

CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: 3
Meeting Date: July 13, 2015
Attachments: X Yes No

CITY COUNCIL ACTION

Date: July 20, 2015

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

Originating Department: Finance

Agenda Item: Consideration of Funding Source for Executive Search Firm Proposal

Recommended Action:

Background/Summary:

On June 17, 2015, the City Council selected the David Drown Associates proposal to begin the search for the new City Administrator. The Request for Proposal listed the price of \$14,000.

This unbudgeted item needs a funding source. It is staff's recommendation to charge the professional line item in the City Administrator's Budget.

Alternatives: n/a.

Financial Considerations: \$14,000.00

Preparer: Kevin Halliday, Interim City Administrator

Signature:

Comments:



Faribault Office:
1327 Merrywood Court
Faribault, MN 55021
(612) 920-3320x109 | fax: (612) 605-2375
gary@daviddrown.com
www.daviddrown.com

June 5, 2015

Kevin Halliday, Clerk
City of Willmar
City Office Building
333 SW 6th Street
Willmar, MN 56201

Dear Mr. Halliday,

David Drown Associates is pleased to submit a proposal to assist the City of Willmar with a search for your next City Administrator. Our firm has extensive experience in local government and we understand the complexities faced by City Councils in outstate Minnesota.

The attached proposal includes a draft timeline where the search process does not commence until late July or early August 2015. We are a small firm by design and are committed to providing the most professional service to our clients at all times. We pride ourselves in providing personalized service and making sure every client gets the professional service they want and need. Because of current workload, this draft timeline articulates a schedule that is slightly less accelerated than other search processes performed by DDA. We do not want to take on additional work and then have our first order of business be a request for stretching out the timeline. What is presented in this proposal is achievable and accurate; however, a bit less expeditious than other DDA searches.

The attached proposal includes several elements that set us apart in our approach to providing this service. Highlights include:

- Knowledge: Our firm comprehensively understands rural Minnesota.
- Communication: We will be on site 5-7 times throughout the search process and will provide weekly email updates to the Council throughout the process.
- Adherence to deadlines: When the Council adopts a deadline, we will meet it.
- Background check process: Instead of doing a comprehensive background check on a single finalist, we do a comprehensive background and reference check on all finalists interviewed by the Council.
- Work Personality Index: Each finalist will receive a Work Personality Index and the Council will receive a full report of the results on each person.
- Our approach is fresh and uniquely focused on meeting your individual needs.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads 'Gary Weiers'. The signature is written in a cursive, flowing style.

Gary Weiers
David Drown Associates

**David Drown Associates
Proposal for City of Willmar
City Administrator Search
June 5, 2015**

CONTENTS OF PROPOSAL

Description of the Firm	Process Details
Approach to the Process	References
Service Team	Fees
Timeline	Assurance

DESCRIPTION OF THE FIRM

For 18 years, David Drown Associates (DDA) has provided Financial Solutions, Tax Increment Financing, Economic Development, Strategic Planning, Executive Searches and other services to cities and counties throughout Minnesota. With over 250 local government clients, we have a deep understanding of the workings of local government in Minnesota. DDA has provided services to communities in the Willmar area for many years and DDA recently completed Administrator searches for Steele County, the City of Cokato and the City of Northfield. A list of completed searches from the past two years is included later in the proposal. We are currently in various stages of administrator searches for the City of Little Falls, the City of Winsted, and Winona County.

APPROACH TO THE PROCESS

Our approach to this search will be to focus on finding the best fit for the City of Willmar. This is accomplished first and foremost by listening to what you are saying, understanding your goals and objectives and building the search process off that foundation.

After gathering background information, we comprehensively advertise the position and make sure the posting gets into the hands of prospective candidates. In some cases, those persons are not active job seekers, so we will make every effort to find those folks through direct outreach efforts. After the posting closes, an analysis of candidates will be completed so that when the semifinalists are presented to the City Council, you will be confident that these people are the best matches from the submitted applications.

After the Council selects the finalists, they will be fully researched so all the necessary hiring information will be available prior to the Council making a decision.

Communication with the City Council and staff is a high priority, so in addition to Gary Weiers being on site regularly, the City Council will receive weekly email updates and he will always be available for questions.

SERVICE TEAM

Gary Weiers

Our team will be led by Gary Weiers. He joined DDA in 2013 after completing over 20 years of County government management experience, the last 11 years as County Administrator in Rice County. Prior to becoming Administrator, Gary served as the Social Service Department Director in Rice County and worked as a Social Service Supervisor in Mower and Sherburne Counties. Gary received his Bachelor's Degree from the University of St. Thomas and has honed his skills by working his way up from an entry level social worker position to be the head of a \$50 million organization with over 350 employees.

Gary will be assisted by associate Shannon Sweeney and firm president David Drown, but the vast majority of work will be directly performed by Gary. It is likely that Gary will be the only member of the firm that you will see and you will see plenty of him.

In addition to conducting executive searches, Gary has done work with communities on sharing services, organizational analysis, strategic planning and other management related work.

"Gary Weiers has done a fantastic job for us. He communicated with us throughout the process and kept it moving forward. Gary fit in with our culture immediately and helped make this very important process fun."

*-Steve Stotko
Mayor of Winsted, MN*

Shannon Sweeney

Shannon Sweeney has been with DDA for 14 years and has worked with dozens of cities and counties in Minnesota. In addition, Shannon has conducted administrator searches and will provide professional consultation to Gary throughout the search.

David Drown

David Drown is the President of DDA and founded the company 18 years ago to provide a wide array of services in a cost effective, efficient and professional manner and to enhance the quality of services to cities and counties in Minnesota. The vast majority of our work is done in outstate Minnesota, and as a result, we have a deep understanding of the unique needs of rural Minnesota. David will lend professional support and input where needed.

TENTATIVE TIMELINE

This timeline is tentative. The final timeline will be set after the City Council's decision to proceed. Because of current workload, this timeline reflects a process that moves less rapidly than other searches conducted by DDA.

Item	Task	Completion Date
Decision by City Council to proceed with search		June 29, 2015
Information gathering	<ul style="list-style-type: none"> • Meet individually with City Council members • Meet with Department Heads in a group session • Gather all pertinent background information • Gather salary information and review job description 	July 31, 2015
Professional profile	<ul style="list-style-type: none"> • Develop position profile and advertisement 	August 10, 2015
Approve position profile	<ul style="list-style-type: none"> • City Council approves profile, job description, salary range and hiring process 	August 17, 2015
Candidate recruitment	<ul style="list-style-type: none"> • Post position immediately upon approval of profile • Comprehensively advertise • Email and phone calls to prospective candidates 	August 18 - September 16, 2015
Screening of applicants	DDA will review and rank applicants based on job related criteria and select semifinalists	September 17, 2015
Initial interview by DDA	DDA will conduct initial phone interviews of semifinalists	October 5, 2015
Selection of finalists	<ul style="list-style-type: none"> • City Council reviews semifinalists and selects finalists for interviews. If the Council prefers, DDA can select a short list of finalists to be interviewed by the Mayor, Council and Hiring Committee Members. • Notification of candidates not selected as finalists 	October 19, 2015
Background check of all finalists selected for interviews	<ul style="list-style-type: none"> • Includes: <ul style="list-style-type: none"> ○ Criminal background: county, state, national ○ Sex offender registry ○ Social security number verification ○ Employment and education verification ○ Credit check 	October 31, 2015
References on all finalists	DDA will conduct reference checks with current and former employers on all finalists	October 31, 2015
Personality index	DDA will administer a work related personality index to all finalists	October 31, 2015
Presentation of finalists	DDA will present the Council information including: <ul style="list-style-type: none"> • Summary of references • Results of background checks • Personality index report • Resume, etc. 	November 2, 2015
Interviews	<ul style="list-style-type: none"> • It is recommended that interviews be at a special meeting • DDA will prepare all interview materials and be present at all interviews and other functions 	November 12 & 13, 2015
Decision	City Council will select candidate for offer	November 13, 2015
Offer and agreement	DDA will negotiate agreement with selected person	November 14, 2015
Projected start date	New City Administrator begins	December 14, 2015
Follow up	DDA will follow up periodically with the new Administrator	November, 2016

PROCESS DETAILS

Step 1: Information Gathering

DDA will meet individually with each Council Member to gather information about City Administrator attributes, organizational goals and other priorities. We will also facilitate a group meeting with Department Heads to hear their input about candidate skills and abilities. At the same time, the job description will be reviewed and we will gather relevant comparative salary information for consideration by the Council.

Step 2: Development of Position Profile

Based on the direction received from the City Council, DDA will develop a professional position profile that is customized to present the City of Willmar in the most positive manner and provide prospective candidates with meaningful information. A draft will be presented to the City Council for consideration and approval prior to advertising.

Step 3: Advertisement and Recruitment

DDA will comprehensively advertise the position and make direct contact with possible candidates who are not active job seekers. Some of the places the position will be advertised include: League of Minnesota Cities, International City/County Management Association, Minnesota Association of City/County Managers, Association of Minnesota Counties, and municipal associations in Iowa, Wisconsin, North Dakota and South Dakota. In addition, the posting will be shared with professional networks through Minnesota State University Mankato, Hamline University and the University of Minnesota. Regular communication with candidates will occur throughout the process.

The simple DDA online application process will be used unless the City prefers to use an existing City methodology.

Step 4: Initial Screening and Review

DDA will complete a comprehensive analysis of every application received and determine semifinalists based on job related criteria. Gary will then conduct an initial phone or internet interview with the semifinalists and present an interview summary along with all application information to the City Council for selection of finalists to be interviewed. As an alternative, the Council may appoint a committee of Councilors, staff and others to conduct an initial interview and select finalists. DDA will facilitate the process completely. At this point, those not selected as finalists will be notified by DDA.

Step 5: Selection

After the City Council selects finalists, DDA will complete comprehensive background screenings including criminal history, civil court history, verification of employment, verification of education, driver's license review, credit check and other items. Along with background checking all finalists, Gary will personally check employment references on each person.

Simultaneously, we will administer a work oriented personality index that assesses individual characteristics likely to influence work behaviors. This information can prove very helpful in determining the right fit for the City of Willmar.

Prior to the final interview, the City Council will receive a report including resumes, summary of initial interviews, background check results, reference information and a work personality report on each person.

Early in the search process, Gary will discuss possibilities for community involvement through a meet and greet event or other options, and if an event takes place, it will be coordinated with the final City Council interviews.

Prior to interviews, Gary will prepare questions and then facilitate all interviews and other activities the City Council determines appropriate. Our goal is to make the process smooth and painless so the City Council can focus all its energy on finding the right person for the job.

Step 6: Offer

After interviews are complete, we will assist the City Council with deliberations and facilitate the offer to the selected candidate. We will negotiate the terms with the candidate based on the parameters established by the City Council.

Step 7: Follow Up

If requested, DDA will assist the new Administrator in establishing position priorities with the City Council. In addition, we will make periodic contact with the new Administrator for at least the first year of employment.

LIST OF SEARCH CLIENTS FROM THE PAST TWO YEARS

Entity	Type of Search	Entity	Type of Search
City of Northfield, MN	Engineer/PW Dir.	City of Northfield, MN	Administrator
City of Cokato, MN	Administrator	Chippewa County, MN	Social Service Director
City of Cokato, MN	Clerk/Treasurer	Sherburne County, MN	Administrator
Steele County, MN	Administrator	City of Madison Lake, MN	Administrator
City of Howard Lake, MN	Administrator	City of Winsted, MN	Administrator

Please note that all but one of the individuals holding the positions listed above remain in their positions. None of these people have been terminated, but one recently took a position closer to their home. In addition to the specific references listed on the following page, the City of Willmar is encouraged to speak with any of the entities listed above.

Open administrator searches include: Winona County, the City of Little Falls and the City of Winsted. Searches for Jackson County and the City of Pequot Lakes will commence soon.

REFERENCES

Pete Zimmerman

Administrator Search, Organizational Planning
Mayor, City of Howard Lake
Phone number: 952-457-4503
Email: pzimmerman@ci.orono.mn.us

John Howard

Administrator Search
Council Member, City of Madison Lake
Phone number: 507-243-3854
Email: john.howard.mlccouncil@gmail.com

Nick Haggemiller

Administrator Search, Engineer Search, Organizational Planning
Administrator, City of Northfield
Phone number: 507-645-3009
Email: nick.haggemiller@ci.northfield.mn.us

Gordy Erickson

Administrator Search, City Clerk Search
Mayor, City of Cokato
Phone number: 612-597-2030
Email: doreneerickson10@charter.net

Steve Stotko

Administrator Search
Mayor, City of Winsted
Phone number: 320-485-2366
Email: stotko@winsted.mn.us

Dana Graham

Administrator Search, Engineer Search, Organizational Planning
Mayor, City of Northfield
Phone number: 612-483-2570
Email: dana.graham@ci.northfield.mn.us

FEES

The fee for the search process is \$14,000. This all inclusive fee covers professional services and all expenses including travel, advertising, personality index, background checks on all finalists, etc.

This proposal represents a full service administrator search option. Other less comprehensive options are available should the Council decide some search components are not needed or can be performed by City employees.

ASSURANCE

If during the first 24 months of employment the newly hired Administrator leaves the organization, DDA will complete another search without cost to the City of Willmar.



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

Agenda Item Number: 4

Meeting Date:

Attachments: Yes No

CITY COUNCIL ACTION

Date:

- Approved Denied
 Amended Tabled
 Other

Originating Department: Community Ed/Rec

Agenda Item: Community Donation for Dog Park-Northland Group

Recommended Action: Accept \$212.00 donation from the Northland Group to assist with expenses related to the creation of the dog park at Lions Park.

Background/Summary: The Northland Group contacted the KC Dog, supporters of the dog park and offered up a donation. Founded in 1982, Northland Group provides business process outsourcing services focused on accounts receivable management and collection services for national credit grantors and debt buyers.

Alternatives: Do not accept the donation.

Financial Considerations: \$212.00

Preparer: Steve Brisendine

Signature: *Steve Brisendine*

Comments:



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

Agenda Item Number: 5

Meeting Date:

Attachments: Yes No

CITY COUNCIL ACTION

Date:

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

Originating Department: Community Ed/Rec

Agenda Item: Westwind Park-Top Dress for Soccer Field Development

Recommended Action: Approve entering into an agreement with Duininck Inc to top dress Westwind Park at a cost of \$15,076.00. This project was approved for financing in the 2015 CIP and has \$30,000 available to complete this project.

Background/Summary: Westwind Park has been sitting unutilized since the development was created. Given the shortage of youth soccer field areas staff believes this park is ideal to create some youth practice fields. Duininck recently completed top dressing Hodapp Field which made that field much more playable. In addition to this work we will need to seed and fertilize this field with the plan of playing soccer on it in the summer of 2016. We sought bids from other businesses but Duinincks was the only company that submitted a bid.

Alternatives: Do not support this concept and Westwind sits as it currently does as green space.

Financial Considerations: \$15,076.00

Preparer: Steve Brisendine

Signature:

Comments:



DUININCK INCORPORATED

408 6th St. PO Box 208 Prinsburg, MN 56281
An Equal Opportunity Employer

ESTIMATE #: **0765-15**
PREPARED BY: **Justin Zylstra**
PHONE: 320-212-3954
FAX: (320) 978-4978
EMAIL: justinz@duininck.com
www.duininck.com

JOB NAME	WCER: WESTWIND SOCCER FIELD 2015	DATE:	6/24/2015
		CONTACT NAME:	BAUMGARN, ROB
SOLD TO:	WILLMAR COMMUNITY EDUCATION AND RECREATION	OFFICE #	(320) 231-8492 FAX #
BILL TO:		JOB LOCATION:	INTERSECTION OF 16TH ST SW & 23RD AVE SW
	WILLMAR, MN 56201		WILLMAR, MN

WE PROPOSE HEREBY TO FURNISH THE MATERIAL & LABOR - COMPLETE IN ACCORDANCE WITH SPECIFICATIONS:

Line # Item Description

A) 350' X 386' - APPROX. 15,011 SY

- 10 MOBILIZE
- 20 MIX AND HAUL TOP DRESSING
- 30 PLACE TOP DRESSING

Total Alternate Price: \$15,076.00

- Notes:**
- Quote ONLY good for 20 Days without verbal commitment or mutually agreed upon extension. Please review & respond ASAP.
 - Mixture contains 80% Mason Sand and 20% Pulverized Topsoil.

Payments to be made as follows: **Monthly Progress Payments** Payment Type Check Credit Card
Interest charge of 1.5% will be charged 30 days after invoice. Send Checks to above address.

Authorized Signature 

Credit Card Authorization (To be charged monthly)
Number: _____
Expiration Date: _____ Type: Visa MC
Name on Card: _____
Authorization: _____

Note: This proposal may be withdrawn by Duininck Incorporated if not accepted WITHIN 20 DAYS.

For Internal Use Only

Job Start Date:

Job Completion Date:

Job Number:

Signature to endorse the contract _____
Date: _____

The above prices, conditions, specifications, & payment terms are hereby accepted. You are authorized to do the work as specified.



**DUININCK
INCORPORATED**

408 6th St. PO Box 208 Prinsburg, MN 56281
An Equal Opportunity Employer

ESTIMATE #: **0765-15**
PREPARED BY: **Justin Zylstra**
PHONE: 320-212-3954
FAX: (320) 978-4978
EMAIL: justinz@duininck.com
www.duininck.com

Additional Terms & Conditions of this Contract:

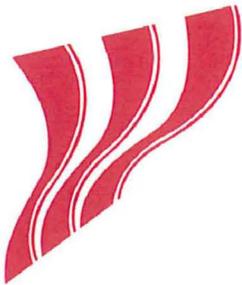
(a) Any person or company supplying labor or materials for this improvement to your property may file a lien against your property if that person or company is not paid for the contributions.

(b) Under Minnesota law, you have the right to pay persons who supplied labor or materials for this improvement directly and deduct this amount from our contract price, or withhold the amounts due from us until 120 days after completion of the improvement unless we give you a lien waiver signed by persons who supplied any labor or material for the improvement and who gave you timely notice.

(c) You agree to pay reasonable costs of collection, including attorney's fees, if payment is not made when due according to the terms agreed to within this contract.

(d) All material is guaranteed to be as specified. All work to be complete in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become extra charges over and above the estimate. All agreements are contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Duininck Incorporated employees are fully covered by Workers Compensation Insurance according to all applicable statutes.

Additional Information and Diagrams:



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

Agenda Item Number: 6

Meeting Date:

Attachments: Yes No

CITY COUNCIL ACTION

Date:

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

Originating Department: Community Education/Recreation

Agenda Item: Movies in the Park Program

Recommended Action: Approve motion to adjust Leisure Service Budget for professional services by \$3,750.00 to \$16, 750.00.

Background/Summary: Movies in the Park was a concept that started in 2014 and was successfully supported by the Community last year. Staff was part of the decision to move that program to the CER Department for the 2015 season (4 movies, 1 at the auditorium, 3 at Robbins Island). Donations have come in to support that program in the amount of \$3,750.00. Staff is requesting the professional services budget be increased by that amount. Expenses to be paid for this program include movie rentals, screen/projector rental, inflatable rentals and advertising costs.

Alternatives:

Financial Considerations: \$3,750.00

Preparer: Steve Brisendine

Signature:

Steve Brisendine

Comments:

FREE ADMISSION | POPCORN | POP

MOVIE STARTS @ DUSK

Pre-activities start 1 hour before the show!

www.willmarlakesarea.com

SEASON 2 SUMMER MOVIES IN THE PARK



Pack up the kids, Grab your blankets & Lawn Chairs and Join us for the 2nd Season of "Movies in the Park!"

In the event of bad weather, event will be held at the Willmar City Auditorium

 Icon shows events where inflatable games will be available

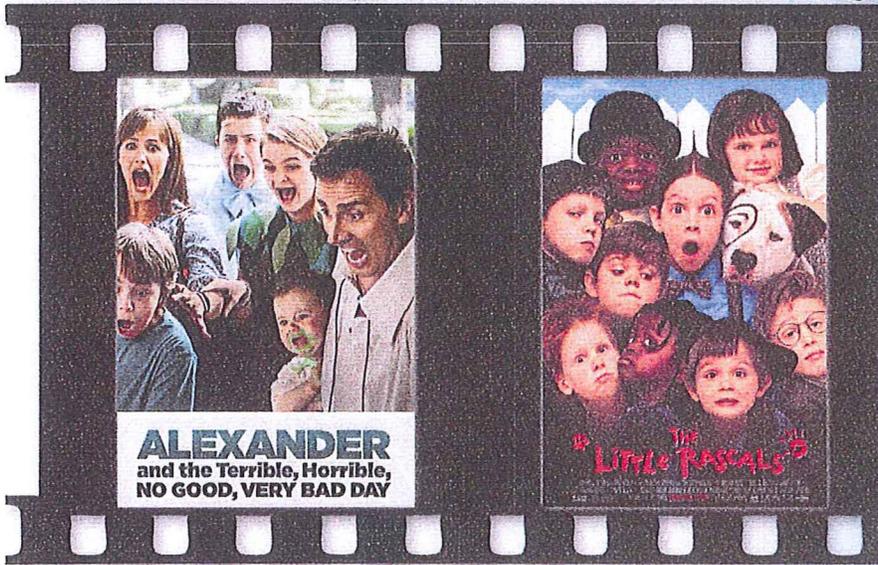
June 25th

City Auditorium
Movie Starts @ 8pm

July 17th

Robbins Island 
Movie Starts @ 9pm

SPONSORED BY:



August 21st
Robbins Island 
Movies Start @ 8pm

September 18th
Robbins Island 
Movie Starts @ 7pm



Willmar Lakes
Rotary Club
Willmar Rotary Club





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

Agenda Item Number: 7

Meeting Date:

Attachments: Yes No

CITY COUNCIL ACTION

Date:

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

Originating Department: Community Ed/Recreation

Agenda Item: Bike Alliance Consulting Agreement

Recommended Action: Approve motion to adjust the Leisure Service Budget for Professional Services by \$2,000.00 to \$13,000.00 for 2015.

Background/Summary: Staff enlisted the services of the Bicycle Alliance of Minnesota to audit the biking/trail infrastructure in Willmar. This work is a key component to our future application to achieve a designation of a Bicycle Friendly Community. The Willmar Lakes CVB and Kandiyohi County SHIP programs each donated \$1,000.00 to support this work. Thus we are requesting our budget be increased to allow for this expense.

Alternatives:

Financial Considerations: \$2,000.00

Preparer: Steve Brisendine

Signature:

Steve Brisendine

Comments:



Minnesota is a state where bicycling is a safe, easy, fun and cool choice for everyone.

Bicycle Alliance of Minnesota
PO Box 5078
Saint Paul, MN 55101
www.bikemn.org

May 28, 2015

To: Steve Brisendine
Director of Community Education and Recreation
City of Willmar/Willmar Public Schools

From: Dorian Grilley – Bicycle Alliance of Minnesota
651-387-2445

Re: Invoice for Willmar Minnesota Bicycle Friendly Community Assessment

Please pay the following:

\$5,000.00 - Cost for the Willmar Minnesota Bicycle Friendly Community assessment and report*

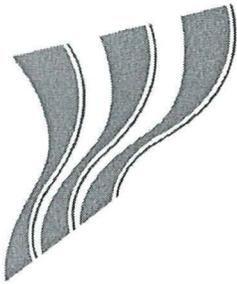
\$5,000.00 - Total Payment Due

* Report will be completed and presented in June 2015. BikeMN will continue working with the City of Willmar, the school district and others in the community on an ongoing basis, including assistance with a BFC application to be submitted by the August 11, 2015 deadline, review of the feedback from LAB and continued assistance with the implementation of Walk! Bike! Fun! to the school district at no charge.

Make check payable to: Bicycle Alliance of Minnesota
P.O. Box 5078
St. Paul, MN 55101

MN tax ID: 9780856
Federal tax ID: 41-1719332

OK to Pay,
Steve Brisendine
101.45432.0446



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

Agenda Item Number: 8

Meeting Date: 20150713

Attachments: Yes No

CITY COUNCIL ACTION

Date:

- Approved Denied
- Amended Tabled
- Other

Originating Department: Information Systems

Agenda Item: - Auditorium Policy

Recommended Action: Approve the Auditorium Access Policy

Background/Summary: To date there has been no procedure or policy on the issuing of keys or allowing of access to the Auditorium. This policy clearly defines how someone will request keyed access to the and sets the policies and rules for persons using the Auditorium.

Alternatives: Do not approve the policy or approve with changes.

Financial Considerations: None

Preparer: Ross Smeby

Signature: *Ross Smeby*

Comments: Attached – Auditorium Policy Draft and Access Form



DATE ISSUED:

REVISED: 20150622

Purpose

To facilitate access to space and equipment by authorized users and in particular, to safeguard members of the Willmar community and its physical assets, a policy on Auditorium Access Control has been established. This policy and supporting guidelines sets out specific responsibilities, conditions and practices which are designed to address critical access needs in a manner which minimizes risks and maximizes the protection of the cities physical assets.

Definitions

Key

A traditional metal key, Proximity Card, or any electronic means of access.

Proximity Card

Is an electronic access technology that allows users to use a magnetic card as the means of access. Proximity Cards replace traditional keys with an electronic door strike that is hard wired and networked into the current Information Technology infrastructure to allow for remote communication.

