lender.

All references in this instrument to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and subdivisions of this instrument as originally executed. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Resolution as a whole not to any particular Article, Section or subdivision.

**Section 1.2 Legal Authorization.** The City is a political subdivision of the State of Minnesota and is authorized under the Act to initiate the revenue producing project herein referred to, and to issue and sell the Note for the purpose, in the manner and upon the terms and conditions set forth in the Act and in this Resolution.

**Section 1.3 Findings.** The City Council has heretofore determined, and does hereby determine, as follows:

(a) the City is authorized by the Act to enter into a Loan Agreement for the public purposes expressed in the Act;

(b) the City has made the necessary arrangements with the Borrower for the establishment within the City of Wyoming, Minnesota, a project consisting of the acquisition and installation of certain hospital equipment all as more fully described in the Loan Agreement and which will be of the character and accomplish the purposes provided by the Act, and the City has by this Resolution authorized the Project Equipment and execution of the Loan Agreement, the Pledge Agreement and the Note, which documents specify the terms and conditions of the acquisition and financing of the Project Equipment;

(c) in authorizing the Project Equipment the City's purpose is, and in its judgment the effect thereof will be, to promote the public welfare by: the attraction, encouragement and development of economically sound industry and commerce so as to prevent, so far as possible, the emergence of blighted and marginal lands and areas of chronic unemployment; the development of improved health care facilities available to the community; the halting of the movement of talented, educated personnel of all ages to other areas thus preserving the economic and human resources needed as a base for providing governmental services and facilities; and the provision of accessible employment opportunities for residents in the area;

(d) the amount estimated to be necessary to partially finance the Project Costs, including the costs and estimated costs permitted by the Act, will require the issuance of the Note in the principal amount of up to \$1,500,000 as hereinafter provided;

(e) it is desirable, feasible and consistent with the objectives and purposes of the Act to issue the Note, for the purpose of partially financing the Project Equipment;

(f) the Note and the interest accruing thereon do not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation and do not constitute or give rise to a pecuniary liability or a charge against the general credit or taxing powers of the City and neither the full faith and credit nor the taxing powers of the City is pledged for the payment of the Note or interest thereon;

(g) the Note is a "qualified 501(c)(3) bond" within the meaning of Section 145(a) of the Internal Revenue Code of 1986 (the "Code") and is to be issued within the exemption provided under Section 103(a) of the Code; provided that nothing herein shall prevent the City from hereafter qualifying the Note under a different exemption if, and to the extent, such exemption is permitted by law and consistent with the objects and purposes of the Project Equipment; and

(h) the Note is hereby designated as a "qualified tax-exempt obligation" under Section 265(b)(3) of the Code.

Section 1.4 *Authorization and Ratification of Project Equipment.* The City has heretofore and does hereby authorize the Borrower, in accordance with the provisions of the Act and subject to the terms and conditions set forth in the Loan Agreement, to provide for the acquisition and installation of the Project Equipment by such means as shall be available to the Borrower and in the manner determined by the Borrower, and without advertisement for bids as may be required for the construction and acquisition of municipal facilities; and the City hereby ratifies, affirms, and approves all actions heretofore taken by the Borrower consistent with and in anticipation of such authority.

## ARTICLE II

### NOTE

Section 2.1 *Authorized Amount and Form of Note.* The Note issued pursuant to this Resolution shall be in substantially the form set forth on Exhibit A hereto, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution, and in accordance with the further provisions hereof; and the total principal amount of the Note that may be outstanding hereunder is expressly limited to \$1,500,000 unless a duplicate Note is issued pursuant to Section 2.7.

Section 2.2 *The Note.* The Note shall be dated as of the date of delivery, shall be payable at the times and in the manner, shall bear interest at the rate, and shall be subject to such other terms and conditions as are set forth therein.

Section 2.3 **Execution.** The Note shall be executed on behalf of the City by the signatures of its Mayor and Manager and shall be sealed with the seal of the City. In case any officer whose signature shall appear on the Note shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if it had remained in office until delivery. In the event of the absence or disability of the Mayor or the Manager such officers of the City as, in the opinion of the City Attorney, may act in their behalf, shall without further act or authorization of the City Council execute and deliver the Note.