Access

The ability to enter the Auditorium space by means of a traditional metal key or Proximity Card.

Access Request Procedure

All persons requesting a key or proximity card for access to the City Auditorium must request access from either the City Administrator or Leisure Services Department Director or their designee. City of Willmar Employees will not require authorization for work related access. After such access is requested the City of Willmar Auditorium Access Form will be filled out and signed by the person requesting an access key and either the City Administrator or the Leisure Services Department Director. A form must be filled with the name of the individual requesting an access key, not an affiliated group or organization. The form will then be sent to the Information Systems Coordinator who will setup the account with the correct access types and permissions. The Information Systems Department will retain the form for verification purposes. By signing the Auditorium Account Setup Form the user acknowledges that they have read and will follow this policy.

Access Revocation/Card Return

1. When a user has reached the end of their authorized access dates they must return their card within 7 days to the city or they may be charged for a card replacement.



CITY OF WILLMAR

POLICY

TITLE: AUDITORIUM ACCESS POLICY

DESCRIPTION: POLICY FOR USERS WHO HAVE BEEN ISSUED KEY ACCESS TO THE CITY OF WILLMAR AUDITORIUM

2. If a user has their card damaged they must notify the city and if possible return the damaged card for a new one. There will be no charge to the user for a replacement card.
3. If a user has lost their card they must notify the city immediately. A new card will be issued to the user at no cost. The user will still be held responsible for any unauthorized access or damages that are incurred at the auditorium until they notify the city of their lost card.
4. In the event that a user has their access terminated they must return their card to the city immediately. The user will still be held responsible for any unauthorized access or damages that are incurred at the auditorium until they return their card.

User Responsibility

Users will be held responsible for unauthorized access, damages, theft or misuse of the building or equipment that has occurred, when it is determined that their card was used to access the facility, during the time of the violations. City Staff will not allow any unauthorized person access to the auditorium.

Access Control Policy Violations

The following acts are examples of violations of the Auditorium Access Policy:

- Loaning keys
- Transfer of keys without authorization
- Unauthorized duplication of keys
- Altering keys, locks or mechanisms, installation of padlocks anywhere within the auditorium
- Damaging, tampering or vandalizing any lock or hardware
- Propping doors open
- Admitting unauthorized person(s) into the building
- Failure to return a key when requested by the city
- Failure to report missing key(s) or keycard(s)
- Accessing the auditorium or attempting to access the auditorium outside of the authorized times
- Trespassing in unauthorized areas of the auditorium

Access violations may include items or acts not included in the examples provided in this policy. Any control policy violation or failure to follow any part of this policy could result in having access to the auditorium revoked. The city retains the right to change or revoke access to the auditorium at any time. The city also retains the right to modify or change Auditorium Access Policy at any time.



City of Willmar Auditorium Access Form Account Setup

Person requesting an auditorium access key

Access Revoked/Denied

Last Name

First Name

Middle Initial

Group/Department

Title/Job Description

Telephone

Badge number assigned

Date of Badge Issue

Date of Badge Return

Access Type

Full Access

Access needed from: ___:___ am/pm to ___:___ am/pm

Days
S M T W T F S

Front Door Only

Access needed from: ___:___ am/pm to ___:___ am/pm

S M T W T F S

Gun Range Only

Access needed from: ___:___ am/pm to ___:___ am/pm

S M T W T F S

Access Dates: Starting Date / / Ending Date / /

Reason for Access:

Supervisor Authorization name/title:

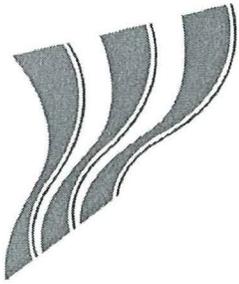
Supervisor Authorization Signature:

Date: / /

Card User Signature:

Date: / /

By the person requesting an Auditorium access key signing this form they acknowledge that they have read and will abide by the City of Willmar Auditorium Access Policy and Permissions set by the city.



CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: 9

Meeting Date: 20150713

Attachments: Yes No

CITY COUNCIL ACTION

Date:

- Approved
- Amended
- Other
- Denied
- Tabled

Originating Department: Information Systems

Agenda Item: - Local Government Information Systems (LOGIS) Agreement

Recommended Action: Approve the agreement with LOGIS for the new City Permitting System.

Background/Summary: Currently the City does not have an effective or supported Permitting system. Multiple departments do depend on the software. The IS Department, in cooperation with the PDS Department and City Clerk have explored multiple systems. The system from LOGIS would best fit our needs and is currently used by multiple Government Agencies. The current year funds have been approved on the CIP.

Alternatives: Do not approve the agreement.

Financial Considerations: \$20,000

Preparer: Ross Smeby

Signature:

Comments: Attached – LOGIS Agreement and Quote

**Permits and Inspections Software Quote for the
City of Willmar
By LOGIS, 5/12/2015**

Estimated LOGIS Annual Support Fees

Permits, Inspections, and Scheduling 16,619.00
Training and Setup..... 0.00

Total: \$16,619.00

Estimated Annual Support Fees for Optional Modules

ePermits.....\$1,680.00
Business Licenses \$1,680.00
Code Enforcement \$1,680.00

LOGIS Support Fees (Annual)

Systems Development (starting year 2)..... \$1,680.00

Note: These are the rates that are currently in effect for the 2015 LOGIS annual budget. They will change slightly for the 2016 calendar year. All charges above will be prorated monthly based on the start of significant user activity.

JOINT AND COOPERATIVE AGREEMENT

LOCAL GOVERNMENT INFORMATION SYSTEMS

(Originally dated May 1, 1972)

(Amended, effective December 3, 1993)

(Further Amended, effective October 1, 2003)

The parties to this agreement are governmental units of the State of Minnesota. This agreement is made and entered into pursuant to Minnesota Statutes, Section 471.59.

I. GENERAL PURPOSE

The general purpose of this agreement is to provide for an organization through which the parties may jointly and cooperatively provide for (i) the establishment, operation and maintenance of data processing facilities and management information systems for the use and benefit of the parties and others and (ii) group health, life, accident, and other insurance and personnel benefits for the officers and employees of the parties and the organization. (Amended by Amendment No. 2, effective October 1, 2003).

II. DEFINITION OF TERMS

Section 1. For the purpose of this agreement, the terms defined in this article shall have the meanings given them.

Section 2. "Local Government Information Systems" means the organization created pursuant to this agreement, which organization is hereafter referred to as "LOGIS."

Section 3. "Board" means the Board of Directors of LOGIS, consisting of one director from each governmental unit which is a member of LOGIS.

Section 4. "Council" means the governing body of the member governmental unit, except that in the case of any department or agency of the state, council shall be deemed to mean the Commissioner of Administration of the State of Minnesota.

Section 5. "Member" means a governmental unit which enters into this agreement and is, at the time involved, a party in good standing.

Section 6. "Governmental unit" means any city, village, borough, town or other political subdivision of the State of Minnesota or any department or agency of the state government.

Section 7. "Software" means computer programs, form designs, user manuals and associated documentation.

III. MEMBERSHIP

Section 1. Any governmental unit is eligible to be a member of LOGIS.

Section 2. A governmental unit desiring to be a member shall execute a copy of this agreement and shall pay the established membership dues and charges.

Section 3. The initial members shall be those members who joined LOGIS on or prior to June 1, 1972.

Section 4. Governmental units joining LOGIS after June 1, 1972, shall be admitted only upon the favorable vote of two-thirds of the members of the board. The board may impose conditions upon the admission of members other than the initial members.

IV. BOARD OF DIRECTORS

Section 1. The governing body of LOGIS shall be its board. Each member shall be entitled to one director, who shall have one vote.

Section 2. Each member shall also be entitled to one alternate director who shall be entitled to attend meetings of the board and who may vote in the absence of the member's director.

Section 3. Directors and alternate directors shall be appointed by the council of each member. In order for LOGIS to develop data processing and management information systems which will be of maximum value to member governmental units, the members shall appoint, as their directors and alternates, their chief administrative officers and employees with general management responsibilities. Directors and alternates shall serve without compensation from LOGIS but this shall not prevent a member from providing compensation for its director or alternate director if such compensation is authorized by such unit and by law.

Section 4. There shall be no voting by proxy, but all votes must be cast in person at board meetings by the director or his alternate.

Section 5. Directors and alternate directors shall be appointed to serve until their successors are appointed and qualified.

Section 6. When the council of a member appoints a director or an alternate director, it shall give notice of such appointment to LOGIS in writing. Such notice shall include the mailing address of the persons so appointed. The names and addresses shown on such notices may be used as the official names and addresses for the purposes of giving any notices required by this agreement or by the bylaws of LOGIS.

Section 7. Any director or alternate director shall be subject to removal by the council of the member appointing him, at any time, with or without cause.

Section 8. A majority of the votes of the members shall constitute a quorum of the board.

Section 9. A vacancy on the board shall be filled by the council of the member whose position on the board is vacant.

Section 10. A director (or his alternate) shall not be eligible to vote on behalf of his governmental unit during the time that such governmental unit is in default on any contribution to LOGIS or on any contract with it. During the existence of such default, the vote or votes of such governmental unit shall not be counted as eligible votes for the purposes of this agreement. If a governmental unit remains in default for a period of more than 45 days on any billing from LOGIS, the membership of such governmental unit automatically shall be terminated.

V. MEETINGS - ELECTION OF OFFICERS

Section 1. Any governmental unit desiring to enter into this agreement may do so by the duly authorized execution of a copy of this agreement by its proper officers. Thereupon, the clerk or other corresponding officer of the governmental unit shall file a duly executed copy of the agreement, together with a certified copy of the authorizing resolution or other action, with the city manager of the City of Brooklyn Center. The resolution authorizing the execution of the agreement shall also designate the first director and alternate for the member. The agreement shall become effective when it has been authorized by ten (10) governmental units and when executed copies from such governmental units, together with certified copies of the authorizing resolutions, have been duly filed as set out herein. Within thirty (30) days after the effective date of this agreement, the manager of the City of Brooklyn Center shall call the first meeting of the board, which shall be held not later than fifteen (15) days thereafter.

Section 2. At the first meeting of the board and in July of each even numbered year after 1972, the board shall elect from its directors a president, a vice-president and a secretary-treasurer.

Section 3. At the organizational meeting, or as soon thereafter as it may reasonably be done, the board shall adopt bylaws governing its procedures including the time, place and frequency of its regular meetings. Such bylaws may be amended from time to time. Regular public meetings of the board, however, shall be held at least quarterly in the months of January, April, July and October.

Section 4. Special meetings of the board may be called (a) by the president, (b) by the executive committee or (c) by the executive committee upon the written request of a majority of the directors. Five days' written notice of special meetings shall be given to the directors and alternates. Such notice shall include the agenda for the special meeting.

Section 5. The specific date, time and location of regular and special meetings of the board shall be determined by the executive committee. Regular and special meetings of the board shall be held in the seven county twin city metropolitan area.

Section 6. Notice of regular meetings of the board shall be given to the directors and alternates by the secretary-treasurer of the board at least fifteen (15) days in advance and the agenda for such meetings shall accompany the notice. However, business at regular meetings of the board need not be limited to matters set forth in the agenda.

VI. POWERS AND DUTIES OF THE BOARD

Section 1. The powers and duties of the board shall include the powers set forth in this article.

Section 2. It shall take such action as it deems necessary and appropriate to accomplish the general purposes of the organization including the establishment of data processing and information systems, engaging in the development and implementation of the necessary programs therefor, acquiring any necessary site, purchasing any necessary supplies, equipment and machinery, employing any necessary personnel and operating and maintaining any systems for the handling of data processing and management information for the members and for others. Any of the foregoing activities, or any other activities authorized by this agreement, may be accomplished by entering into contracts, leases or other agreements with others, whenever the board shall deem this to be advisable.

Section 3. The board shall have full control and management of the affairs of LOGIS including the power to make contracts as it deems necessary to make effective any power to be exercised by LOGIS pursuant to this agreement; to provide for the prosecution and defense or other participation in actions or proceedings at law in which it may have an interest; to employ such persons as it deems necessary to accomplish its duties and powers on a full-time, part-time or consulting basis; to conduct such research and investigation as it deems necessary on any matter related to or affecting the general purposes of the organization; to acquire, hold and dispose of property both real and personal as the board deems necessary; and to contract for space, materials, supplies and personnel either with a member or with a number of members or elsewhere.

Section 4. It may establish and collect membership dues.

Section 5. It may establish and collect charges for its services to members and to others.

Section 6. It may accept gifts, apply for and use grants or loans of money or other property from the state, or any other governmental units or organizations and may enter into agreements required in connection therewith and may hold, use and dispose of such moneys or property in accordance with the terms of the gift, grant, loan or agreement relating thereto.

Section 7. It shall cause an annual independent audit of the books to be made and shall make an annual financial accounting and report in writing to the members. Its books and records shall be available for and open to examination by its members at all reasonable times.

Section 8. It shall establish the annual budget for the organization as provided in this agreement.

Section 9. It may delegate authority to the executive committee of the board, between board meetings. Such delegation of authority shall be by resolution of the board and may be conditioned in such manner as the board may determine.

Section 10. It may accumulate and maintain reasonable working capital reserves and may invest and reinvest funds not currently needed for the purposes of the organization. Such investment and reinvestment shall be in accordance with and subject to the laws applicable to the investment of village funds.

Section 11. It shall make its data processing and management information systems available to its members, subject to reasonable charges for the development and processing thereof.

Section 12. It may pay the reasonable and necessary expenses of officers, directors and alternates incurred in connection with their duties as such, but this shall not include the expenses of attending meetings of LOGIS within the seven county twin city metropolitan area.

Section 13. It may provide for any of its employees to be members of the Public Employees Retirement Association and may make any required employer contributions to that organization and any other employer contributions which municipalities are authorized or required by law to make.

Section 14. It may purchase public liability insurance and such other bonds or insurance as it may deem necessary.

Section 15. It may exercise any other power necessary and incidental to the implementation of its powers and duties.

VII. OFFICERS

Section 1. The officers of the board shall consist of a president, a vice-president and a secretary-treasurer who shall be elected at the regular annual meeting of the board held in even numbered years after 1972. New officers shall take office at the adjournment of the annual meeting of the board at which they are elected.

Section 2. A vacancy shall immediately occur in the office of any officer upon his resignation, death or upon his ceasing to be an employee of his member governmental unit. Upon vacancy occurring in any office, the executive committee shall fill such position until the next meeting of the board.

Section 3. The three officers shall all be members of the executive committee.

Section 4. The president shall preside at all meetings of the board and the executive committee. The vice-president shall act as president in the absence of the president.

Section 5. The secretary-treasurer shall be responsible for keeping a record of all of the proceedings of the board and executive committee, for custody of all funds, for the keeping of all financial records of the organization and for such other matters as shall be delegated to him by the board. Any persons may be engaged to perform such services under his supervision and direction, when authorized by the board. He shall post a fidelity bond or other insurance against loss of organization funds in an amount approved by the board, at the expense of the organization.

VIII. EXECUTIVE COMMITTEE

Section 1. The board shall have an executive committee consisting of three officers and two other directors, all of whom shall be elected at the annual meetings of the board held in even numbered years after 1972. Vacancies of members on the executive committee may be filled by the board of directors at any regular or special meeting.

Section 2. The executive committee may adopt bylaws governing its own procedures, which shall be subject to this agreement, the bylaws of the board, and any resolutions or other directives of the board.

Section 3. A quorum at a meeting of the executive committee is three (3).

Section 4. The executive committee shall meet at the call of the president or upon the call of any two other members of the executive committee. The date and place of the meeting shall be fixed by the person or persons calling it. At least forty-eight (48) hours' advance written notice of such meeting shall be given to all members of the executive committee by the person or persons calling the meeting. Such notice, however, may be waived by any or all members who actually attend the meeting or who give written waiver of such notice for a specified meeting.

Section 5. The executive committee shall have the following duties:

(a) It shall exercise the powers and perform the duties delegated to it by the board of directors, subject to such conditions and limitations as may be imposed by the board.

(b) It shall cause to be prepared a proposed annual budget each year which shall be submitted to the board of directors at least thirty (30) days before the annual meeting.

(c) It shall present a full report of its activities at each regular meeting of the board.

Section 6. Subject to the provisions of the approved budget it shall have the authority to appoint, fix the conditions of employment of, and remove any employees of the organization.

Section 7. It shall have authority to fix charges for the use of the programs and facilities of LOGIS, both as to members and nonmembers consistent with policies and guidelines established by the board.

Section 8. All actions taken by the executive committee shall be subject to control by the board of directors as the board shall deem advisable.

IX. FINANCIAL MATTERS

Section 1. The fiscal year of LOGIS shall be the calendar year.

Section 2. The annual budget of LOGIS must be adopted in the following manner:

(a) annually prior to June 1 the Board will supply each member with a proposed preliminary budget;

(b) annually prior to the annual meeting of the Board in July the Board will supply each member with a proposed budget adjusted for withdrawal notifications received pursuant to Article XII;

(c) the annual budget must be adopted at the annual meeting of the Board in July.

Promptly after adoption of the budget, the Board must mail copies of the budget to the chief administrative officer of each member. Upon adoption of the budget each member is obligated to LOGIS for the budgeted revenues and cost sharing charges fixed by the Board for the ensuing fiscal year in accordance with this Article. (Amended by Amendment No. 1, December 3, 1993.)

Section 3. The board shall have authority to fix cost sharing charges for all members in an amount sufficient to provide the funds required by the budgets of the organization. It shall advise the chief administrative officer of each member, on or before September 1 of each year, of the amounts of such charges falling within Classes 1 and 2 and the rates of such charges falling within Class 3, as such classes are defined in Section 5 of this article.

Section 4. Billings for all charges shall be made by the board and shall be due when rendered. Any member whose charges have not been paid within 45 days after billing shall be in default and shall not be entitled to further voting privileges nor to have its director hold any office nor to use any LOGIS facilities or programs until such time as no longer in default. In the event that such charges have not been paid within 45 days after such billing, such defaulting member shall be deemed to have given, on such 45th day, notice of withdrawal from membership. In the event of a bona fide dispute between the member and the board as to the amount which is due and payable, the member shall nevertheless make such payment in order to preserve its status as a member, but such payment may be made under protest and without prejudice to its right to dispute the amount of the charge and to pursue any legal remedies available to it.

Section 5. The charges of LOGIS shall be divided, for cost sharing purposes, into three classes, to-wit:

(a) Class 1 Charges. These charges shall be made to cover the organization's general, administrative and operational expenses not falling within Classes 2 and 3. Class 1 charges shall be made as fixed monthly, quarterly or annual membership dues. They shall be determined annually by the board of directors. They shall not be retroactively applied to new members.

(b) Class 2 Charges. These charges shall be made to cover the costs of design and development of computer programs and systems and other capital costs. The initial members of LOGIS shall pay such portion of the Class 2 charges as shall be established by the board, provided that the board shall attempt in good faith to pro rate such Class 2 charges among the members in as equitable a manner as possible, giving consideration, among other things, to anticipated use of the programs, systems and facilities of the organization. Any new members, i.e. any governmental units joining LOGIS after May 31, 1972, shall pay a pro rated share of the accumulated Class 2 charges which have been charged to or incurred by all members, as computed by the board on the same formula as for initial members as the price of membership; and such charges, when paid by such new members, shall be apportioned among the then existing members in cash or credit on unpaid or future billings in proportion to the Class 2 charges which such existing members have thus far paid or incurred.

(c) Class 3 Charges. These charges shall be to cover the costs of system operation and maintenance in serving members (and others) on a "as requested" basis. The amount of such charges shall be determined by the board and such amounts shall be computed on the basis of the actual workload utilized by each member. Class 3 charges shall not be retroactively applied to new members.

Section 6. Nothing contained in the foregoing Section 5 shall prevent the board from charging nonmembers for services rendered by LOGIS, on such basis as the board shall deem appropriate. For example, the board shall not be obligated to charge nonmembers, for services, only Class 3 charges.

Section 7. It is anticipated that certain members may be in a position to extend special financial assistance to LOGIS in the form of grants. The board may credit any such grants against any charges which the granting member would otherwise have to pay. The board may also enter into an agreement, as a condition to any such grant, that it will credit all or a portion of such grant towards charges which have been made or in the future may be made against one or more specified members.

Section 8. Board funds may be expended by the board in accordance with procedures established by law for the expenditure of funds by villages. Orders, checks, drafts and other legal instruments shall be signed by the president or vice-president and countersigned by the secretary-treasurer or such other person as shall be designated by the board.

Section 9. Contracts shall be let and purchases shall be made in accordance with the legal requirements applicable to contracts and purchases by Minnesota villages.

X. ADMINISTRATOR

An administrator may be appointed to perform such administrative duties as shall be delegated to him by the board.

XI. ASSOCIATES

Section 1. It is contemplated that certain governmental units may desire to follow, closely, the activities of LOGIS, to provide input into systems design, and to receive detailed information about system characteristics and performance, for the purpose of coordinating intergovernmental relationships. Such governmental units may affiliate with LOGIS as "associates."

Section 2. A governmental unit desiring to become an associate may do so in the same manner as is applicable to becoming a member, except as otherwise provided in this article.

Section 3. At the time of joining LOGIS as an associate, the governmental unit shall indicate in writing that it is not joining as a member but as an associate.

Section 4. An associate may appoint a director and an alternate director to the board but such director (or alternate) shall be without voting power, shall not be eligible to serve as an officer and shall not be counted for quorum purposes.

Section 5. The board may establish the charges to be paid by associates and for that purpose it may classify associates in accordance with their varying circumstances.

Section 6. An associate may apply for membership status and become a regular member.

Section 7. An associate may discontinue its association with LOGIS at any time by giving written notice of withdrawal to the secretary-treasurer of LOGIS. Withdrawal shall not relieve such withdrawing associate from its obligation to pay any charges which the associate has incurred up to the time of withdrawal.

XII. WITHDRAWAL

Section 1. Any member may at any time give written notice of withdrawal from LOGIS. The nonpayment of charges as set forth herein, and the refusal or declination of any member to be bound by any obligation to the organization shall also constitute notice of withdrawal.

(a) Actual withdrawal shall not take effect for a period of forty-five (45) days from the date of such notification.

(b) Upon effective withdrawal the member shall continue to be responsible (1) for all of its prorated share of any unpaid Class 2 obligations, (2) for its share of Class 1 charges to the effective date of withdrawal, (3) for its share of any Class 3 charges to the effective date of withdrawal and (4) for any contractual obligations it has separately incurred with LOGIS.

Section 2. A member who has not given notice of withdrawal on or before June 15 of a given year is obligated for the budgeted revenues and the cost sharing charges fixed by the Board for the ensuing fiscal year in accordance with Article IX. (Added by Amendment No. 1, December 3, 1993.)

Section 3. A member withdrawing from membership at a time when such withdrawal does not result in dissolution of the organization shall forfeit its claim to any assets of the organization except that it shall have access to any software developed for its use while it was a member, in accordance with and subject to the provisions of Article XIII, Section 5, Paragraph (b).

XIII. DISSOLUTION

Section 1. The organization shall be dissolved whenever (a) a sufficient number of members withdraws from the organization to reduce the total number of members to less than six (6), or (b) by two-thirds vote of all members of the board.

Section 2. In the event of dissolution the board shall determine the measures necessary to effect the dissolution and shall provide for taking of such measures as promptly as circumstances permit and subject to the provisions of this agreement.

Section 3. Upon dissolution the remaining assets of LOGIS, after payment of all obligations, shall be distributed among the then existing members in proportion to their contributions, as determined by the board, provided that computer software prepared for such members shall be available to them, subject to such reasonable rules and regulations as the board shall determine.

Section 4. If, upon dissolution, there is an organizational deficit, such deficit shall be charged to and paid by the members and former members on a pro rata basis, based upon the Class 1, 2 and 3 charges incurred by such members and former members during the two years preceding the event which gave rise to the dissolution.

Section 5. In the event of dissolution the following provisions shall govern the distribution of computer software owned by the organization:

(a) All such software shall be an asset of the organization.

(b) A member or former member may use (but may not authorize reuse by others) any software developed during its membership upon (1) paying any unpaid sums due LOGIS, (2) paying the costs of taking such software, and (3) complying with

reasonable rules and regulations of the board relating to the taking and use of such software. Such rules and regulations may include a reasonable time within which such software must be taken by any member or former member desiring to do so.

XIV. DURATION

This agreement shall continue in effect indefinitely, until terminated in accordance with its terms.

IN WITNESS WHEREOF, the undersigned governmental unit has caused this agreement to be signed and delivered on its behalf.

IN THE PRESENCE OF:

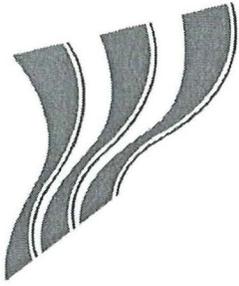
(Name of Governmental Unit)

By _____
Its _____

By _____
Its _____

Dated: _____, 20__.

Filed in the office of the City Manager of the City of Brooklyn Center, Minnesota, this
____ day of _____, 20__.



CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: 10
Meeting Date: 20150709
Attachments: Yes No

CITY COUNCIL ACTION

Date:

- Approved Denied
 Amended Tabled
 Other

Originating Department: Information Systems

Agenda Item: - Information Systems 2015 Capital Improvement Reallocation

Recommended Action: Reallocate the 2015 Capital Improvement Thin Client Funds for the following items. The Charter Fiber Rack move, Leightronix Switcher, Studio Sign, Roof Repair, and new Bulletin Board Server.

Background/Summary: Due to several building maintenance and project needs at the WRAC Studio the IS Coordinator is requesting that \$16,000 from the thin client CIP project be reallocated to fund these projects. The motion to re-appropriate the funds for these projects was made at the Cable Advisory Board Meeting on July 8 and was approved. The motion was amended to specifically include funding for these projects and to receive a second quote for window treatments.

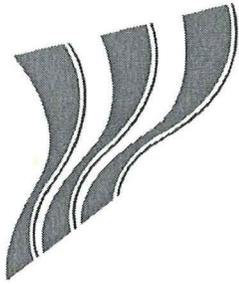
Alternatives: Do not approve the fund change.

Financial Considerations: \$16,000

Preparer: Ross Smeby

Signature: *Ross Smeby*

Comments: Attached – WRAC Project quotes. Currently \$125,000 was set aside for the Thin Client Project. Other projects that may require funding from this would include a new Financial AS400 System, Data Storage Array for the IS Department and HVAC equipment at the WRAC Studio.



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

Agenda Item Number: _____
Meeting Date: 20150709
Attachments: Yes No

CITY COUNCIL ACTION

Date:

- Approved Denied
- Amended Tabled
- Other

Originating Department: Information Systems

Agenda Item: - Information Systems 2015 Capital Improvement Reallocation

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Alternatives: Do not approve the fund change.

Financial Considerations: \$16,000

Preparer: Ross Smeby

Signature:

Comments: Attached – WRAC Project quotes. Currently \$125,000 was set aside for the Thin Client Project. Other projects that may require funding from this would include a new Financial AS400 System, Data Storage Array for the IS Department and HVAC equipment at the WRAC Studio.

Ross Smeby

From: Theisen, Pam J <Pam.Theisen@charter.com>
Sent: Wednesday, May 13, 2015 5:31 PM
To: Ross Smeby
Subject: move cable drop

Hi Ross,

There will be a one-time fee of \$2,500.00 to make this move and could take up to 30 days to complete.

Please respond with approval to move forward.

This is to relocate the fiber rack from the basement to the main floor. Break the existing 2 burns and remove the fiber from the rack. Carry the fiber rack out of the basement to the main level. Drill a 1" hole through the floor to run fiber up stairs and mount the rack to the floor. prep fiber and re burn to fibers. Also extend audio wires from the basement to the 1st floor.

Pam



Pam Theisen | *Major Account Representative*

320.229.7337 (o) 320.248.1027(c) 320.258.3724(f)

400 Sundial Drive, Waite Park, MN 56387



201505284270040

SERVICE ORDER

Under the Business Internet, Video and Music Service Agreement

This Service Order is executed on Jun 03, 2015 and modifies the Service Agreement dated Sep 05, 2014 by and between Charter Communications, LLC, ("Spectrum Business" or "Charter") with corporate offices at 12405 Powerscourt Dr, Saint Louis, MO. 63131, and WRAC, ("Customer") with offices located at 417 LITCHFIELD AVE SW, WILLMAR, MN 562013241. Except as specifically modified herein, all other terms and conditions of the Agreement and Commercial Terms of Service shall remain unamended and in full force and effect.

CUSTOMER INFORMATION:

Account Name: WRAC

Invoicing Address: _____

Invoicing Special Instructions: _____

1. SITE-SPECIFIC INFORMATION:

New Renew Change: Order Type: Mid Contract: Upgrade

Service Location (Address): 417 LITCHFIELD AVE SW, WILLMAR, MN 562013241

Service Location Name (for purposes of identification): _____

Service Location Special Instructions: _____

Non-Hospitality or Non-Video

Customer Contact Information. To facilitate communication the following information is provided as a convenience and may be updated at any time without affecting the enforceability of the terms and conditions herein:

	Billing Contact	Site Contact	Technical Contact
Name			
Phone			
Fax			
Cell			
Email Address			

MONTHLY SERVICE FEES: _____

** If Customer has selected the Spectrum Business Special Offers, the Section 3(i) of the Commercial Terms of Service (for Spectrum Business Bundle) shall apply.*

ONE - TIME CHARGES :
ONE - TIME CHARGES \$2,500.00

2. TOTAL FEES.

Total Monthly Service Fees of \$0.00 are due upon receipt of the monthly invoice.

Total One-Time Charges of \$2,500.00 are included in the first monthly invoice.

3. **SERVICE PERIOD.** The initial Service Period of this Service Order shall begin on the date installation is completed and shall continue for a period of 1 month. Upon expiration of the initial term, this Service Order shall automatically renew for successive one-month terms and Charter may then apply Charter's then-current Monthly Service Fees unless either party terminates this Service Order by giving thirty (30) days prior written notice to the other party before the expiration of the current term.
4. **NO UNTRUE STATEMENTS.** Customer further represents and warrants to Charter that neither this Service Order, nor any other information, including without limitation, any schedules or drawings furnished to Charter contains any untrue or incorrect statement of material fact or omits or fails to state a material fact.
5. **CONFIDENTIALITY.** Customer hereby agrees to keep confidential and not to disclose directly or indirectly to any third party, the terms of this Service Order or any other related Service Orders, except as may be required by law. If any unauthorized disclosure is made by Customer and/or its agent or representative, Charter shall be entitled to, among other damages arising from such unauthorized disclosure, injunctive relief and a penalty payment in the amount of the total One-Time Charges associated with this Service Order, and Charter shall have the option of terminating this Service Order, other related Service Orders and/or the Service Agreement.
6. **ENTIRE AGREEMENT.** The terms and conditions of the Service Agreement will remain in full force and effect, except as modified by this Service Order. This Service Order will serve to supplement the Service Agreement. In the event of any conflict between the provisions of this Service Order and the provisions of the Service Agreement excluding those set forth in Indemnification of the Commercial Terms of Service, the provisions of this Service Order shall prevail. All terms not otherwise defined herein will have the same meaning ascribed to them in the Service Agreement. This Service Order supersedes and replaces any and all other Service Orders, either oral or written, regarding the specific Service Locations. This Service Order may not be amended except by a written agreement signed by both parties. The person signing on behalf of the Customer represents that he/she has full authority to bind Customer to the terms and conditions of this Service Order.
7. **FACSIMILE.** A copy sent via fax machine or scanned and e-mailed of a duly executed Agreement and Service Order signed by both authorized parties shall be considered evidence of a valid order, and Charter may rely on such copy of the Agreement and Service Order as if it were the original.

NOW THEREFORE, Charter and Customer agree to the terms and conditions included within this Service Order and hereby execute this Service Order by their duly authorized representatives.

Charter Communications, LLC

WRAC

By:

By: Charter Communications, Inc., its Manager

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Charter Commercial Subscriber Privacy Policy

TV Internet Phone

Charter Commercial Subscriber Privacy Policy:

Charter takes the protection of our subscribers' ("You," "Your" or "Customer(s)") privacy seriously. The following privacy policy ("Policy") applies to those Charter commercial Customers who subscribe to Charter's commercial video programming, high-speed Internet and/or telephone service (individually and collectively the "Service") and describes the Customer information that Charter collects and retains, how Charter uses and protects it, the limited cases where Charter may disclose some or all of that information, and Your rights under the Cable Communications Policy Act of 1984 ("Cable Act"). Depending upon the Charter Service to which You subscribe, parts of this Policy may not be applicable to You. Charter values Your privacy and considers all personally identifiable information contained in our business records to be confidential. Please review this Policy and, if You are a Charter telephone service subscriber, the attached Customer Proprietary Network Information ("CPNI") Policy (the "CPNI Policy"), in conjunction with Your service agreement, terms of service and acceptable use policy ("Your Service Agreement"). Charter will provide You copies of this Policy annually and the CPNI Policy at least once every two years, whether or not we have revised the policies. We may modify this Policy at any time. The most current version of this Policy can be found on www.charter.com. If you find the changes unacceptable and if those changes materially and adversely impact Your use of the Service, you may have the right to cancel Your Service under Your Service Agreement. If you continue to use the Service following the posting of a revised Policy, we will consider that to be your acceptance of and consent to the Policy as revised.

What type of information does Charter collect?

Charter collects both personally identifiable information and non-personal information about You when You subscribe to our Service. Charter uses its system to collect personally identifiable information about You: (a) when it is necessary to provide our services to You; (b) to prevent unauthorized reception of our services; and (c) as otherwise provided in this Policy. Charter will not use the system to collect Your personally identifiable information for other purposes without Your prior written or electronic consent. Charter also collects personally identifiable and non-personal information about You when You voluntarily provide information to Charter, as may be required under applicable law, and from third parties, as described in this Policy. Personally identifiable information is any information that identifies or can potentially be used to identify, contact, or locate You. This includes information that is used in a way that is personally identifiable, including linking it with identifiable information from other sources, or from which other personally identifiable information can easily be derived, including, but not limited to, name, address, phone or fax number, email address, spouses or other relatives' names, drivers license or state identification number, financial profiles, tax identification number, bank account information, and credit card information. Personally identifiable information does not include information that is collected anonymously (i.e., without identification of the individual or business) or demographic information not connected to an identified individual or business.

Non-personal information, which may or may not be aggregated information about our Customers and may include information from third parties, does not identify individual Customers. Charter may combine third party data with our business records as necessary to better serve our Customers. Examples of non-personal information include IP addresses, MAC addresses or other equipment identifiers, among other data. Our systems may automatically collect certain non-personal information when You use an interactive or transactional service. This information is generally required to provide the service and is used to carry out requests a Customer makes through a remote control or set-top box.

We may also collect and maintain information about Your account, such as billing, payment and deposit history; maintenance and complaint information; correspondence with or from You, information about the service options that You have chosen; information on the equipment You have, including specific equipment identifiers; and information about Your use of our services, including the type, technical arrangement, quantity, destination and amount of use of certain of those services, and related billing for those services.

Charter also collects customer-provided customization settings and preferences. By using our service, You consent to our collection of this information and other information communicated to Charter such as correspondence, responses to surveys or emails, information provided in chat sessions with us, registration information, or participation in promotions or contests.

If You subscribe to our video service, then in certain of our systems, our set-top boxes automatically collect information that may be used to determine which programs are most popular, how many set-top boxes are tuned to watch a program to its conclusion and whether commercials are being watched, as well as other audience-measurement focused information. Our processes are designed to track

this information and audience statistics on an anonymous basis. Information such as channel tuning, the time the channel is changed, and when the set-top box is "on" or "off" is collected at a secure database in an anonymous format. Charter, or our contractors or agents, may from time to time share the anonymous information with our advertisers, content providers, or other third parties with whom we have a relationship. We will not provide our advertisers, content providers, or these other third parties with personally identifiable information about You unless we have received Your consent first, except as required by law. (See "Who sees the information collected by Charter?")

Why does Charter collect personally identifiable information?

Charter collects and uses personally identifiable information to:

- properly deliver our Services to You;
- provide You with accurate and high quality customer service;
- perform billing, invoicing and collections;
- provide updates, upgrades, repairs or replacements for any of our service-related devices or software used in providing or receiving services;
- protect the security of the system, prevent fraud, detect unauthorized reception, use, and abuse of Charter's Services or violations of our policies or terms of service;
- keep You informed of new or available products and services;
- better understand how the Service is being used and to improve the Service;
- manage and configure our device(s), system(s) and network(s);
- maintain our accounting, tax and other records; and
- comply with applicable federal and state laws and regulations, as well as for the general administration of our business.

If You use an interactive or transactional service, for example, responding to a survey or ordering a pay-per-view event, the system will collect certain additional personally identifiable information, such as account and billing information or Customer-provided locale and service preferences, to properly bill You for the services purchased and to provide You with a more personalized experience. In addition, certain information such as Your connections to our system is automatically collected to, for example, make it possible for Your digital boxes to receive and process the signals for the services You order.

Charter may also collect personally identifiable information from third parties to enhance our customer database for use in marketing and other activities. Charter also collects personally identifiable information from third parties to verify information You have provided us and collects personally identifiable information from credit reporting agencies to, for example, determine Your creditworthiness, credit score, and credit usage. Charter also may maintain research records containing information obtained through voluntary subscriber interviews or surveys.

If You subscribe to our high-speed Internet service, Charter transmits personally identifiable and non-personal identifiable information about You over the Service when You send and receive e-mail and instant messages, transfer and share files, make files accessible, visit websites, or otherwise use the Service and its features. Our transmission of this information is necessary to allow You to use the Service as You have chosen and to render the Service to You.

Who sees the information collected by Charter?

Charter will only disclose personally identifiable information to others if: (a) Customer provides written or electronic consent in advance, or (b) it is permitted or required under federal or applicable state law. Specifically, federal law allows Charter to disclose personally identifiable information to third parties:

- when it is necessary to provide Charter's services or to carry out Charter's business activities;
- as required by law or legal process; or
- for mailing list or other purposes, subject to Your ability to limit this last type of disclosure.

To provide services and carry out our business activities, certain authorized people have access to Your information, including our employees, entities affiliated through common ownership or control with Charter and third parties that provide and/or include: billing and collection services; installation, repair and customer service subcontractors or agents; program guide distributors; software vendors; program and other service suppliers for audit purposes; marketers of Charter's products and services; third party auditors; our attorneys and accountants; and/or strategic partners offering or providing products or services jointly or on behalf of Charter. The frequency of disclosures varies according to business needs, and may involve access on a regular basis. Charter restricts third parties' use of Your information to the

purposes for which it is disclosed and prohibits third parties from further disclosure or use of Your personally identifiable information obtained from us, whether for that third party's own marketing purposes or otherwise.

Unless You object in advance, federal law also allows Charter to disclose through "mailing lists," personally identifiable information, such as Your name, address and the level of Your service subscription, to non-affiliated entities, including advertisers and marketing entities, for non-service related purposes, including product advertisement, direct marketing and research. Under no circumstances will Charter disclose to these advertising entities the extent of Your viewing habits or the transactions You make over the system. Charter, or our contractors or agents, may from time to time share non-personal and/or aggregate information such as the number of Service subscribers who match certain statistical profiles (for example, the number of subscribers in various parts of the country) with our advertisers, content providers, or other third parties with whom we have a relationship.

We may provide anonymous data to third parties who may combine it with other information to conduct more comprehensive audience analysis for us and for television advertisers. This data helps program networks and cable operators decide on which programs, channels, and advertising to carry. Charter may also use that information to distribute targeted advertising to You without having disclosed any of Your personally identifiable information to the advertisers. These advertisements may invite interactive or transactional follow-up from You. By using any of Charter's interactive services, You consent to our collection of this additional information. Unless You consent first or except as required by law, only anonymous information is disclosed to audience measurement services.

As part of its business activities, if Charter enters into a merger, acquisition, or sale of all or a portion of our assets, Charter may transfer Customers' personally identifiable and non-personal information as part of the transaction.

If You subscribe to our telephone service, Your name, address and/or telephone number may be transmitted via Caller ID, published and distributed in affiliated or unaffiliated telephone directories, and available through affiliated or unaffiliated directory assistance operators. We take reasonable precautions to ensure that non-published and non-listed numbers are not included in the telephone directories or directory assistance services, although we cannot guarantee that errors will never occur. Please note that Caller ID blocking may not prevent the display of Your name and/or telephone number when You dial certain business numbers, 911, 900 numbers or toll-free 800, 866, 877 or 888 numbers.

If allowed by and after complying with any federal law requirements, Charter may disclose personally identifiable information about Customer to representatives of government or to comply with valid legal process, except as provided below; disclosures shall not include records revealing Customer's selection of video programming. Disclosures to representatives of government may be made pursuant to an administrative subpoena, warrant, court order, or our reasonable discretion in cases of emergency or serious physical injury, or other permitted means. In these situations, Charter may be required to disclose personally identifiable information about a Customer without Customer's consent and without notice to the Customer. Law enforcement agencies may, by federal or state court order, and without notice to You, obtain the right to install a device that monitors Your internet and e-mail use, including addresses of email sent and received and in some cases the content of those communications; and/or Your use of our telephone service, including listings of incoming and outgoing calls and in some cases the content of those calls. In some instances where there are valid legal requests for or orders for disclosure of Your information, we may notify You of the requests or orders and then it may be up to You to object or take specific action to prevent any disclosures pursuant to those requests or orders.

Where a governmental entity is seeking personally identifiable information of a Customer who subscribes to Charter's video services only or records revealing Customer's selection of video programming, the Cable Act requires a court order and that the video subscriber be afforded the opportunity to appear and contest in a court proceeding relevant to the court order any claims made in support of the court order. At such a proceeding, the Cable Act requires the governmental entity to offer clear and convincing evidence that the subject of the information is reasonably suspected of engaging in criminal activity and that the information sought would be material evidence in the prosecution of the case. Except in certain situations (such as with respect to those who owe, or are owed, welfare or child support) state welfare agencies may obtain the names, addresses, and certain other Customer information as it appears in Charter's subscriber records under the authority of an administrative subpoena.

We may also use or disclose personally identifiable information about You without Your consent (a) to protect our Customers, employees, or property, (b) in emergency situations, (c) to enforce our rights in court or elsewhere, or directly with You, for violations of service terms, conditions or policies and/or (d) in order to comply with the Digital Millennium Copyright Act or as otherwise required by law, for example, as part of a regulatory proceeding.

Note to California Customers Regarding Your Privacy Rights:

California law requires Charter provide to certain Customers, upon request, certain information regarding the sharing of personally identifiable information to third parties for their direct marketing purposes. As mentioned above, Charter does not share personally identifiable information with unaffiliated third parties for their own direct marketing purposes. However, Charter may share personally identifiable information with some same-branded affiliates for those affiliates' direct marketing purposes (and, if a Charter telephone subscriber, then subject to the restrictions in the attached CPNI Policy). If You make a request by phone or on-line, Charter will provide You with the number of its same-branded affiliates in California and a list of personal information that it may have shared with some or all such affiliates.

Can I prohibit or limit Charter's use and disclosure of my personally identifiable information?

If You do not want Your name, address, level of service or other personally identifiable information disclosed to third parties in a "mailing list" as explained above, please register this preference at <http://unsubscribe.charter.com> or by contacting us by telephone at 1-888-GET-CHARTER. Customers of our video service cannot opt-out of the collection of audience measurement data.

Also, if You do not want to receive marketing messages (e.g., phone calls, emails, and direct mail) from Charter, You may call 1-888-GET-CHARTER or visit <http://unsubscribe.charter.com> and make a request to have your privacy preferences updated. Please note that such request will not eliminate all telephone calls, emails or direct mail sent to You from Charter as Charter may still continue to send non-marketing account-related messages to You.

How long does Charter maintain personally identifiable information?

Charter will maintain personally identifiable information about You as long as You are a subscriber to Charter's Service and as long as necessary for the purpose for which it was collected. If You are no longer a subscriber to any Charter Service and the information is no longer necessary for the purpose for which it was collected, Charter will only keep personally identifiable information as long as necessary to comply with laws governing our business. These laws include, but are not limited to, tax and accounting requirements that require record retention. Charter will also maintain personally identifiable information to satisfy pending requests for access by a subscriber to his/her information or pursuant to a court order. Charter will destroy Customers' personally identifiable information when the information is no longer necessary for the purpose for which it was collected, when there are no longer pending requests for such information, and when it is no longer necessary to retain the information under applicable laws.

How does Charter protect customer information?

Charter takes the security of our Customers' personally identifiable information seriously. Charter takes such actions as are reasonably necessary to prevent unauthorized access by entities other than Charter to personally identifiable information. Charter uses security and/or encryption technology to secure certain sensitive personally identifiable information when it collects such information over the system. Charter restricts access to its customer database and secures the content by use of firewalls and other security methods. Charter limits access to databases containing Customers' personally identifiable information to those specifically authorized employees and agents of Charter and other parties identified in the "Who sees the information collected by Charter?" section above. However, we cannot guarantee that these practices will prevent every unauthorized attempt to access, use, or disclose personally identifiable information.

You need to help protect the privacy of Your own information. You and others who use Your equipment must not give identifying information to strangers or others whom You are not certain have a right or need to the information. You also must take precautions to protect the security of any personally identifiable information that You may transmit over any home networks, wireless routers, wireless fidelity (WiFi) networks or similar devices by using encryption and other techniques to prevent unauthorized persons from intercepting or receiving any of Your personally identifiable information. You are responsible for the security of Your information when using unencrypted, open access or otherwise unsecured networks in Your home. For more information on things you can do to help protect the privacy of Your own information, visit www.charter.com/security or www.OnGuardOnline.gov.

Can I see the information that Charter collects about me?

You have a right under the Cable Act to see Your personally identifiable information that Charter collects and maintains. The information Charter has about its Customers is maintained at the local offices where service is provided, in our systems, and at our corporate headquarters. If You would like to see Your information, please send a written request to Your local Charter office. To find the location of your local office please visit www.charter-business.com. Charter will be glad to make an appointment for You to come in to Your local office during regular business hours. If Your review

reveals an error in our records, Charter will correct it. You may also be able to access certain information about You or Your account by telephone or online at www.charter-business.com, depending upon the information You have provided.

Does Charter protect children's privacy?

Charter is concerned about children's privacy and does not knowingly collect personally identifiable information from anyone under the age of 13 over its Service unless otherwise expressly identified. At those specific parts of our Service, Charter will provide a special notice or other information describing the additional privacy protections that may apply. Charter urges children to always obtain a parent or legal guardian's permission before sending any information about themselves over the internet and urges parents and legal guardians to be vigilant regarding children's internet usage. Other services or web pages accessed through Charter's Service may have different policies on collection of information pertaining to children and You should consult their privacy policies and read their notices if You have any concerns about the collection or use of such information by those entities.

How does Charter use cookies and web beacons?

A cookie is a small file that stores information in Your browser on Your computer. Charter places cookies in Your browser that contain some of the information You provide when You register with us and when You set up a personalized service or customize Your settings and preferences on our websites. Charter does not store highly sensitive personal information such as Your password, e-mail address or credit card number in cookies. Cookies enable Charter to summarize overall usage patterns for analysis. In addition, Charter uses cookies to provide personalized services such as saving your astrological sign on Charter.net. Charter may also use cookies to provide a more useful online experience, such as allowing You to quickly enter a sweepstakes if You're already logged on.

A web beacon is an invisible graphic on a web page that is programmed to collect non-personally identifiable information about Your use of a given site. Like cookies, web beacons allow Charter and its technology providers to summarize overall usage patterns for our analysis and provide personalized services. Charter does not share or provide personally identifiable information we may collect, such as names, e-mail addresses and phone numbers with our advertisers without Your express permission. However, Charter may provide site usage information linked to your personally identifiable information to law enforcement or others in compliance with valid legal process or in other situations as stated in the "Who Sees the Information Collected by Charter?" paragraphs above.

You may opt-out of the cookies delivered by Charter on its websites by changing the setting on Your browser. Depending on Your privacy settings, please be aware that this may disable all cookies delivered to Your browser, not just the ones delivered by Charter.

Targeted Marketing

Charter wants to make its advertisements for its goods and services more relevant to You. Charter collects and uses non-personal information, such as information about Your visits to our websites and IP address, and personally identifiable information, such as information You provide Charter and from Your Charter account (see "What type of information does Charter Collect?"), to identify and present such tailored advertisements for Charter's goods and services. In addition, Charter may partner with a third-party advertising company who may utilize cookies, web beacons, or other technology to deliver or facilitate the delivery of targeted advertisements about Charter's goods and services on third-party websites. Charter will not provide this partner with access to Your name, address, e-mail address, telephone number or other personally identifiable information. When these targeted online advertisements are based on Your personally identifiable information and displayed on third-party websites, You may opt-out by going to <http://unsubscribe.charter.com> and requesting to have Your privacy preferences updated. After doing so, we recommend that You also remove any unwanted cookies from Your browser. For more information on how to adjust these settings go to Charter.com > Support > Internet Help.

What can I do if I believe Charter has violated my rights?

You may enforce the limitations imposed on us by federal law with respect to the collection and disclosure of personally identifiable subscriber information about You, through a civil action under federal law, in addition to other rights and remedies that may be available to You under federal or other applicable laws.

What if I have any questions?

If You have any questions about our privacy protections and policies, please contact Your local customer service office. You can find the phone number for Your local customer service office on Your monthly bill statement or by visiting Charter's website at www.charter-business.com.

IMPORTANT NOTE:

This Policy does not apply to Your use of any Charter website. You should review the privacy policy applicable to each site, which is available under the "Your Privacy Rights" or "Privacy Policy" section of each Charter website. This Policy also does not apply to those residential customers who subscribe to Charter's residential video programming, high-speed Internet and/or telephone service. The Residential Subscriber Privacy Policy is available under the "Your Privacy Rights" section of www.charter.com.