Section 2.4 **Delivery of Note.** Before delivery of the Note there shall be filed with the Lender (except to the extent waived by the Lender) the following items:

- (a) an executed copy of each of the following documents:
  - (1) the Loan Agreement;
  - (2) the Pledge Agreement;
  - (3) the Security Agreement;
  - (4) the Waiver; and
  - (5) a Cost Certificate signed by the Borrower certifying the use of the proceeds of the Note.
- (b) an opinion of Counsel for the Borrower as prescribed by Bond Counsel;
- (c) the opinion of Bond Counsel as to the validity and tax exempt status of the Note;
- (d) such other documents and opinions as Bond Counsel may reasonably require for purposes of rendering its opinion required in subsection (c) above or that the Lender may reasonably require for the closing.

Section 2.5 **Disposition of Note Proceeds.** Upon delivery of the Note, the Lender will advance the Note proceeds to finance the acquisition of the Project Equipment.

Section 2.6 **Registration of Transfer.** The City will cause to be kept at the office of the Manager a Note Register in which, subject to such reasonable regulations as it may prescribe, the City shall provide for the registration of transfers of ownership of the Note. The Note shall be initially registered in the name of the Lender and shall be transferable upon the Note Register by the Lender in person or by its agent duly authorized in writing, upon surrender of the Note together with a written instrument of transfer satisfactory to the Manager, duly executed by the Lender or its duly authorized agent. The following form of assignment shall be sufficient for said purpose.

For value received \_\_\_\_\_ hereby sells, assigns and transfers unto  
\_\_\_\_\_ the within Note of the City of Milaca, Minnesota, and does

hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer said Note on the books of said City with full power of substitution in the premises. The undersigned certifies that the transfer be made in accordance with the provisions of Section 2.9 of the Resolution relating to the above Note.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Registered Owner

Upon such transfer the Manager shall note the date of registration and the name and address of the new Lender in the Note Register and in the registration blank appearing on the Note.

**Section 2.7 *Mutilated, Lost or Destroyed Note.*** In case any Note issued hereunder shall become mutilated or be destroyed or lost, the City shall, if not then prohibited by law, cause to be executed and delivered, a new Note of like outstanding principal amount, number and tenor in exchange and substitution for and upon cancellation of such mutilated Note, or in lieu of and in substitution for such Note destroyed or lost, upon the Lender's paying the reasonable expenses and charges of the City in connection therewith, and in the case of a Note destroyed or lost, the filing with the City of evidence satisfactory to the City with indemnity satisfactory to it. If the mutilated, destroyed or lost Note has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Note prior to payment.

**Section 2.8 *Ownership of Note.*** The City may deem and treat the person in whose name the Note is last registered in the Note Register and by notation on the Note whether or not such Note shall be overdue, as the absolute owner of such Note for the purpose of receiving payment of or on account of the Principal Balance, redemption price or interest and for all other purposes whatsoever, and the City shall not be affected by any notice to the contrary.

**Section 2.9 *Limitation on Note Transfers.*** The Note has been issued without registration under state or other securities laws, pursuant to an exemption for such issuance; and accordingly the Note may not be assigned or transferred in whole or part, nor may a participation interest in the Note be given pursuant to any participation agreement, except in accordance with an applicable exemption from such registration requirements.

**Section 2.10 *Issuance of New Notes.*** Subject to the provisions of Section 2.9, the City shall, at the request and expense of the Lender, issue new notes, in aggregate outstanding principal amount equal to that of the Note surrendered, and of like tenor except as to number, principal amount, and the amount of the monthly installments payable thereunder, and registered in the name of the Lender or such transferee as may be designated by the Lender.

### ARTICLE III

#### GENERAL COVENANTS

**Section 3.1 *Payment of Principal and Interest.*** The City covenants that it will promptly pay or cause to be paid the principal of and interest on the Note at the place, on the dates, solely from the source and in the manner provided herein and in the Note. The principal and interest are payable solely from and secured by revenues and proceeds derived from the

Loan Agreement, the Pledge Agreement and the Security Agreement, which revenues and proceeds are hereby specifically pledged to the payment thereof in the manner and to the extent specified in the Note, the Loan Agreement, the Pledge Agreement and the Security Agreement; and nothing in the Note or in this Resolution shall be considered as assigning, pledging or otherwise encumbering any other funds or assets of the City.