Effective: May 4, 2010

Charter Commercial Customer Proprietary Network Information (CPNI) Policy

The following CPNI Policy is in addition to requirements set forth in Charter's Commercial Subscriber Privacy Policy and is subject to some permitted uses and disclosures of your name, address, and/or telephone number outlined in the Privacy Policy. The information that we have (1) relating to the quantity, technical configuration, type, destination, location, and amount of Your use of telephone service, and / or (2) contained on Your telephone bill concerning the telephone charges that You receive is subject to additional privacy protections. That information, when matched to Your name, address, and telephone number is known as "Customer Proprietary Network Information," or CPNI for short. Examples of CPNI include information typically available from details on a customer's monthly telephone bill -- the type of line, technical characteristics, class of service, current telephone charges, long distance and local service billing records, directory assistance charges, usage data, and calling patterns. As a subscriber to our telephone services, You have the right, and Charter has a duty, under federal law to protect the confidentiality of CPNI. Charter offers many communications-related services, such as, for example, Charter Internet services. From time to time we would like to use the CPNI information we have on file to provide You with information about our communications-related products and services or special promotions. Our use of CPNI may also enhance our ability to offer products and services tailored to Your specific needs. We would like Your approval so that we, our agents, affiliates, joint venture partners, and independent contractors may use this CPNI to let You know about communications-related services other than those to which You currently subscribe that we believe may be of interest to You. You do have the right to restrict this use of CPNI.

IF WE DO NOT HEAR FROM YOU WITHIN 30 DAYS OF THIS NOTIFICATION, WE WILL ASSUME THAT YOU APPROVE OUR USE OF YOUR CPNI FOR THE PURPOSES OF PROVIDING YOU WITH INFORMATION ABOUT OTHER COMMUNICATIONS-RELATED SERVICES. YOU HAVE THE RIGHT TO DISAPPROVE OUR USE OF YOUR CPNI, AND MAY DENY OR WITHDRAW OUR RIGHT TO USE YOUR CPNI AT ANY TIME BY CALLING THE TELEPHONE NUMBER REFLECTED ON YOUR MONTHLY BILLING STATEMENT OR 1-888-GET-CHARTER. We will also honor any restrictions applied by state law, to the extent applicable. Charter also offers various other services that are not related to the communications services to which You subscribe. Under the CPNI rules, some of those services, such as Charter video services, are considered to be non-communications related services. Occasionally, You may be asked during a telephone call with one of our representatives for Your oral consent to Charter's use of Your CPNI for the purpose of providing You with an offer for products or services not related to the telephone services to which You subscribe. If You provide Your oral consent for Charter to do so, Charter may use Your CPNI for the duration of such telephone call in order to offer You additional services. Any action that You take to deny or restrict approval to use Your CPNI will not affect our provision to You, now or in the future, of any service to which You subscribe. You may disregard this notice if You previously contacted us in response to a CPNI Notification and denied use of Your CPNI for the purposes described above. Any denial of approval for use of Your CPNI outside of the service to which You already subscribe is valid until such time as Your telephone services are discontinued or You affirmatively revoke or limit such approval or denial. The CPNI Policy above may be required by law to apply to our Voice over Internet Protocol, or, IP voice services.

Effective: May 4, 2009

City of Willmar / WRAC TV

417 Litchfield Ave. SE

Willmar, MN 56201

Leightronix Pro 16 Switcher

Power Supply

Total - \$475.00

Jerry Abraham

710 11th St. NE

Little Falls, MN 56345

Ross Smeby

From: Quick Signs <signs@quicksignsofwillmar.com>
Sent: Monday, November 17, 2014 2:07 PM
To: Ross Smeby
Subject: Re: WRAC sign

Ross

The cost to have the logo done in plastic lettering at the size of 28" x 40" comes to \$735.99. This includes the lettering and install. The letters will all be cut separate and the logo will be a white formed plastic that we install the colored decal too. Let me know if you are interested and I will get them ordered.

Thanks
John

From: Ross Smeby
Sent: Thursday, November 06, 2014 8:54 AM
To: Quick Signs
Subject: WRAC sign

John,

Here is the city logo that we would like cut out to place on a wall. The total dimensions would be 40" x 28".

Call me if there are any questions.

Thanks,
Ross
214-5182
Thank You,
Lisa
Quick Signs of Willmar | Print Masters of Willmar
919 First Street South | Willmar, MN 56201

Phone: 320-235-7411 | 320-235-8055
F 320-235-7149
signs@quicksignsofwillmar.com | print@printmastersofwillmar.com

Paper is a renewable resource. Did you know that the paper industry plants 1.7 million trees every day and that American forests have increased by 12 million acres since 1987? In addition, 60 percent of all paper in the U.S. is recycled. This compares to less than 20 percent of electronic devices that get recycled.

DISCLAIMER: All artwork is copyrighted and cannot be reproduced without Print Masters/Quick Signs permission. It is illegal to duplicate or reproduce copyrighted artwork without prior permission.



West Central Roofing

P.O. Box 1292 - 4030 Hwy 71 NE
Willmar, MN 56201

Lic. #: 20627812 • www.westcentralroofing.net

(320) 235-8748

(800) 675-8748

Fax (320) 214-7334

License# RR627812

CONTRACT# 2977

PROPOSAL SUBMITTED TO: City of Willmar P.O. Box 755 Willmar, MN 56201		CONTACT: Ross	DATE: 5/29/2015
		JOB NAME: WRAC Repairs	
		JOB LOCATION: P.O. Box 755, Willmar, MN	
HOME PHONE:	WORK PHONE: (320) 235-4202	ESTIMATOR: Todd Asche	FAX:

We hereby submit specifications and estimates for:

- (1) - Secure and seal new metal cap
- (2) - Clean drains and scuppers
- (3) - Install 100' of termination bar and seal to roof on West side
- (4) - Install 30' of termination bar and seal to roof on East side
- (5) - Crane old satellite dishes off roof
- (6) - Repair West over flow scupper
- (7) - Repair vertical seam

We Propose hereby to furnish material and labor - complete in accordance with above specifications, for the sum of:
Two Thousand Six Hundred Sixty One Dollars And No Cents dollars (\$2,661.00).

Payment to be made as follows: Down Payment of 1/3 is required before work will begin, balance due upon completion

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specification involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. Replacement of damaged decking or insulation to be completed on a labor and materials basis. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance.

Authorized Signature _____

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

Acceptance of Proposal:

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above. A 1 1/2% (18% APR) late fee will be charged on all unpaid balances over 30 days. In event of default by buyer, buyer agrees to pay all costs of collection including reasonable attorneys fees in addition to other damages incurred by seller.

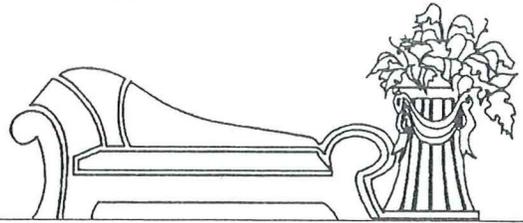
Signature _____

Date of Acceptance: _____

Signature _____

Interior Design Showroom

344 W. LITCHFIELD AVENUE • WILLMAR, MN 56201
320/235-6381 • FAX 320/231-1341
www.interiordesignstudio.net



Client: WRAC 8

Designer: Katie

Date: June 10, 2015

SHADING OPTIONS FOR 5 SIDE WINDOWS

Window Film installed \$1,869.00

Roller shades with cordloops installed \$1,150.00

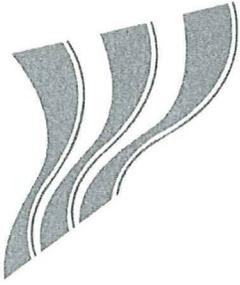
Rods at top and bottom treatments - installed \$1,195.00

SHADING OPTIONS FOR DOOR AND SIDELIGHTS

Window Film installed \$595.00

Rods at top and bottom treatments - installed \$750.00

Plus tax



CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: 11

Meeting Date: July 13, 2015

WEC Attachments: Yes No

CITY COUNCIL ACTION

Date: July 20, 2015

- Approved
- Amended
- Other
- Denied
- Tabled

Originating Department: Public Works

Agenda Item: Sale of 2003 Ford F350

Recommended Action: Approve the sale of a 2003 Ford F350 to Willmar Public Schools for the sum of \$7,000.00.

Background/Summary: The Public Works Department replaced the 2003 Ford F350, Unit #030074, with a 2015 Ford F350 in accordance with the Vehicle Replacement Program through the Southwest West Central Service Cooperative Agreement at the April 20, 2015 Council Meeting. Sale prices for vehicles in the region with similar age, accessories, and general condition were researched prior to setting the price at \$7,000.00.

Alternatives: Send the truck to the auction.

Financial Considerations: Likely to receive less return if sold at the auction.

Preparer: Sean E. Christensen, P.E.
Public Works Director

Signature:

Comments:

JERRY KJERGAARD, Ed. D., Superintendent
PAMELA HARRINGTON, Director of Business and Finance
ELIZABETH FISCHER, Director of Human Resources



The Willmar Public Schools

Independent School District 347
611 Fifth Street SW, Willmar, MN 56201
Telephone: 320-231-8500
FAX: 320-231-8504
www.willmar.k12.mn.us

Willmar Public Schools ISD #347 would like to purchase the 2003 Ford F-350 (VIN #1FDWF36LX3EB30074 and tag #030074) from the City of Willmar for the amount of \$7000.00

Pamela Harrington
6/26/15



CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: 12

Meeting Date: July 13, 2015

Attachments: Yes No

CITY COUNCIL ACTION

Date: July 20, 2015

- Approved
- Amended
- Other
- Denied
- Tabled

Originating Department: Engineering

Agenda Item: Re-allocating Funds for the County Office Building Parking Lot

Recommended Action: Approval of re-allocating funds for the reconstruction of the County Office Building west parking lot.

Background/Summary: The reconstruction of the COB west parking lot was included in the 2015 Improvement Projects and the Cooperative Construction Agreement with Kandiyohi County was approved by the Council on April 20, 2015. The agreement details the City reimbursing the County for 50% of the cost, estimated at \$90,000 for the City's portion, in exchange for 12-20 public spots in the lot. Bids were received for the project on July 7th, with the low bid from Duininck, Inc. in the amount of \$203,328.91, increasing the City's cost to \$101,664.46. Staff is requesting \$15,000 of unused funds from the purchase of four Kubota mowers be re-allocated for this expense.

Alternatives: Look for another funding source.

Financial Considerations: The Agreement is included in the approved 2015 Improvement Projects budget at a total amount of \$90,000.00. \$127,628.00 was budgeted in the 2015 CIP for the purchase of the mowers, with the cost of the purchases totaling \$72,695.00.

Preparer: Sean E. Christensen, P.E.
Public Works Director

Signature:

Comments:

**KANDIYOHI COUNTY & CITY OF WILLMAR
COOPERATIVE CONSTRUCTION AGREEMENT
COUNTY OFFICE BUILDING WEST LOT (COB LOT-15)
IMPROVEMENT PROJECT**

THIS AGREEMENT, made this 19th day of May, 2015, by and between the COUNTY OF KANDIYOHI, MINNESOTA, party of the first part, hereinafter known as COUNTY and the CITY OF WILLMAR, MINNESOTA, a municipal corporation, party of the second part, hereinafter known as CITY, WITNESSETH:

That the parties to this agreement, each in consideration of the agreement on the part of the other herein obtained, do hereby agree, the COUNTY for itself, and the CITY for itself, as follows:

COB LOT-15

THIS agreement shall apply only to the improvement of the County Office Building West Lot, lying within the CITY as detailed in the COB LOT-15 Improvement Plans for said project. Said lot shall be 100% - 2 hour public parking. County employees may obtain parking permits to allow all day parking during business hours.

Administration of the Project

The CITY agrees that the COUNTY shall hereafter act as the agent of the CITY in the award and administration of the contract for the COB LOT-15 Improvement Plans.

Estimated Construction Costs

Estimated pre-bid construction costs incurred by the respective parties of this agreement are shown in **Exhibit A**, which is attached to and made part of this agreement. An Abstract of Low Bid will be provided to CITY after bids are opened and will be made part of this agreement.

County Costs

The COUNTY agrees to finance, with its own funds, all items shown on the plan COB LOT-15 but excluding the total amount in the following paragraph and in the attached **Exhibit A**. The COUNTY also agrees to provide, with its own funds, design and construction testing services.

City Costs and Payments

The CITY agrees to reimburse the COUNTY for 50% of the construction items as provided in the attached **Exhibit A**. The CITY also agrees that upon presentation of reimbursable costs certified to the CITY by a COUNTY generated Request for Payment; the CITY shall make payment within 30 days. The CITY also agrees to provide, with its own funds, construction staking, with construction stake out point data supplied by designer. The supplied stake out point data to be Kandiyohi County coordinate system for horizontal and vertical control in the City's official vertical datum of NAVD88 and horizontal datum of NAD83. The CITY also agrees to provide inspection services.

Future Lot Maintenance

The CITY agrees to provide, with its own funds, snow and ice removal for said lot as it currently does. The COUNTY agrees to provide, with its own funds, all other maintenance items including but not limited to striping, pothole/crack repair, lighting repair, turf maintenance, etc.

Designated COUNTY/CITY Representatives

The Kandiyohi County Public Works Director shall be the designated COUNTY representative to approve any needed modification of work shown in the Plans during construction of the project. This includes the increase or decrease in quantities needed to accomplish the work or a change in the work requiring a Change Order. The City of Willmar Public Works Director shall be the designated CITY representative to approve any needed modification of the Plans affecting City costs requiring a Change Order.

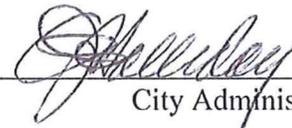
COUNTY AND CITY APPROVAL

IN TESTIMONY WHEREOF, the County of Kandiyohi, by the authority of the Board of Commissioners, and the City of Willmar, by the authority of the of the City Council, have caused this agreement to be enacted, the day and year first written above.

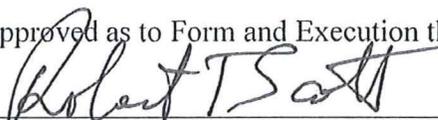
CITY OF WILLMAR

Date: 4.28-15

BY: 
City Mayor

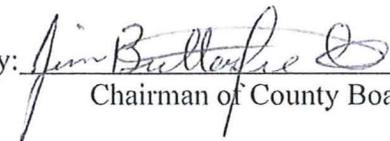
BY: 
City Administrator

Approved as to Form and Execution this 5 day of May, 2015


Robert Scott, City Attorney

COUNTY OF KANDIYOHI

Date: 5/19/15

By: 
Chairman of County Board

BY: 
County Auditor/ Treasurer

Approved as to Form and Execution this 15th day of May, 2015


Shane Baker, County Attorney

RUN DATE: 07-07-2015 TIME- 11-58-46 MN KANDIYOHI COUNTY PUBLIC WORKS DEPARTMENT DL-HIGH CC150R PAGE 1
 SUMMARY ABSTRACT OF BIDS HIGHWAY COSTING SYSTEM
 PROJECTS "SEPARATED" FOR BIDDING FOR CONTRACT # 15007 DATE BIDS RECEIVED: JULY 07, 2015

PROJECT ID	COB LOT-15	DESCRIPTION - RECONSTRUCT WEST PARKING LOT	COUNTY OFFICE BUILDING	ENGINEERS PROJECT ESTIMATE
				\$ 208,775.50
VENDOR #	VENDOR NAME	BID AMOUNT THIS PROJECT	PERCENT OVER / UNDER ESTIMATE	
1888	DUININCK INC.	\$ 203,328.91	2.61 % UNDER ESTIMATE	
8631	MONSON EXCAVATING	\$ 239,806.60	14.86 % OVER ESTIMATE	

PROJECTS "SEPARATED" FOR BIDDING FOR CONTRACT # 15007 DATE BIDS RECEIVED: JULY 07, 2015

PROJECT COB LOT-15

ITEM	CUTTER	ITEM DESCRIPTION	QUANTITY	UNIT	ENGINEERS ESTIMATES UNIT PRICE	\$ AMOUNT
2021.501-00000		MOBILIZATION	1.00	LMP SM	10,000.0000	10,000.00
2101.507-00000		GRUBBING	6.00	TREE	250.0000	1,500.00
2104.501-00007		REMOVE CURB AND GUTTER	1,200.00	LIN FT	3.5000	4,200.00
2104.501-00083		REMOVE SEWER PIPE (PVC STORM)	185.00	LIN FT	7.0000	1,295.00
2104.501-00113		REMOVE WATER MAIN	15.00	LIN FT	12.0000	180.00
2104.501-00200		REMOVE CONDUIT SYSTEM	490.00	LIN FT	3.0000	1,470.00
2104.503-00004		REMOVE CONCRETE PAVEMENT	3,062.00	SQ FT	2.5000	7,655.00
2104.503-00021		REMOVE CONCRETE WALK	960.00	SQ FT	1.5000	1,440.00
2104.503-00115		REMOVE CONCRETE MEDIAN	90.00	SQ FT	1.5000	135.00
2104.505-00001		REMOVE BITUMINOUS PAVEMENT	1,980.00	SQ YD	4.5000	8,910.00
2104.509-00044		REMOVE BOLLARDS	4.00	EACH	100.0000	400.00
2104.509-00068		REMOVE FOOTINGS	5.00	EACH	300.0000	1,500.00
2104.509-00102		REMOVE CATCHBASINS	3.00	EACH	250.0000	750.00
2104.509-00108		REMOVE GATE VALVE & BOX	1.00	EACH	300.0000	300.00
2104.509-00111		REMOVE HYDRANT	1.00	EACH	500.0000	500.00
2104.511-00010		SAW CONCRETE PAVEMENT	60.00	LIN FT	5.0000	300.00
2104.513-00002		SAW BITUMINOUS PAVEMENT	250.00	LIN FT	5.0000	1,250.00
2104.523-00419		SALVAGE LIGHT STANDARD AND LUMINAIRE	3.00	EACH	1,000.0000	3,000.00
2105.501-00010		COMMOM EXCAVATION (CV)	1,400.00	CU YD	15.0000	21,000.00
2211.501-00005		AGGREGATE BASE, CLASS 5	945.00	TON	16.0000	15,120.00
2360.501-12200		TYPE SP 9.5 WEARING COURSE MIX (2,B)	220.00	TON	85.0000	18,700.00
2360.502-12200		TYPE SP 9.5 NON-WEARING COURSE MIX (2,B)	380.00	TON	80.0000	30,400.00
2502.521-20012		12" PVC PIPE DRAIN	188.00	LIN FT	70.0000	13,160.00
2503.602-00044		CONNECT TO EXISTING MANHOLE	1.00	EACH	500.0000	500.00
2504.602-00019		6" HYDRANT	1.00	EACH	4,000.0000	4,000.00
2504.602-00106		6" PIPE PLUG	1.00	EACH	200.0000	200.00
2504.603-02006		6" PVC WATERMAIN	15.00	LIN FT	30.0000	450.00
2504.608-00020		WATERMAIN FITTINGS	205.00	LBS	6.0000	1,230.00
2506.501-00070		CONSTR DRAINAGE STRUCT DESIGN G	15.20	LIN FT	300.0000	4,560.00
2506.501-00080		CONSTR DRAINAGE STRUCT DESIGN H	4.30	LIN FT	250.0000	1,075.00
2506.516-00000		CASTING ASSEMBLY	4.00	EACH	750.0000	3,000.00
2506.522-00000		ADJUST FRAME AND RING CASTINGS	2.00	EACH	400.0000	800.00
2521.501-00041		4" CONCRETE SIDEWALK	1,100.00	SQ FT	4.5000	4,950.00
2521.501-00042		4" CONCRETE WALK SPECIAL	1,120.00	SQ FT	5.0000	5,600.00
2531.501-00001		CONCRETE CURB & GUTTER, DESIGN B624	225.00	LIN FT	20.0000	4,500.00
2531.501-02310		CONCRETE CURB & GUTTER DESIGN B612	725.00	LIN FT	18.0000	13,050.00
2531.507-00000		6" CONCRETE DRIVEWAY PAVEMENT	100.00	SQ YD	50.0000	5,000.00
2531.618-00010		TRUNCATED DOME	8.00	SQ FT	50.0000	400.00
2540.602-00046		BOLLARD	2.00	EACH	150.0000	300.00
2545.515-00001		LIGHT FOUNDATION	3.00	EACH	850.0000	2,550.00
2545.521-00027		1" RIGID STEEL CONDUIT	230.00	LIN FT	7.5000	1,725.00
2545.523-00027		1" NON-METALLIC CONDUIT	200.00	LIN FT	3.0000	600.00

PROJECTS "SEPARATED" FOR BIDDING DETAILED ABSTRACT OF BIDS DATE BIDS RECEIVED: JULY 07, 2015
FOR CONTRACT # 15007
PROJECT COB LOT-15

ITEM	CUTTER	ITEM DESCRIPTION	ENGINEERS ESTIMATES			\$ AMOUNT
			QUANTITY	UNIT	UNIT PRICE	
2545.532-00008		POWER CABLE 1 CONDUCTOR NO. 8	770.00	LIN FT	1.4000	1,078.00
2545.532-00010		POWER CABLE 1 CONDUCTOR NO. 10	1,020.00	LIN FT	1.5000	1,530.00
2545.602-00054		INSTALL LIGHT STANDARD	3.00	EACH	800.0000	2,400.00
2573.502-00010		SILT FENCE, TYPE HI	375.00	LIN FT	3.5000	1,312.50
2573.530-00010		STORM DRAIN INLET PROTECTION	4.00	EACH	200.0000	800.00
2574.525-00001		TOPSOIL BORROW	100.00	CU YD	40.0000	4,000.00

TOTAL ENGINEERS ESTIMATE						208,775.50
FOR PROJECT COB LOT-15						

TOTAL ENGINEERS ESTIMATE						208,775.50
FOR CONTRACT # 15007						

PROJECTS "SEPARATED" FOR BIDDING DETAILED ABSTRACT OF BIDS DATE BIDS RECEIVED: JULY 07, 2015
FOR CONTRACT # 15007

PROJECT COB LOT-15

DUININCK INC. MONSON EXCAVATING
408 6TH STREET GARY MONSON
PO BOX 208 14214 HWY 71 NE
PRINSEBURG, MN 56281-0208 NEW LONDON, MN 56273

ITEM	CUTTER	ITEM DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	UNIT BID	\$ AMOUNT	UNIT BID	\$ AMOUNT
2021.501-00000		MOBILIZATION	1.00	LMP SM	10,000.0000	5,000.0000	5,000.00	6,800.0000	6,800.00
2101.507-00000		GRUBBING	6.00	TREE	250.0000	175.0000	1,050.00	300.0000	1,800.00
2104.501-00007		REMOVE CURB AND G	1,200.00	LIN FT	3.5000	3.6600	4,392.00	1.4500	1,740.00
2104.501-00083		REMOVE SEWER PIPE	185.00	LIN FT	7.0000	4.9200	910.20	4.0000	740.00
2104.501-00113		REMOVE WATER MAIN	15.00	LIN FT	12.0000	4.9200	73.80	20.0000	300.00
2104.501-00200		REMOVE CONDUIT SY	490.00	LIN FT	3.0000	4.5900	2,249.10	3.0000	1,470.00
2104.503-00004		REMOVE CONCRETE P	3,062.00	SQ FT	2.5000	0.8500	2,602.70	1.3000	3,980.60
2104.503-00021		REMOVE CONCRETE W	960.00	SQ FT	1.5000	0.6000	576.00	1.3000	1,248.00
2104.503-00115		REMOVE CONCRETE M	90.00	SQ FT	1.5000	0.5400	48.60	1.3000	117.00
2104.505-00001		REMOVE BITUMINOUS	1,980.00	SQ YD	4.5000	3.7400	7,405.20	3.2000	6,336.00
2104.509-00044		REMOVE BOLLARDS	4.00	EACH	100.0000	100.0000	400.00	100.0000	400.00
2104.509-00068		REMOVE FOOTINGS	5.00	EACH	300.0000	260.0000	1,300.00	300.0000	1,500.00
2104.509-00102		REMOVE CATCHBASIN	3.00	EACH	250.0000	375.0000	1,125.00	150.0000	450.00
2104.509-00108		REMOVE GATE VALVE	1.00	EACH	300.0000	150.0000	150.00	420.0000	420.00
2104.509-00111		REMOVE HYDRANT	1.00	EACH	500.0000	360.0000	360.00	500.0000	500.00
2104.511-00010		SAW CONCRETE PAVE	60.00	LIN FT	5.0000	5.0000	300.00	4.0000	240.00
2104.513-00002		SAW BITUMINOUS PA	250.00	LIN FT	5.0000	3.0000	750.00	4.0000	1,000.00
2104.523-00419		SALVAGE LIGHT STA	3.00	EACH	1,000.0000	209.0000	627.00	600.0000	1,800.00
2105.501-00010		COMMOM EXCAVATION	1,400.00	CU YD	15.0000	12.4300	17,402.00	12.4000	17,360.00
2211.501-00005		AGGREGATE BASE, C	945.00	TON	16.0000	15.5300	14,675.85	12.0000	11,340.00
2360.501-12200		TYPE SP 9.5 WEARI	220.00	TON	85.0000	86.3500	18,997.00	118.0000	25,960.00
2360.502-12200		TYPE SP 9.5 NON-W	380.00	TON	80.0000	82.4000	31,312.00	118.0000	44,840.00
2502.521-20012		12" PVC PIPE DRAI	188.00	LIN FT	70.0000	51.0000	9,588.00	26.0000	4,888.00
2503.602-00044		CONNECT TO EXISTI	1.00	EACH	500.0000	600.0000	600.00	1,000.0000	1,000.00
2504.602-00019		6" HYDRANT	1.00	EACH	4,000.0000	3,900.0000	3,900.00	5,000.0000	5,000.00
2504.602-00106		6" PIPE PLUG	1.00	EACH	200.0000	340.0000	340.00	800.0000	800.00
2504.603-02006		6" PVC WATERMAIN	15.00	LIN FT	30.0000	218.4500	3,276.75	140.0000	2,100.00
2504.608-00020		WATERMAIN FITTING	205.00	LBS	6.0000	8.2500	1,691.25	4.0000	820.00
2506.501-00070		CONSTR DRAINAGE S	15.20	LIN FT	300.0000	355.0000	5,396.00	200.0000	3,040.00
2506.501-00080		CONSTR DRAINAGE S	4.30	LIN FT	250.0000	313.6700	1,348.78	200.0000	860.00
2506.516-00000		CASTING ASSEMBLY	4.00	EACH	750.0000	750.0000	3,000.00	1,000.0000	4,000.00
2506.522-00000		ADJUST FRAME AND	2.00	EACH	400.0000	388.5900	777.18	300.0000	600.00
2521.501-00041		4" CONCRETE SIDWA	1,100.00	SQ FT	4.5000	6.0000	6,600.00	8.2500	9,075.00
2521.501-00042		4" CONCRETE WALK	1,120.00	SQ FT	5.0000	12.0000	13,440.00	12.9000	14,448.00
2531.501-00001		CONCRETE CURB & G	225.00	LIN FT	20.0000	25.0000	5,625.00	50.0000	11,250.00
2531.501-02310		CONCRETE CURB & G	725.00	LIN FT	18.0000	19.0000	13,775.00	30.0000	21,750.00
2531.507-00000		6" CONCRETE DRIVE	100.00	SQ YD	50.0000	80.0000	8,000.00	83.0000	8,300.00
2531.618-00010		TRUNCATED DOME	8.00	SQ FT	50.0000	50.0000	400.00	60.0000	480.00
2540.602-00046		BOLLARD	2.00	EACH	150.0000	383.6000	767.20	600.0000	1,200.00
2545.515-00001		LIGHT FOUNDATION	3.00	EACH	850.0000	806.0000	2,418.00	1,200.0000	3,600.00
2545.521-00027		1" RIGID STEEL CO	230.00	LIN FT	7.5000	7.0000	1,610.00	10.0000	2,300.00
2545.523-00027		1" NON-METALLIC C	200.00	LIN FT	3.0000	3.0000	600.00	7.0000	1,400.00

PROJECTS "SEPARATED" FOR BIDDING DETAILED ABSTRACT OF BIDS FOR CONTRACT # 15007 DATE BIDS RECEIVED: JULY 07, 2015

PROJECT COB LOT-15

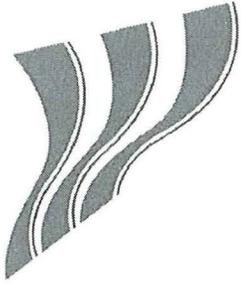
DUININCK INC. MONSON EXCAVATING
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 PO BOX 208 14214 HWY 71 NE
 PRINSBURG, MN 56281-0208 NEW LONDON, MN 56273

ITEM	CUTTER	ITEM DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	UNIT BID	\$ AMOUNT	UNIT BID	\$ AMOUNT
2545.532-00008		POWER CABLE 1 CON:	770.00	LIN FT:	1.4000	0.8700	669.90	3.0000	2,310.00
2545.532-00010		POWER CABLE 1 CON:	1,020.00	LIN FT:	1.5000	0.6200	632.40	3.2000	3,264.00
2545.602-00054		INSTALL LIGHT STA:	3.00	EACH	800.0000	429.0000	1,287.00	1,000.0000	3,000.00
2573.502-00010		SILT FENCE, TYPE :	375.00	LIN FT:	3.5000	4.0000	1,500.00	4.0000	1,500.00
2573.530-00010		STORM DRAIN INLET:	4.00	EACH	200.0000	145.0000	580.00	120.0000	480.00
2574.525-00001		TOPSOIL BORROW :	100.00	CU YD	40.0000	38.0000	3,800.00	20.0000	2,000.00

						PROJECT COB LOT-15		PROJECT COB LOT-15	
						BID = 203,328.91		BID = 239,806.60	
						2.61 % UNDER ESTIMATE		14.86 % OVER ESTIMATE	

						GRAND TOTAL CONTRACT 15007		GRAND TOTAL CONTRACT 15007	
						BID = 203,328.91		BID = 239,806.60	
						2.61 % UNDER ESTIMATE		14.86 % OVER ESTIMATE	

END OF REPORT - 48 RECORDS PRINTED



CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: 13

Meeting Date: July 13, 2015

Attachments: Yes No

CITY COUNCIL ACTION

Date: July 20, 2015

- Approved Denied
 Amended Tabled
 Other

Originating Department: Finance

Agenda Item: Reports

Recommended Action: Receive and review the following reports:
A) 04/30/15 Rice Memorial Hospital Financial Report
B) 12/31/14 Kandiyohi Area Transit Annual Financial Report

Background/Summary: Periodically, Council reviews various financial reports.

Alternatives: N/A

Financial Considerations: Review Financial Status.

Preparer: Steve Okins, Finance Director

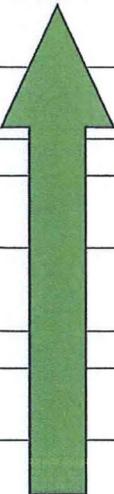
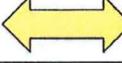
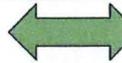
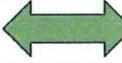
Signature:

Comments:

Rice Memorial Hospital
 Financial Statements
 April 30, 2015
Executive Summary

April was a positive month in terms of actual financial performance with Rice generating a gain on operations, however, not as positive considering the receipt of \$700,000 of Meaningful Use reimbursement. Total Patient Revenues were 1.1% less than the three-month average with Total Operating Revenues 1.0% less and Net Operating Expenses 0.7% greater yielding Net Operating Income of \$68,000 for the month. Although Total Patient Revenues were only 1.1% less, the shift of activity from Inpatient to Outpatient pushed down profitability due to lower reimbursement for Outpatient services.

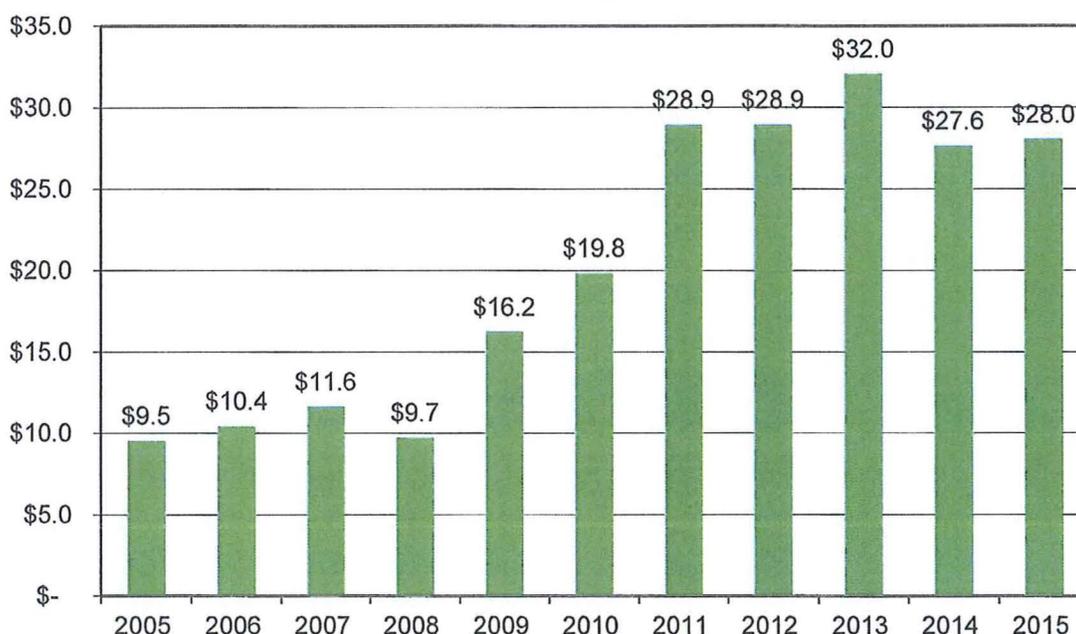
Here is a summary of key financial indicators:

	<u>Actual</u>	<u>Target</u>	<u>2014</u>	<u>2013</u>	<u>Benchmark</u>	<u>Actual - YTD</u>	<u>Desired</u>
Operating Margin-Month	0.9%	1.8%					
Operating Margin-YTD	2.2%	1.8%	-3.3%	-3.2%	2.2%		
Excess Margin-Month	1.2%	2.6%					
Excess Margin-YTD	4.0%	2.6%	-1.8%	-3.6%	2.8%		
EBIDA Margin-Month	11.5%	12.6%					
EBIDA Margin-YTD	12.7%	12.6%	7.1%	7.0%	10.8%		
Debt/Capitalization	44.1%	44.5%	45.8%	46.3%	38.7%		
Net Days of Receivables	53	48	53	52	46		
Days of Cash	120	119	116	128	131		
Cash/Debt	61%	62%	57%	64%	87%		

April 30, 2015 Balance Sheet:

The April Balance Sheet realized an increase in Net Assets of \$1.5 million from December 31, 2014. Total Assets have decreased \$1.0 million while Total Liabilities have decreased \$2.6 million. The Total Assets decrease was due a decrease in Current Assets of \$564,000; a decrease in Assets-Use is Limited of \$3,600; a decrease in Property, Plant, and Equipment of \$1.5 million; and an increase in Other Assets of \$1.0 million. The decrease in Current Assets was due to the February Bond Payment which was partially offset by an increase in Cash, Receivables and Prepaid Expenses. Assets-Use is Limited has decreased due to market value change and activity in the Rice Trust. Property, Plant, and Equipment has decreased due to lower capital expenditure spending than depreciation. Other Assets have increased due to General Investment gains and an increase in the investment in Willmar Medical Services. Cash & General Investments have increased \$493,000 since December 31, 2014 due an increase in financial performance.

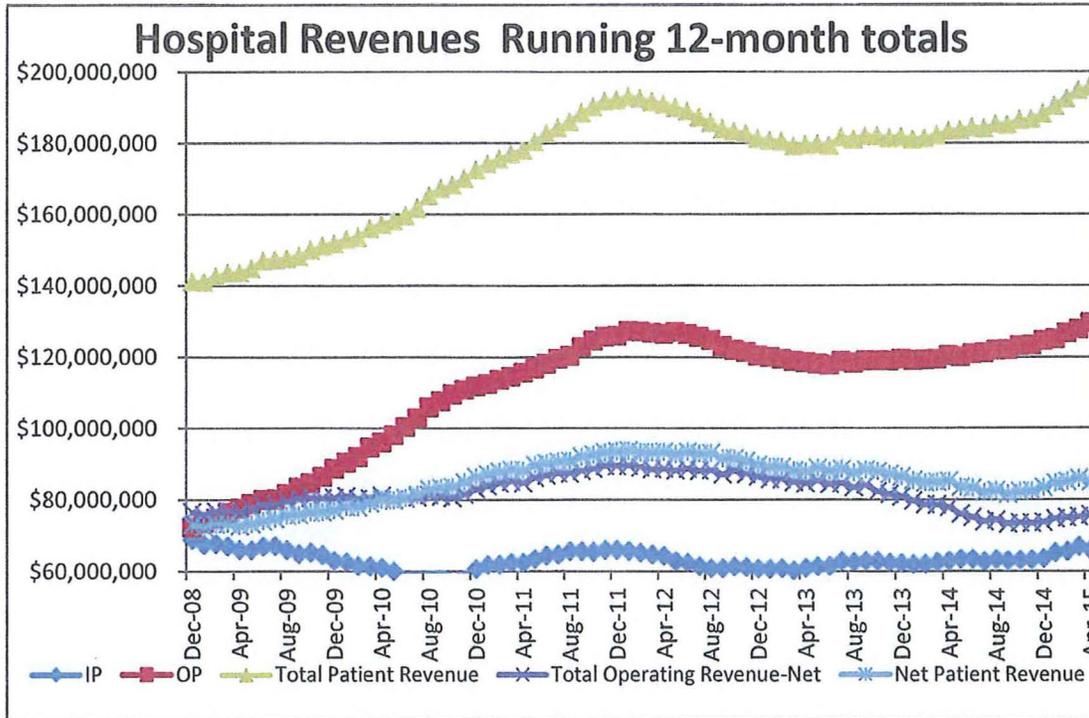
**Cash & General Investments
(\$millions)**



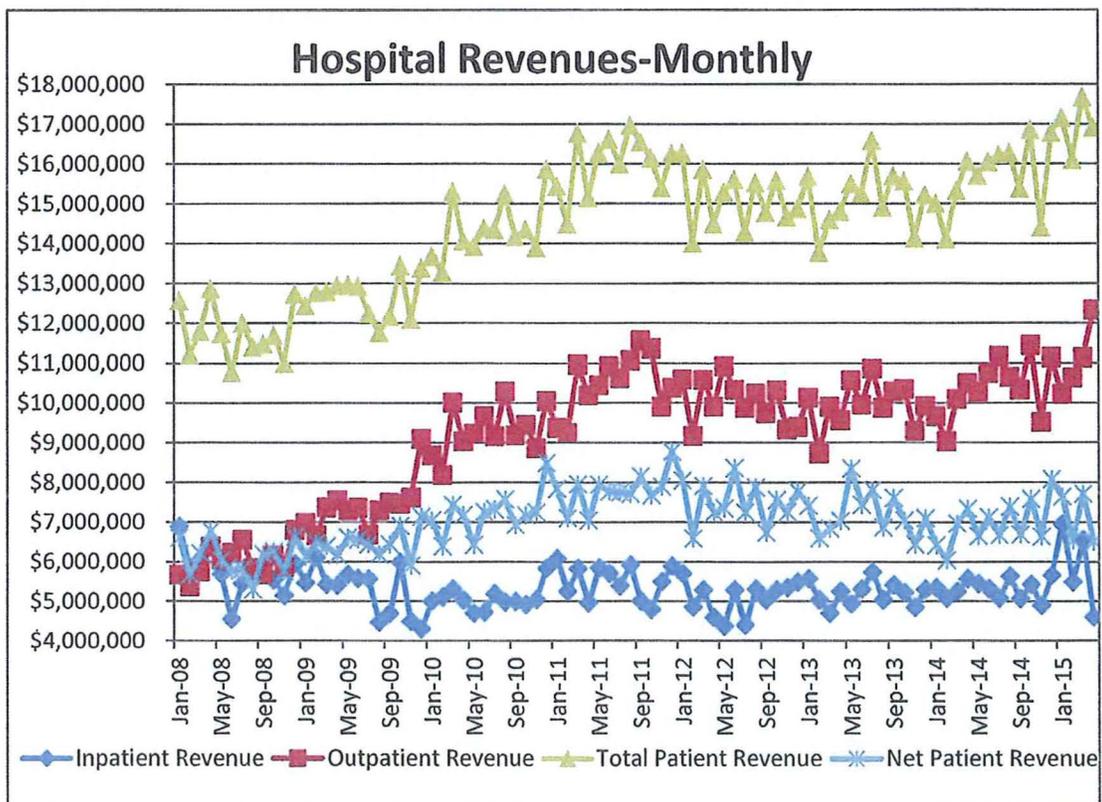
Liabilities have also decreased due to the February Bond Payment and other decreases in Current Liabilities. In the Net Asset section, Specific Purpose Funds have increased along with an increase in profitability.

April 2015 Results:

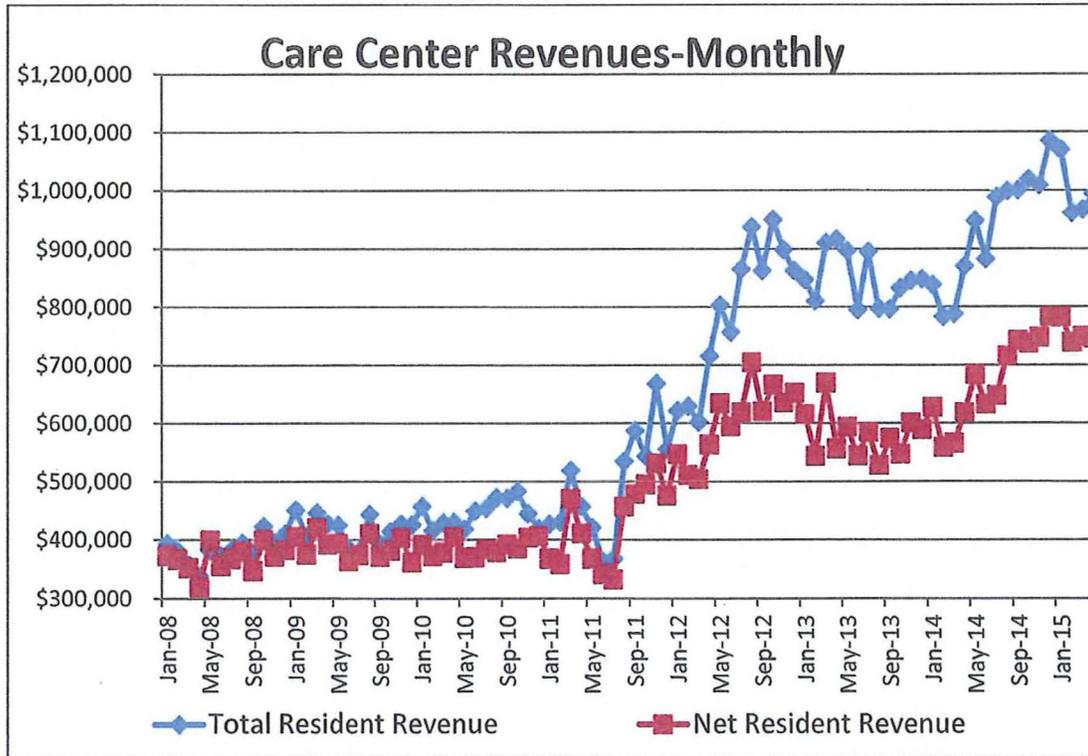
The Consolidated Operating Income was \$68,000 compared to the prior three-month average Operating Income of \$203,000. Total Patient Revenues were 1.1% lower than the 3-month average while Total Operating Revenues were 1.0% lower than the average. Hospital Total Operating Revenues were 0.8% higher than the average with Inpatient Revenues 27.3% lower than average and Outpatient Revenues 15.6% higher than average. As shown in the graph below, Total Patient Revenues have been trending upward for the past year with the increase from Outpatient Revenues while Inpatient Revenues have flattened.



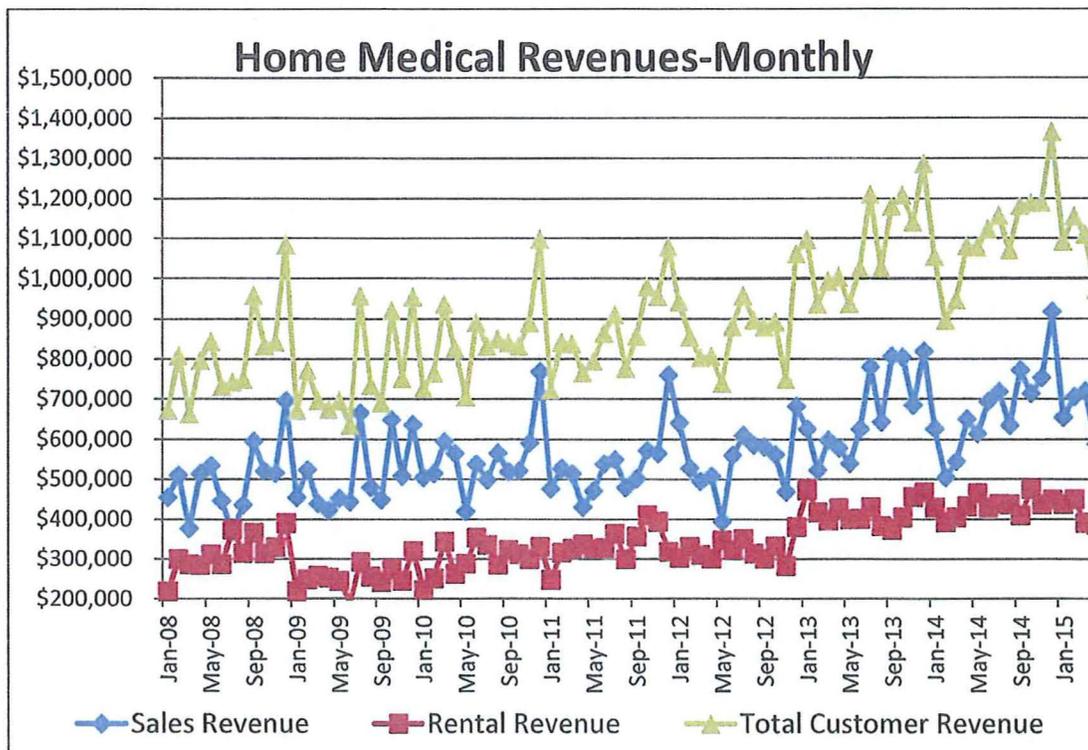
The monthly Hospital Revenues decreased in April due to a significant decline in Inpatient Revenues. Outpatient Revenues continued its upward trend over the past few months while Inpatient Revenues continued its roller coaster trend.



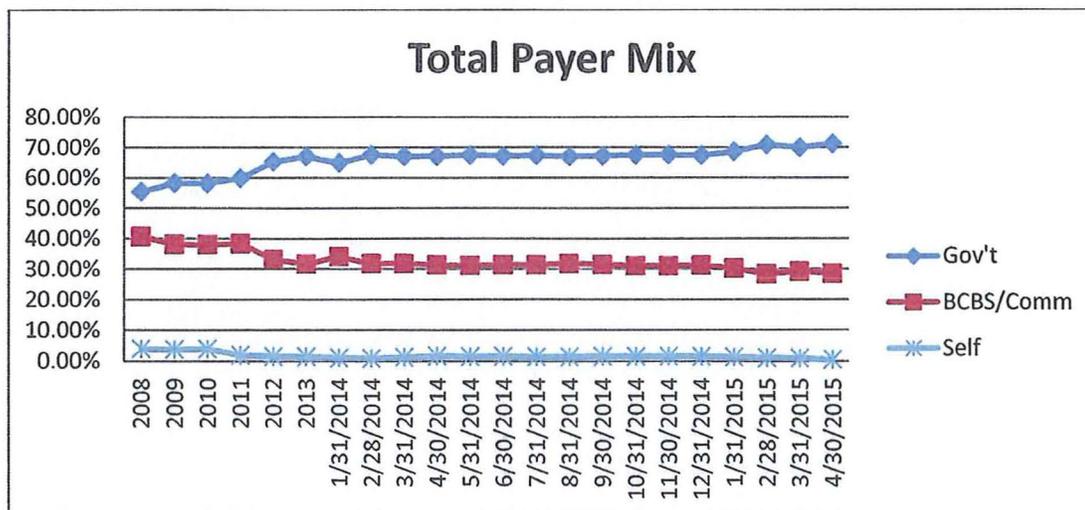
Care Center Total Operating Revenues were lower than average by 1.6% for the month with Total Resident Revenues at \$994,000; 0.6% less than average.



Home Medical Total Customer Revenues decreased in April and were 13.0% less than average. Sales and Rental Revenues were both lower in April than the average.



Total Deductions from Revenue were 7.0% greater than the three-month average which was due to an increase in Medicare/Medicaid Revenues and the increase in Outpatient Revenues resulting in lower reimbursement. The Hospital's reimbursement rate for the month was 38.3% compared to the 2014 rate of 44.3%; 4th Quarter 2014 rate of 46.3%; and 1st Quarter 2015 rate of 42.9%. As shown in the Total Payer Mix graph, Government sources of Revenue increased in April to 71.07% of Hospital Revenues were from government sources.



In addition to the increase in Government Payer mix; the shift to Outpatient Revenues which realizes lower reimbursement rates contributed to the increase in Total Deductions from Revenue. As a result, Net Revenue from Patients was 10.6% less than average.

Other Operating Revenues were significantly higher due to the Meaningful Use reimbursement and WMS profits. The Meaningful Use payment of \$691,000 represents the next step in the Meaningful Use initiative designed to incent healthcare providers to invest in electronic health records. Net WMS activity at Rice was greater than the average by 6.1% due to higher patient activity.