**Section 3.2 *Performance of and Authority for Covenants.*** The City covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Resolution, in the Note executed, authenticated and delivered hereunder and in all proceedings of the City Council pertaining thereto; that it is duly authorized under the Constitution and laws of the State of Minnesota including particularly and without limitation the Act, to issue the Note authorized hereby, pledge the revenues and assign the Loan Agreement in the manner and to the extent set forth in this Resolution, the Note, the Loan Agreement and the Pledge Agreement; that all action on its part for the issuance of the Note and for the execution and delivery thereof has been duly and effectively taken; and that the Note in the hands of the Lender is and will be a valid and enforceable special limited obligation of the City according to the terms thereof.

**Section 3.3 *Enforcement and Performance of Covenants.*** The City agrees to enforce all covenants and obligations of the Borrower under the Loan Agreement, upon request of the Lender and being indemnified to the satisfaction of the Authority for all expenses and claims arising therefrom, and to perform all covenants and other provisions pertaining to the City contained in the Note and the Loan Agreement and subject to Section 3.4.

**Section 3.4 *Nature of Security.*** Notwithstanding anything contained in the Note, the Security Agreement, the Loan Agreement, the Pledge Agreement or any other document referred to in Section 2.4 to the contrary, under the provisions of the Act the Note may not be payable from or be a charge upon any funds of the City other than the revenues and proceeds pledged to the payment thereof, nor shall the City be subject to any liability thereon, nor shall the Note otherwise contribute or give rise to a pecuniary liability of the City or, to the extent permitted by law, any of the City's officers, employees and agents. No holder of the Note shall ever have the right to compel any exercise of the taxing power of the City to pay the Note or the interest thereon, or to enforce payment thereof against any property of the City other than the revenues pledged under the Pledge Agreement; and the Note shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City; and the Note shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation; but nothing in the Act impairs the rights of the Lender to enforce the covenants made for the security thereof as provided in this Resolution, the Loan Agreement and the Pledge Agreement, and in the Act, and by authority of the Act the City has made the covenants and agreements herein for the benefit of the Lender; provided that in any event, the agreement of the City to perform or enforce the covenants and other provisions contained in the Note, the Loan Agreement and the Pledge Agreement shall be subject at all times to the availability of revenues under the Loan Agreement sufficient to pay all costs of such performance or the enforcement thereof, and the City shall not be subject to any personal or pecuniary liability thereon.

Section 3.5 ***Designation of Qualified Tax Exempt Obligations.*** In order to qualify the Note as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code, the City hereby makes the following factual statements and representations:

(a) the Note is not a "private activity bond" as defined in Section 141 of the Code;

(b) the City hereby designate the Note as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code;

(c) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all subordinate entities of the City) during this calendar year 2007 will not exceed \$10,000,000; and

(d) not more than \$10,000,000 of obligations issued by the City during this calendar year 2007 have been designated for purposes of Section 265(b)(3) of the Code.

#### ARTICLE IV

#### MISCELLANEOUS

Section 4.1 ***Severability.*** If any provision of this Resolution shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions of any constitution or statute or rule or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or paragraphs in this Resolution contained shall not affect the remaining portions of this Resolution or any part thereof.

Section 4.2 ***Authentication of Transcript.*** The officers of the City are directed to furnish to Bond Counsel certified copies of this Resolution and all documents referred to herein, and affidavits or certificates as to all other matters which are reasonably necessary to evidence the validity of the Note. All such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute recitals of the City as to the correctness of all statements contained therein.

Section 4.3 ***Authorization to Execute Agreements.*** The forms of the proposed Note, Loan Agreement and the Pledge Agreement are hereby approved in substantially the form heretofore presented to the City Council, together with such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by Bond Counsel prior to the execution of the documents, and the Mayor and of the Manager of the City are authorized to execute the Note, the Loan Agreement and the Pledge Agreement in the name of and on behalf of the City and such other documents as Bond Counsel consider appropriate in connection with the issuance of the Note. In the event of the absence or disability of the Mayor or the Manager

such officers of the City as, in the opinion of the City Attorney, may act in their behalf, shall without further act or authorization of the City Council do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers. The execution of any instrument by the appropriate officer or officers of the City herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof.

Adopted: May 17, 2007.