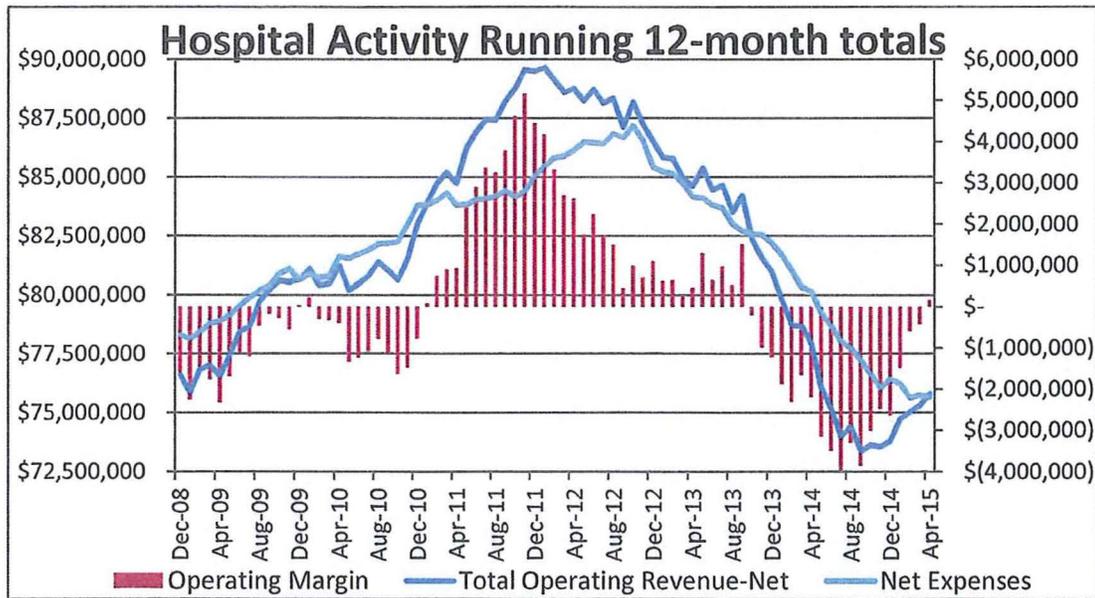
Net Expenses were \$7.7 million, 0.7% greater than the three-month average. Expenses were mixed for the month with Salaries 1.0% (\$37,000) less than average, Contract Labor was 8.7% (\$26,000) greater than average due to Oncology activity, and Benefits 7.5% (\$77,000) higher than average. Salaries were slightly lower due to lower Inpatient activity even though FTE's were up. Contract Labor was higher due Medical Oncology providers; and Benefits were slightly higher due to Health insurance accruals and pension accruals. The Hospital Compensation Ratio was 52.7% for the month compared to the target of 50%.

Supplies were 1.2% (\$12,000) higher than average due to numerous departments. Drugs were 16.6% (\$95,000) higher than average due to Oncology activity. Purchased Services were 1.1% (\$7,000) higher due to numerous departments; Repairs & Rentals 0.6% lower; Utilities 9.1% lower; Insurance 1.3% lower; Patient Related Travel 5.7%; Education, Travel, and Dues 2.5% higher due to numerous departments; and Other 28.3% lower. Total Hospital Controllable Costs were \$6.9 million, \$212,000 higher than average.

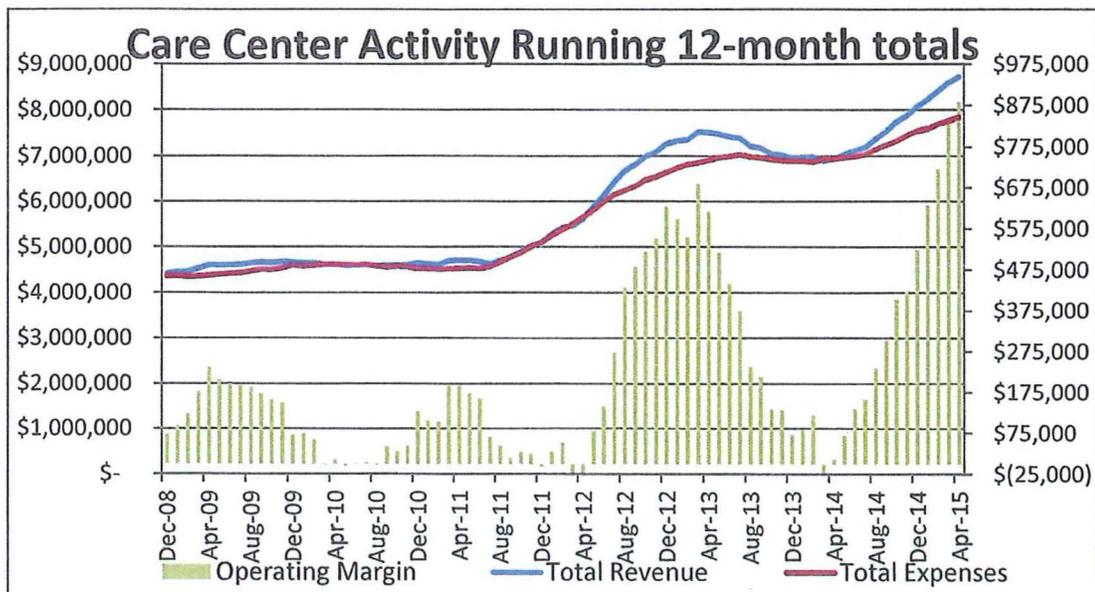
Capital Costs were higher with Depreciation 0.6% higher and Interest 0.6% lower. Taxes were 6.5% lower due to lower cash receipts.

Non-operating activity was lower than the three-month average by \$165,000. Investment Income was \$19,000 lower and Unrealized Gains/Losses were \$87,000 lower. Other Gains were lower due to sale of the Rehab Building in a previous month.

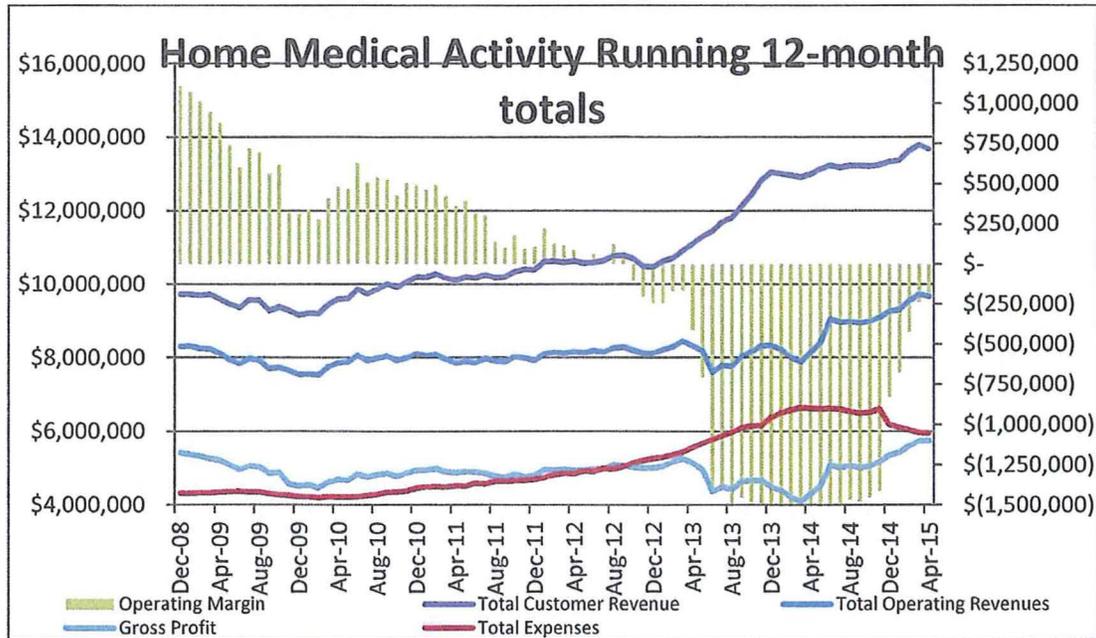
The Hospital generated Operating Income of \$54,000 compared to average Operating Income of \$114,000. Total Operating Revenues were higher than average by 0.8% while Net Operating Expenses were 1.8% higher than average. Operating Income for the Hospital for the past 12 months was slightly above break-even.



Care Center activity generated Operating Income of \$72,000 compared to average Operating Income of \$99,000. Net Resident Revenues were 1.5% lower than average with Net Operating Expenses 2.1% higher than average.



Home Medical activity generated an Operating Loss of \$50,000 compared to an average Operating Loss of \$4,200. Total Operating Revenues were 14.8% lower than average while Expenses were 8.5% lower than average.



April YTD Summary

The Consolidated YTD Operating Income was \$680,000 compared to last year’s Operating Loss of \$3.0 million and 2013 YTD Operating Loss of \$1.5 million. Operating results continued to improve throughout 2014 and into 2015 compared to 1st Quarter 2014. Total Operating Revenues were 10.6% greater in 2015 compared to 2014 and 1.0% greater than 2013. Hospital Inpatient Revenues were 11.1% higher than 2014 and 14.7% higher than 2013 with Outpatient Revenues 12.8% higher than 2014 and 15.6% higher than 2013. Care Center Revenues were 21.8% higher than 2014 and 14.7% higher than 2013 and Home Medical Revenues were 8.8% higher than last year and 7.4% higher than 2013. Total Patient Revenues were 12.4% higher than last year; 14.8% higher than 2013; and 14.3% higher than 2012.

The Revenue increases were partially offset by reimbursement decreases experienced by the Hospital. Consolidated Deductions from Revenues were 16.1% higher than 2014 and 23.7% higher than 2013. Even with the increases in Deductions from Revenues, Net Patient Revenues have increased 8.3% from 2014; 5.5% from 2013; and 1.0% compared to 2012. Other Operating Revenues are 26.6% higher than 2014 and 6.8% higher than 2013 due to the Meaningful Use payment. WMS activity at Rice which transfers net revenues back to WMS has increased 10.0% from 2014 and 27.4% from 2013 due to increased activity and the transfer of Anesthesia and Sleep Services.

Expenses have trended downward with Net Operating Expenses 2.3% lower than 2014; 6.0% less than 2013; and 7.8% less than 2012. Expenses were mixed with Salaries 1.4% higher than 2014 and 1.0% higher than 2013; Contract Labor 14.1% lower than 2014 but 12.9% higher than 2013; and Benefits 15.5% lower than 2014 and 6.7% lower than 2013. Although Salaries were higher than 2014 and 2013 due to increased patient activity,

lower Contract Labor services and improved Health Insurance utilization positively contributed to lower expenses when comparing 2015 to 2014.

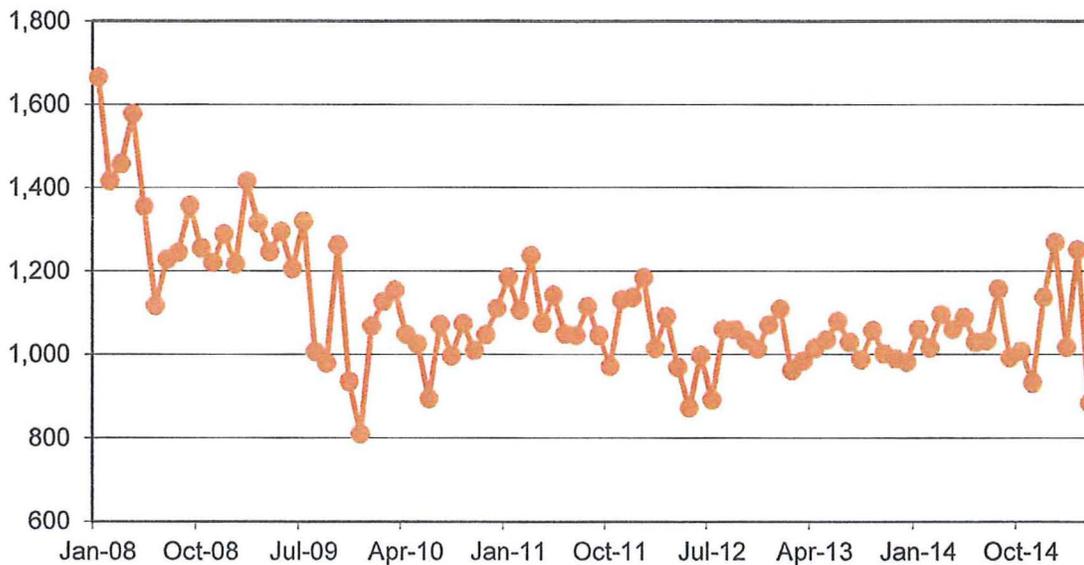
Other expense categories realizing lower costs in 2015 were Utilities (6.1%/8.7% higher); Insurance (17.7%/10.6% lower); and Patient Related Travel (24.5%/33.6% lower). 2015 expense increases have been realized in Supplies (2.8%/1.3% lower) due to increased activity, Drugs (43.1%/11.3% higher) due to increased Hospital Inpatient and Oncology activity, Purchased Services (4.4%/15.5% higher) due to increases in numerous departments, Repairs (3.4%/2.6% lower), Education, Travel, & Dues (15.4%/7.4% lower), and Other (0.7%/10.7% lower). Capital Costs were lower with Depreciation (6.9%/0.6% higher) and Interest (4.5%/4.8% higher). Taxes were also higher (0.9%/1.3% higher) due to increased collections.

Non-Operating Income has increased significantly compared to 2014. Non-Operating Income was \$596,000 in 2015 compared to \$393,000 in 2014. Investment Income was higher by 13.0% (\$30,000); Unrealized Gains on Investments were \$70,000 lower compared to 2014; and Other Gains were \$242,000 higher compared to 2014.

Statistical and Volume Summary

Patient days were 162 (15.5%) less than forecast with admissions 38 (13.7%) less than forecast yielding an decrease in length of stay of 8.9% and an 8.0% decrease in case-mix adjusted length of stay. Compared to the prior year, patient days were 16.5% lower with admissions 14.9% lower. The average daily census for the month was 29.5 compared to forecast of 34.9; 35.3 last year; and a 39.3 monthly average.

Hospital Patient Days

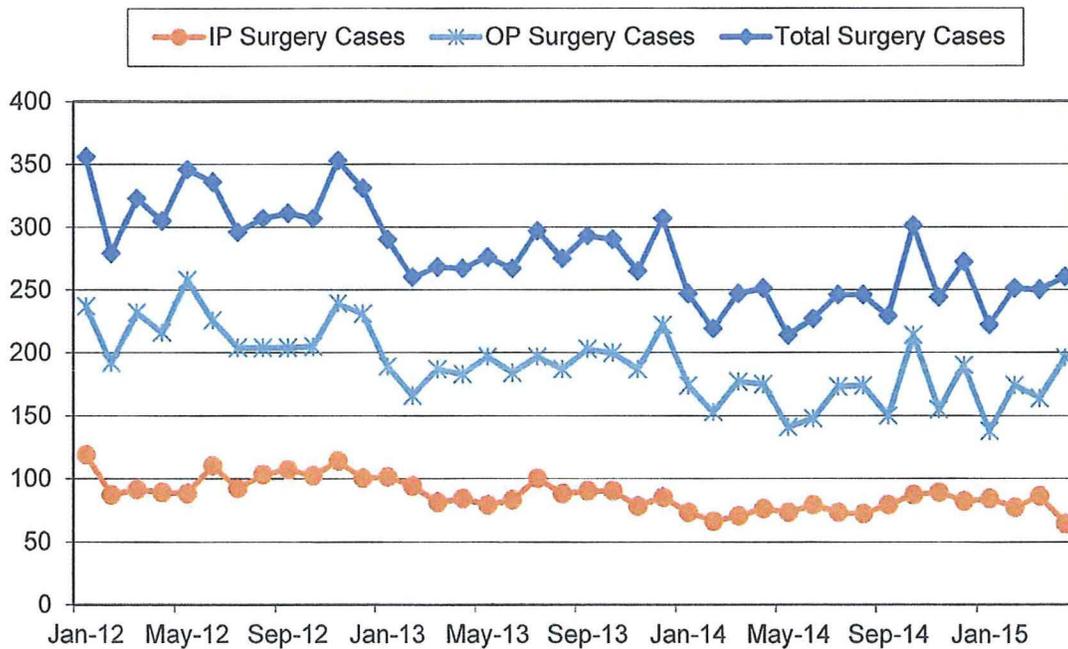


YTD Patient days were 225 (5.4%) greater than forecast with YTD admissions 47 (4.2%) greater than forecast yielding an increase in length of stay of 0.6% and a 0.5% increase in case-mix adjusted length of stay. Compared to the prior year, patient days were 4.5% higher with admissions 5.7% higher. The YTD average daily census was 36.9 compared to forecast of 35.0 and 35.3 last year.

The monthly Hospital Medicare case mix was 0.9% greater than forecast and 1.3% greater than last year. The overall case mix was 1.0% less than forecast but 0.1% greater than last year. Overall activity as measured in adjusted admissions was 9.6% higher than forecast and 8.5% higher than last year while adjusted patient days were 7.3% greater than forecast and 6.5% greater than last year. Care Center resident days were 2.6% less than forecast with a 73.0 average daily census. Case mix for the month was 1.0% greater than forecast, 2.3% greater than last year, but 7.8% lower than the average.

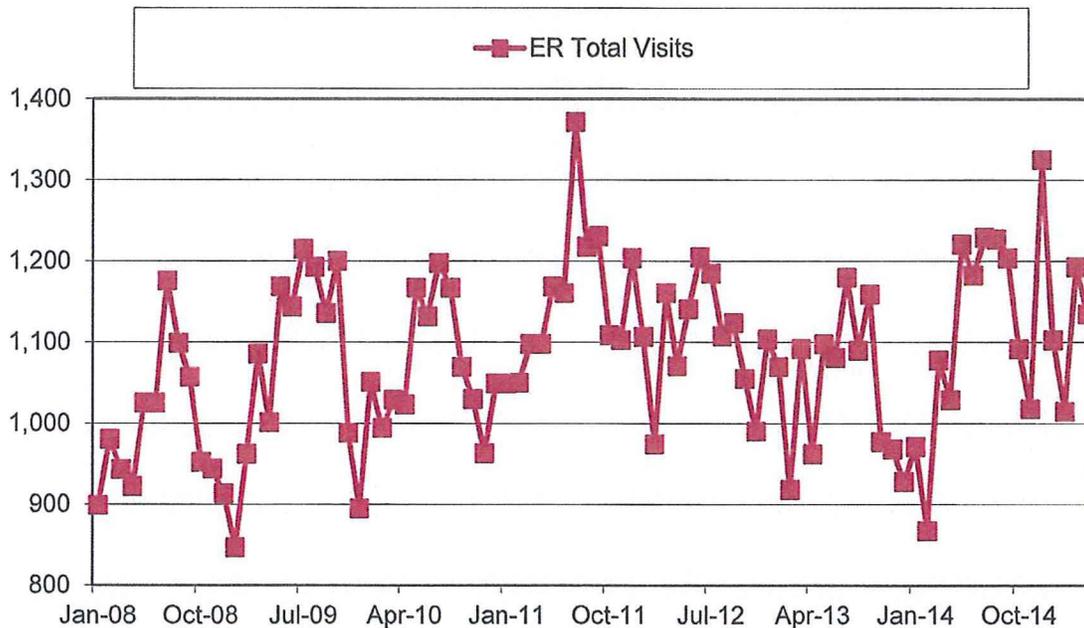
The YTD Hospital Medicare case mix was 2.9% less than forecast and 6.1% less than last year. The overall case mix was 0.1% greater than forecast and 0.6% greater than last year. YTD overall activity as measured in adjusted admissions was 4.0% greater than forecast and 7.2% higher than last year while adjusted patient days were 4.9% greater than forecast and 5.7% greater than last year. YTD Care Center resident days were 2.1% less than forecast with a 73.4 average daily census. YTD case mix was 0.9% greater than forecast and 2.8% greater than last year.

Ancillary departments were mixed for the month. Monthly Surgery & GI cases were 4.0% greater than forecast, 3.6% greater than last year, and 7.9% greater than the three-month average. Inpatient activity was 19.0% less than forecast and 15.8% less than last year while Outpatient activity was 14.6% greater than forecast and 12.0% greater than last year.



YTD Surgery cases were 0.8% less than forecast but 2.0% greater than last year. Inpatient cases were 0.3% greater than forecast and 9.1% greater than last year but Outpatient cases were 1.3% less than forecast and 1.0% less than last year.

Emergency Room visits were 1.8% less than forecast for the month, 10.3% higher than last year, and 2.9% greater than the three-month average. YTD visits were 2.3% less than forecast but 12.7% greater than last year and 10.0% greater than the year before.



Monthly Laboratory tests were 3.7% less than forecast, 3.5% less than last year, and 2.2% less than average. Medical Imaging procedures were 2.9% less than forecast, 7.3% less than last year, and 3.5% less than average. Radiation Oncology treatments were 24.5% greater than forecast, 3.5% less than last year, and 15.5% greater than average. Medical Oncology visits were 23.4% greater than forecast, 13.3% greater than last year, and 23.9% greater than average.

Dialysis treatments were 1.3% greater than forecast, 2.6% greater than last year, and 0.8% greater than average; Rehab visits were 4.4% greater than forecast, 2.9% greater than last year, and 0.7% greater than average; Hospice visits were 5.3% less than forecast, 5.1% less than last year, but 7.7% greater than average; and Ambulance runs were 9.8% less than forecast, 3.1% less than last year, and 7.6% less than average.

YTD Laboratory tests were 1.3% less than forecast but 2.1% greater than last year. Medical Imaging procedures were at forecast and 0.1% less than last year. Radiation Oncology treatments were 12.3% greater than forecast and 7.0% greater than last year. Medical Oncology visits were 6.9% greater than forecast and 8.3% greater than last year. Dialysis treatments were 1.1% greater than forecast and 4.8% greater than last year; Rehab visits were 4.9% greater than forecast and 9.9% greater than last year; Hospice visits were 10.6% less than forecast and 10.8% less than last year; and Ambulance runs were 4.2% less than forecast but 0.3% greater than last year.

Full Time Equivalents (FTE's) for the month were 762 compared to a forecast of 761, a negative variance of 0.2%. This compared to last year's total of 790 (3.5% lower) and the three month average of 782 (2.5% lower). Hospital FTE's were 0.6% greater than forecast, 3.9% less than last year, and 2.3% lower than average. Care Center FTE's were 5.8% greater than forecast, 8.7% greater than last year but 1.6% less than average. Home Medical FTE's were 8.9% less than forecast, 13.6% less than last year, and 5.0% less than average.

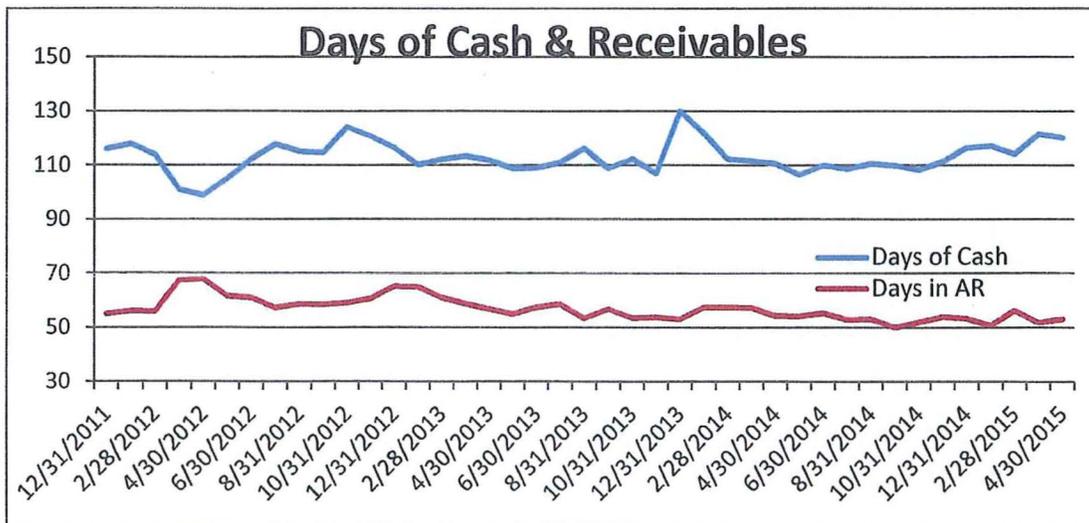
YTD FTE's were 2.0% higher than forecast at 778 compared to 763. This compared to last year's FTE's of 795 (2.1% lower) and 801 (2.9% lower) from the year before. Hospital FTE's were 2.1% higher than forecast but 2.6% less than last year. Care Center was 7.4% higher than forecast and 13.9% higher than last year while Home Medical was 5.5% less than forecast and 14.3% less than last year.

Key Performance Indicators

The Operational indicators were positive for the month but unfavorable compared to the forecast. Consolidated Operating Margin was 0.9% for the month; 2.2% YTD; forecast of 1.8% and last year's -3.3%. Excess Margin was 1.2% for the month; 4.0% YTD; forecast of 2.6% and last year's -1.8%. EBIDA Operating Margin was 11.5% for the month; 12.7% YTD; forecast of 12.6% and last year's 7.1%.

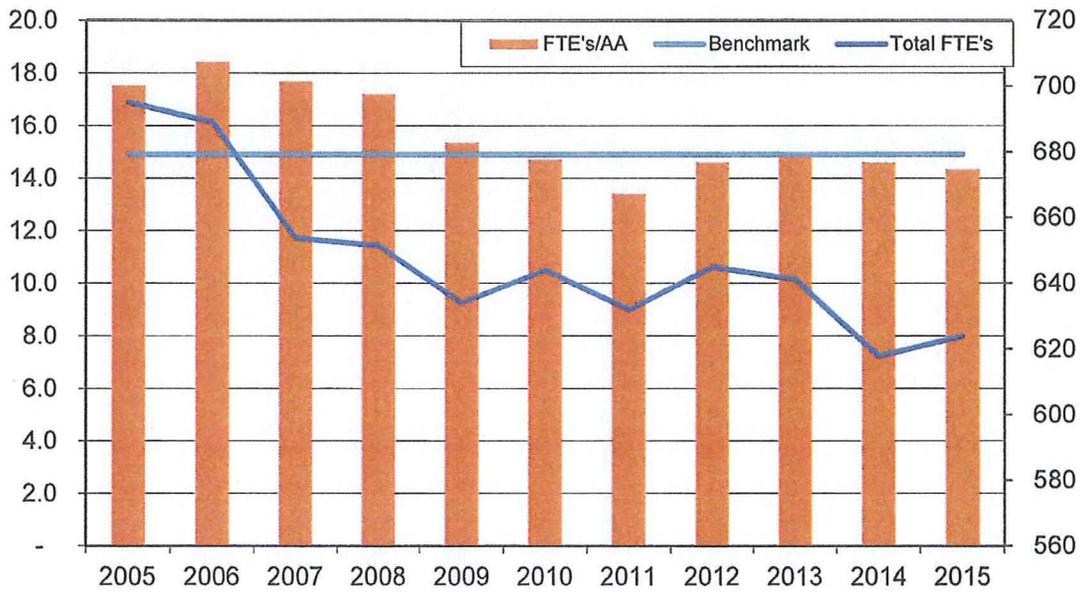
The Financial ratios indicate that the Debt/Capitalization ratio of 44.1% was lower than last month; lower than the forecast of 44.5%; lower than last year's 45.8%, and lower than the targeted ceiling of 45%. The decrease was due to improved financial performance and the February Bond payment. Debt Service Coverage was 3.7 compared to the forecast of 3.0 and last year's 2.4. The Cash/Debt ratio was 61% compared to the forecast of 62% and last year's 57%. The Financial Strength Index was 1.21 compared to the forecast of 1.0 and -0.33 last year.

Days in accounts receivable were 53 compared to the forecast of 48 and last year's 53. Days of Cash were 120 compared to the forecast of 119 and last year's 116.



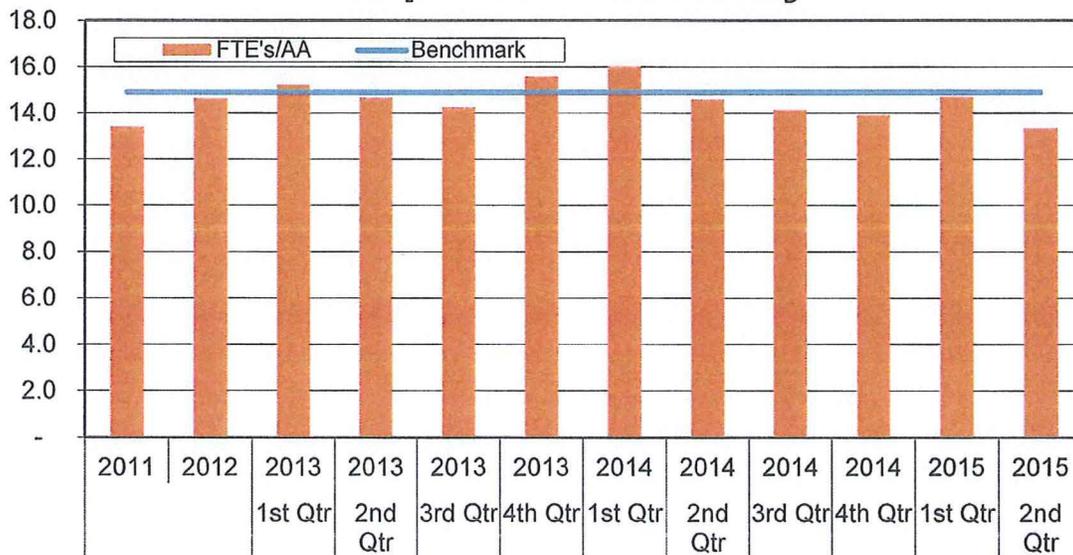
Hospital productivity ratios in terms of staffing were lower for the month than the forecast with FTE's per adjusted admit at 13.3 for the month and 14.3 YTD compared to the forecast of 14.4 and last year's ratio of 14.6. FTE's per adjusted patient day were 3.6 for the month and 3.8 YTD compared to the forecast of 4.1 and 3.9 last year.

Hospital Full Time Equivalent & Productivity

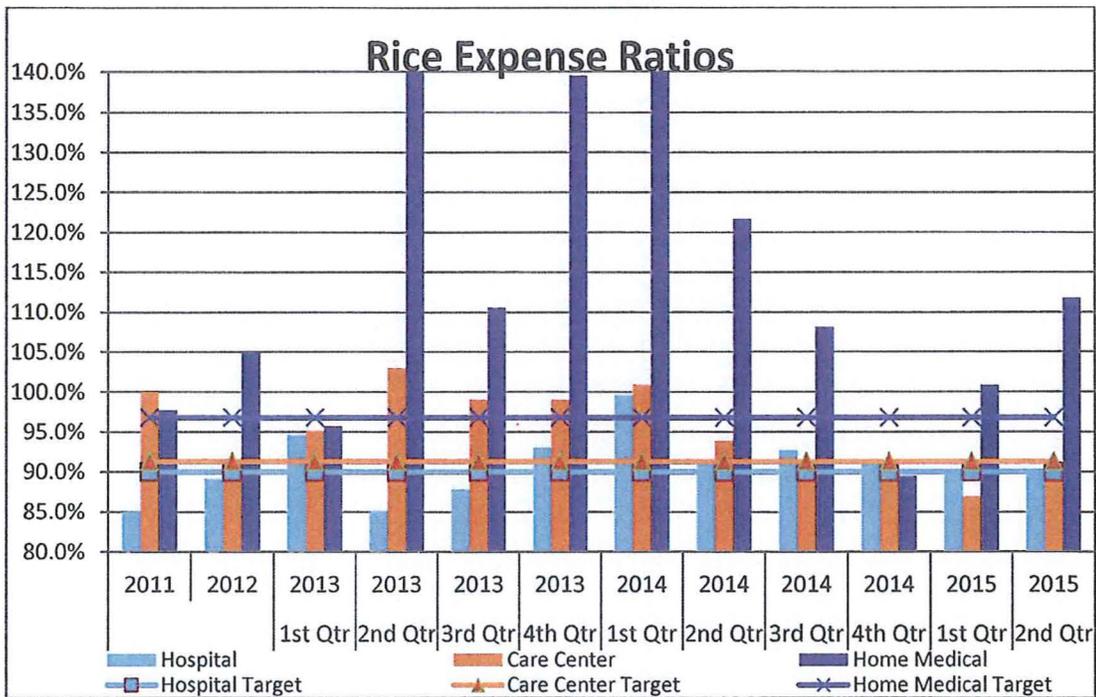


Comparing 2nd Quarter productivity to the prior quarters, the Hospital Productivity ratio was lower than the recent quarters and significantly improved from 1st Quarter 2014 and 4th Quarter 2013.

Hospital Productivity



The Hospital Total Operating Expense Ratio was 90.1% for the month; 89.8% YTD, forecast of 90%; and last year's 93.5%. Bad Debt ratio was 1.5% YTD compared to the 2.0% forecast and significantly better than the benchmark of 7.4%. Capital Expense ratio was 8.7% YTD compared to 9.0% forecast, 9.3% last year, and the benchmark of 6.9%.

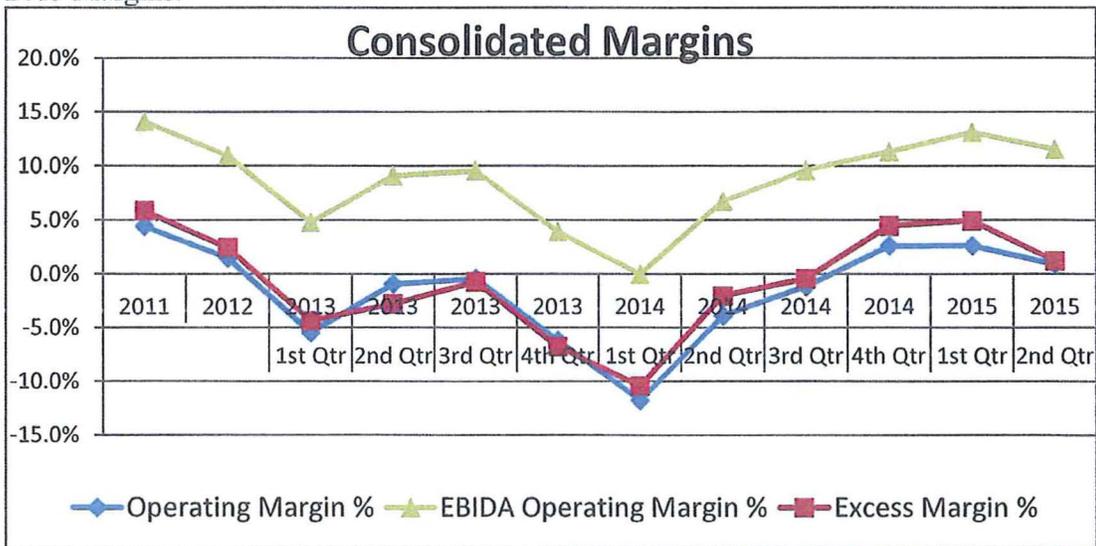


Care Center Hours per Resident Day were 6.4 for the month; 6.5 YTD; forecast of 6.5 and 6.7 last year. The Care Center's Total Operating Expense Ratio was 90.2% for the month; 87.7% YTD; 91.3% Forecast; and 93.5% in 2014.

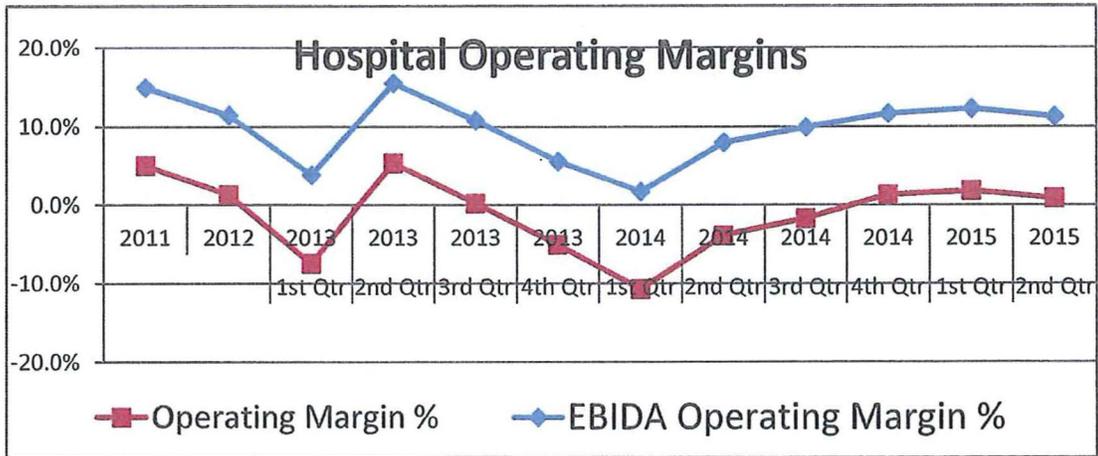
Sales per FTE at Home Medical were \$173,400 for the month; \$184,500 YTD; forecast of \$191,600 and \$171,700 last year. Home Medical's Total Operating Expense Ratio was 111.8% for the month; 103.3% YTD; 96.8% Forecast; and 115.5% in 2014. Inventory Turns were 4.4 YTD compared to 4.9 last year.

Key Performance Indicators by Entity

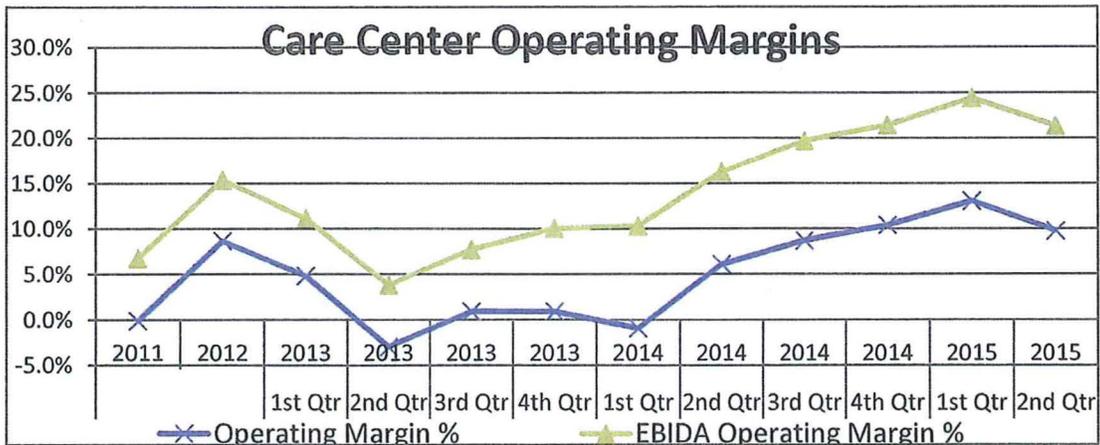
The Consolidated Margins were positive in 2nd Quarter 2015 but lower than 1st Quarter 2015 Margins.



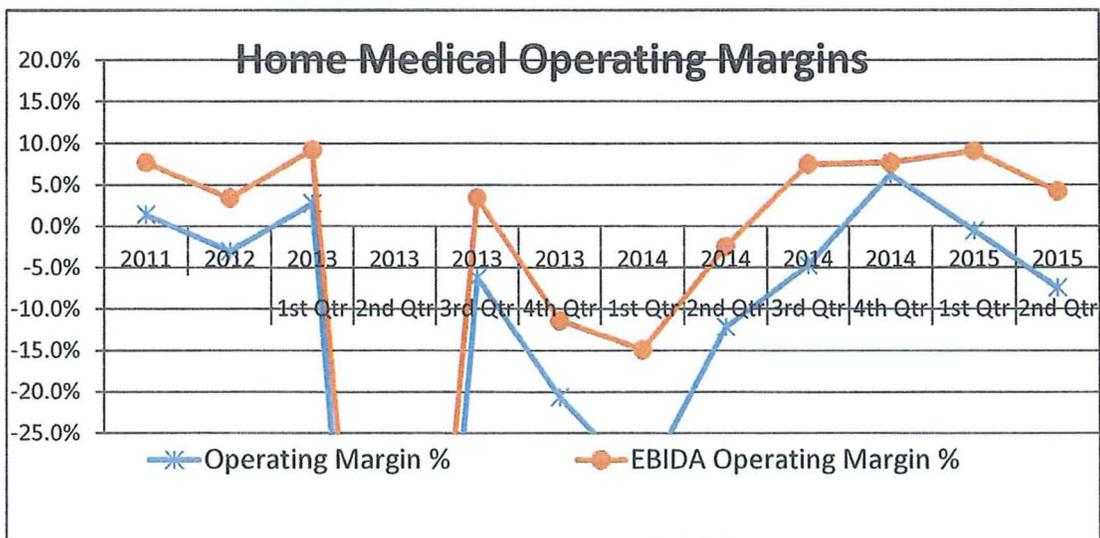
Hospital Margins declined slightly in 2nd Quarter 2015 compared to 1st Quarter 2015 and 4th Quarter 2014 but still positive compared to early 2014.



Care Center Margins declined in 2nd Quarter 2015 compared to 1st Quarter but were similar to 4th Quarter 2014.



Home Medical financial performance declined in 2nd Quarter 2015 compared to the past two quarters due to lower activity.



**RICE MEMORIAL HOSPITAL
CONSOLIDATED
BALANCE SHEET
For the Four Months Ending April 30, 2015**

	April 2015	12/31/14	Variance	12/31/13	Variance	12/31/12	Variance
1 ASSETS							
2 CURRENT ASSETS							
3 CASH AND CASH EQUIVALENTS	\$2,591,752	\$2,447,311	\$144,441	\$9,355,434	(\$6,763,682)	\$2,999,489	(\$407,736)
4 TRUSTEE BOND AGREEMENTS - CURRENT	1,278,044	2,757,540	(1,479,497)	2,379,838	(1,101,793)	2,393,907	(1,115,863)
5 ACCOUNTS RECEIVABLE NET	15,246,347	14,720,163	526,184	14,513,348	732,799	18,416,955	(3,170,608)
6 OTHER RECEIVABLES	584,830	548,759	36,071	437,853	147,377	626,156	(41,326)
7 INVENTORY	1,891,461	1,974,860	(83,398)	2,117,850	(226,388)	1,881,543	9,919
8 PREPAID EXPENSES	1,169,313	877,299	292,014	991,750	177,563	1,080,525	88,789
10 TOTAL CURRENT ASSETS	<u>22,761,748</u>	<u>23,325,933</u>	<u>(564,186)</u>	<u>29,795,874</u>	<u>(7,034,126)</u>	<u>27,398,573</u>	<u>(4,636,825)</u>
11							
12 ASSETS LIMITED AS TO USE							
13 HELD BY TRUSTEES - BOND AGREEMENTS	3,776,634	3,776,634		3,571,279	205,356	3,181,089	595,545
15 REMAINDER UNTRUST - RECEIVABLE	47,522	47,522		47,522		43,996	3,526
16 ENDOWMENT FUND - INVESTMENTS	3,057,581	3,061,232	(3,651)	2,960,184	97,397	2,616,990	440,591
18 TOTAL ASSETS - USE IS LIMITED	<u>6,881,737</u>	<u>6,885,388</u>	<u>(3,651)</u>	<u>6,578,984</u>	<u>302,753</u>	<u>5,842,075</u>	<u>1,039,662</u>
19							
20 PROPERTY PLANT & EQUIPMENT							
21 PROPERTY PLANT & EQUIPMENT	143,098,902	142,634,962	463,940	136,903,754	6,195,148	132,297,068	10,801,834
22 LESS: ACCUMULATED DEPRECIATION	(82,907,508)	(80,874,221)	(2,033,287)	(75,712,695)	(7,194,813)	(72,741,611)	(10,165,897)
24 NET PROPERTY, PLANT & EQUIPME	<u>60,191,394</u>	<u>61,760,741</u>	<u>(1,569,347)</u>	<u>61,191,059</u>	<u>(999,665)</u>	<u>59,555,457</u>	<u>635,938</u>
25							
26 OTHER ASSETS							
27 INVESTMENTS - FIXED INCOME	25,455,102	25,106,026	349,076	22,595,563	2,859,538	25,941,901	(486,799)
28 INVESTMENTS - SHR	459,048	459,048		439,455	19,593	425,186	33,862
29 INVESTMENTS - WMS	5,004,620	4,269,043	735,577	3,769,317	1,235,303	3,647,124	1,357,495
30 INVESTMENTS - LAKE REGION HMS	(5,725)	18,125	(23,850)		(5,725)		(5,725)
30 INVESTMENTS - VHAUM CSC	54,963	54,963		54,963		79,963	(25,000)
32 GOODWILL, NET	82,951	83,389	(438)	84,722	(1,772)	86,056	(3,105)
33 DEFERRED DEBT ACQUISITION COSTS						200,398	(200,398)
36 TOTAL OTHER ASSETS	<u>31,050,958</u>	<u>29,990,593</u>	<u>1,060,365</u>	<u>26,944,020</u>	<u>4,106,938</u>	<u>30,380,628</u>	<u>670,330</u>
38 TOTAL ASSETS	<u>\$120,885,837</u>	<u>\$121,962,656</u>	<u>(\$1,076,819)</u>	<u>\$124,509,937</u>	<u>(\$3,624,101)</u>	<u>\$123,176,733</u>	<u>(\$2,290,896)</u>
40							
41 LIABILITIES AND NET ASSETS							
42 CURRENT LIABILITIES							
43 CURRENT MATURITIES OF LTD	\$1,944,520	\$1,944,520		\$1,730,232	\$214,288	\$2,290,275	(\$345,755)
44 ACCOUNTS PAYABLE - TRADE	1,692,477	1,856,340	(163,864)	1,939,719	(247,243)	1,730,604	(38,127)
45 EST. THIRD PARTY PAYOR SETTLEMENTS	(88,000)	(188,000)	100,000	192,060	(280,060)	(29,504)	(58,496)
46 ACCRUED SALARIES, WAGES AND BENEFITS	10,800,394	11,471,484	(671,090)	11,131,571	(331,176)	10,992,653	(192,259)
47 ACCRUED INTEREST AND DUE TO WMS	2,271,749	2,225,849	45,899	2,093,781	177,968	2,089,775	181,973
49 TOTAL CURRENT LIABILITIES	<u>16,621,140</u>	<u>17,310,194</u>	<u>(689,054)</u>	<u>17,087,362</u>	<u>(466,223)</u>	<u>17,073,804</u>	<u>(452,664)</u>
50							
51 LONG TERM DEBT (LESS CURRENT)	<u>45,992,132</u>	<u>47,945,859</u>	<u>(1,953,727)</u>	<u>49,770,570</u>	<u>(3,778,438)</u>	<u>45,957,263</u>	<u>34,869</u>
53 TOTAL LIABILITIES	<u>62,613,272</u>	<u>65,256,052</u>	<u>(2,642,781)</u>	<u>66,857,932</u>	<u>(4,244,661)</u>	<u>63,031,067</u>	<u>(417,795)</u>
54							
55 COMMITMENTS AND CONTINGENCIES							
56							
57 NET ASSETS							
58 RESTRICTED FUNDS							
59 DEBT SERVICE AND RESERVE	3,776,634	3,776,634		3,571,279	205,356	3,181,089	595,545
60 SPECIFIC PURPOSE FUND	483,950	216,568	267,382	270,286	213,664	88,338	395,612
61 PERMANENT ENDOWMENT	3,057,581	3,061,232	(3,651)	2,960,184	97,397	2,616,990	440,591
62 CURRENT YEAR INCOME	1,276,793	(1,677,986)	2,954,780	(3,426,313)	4,703,106	2,430,598	(1,153,805)
63 UNRESTRICTED	49,677,607	51,330,156	(1,652,549)	54,276,569	(4,598,962)	51,828,651	(2,151,044)
65 TOTAL NET ASSETS	<u>58,272,565</u>	<u>56,706,604</u>	<u>1,565,961</u>	<u>57,652,005</u>	<u>620,560</u>	<u>60,145,666</u>	<u>(1,873,101)</u>
67 TOTAL LIABILITIES AND NET ASSET	<u>\$120,885,837</u>	<u>\$121,962,656</u>	<u>(\$1,076,819)</u>	<u>\$124,509,937</u>	<u>(\$3,624,101)</u>	<u>\$123,176,733</u>	<u>(\$2,290,896)</u>