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Mayor of the City of Milaca

Attest:

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City Manager

**EXHIBIT A**

**UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF MILLE LACS  
CITY OF MILACA**

Hospital Equipment Revenue Note of 2007  
(Central Minnesota Diagnostic, Inc. Project)

No. R-1

\$1,500,000

FOR VALUE RECEIVED the CITY OF MILACA, Mille Lacs County, Minnesota (the "City") hereby promises to pay Bremer Bank, National Association, its successors or registered assigns (the "Lender"), from the source and in the manner hereinafter provided, the principal sum of ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000), or so much thereof as remains unpaid from time to time (the "Principal Balance"), with interest thereon at the rate of \_\_\_\_\_ (\_\_\_\_%) per annum or at such higher rate as hereinafter provided in paragraph l(b) hereof, in any coin or currency which at the time or times of payment is legal tender for the payment of public or private debts in the United States of America, in accordance with the terms hereinafter set forth.

1. (a) Interest shall accrue from and after the date hereof. The Principal Balance and interest shall be paid in sixty (60) consecutive monthly installments of \$\_\_\_\_\_ each commencing \_\_\_\_\_, 2007 and continuing on the \_\_\_\_\_ (\_\_\_\_<sup>th</sup>) day of each and every month thereafter, to and including \_\_\_\_\_, 2012 (the "Final Maturity Date") at which time the entire remaining Principal Balance and accrued interest shall be fully due and payable.

(b) If the interest on this Note should become subject to federal income taxation pursuant to a "Determination of Taxability" as that term is defined in Section 4.5(b) of the Loan Agreement of even date herewith between the City and Central Minnesota Diagnostic, Inc., a Minnesota nonprofit corporation (the "Borrower") (the "Loan Agreement"), and the Lender delivers to the Borrower a copy of the notice of the "Determination of Taxability", the interest rate shall be immediately adjusted to be equal to the ["Prime Rate"] as hereafter defined and each monthly installment thereafter payable shall be accordingly adjusted. In addition the Lender shall be entitled to receive upon demand an amount equal to the aggregate difference between (i) the monthly payments theretofore made to the Lender on this Note between the "Date of Taxability", as that term is defined in Section 4.5(b) of the Loan Agreement, and the date of receipt by the Borrower of notice of such "Determination of Taxability", and (ii) the monthly payments which would have been made during such period if the adjusted rate had been in effect throughout such period. For purposes hereof, the term "Prime Rate" means the "prime rate" of interest publicly announced from time to time by the Lender as such "prime rate," as the same may change from time to time. Actual rates charged by Lender to other borrowers may be, above or below the Prime Rate.

2. In any event, the payments hereunder shall be sufficient to pay all principal and interest due, as such principal and interest becomes due, and to pay any premium or service charge, at maturity, upon redemption, or otherwise. Interest shall be computed on the basis of the actual number of days elapsed in a 360 day year.

3. Principal and interest and premium or service charge due hereunder shall be payable at the principal office of the Lender, or at such other place as the Lender may designate in writing.

4. This Note is issued by the City to provide funds for a project, as defined in Section 469.153, Subdivision 2(d), Minnesota Statutes, consisting of the acquisition and installation of certain equipment pursuant to the Loan Agreement and this Note is further issued pursuant to and in full compliance with the Constitution and laws of the State of Minnesota, particularly Chapter 469.152 through 1651, Minnesota Statutes, and pursuant to a resolution of the City Council duly adopted on May 17, 2007 (the "Resolution").

5. This Note is secured by a Pledge Agreement of even date herewith by the City to the Lender (the "Pledge Agreement"), and a Security Agreement of even date herewith between the Borrower and the Lender (the "Security Agreement"). The proceeds of the Note shall be disbursed by the Lender directly to the vendor of the equipment on the date of closing.

6. The City, for itself, its successors and assigns, hereby waives demand, presentment, protest and notice of dishonor; and to the extent permitted by law, the Lender may extend interest and/or principal of or any service charge or premium due on this Note, including the Final Maturity Date, or release any part or parts of the property and interest subject to any security document from the same, all without notice to or consent of any party liable hereon or thereon and without releasing any such party from such liability and whether or not as a result thereof the interest on the Note is no longer exempt from the Federal income tax. In no event, however, may the Final Maturity Date be extended beyond thirty (30) years from the date hereof.

7. This Note may be prepaid in whole or in part at any time. Notwithstanding the foregoing, if this Note is prepaid and refinanced from the proceeds of a loan from another lender, there shall also be due a prepayment fee equal to one percent (1%) of the outstanding principal amount of this Note.

8. In the event of prepayment of this Note in part, the Lender may, in its discretion, apply any such prepayment first against the accrued interest on the Principal Balance and then against the final principal amounts due under the Note. The monthly payments due under paragraph 1 hereof, shall continue to be due and payable in full until the entire Principal Balance and accrued interest due on this Note have been paid regardless of any partial prepayment made hereunder unless otherwise agreed to by the Lender.

9. As provided in the Resolution and subject to certain limitations set forth therein, this Note is only transferable upon the books of the City at the office of the Manager, by the Lender in person or by his agent duly authorized in writing, at the Lender's expense, upon surrender hereof together with a written instrument of transfer satisfactory to the Manager, duly executed by the Lender or his duly authorized agent. Upon such transfer the Manager will note

the date of registration and the name and address of the new registered Lender in the registration blank appearing below. The City may deem and treat the person in whose name the Note is last registered upon the books of the City with such registration noted on the Note, as the absolute owner hereof, whether or not overdue, for the purpose of receiving payment of or on the account, of the Principal Balance, redemption price or interest and for all other purposes, and all such payments so made to the Lender or upon his order shall be valid and effective to satisfy and discharge the liability upon the Note to the extent of the sum or sums so paid, and the City shall not be affected by any notice to the contrary.

10. All of the agreements, conditions, covenants, provisions and stipulations contained in the Resolution, the Security Agreement, the Loan Agreement and the Pledge Agreement are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein.

11. This Note and interest thereon and any service charge or premium due hereunder are payable solely from the revenues and proceeds derived from the Loan Agreement, the Security Agreement and the Pledge Agreement, and do not constitute a debt of the City within the meaning of any constitutional or statutory limitation, are not payable from or a charge upon any funds other than the revenues and proceeds pledged to the payment thereof, and do not give rise to a pecuniary liability of the City or, to the extent permitted by law, of any of its officers, agents or employees, and no holder of this Note shall ever have the right to compel any exercise of the taxing power of the City to pay this Note or the interest thereon, or to enforce payment thereof against any property of the City, and this Note does not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City, and the agreement of the City to perform or cause the performance of the covenants and other provisions herein referred to shall be subject at all times to the availability of revenues or other funds furnished for such purpose in accordance with the Loan Agreement, sufficient to pay all costs of such performance or the enforcement thereof.

12. It is agreed that time is of the essence of this Note. If an Event of Default (as that term is defined in the Security Agreement or the Loan Agreement) shall occur, then the Lender shall have the right and option to declare, upon ten (10) days written notice, the Principal Balance and accrued interest thereon, immediately due and payable, whereupon the same, plus any premiums or service charges, shall be due and payable, but solely from sums made available under the Loan Agreement, the Security Agreement and the Pledge Agreement. Failure to exercise such option at any time shall not constitute a waiver of the right to exercise the same at any subsequent time.

13. The remedies of the Lender, as provided herein and in the Security Agreement, the Loan Agreement and the Pledge Agreement, are not exclusive and shall be cumulative and concurrent and may be pursued singly, successively or together, at the sole discretion of the Lender, and may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

14. The Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Lender and, then only to the extent specifically set forth in the writing. A waiver with reference

to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event.

15. This Note has been issued without registration under state or federal or other securities laws, pursuant to an exemption for such issuance; and accordingly the Note may not be assigned or transferred in whole or part, nor may a participation interest in the Note be given pursuant to any participation agreement, except in accordance with an applicable exemption from such registration requirements.

16. This Note has been designated by the City as a "qualified tax-exempt obligation" for purposes of Section 165(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts and things required to exist, happen and be performed precedent to or in the issuance of this Note do exist, have happened and have been performed in regular and due form as required by law.

[Remainder of page intentionally left blank;  
execution page follows.]

IN WITNESS WHEREOF, the City has caused this Note to be duly executed in its name by the manual signatures of the Mayor and Manager and has caused the corporate seal to be affixed hereto, and has caused this Note to be dated \_\_\_\_\_, 2007.

CITY OF MILACA, MINNESOTA

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Manager

(SEAL)

**PROVISIONS AS TO REGISTRATION**

The ownership of the unpaid Principal Balance of this Note and the interest accruing thereon is registered on the books of the City of Milaca in the name of the holder last noted below.

<u>Date of Registration</u>	<u>Name and Address Registered Owner</u>	<u>Signature of City Manager</u>
_____, 2007	<u>Bremer Bank, National Association</u> <u>202 Rum River Drive South</u> <u>Princeton, MN 55371-1820</u>	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____