15

RICE MEMORIAL HOSPITAL CONSOLIDATED
For the Month Ending

	April 2015	Prior 3 Mo Average	% Var	March 2015	% Var	February 2015	% Var	January 2015	% Var
OPERATING REVENUE									
INPATIENT REVENUE	\$4,597,052	\$6,320,803	(27.3%)	\$6,543,145	(29.7%)	\$5,477,529	(16.1%)	\$6,941,736	(33.8%)
OUTPATIENT REVENUE	12,328,724	10,666,632	15.6%	11,137,732	10.7%	10,638,933	15.9%	10,223,230	20.6%
RICE CARE CENTER REVENUE	994,229	999,849	(0.6%)	967,005	2.8%	961,855	3.4%	1,070,686	(7.1%)
RICE HOME MEDICAL REVENUE	974,011	1,119,148	(13.0%)	1,110,154	(12.3%)	1,155,276	(15.7%)	1,092,015	(10.8%)
TOTAL PATIENT REVENUE	18,894,016	19,106,432	(1.1%)	19,758,036	(4.4%)	18,233,593	3.6%	19,327,667	(2.2%)
LESS DISCOUNTS & CONTRACTUALS	10,704,717	10,070,109	6.3%	10,244,780	4.5%	9,988,971	7.2%	9,976,576	7.3%
LESS UNCOMPENSATED CARE	280,315	53,614	422.8%	79,737	251.5%	67,822	313.3%	13,284	2,010.2%
LESS BAD DEBT EXPENSE	9,686	150,165	(93.5%)	187,495	(94.8%)	118,922	(91.9%)	144,077	(93.3%)
TOTAL DEDUCTIONS FROM REVENUE	10,994,718	10,273,888	7.0%	10,512,012	4.6%	10,175,715	8.0%	10,133,937	8.5%
NET REVENUE FROM PATIENTS	7,899,298	8,832,544	(10.6%)	9,246,024	(14.6%)	8,057,878	(2.0%)	9,193,730	(14.1%)
OTHER OPERATING REVENUE	2,110,104	1,129,410	86.8%	1,101,211	91.6%	1,150,770	83.4%	1,136,250	85.7%
TOTAL OPERATING REVENUE	10,009,402	9,961,954	0.5%	10,347,235	(3.3%)	9,208,648	8.7%	10,329,980	(3.1%)
LESS: WILLMAR MEDICAL SERVICES OPERATING REVENUE	2,229,092	2,101,670	6.1%	2,203,378	1.2%	2,033,256	9.6%	2,068,376	7.8%
TOTAL OPERATING REVENUE	7,780,310	7,860,284	(1.0%)	8,143,857	(4.5%)	7,175,392	8.4%	8,261,604	(5.8%)
OPERATING EXPENSES									
SALARIES AND WAGES	3,834,288	3,871,637	(1.0%)	3,884,485	(1.3%)	3,598,989	6.5%	4,131,436	(7.2%)
CONTRACT LABOR	333,821	307,009	8.7%	276,423	20.8%	311,294	7.2%	333,310	0.2%
SUPPLEMENTAL BENEFITS	1,108,415	1,031,462	7.5%	1,097,447	1.0%	742,968	49.2%	1,253,972	(11.6%)
SUPPLIES	970,527	958,978	1.2%	1,028,873	(5.7%)	976,295	(0.6%)	871,766	11.3%
DRUGS	669,114	574,037	16.6%	492,400	35.9%	693,482	(3.5%)	536,230	24.8%
PURCHASED SERVICES	632,329	625,411	1.1%	656,565	(3.7%)	659,487	(4.1%)	560,181	12.9%
REPAIRS, SERVICE & RENTALS	277,797	279,380	(0.6%)	285,401	(2.7%)	288,116	(3.6%)	264,624	5.0%
UTILITIES	131,066	144,137	(9.1%)	137,505	(4.7%)	141,045	(7.1%)	153,861	(14.8%)
INSURANCE	50,108	50,748	(1.3%)	49,473	1.3%	50,106	0.0%	52,664	(4.9%)
PATIENT RELATED TRAVEL	24,205	25,656	(5.7%)	28,973	(16.5%)	21,377	13.2%	26,617	(9.1%)
EDUCATION, TRAVEL, & DUES	86,804	84,668	2.5%	69,118	25.6%	86,430	0.4%	98,457	(11.8%)
OTHER	25,937	36,151	(28.3%)	44,504	(41.7%)	21,399	21.2%	42,549	(39.0%)
DEPRECIATION AND AMORT	683,143	679,223	0.6%	697,875	(2.1%)	642,481	6.3%	697,312	(2.0%)
INTEREST	145,989	146,839	(0.6%)	150,174	(2.8%)	141,491	3.2%	148,852	(1.9%)
TAXES & SURCHARGE	175,126	187,287	(6.5%)	211,869	(17.3%)	163,884	6.9%	186,108	(5.9%)
TOTAL OPERATING EXPENSES	9,148,669	9,002,623	1.6%	9,111,085	0.4%	8,538,844	7.1%	9,357,939	(2.2%)
LESS: WILLMAR MEDICAL SERVICES OPERATING EXPENSES	1,436,917	1,346,269	6.7%	1,332,549	7.8%	1,440,997	(0.3%)	1,265,260	13.6%
NET OPERATING EXPENSES	7,711,752	7,656,354	0.7%	7,778,536	(0.9%)	7,097,847	8.6%	8,092,679	(4.7%)
OPERATING INCOME (LOSS)	68,558	203,930	(66.4%)	365,321	(81.2%)	77,545	(11.6%)	168,925	(59.4%)
NON OPERATING INCOME									
INVESTMENT INCOME	52,863	71,712	(26.3%)	48,876	8.2%	55,745	(5.2%)	110,514	(52.2%)
UNREALIZED GAIN (LOSS)	(36,455)	51,255	(171.1%)	86,630	(142.1%)	(206,027)	(82.3%)	273,162	(113.3%)
OTHER GAIN (LOSS)	9,218	67,307	(86.3%)	840	997.4%	200,842	(95.4%)	240	3,740.8%
TOTAL NON OPERATING INCOME	25,626	190,274	(86.5%)	136,346	(81.2%)	50,560	(49.3%)	383,916	(93.3%)
NET INCOME (LOSS)	\$94,184	\$394,204	(76.1%)	\$501,667	(81.2%)	\$128,105	(26.5%)	\$552,841	(83.0%)

RICE HOSPITAL
For the Month Ending

	April 2015	Prior 3 Mo Average	% Var	March 2015	% Var	February 2015	% Var	January 2015	% Var
OPERATING REVENUE									
INPATIENT REVENUE	\$4,597,052	\$6,320,803	(27.3%)	\$6,543,145	(29.7%)	\$5,477,529	(16.1%)	\$6,941,736	(33.8%)
OUTPATIENT REVENUE	12,328,723	10,666,632	15.6%	11,137,732	10.7%	10,638,933	15.9%	10,223,231	20.6%
TOTAL PATIENT REVENUE	16,925,775	16,987,435	(0.4%)	17,680,877	(4.3%)	16,116,462	5.0%	17,164,967	(1.4%)
LESS DISCOUNTS & CONTRACTUALS	10,159,533	9,500,833	6.9%	9,707,742	4.7%	9,421,736	7.8%	9,373,020	8.4%
LESS UNCOMPENSATED CARE	280,279	53,523	423.7%	79,552	252.3%	67,822	313.3%	13,195	2,024.1%
LESS BAD DEBT EXPENSE	3,145	145,774	(97.8%)	188,683	(98.3%)	108,656	(97.1%)	139,982	(97.8%)
TOTAL DEDUCTIONS FROM REVENUE	10,442,957	9,700,129	7.7%	9,975,977	4.7%	9,598,214	8.8%	9,526,197	9.6%
NET REVENUE FROM PATIENTS	6,482,818	7,287,306	(11.0%)	7,704,900	(15.9%)	6,518,248	(0.5%)	7,638,770	(15.1%)
OTHER OPERATING REVENUE	2,099,994	1,117,216	88.0%	1,089,023	92.8%	1,131,189	85.6%	1,131,437	85.6%
TOTAL OPERATING REVENUE	8,582,812	8,404,522	2.1%	8,793,923	(2.4%)	7,649,437	12.2%	8,770,207	(2.1%)
LESS: WILLMAR MEDICAL SERVICES OPERATING REVENUE	2,229,092	2,101,670	6.1%	2,203,378	1.2%	2,033,256	9.6%	2,068,376	7.8%
TOTAL OPERATING REVENUE	6,353,720	6,302,852	0.8%	6,590,545	(3.6%)	5,616,181	13.1%	6,701,831	(5.2%)
OPERATING EXPENSES									
SALARIES AND WAGES	3,352,039	3,384,904	(1.0%)	3,407,180	(1.6%)	3,129,493	7.1%	3,618,038	(7.4%)
CONTRACT LABOR	230,119	205,803	11.8%	179,182	28.4%	212,684	8.2%	225,543	2.0%
SUPPLEMENTAL BENEFITS	937,700	858,497	9.2%	913,183	2.7%	567,147	65.3%	1,095,162	(14.4%)
SUPPLIES	665,609	606,340	9.8%	672,790	(1.1%)	609,175	9.3%	537,055	23.9%
DRUGS	648,264	554,319	16.9%	472,134	37.3%	677,179	(4.3%)	513,643	26.2%
PURCHASED SERVICES	595,304	582,712	2.2%	613,012	(2.9%)	611,965	(2.7%)	523,159	13.8%
REPAIRS, SERVICE & RENTALS	246,906	255,458	(3.3%)	264,434	(6.6%)	263,348	(6.2%)	238,593	3.5%
UTILITIES	111,735	119,522	(6.5%)	113,045	(1.2%)	116,743	(4.3%)	128,777	(13.2%)
INSURANCE	42,629	43,271	(1.5%)	41,996	1.5%	42,629	0.0%	45,187	(5.7%)
PATIENT RELATED TRAVEL	16,624	18,304	(9.2%)	21,330	(22.1%)	13,608	22.2%	19,973	(16.8%)
EDUCATION, TRAVEL, & DUES	80,305	76,550	4.9%	64,011	25.5%	72,487	10.8%	93,153	(13.8%)
OTHER	10,492	19,688	(46.7%)	26,647	(60.6%)	10,530	(0.4%)	21,888	(52.1%)
DEPRECIATION AND AMORT	543,756	542,482	0.2%	558,135	(2.6%)	511,270	6.4%	558,040	(2.6%)
INTEREST	119,581	120,431	(0.7%)	123,766	(3.4%)	115,082	3.9%	122,444	(2.3%)
TAXES & SURCHARGE	134,838	146,778	(8.1%)	167,779	(19.6%)	125,166	7.7%	147,389	(8.5%)
TOTAL OPERATING EXPENSES	7,735,901	7,535,058	2.7%	7,638,624	1.3%	7,078,506	9.3%	7,888,044	(1.9%)
LESS: WILLMAR MEDICAL SERVICES OPERATING EXPENSES	1,436,917	1,346,269	6.7%	1,332,549	7.8%	1,440,997	(0.3%)	1,265,260	13.6%
NET OPERATING EXPENSES	6,298,984	6,188,789	1.8%	6,306,075	(0.1%)	5,637,509	11.7%	6,622,784	(4.9%)
OPERATING INCOME (LOSS)	54,736	114,063	(52.0%)	284,470	(80.8%)	(21,328)	(356.6%)	79,047	(30.8%)
NON OPERATING INCOME									
INVESTMENT INCOME	51,863	70,812	(26.8%)	48,876	6.1%	54,395	(4.7%)	109,164	(52.5%)
UNREALIZED GAIN (LOSS)	(36,455)	51,255	(171.1%)	86,630	(142.1%)	(206,027)	(82.3%)	273,162	(113.3%)
OTHER GAIN (LOSS)	8,998	66,344	(86.4%)		0.0%	198,792	(95.5%)	240	3,649.2%
TOTAL NON OPERATING INCOME	24,406	188,411	(87.0%)	135,506	(82.0%)	47,160	(48.2%)	382,566	(93.6%)
NET INCOME (LOSS)	\$79,142	\$302,474	(73.8%)	\$419,976	(81.2%)	\$25,832	206.4%	\$461,613	(82.9%)

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RICE CARE CENTER
For the Month Ending

	April 2015	Prior 3 Mo Average	% Var	March 2015	% Var	February 2015	% Var	January 2015	% Var
OPERATING REVENUE									
RICE CARE CENTER REVENUE	\$994,229	\$999,849	(0.6%)	\$967,005	2.8%	\$961,855	3.4%	\$1,070,686	(7.1%)
TOTAL PATIENT REVENUE	994,229	999,849	(0.6%)	967,005	2.8%	961,855	3.4%	1,070,686	(7.1%)
LESS DISCOUNTS & CONTRACTUALS	248,557	245,789	1.1%	228,234	8.9%	221,093	12.4%	288,040	(13.7%)
LESS BAD DEBT EXPENSE		(2,634)	(100.0%)	(10,237)	(100.0%)	1,730	(100.0%)	605	(100.0%)
TOTAL DEDUCTIONS FROM REVENUE	248,557	243,155	2.2%	217,997	14.0%	222,823	11.5%	288,645	(13.9%)
NET REVENUE FROM PATIENTS	745,672	756,694	(1.5%)	749,008	(0.4%)	739,032	0.9%	782,041	(4.7%)
OTHER OPERATING REVENUE	463	1,773	(73.9%)	761	(39.2%)	3,997	(88.4%)	561	(17.5%)
TOTAL OPERATING REVENUE	746,135	758,467	(1.6%)	749,769	(0.5%)	743,029	0.4%	782,602	(4.7%)
LESS: WILLMAR MEDICAL SERVICES									
TOTAL OPERATING REVENUE	746,135	758,467	(1.6%)	749,769	(0.5%)	743,029	0.4%	782,602	(4.7%)
OPERATING EXPENSES									
SALARIES AND WAGES	262,496	249,051	5.4%	246,036	6.7%	235,886	11.3%	265,231	(1.0%)
CONTRACT LABOR	103,702	101,206	2.5%	97,242	6.6%	98,610	5.2%	107,767	(3.8%)
SUPPLEMENTAL BENEFITS	85,738	83,137	3.1%	97,854	(12.4%)	87,020	(1.5%)	64,536	32.9%
SUPPLIES	38,955	39,862	(2.3%)	35,456	9.9%	40,656	(4.2%)	43,475	(10.4%)
DRUGS	20,748	19,579	6.0%	20,149	3.0%	16,201	28.1%	22,386	(7.3%)
PURCHASED SERVICES	9,542	15,714	(39.3%)	16,183	(41.0%)	19,814	(51.8%)	11,144	(14.4%)
REPAIRS, SERVICE & RENTALS	12,202	5,993	103.6%	4,171	192.5%	7,475	63.2%	6,334	92.6%
UTILITIES	10,151	13,880	(26.9%)	13,801	(26.4%)	13,885	(26.9%)	13,954	(27.3%)
INSURANCE	3,401	3,401	0.0%	3,401	0.0%	3,401	0.0%	3,401	0.0%
PATIENT RELATED TRAVEL	642	321	100.0%	144	345.8%		0.0%	819	(21.6%)
EDUCATION, TRAVEL, & DUES	3,962	2,744	44.4%	2,832	39.9%	3,457	14.6%	1,942	104.0%
OTHER	30	2,837	(98.9%)	8,403	(99.6%)	107	(72.0%)		0.0%
DEPRECIATION AND AMORT	60,184	60,180	0.0%	62,190	(3.2%)	56,186	7.1%	62,164	(3.2%)
INTEREST	26,408	26,408	0.0%	26,408	0.0%	26,408	0.0%	26,408	0.0%
TAXES & SURCHARGE	35,000	35,000	0.0%	35,000	0.0%	35,000	0.0%	35,000	0.0%
TOTAL OPERATING EXPENSES	673,161	659,312	2.1%	669,270	0.6%	644,106	4.5%	664,561	1.3%
LESS: WILLMAR MEDICAL SERVICES									
NET OPERATING EXPENSES	673,161	659,312	2.1%	669,270	0.6%	644,106	4.5%	664,561	1.3%
OPERATING INCOME (LOSS)	72,974	99,154	(26.4%)	80,499	(9.3%)	98,923	(26.2%)	118,041	(38.2%)
NON OPERATING INCOME									
INVESTMENT INCOME	1,000	900	11.1%		0.0%	1,350	(25.9%)	1,350	(25.9%)
TOTAL NON OPERATING INCOME	1,000	900	11.1%		0.0%	1,350	(25.9%)	1,350	(25.9%)
NET INCOME (LOSS)	\$73,974	\$100,054	(26.1%)	\$80,499	(8.1%)	\$100,273	(26.2%)	\$119,391	(38.0%)

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RICE HOME MEDICAL
RICE HOME MEDICAL
For the Month Ending April 30, 2015

	April 2015	% of Gross Sales	Prior 3 Mo Average	% of Gross Sales	March 2015	% of Gross Sales	February 2015	% of Gross Sales
GROSS SALES								
SALES REVENUE	\$587,754	60.34%	\$693,201	61.93%	\$718,858	64.71%	\$706,359	61.14%
RENTS REVENUE	386,257	39.66%	425,947	38.05%	391,296	35.23%	448,917	38.86%
MISC REVENUE	0	0.00%	255	0.02%	691	0.06%	74	0.01%
GROSS SALES	974,011	100.00%	1,119,403	100.00%	1,110,845	100.00%	1,155,349	100.00%
LESS: CONTRACTUAL ALLOWANCES	(296,627)	(30.45%)	(323,488)	(28.90%)	(308,804)	(27.80%)	(346,142)	(29.96%)
LESS: UNCOMPENSATED CARE	(36)	0.00%	(91)	(0.01%)	(185)	(0.02%)	(1)	0.00%
LESS: BAD DEBT EXPENSE	(6,540)	(0.67%)	(7,025)	(0.63%)	(9,049)	(0.81%)	(8,535)	(0.74%)
NET SALES	670,807	68.87%	788,799	70.47%	792,807	71.37%	800,671	69.30%
COST OF GOODS SOLD								
OXYGEN	6,680	0.69%	6,207	0.55%	6,288	0.57%	6,305	0.55%
EQUIPMENT	34,940	3.59%	57,568	5.14%	60,817	5.47%	59,628	5.16%
SUPPLY - FREIGHT	12,982	1.33%	13,171	1.18%	12,773	1.15%	13,339	1.15%
SUPPLY	178,689	18.35%	195,791	17.49%	201,702	18.16%	190,021	16.45%
EQUIPMENT REPAIR	19,938	2.05%	27,989	2.50%	28,168	2.54%	45,346	3.92%
SHOP EXPENSE	3,955	0.41%	1,518	0.14%	1,730	0.16%	1,870	0.16%
EQUIPMENT RENTAL & LEASES	2,988	0.31%	3,130	0.28%	2,561	0.23%	3,201	0.28%
PURCHASE DISCOUNTS	(8,570)	(0.88%)	(5,929)	(0.53%)	(2,751)	(0.25%)	(12,047)	(1.04%)
TOTAL COST OF GOODS SOLD	251,600	25.83%	299,445	26.75%	311,289	28.02%	307,662	26.63%
GROSS PROFIT	419,207	43.04%	489,354	43.72%	481,518	43.35%	493,009	42.67%
OTHER OPERATING REVENUE	9,702	1.00%	9,311	0.83%	10,921	0.98%	9,567	0.83%
TOTAL OPERATING REVENUE	428,910	44.04%	498,665	44.55%	492,438	44.33%	502,576	43.50%
OPERATING EXPENSES								
SALARIES & WAGES	219,753	22.56%	237,682	21.23%	231,270	20.82%	233,610	20.22%
SUPPLEMENTAL BENEFITS	84,977	8.72%	89,829	8.02%	86,411	7.78%	88,802	7.69%
SUPPLIES AND DRUGS	5,895	0.61%	7,541	0.67%	6,704	0.60%	6,856	0.59%
PURCHASED SERVICES	27,483	2.82%	26,985	2.41%	27,370	2.46%	27,707	2.40%
REPAIRS, SERVICE & RENTALS	18,689	1.92%	17,929	1.60%	16,796	1.51%	17,293	1.50%
UTILITIES	9,180	0.94%	10,735	0.96%	10,659	0.96%	10,416	0.90%
INSURANCE	4,079	0.42%	4,077	0.36%	4,077	0.37%	4,077	0.35%
PATIENT RELATED TRAVEL	6,939	0.71%	7,031	0.63%	7,500	0.68%	7,769	0.67%
EDUCATION, TRAVEL, & DUES	2,537	0.26%	5,374	0.48%	2,275	0.20%	10,485	0.91%
OTHER EXPENSE	15,415	1.58%	13,625	1.22%	9,454	0.85%	10,762	0.93%
DEPRECIATION & AMORTIZATION	79,204	8.13%	76,561	6.84%	77,550	6.98%	75,024	6.49%
TAXES	5,288	0.54%	5,509	0.49%	9,089	0.82%	3,718	0.32%
TOTAL OPERATING EXPENSES	479,440	49.22%	502,878	44.92%	489,154	44.03%	496,521	42.98%
NET OPERATING INCOME (LOSS)	(50,530)	(5.19%)	(4,213)	(0.38%)	3,284	0.30%	6,055	0.52%
INVESTMENT INCOME (LOSS)	(8,626)	(0.89%)	(5,075)	(0.45%)	(2,936)	(0.26%)	(6,104)	(0.53%)
OTHER GAIN (LOSS)	220	0.02%	963	0.09%	840	0.08%	2,050	0.18%
NET INCOME (LOSS)	(\$58,936)	(6.05%)	(\$8,324)	(0.74%)	\$1,188	0.11%	\$2,000	0.17%

RICE MEMORIAL HOSPITAL CONSOLIDATED
For the Year To Date Period Ending

	April 2015	April 2014	% Var	April 2013	% Var	April 2012	% Var
OPERATING REVENUE							
INPATIENT REVENUE	\$23,559,463	\$21,209,887	11.1%	\$20,531,206	14.7%	\$20,411,429	15.4%
OUTPATIENT REVENUE	44,328,619	39,309,291	12.8%	38,347,748	15.6%	40,259,770	10.1%
RICE CARE CENTER REVENUE	3,993,775	3,277,870	21.8%	3,482,059	14.7%	2,569,959	55.4%
RICE HOME MEDICAL REVENUE	4,331,456	3,979,747	8.8%	4,033,008	7.4%	3,409,183	27.1%
TOTAL PATIENT REVENUE	76,213,313	67,776,795	12.4%	66,394,021	14.8%	66,650,341	14.3%
LESS DISCOUNTS & CONTRACTUALS	40,915,045	35,024,619	16.8%	32,937,331	24.2%	31,624,817	29.4%
LESS UNCOMPENSATED CARE	441,158	436,420	1.1%	383,136	15.1%	491,762	(10.3%)
LESS BAD DEBT EXPENSE	460,180	557,859	(17.5%)	479,006	(3.9%)	463,651	(0.7%)
TOTAL DEDUCTIONS FROM REVENUE	41,816,383	36,018,898	16.1%	33,799,473	23.7%	32,580,230	28.3%
NET REVENUE FROM PATIENTS	34,396,930	31,757,897	8.3%	32,594,548	5.5%	34,070,111	1.0%
OTHER OPERATING REVENUE	5,498,334	4,343,995	26.6%	5,148,714	6.8%	5,396,589	1.9%
TOTAL OPERATING REVENUE	39,895,264	36,101,892	10.5%	37,743,262	5.7%	39,466,700	1.1%
LESS: WILLMAR MEDICAL SERVICES OPERATING REVENUE	8,534,102	7,757,990	10.0%	6,699,878	27.4%	6,965,929	22.5%
TOTAL OPERATING REVENUE	31,361,162	28,343,902	10.6%	31,043,384	1.0%	32,500,771	(3.5%)
OPERATING EXPENSES							
SALARIES AND WAGES	15,449,197	15,233,642	1.4%	15,293,762	1.0%	15,269,157	1.2%
CONTRACT LABOR	1,254,849	1,460,242	(14.1%)	1,111,794	12.9%	1,270,924	(1.3%)
SUPPLEMENTAL BENEFITS	4,202,802	4,972,122	(15.5%)	4,503,203	(6.7%)	4,471,185	(6.0%)
SUPPLIES	3,847,460	3,741,702	2.8%	3,896,569	(1.3%)	3,801,844	1.2%
DRUGS	2,391,228	1,670,934	43.1%	2,149,302	11.3%	3,118,519	(23.3%)
PURCHASED SERVICES	2,508,561	2,401,843	4.4%	2,171,213	15.5%	2,565,899	(2.2%)
REPAIRS, SERVICE & RENTALS	1,115,939	1,078,973	3.4%	1,145,158	(2.6%)	1,051,811	6.1%
UTILITIES	563,477	600,394	(6.1%)	518,392	8.7%	532,771	5.8%
INSURANCE	202,353	245,966	(17.7%)	226,380	(10.6%)	217,442	(6.9%)
PATIENT RELATED TRAVEL	101,173	134,051	(24.5%)	152,261	(33.6%)	138,900	(27.2%)
EDUCATION, TRAVEL, & DUES	340,809	295,299	15.4%	368,229	(7.4%)	312,907	8.9%
OTHER	134,387	133,439	0.7%	150,461	(10.7%)	177,436	(24.3%)
DEPRECIATION AND AMORT	2,720,811	2,921,046	(6.9%)	2,703,429	0.6%	2,647,190	2.8%
INTEREST	586,506	614,104	(4.5%)	559,470	4.8%	710,580	(17.5%)
TAXES & SURCHARGE	736,987	730,062	0.9%	727,469	1.3%	645,213	14.2%
TOTAL OPERATING EXPENSES	36,156,539	36,233,819	(0.2%)	35,677,092	1.3%	36,931,778	(2.1%)
LESS: WILLMAR MEDICAL SERVICES OPERATING EXPENSES	5,475,723	4,821,031	13.6%	3,035,574	80.4%	3,637,461	50.5%
NET OPERATING EXPENSES	30,680,816	31,412,788	(2.3%)	32,641,518	(6.0%)	33,294,317	(7.8%)
OPERATING INCOME (LOSS)	680,346	(3,068,886)	(122.2%)	(1,598,134)	(142.6%)	(793,546)	(185.7%)
NON OPERATING INCOME							
INVESTMENT INCOME	267,998	237,232	13.0%	211,046	27.0%	290,468	(7.7%)
UNREALIZED GAIN (LOSS)	117,310	187,269	(37.4%)	56,991	105.8%	85,262	37.6%
OTHER GAIN (LOSS)	211,140	(31,258)	(775.5%)	124,484	69.6%	4,945	4,169.8%
TOTAL NON OPERATING INCOME	596,448	393,243	51.7%	392,521	52.0%	380,675	56.7%
NET INCOME (LOSS)	\$1,276,794	(\$2,675,643)	(147.7%)	(\$1,205,613)	(205.9%)	(\$412,871)	(409.2%)

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RICE HOSPITAL
For the Year To Date Period Ending

	April 2015	April 2014	% Var	April 2013	% Var	April 2012	% Var
OPERATING REVENUE							
INPATIENT REVENUE	\$23,559,463	\$21,209,887	11.1%	\$20,531,206	14.7%	\$20,411,429	15.4%
OUTPATIENT REVENUE	44,328,619	39,309,292	12.8%	38,347,748	15.6%	40,259,770	10.1%
TOTAL PATIENT REVENUE	67,888,082	60,519,179	12.2%	58,878,954	15.3%	60,671,199	11.9%
LESS DISCOUNTS & CONTRACTUALS	38,662,031	32,868,761	17.6%	30,658,750	26.1%	30,434,402	27.0%
LESS UNCOMPENSATED CARE	440,847	434,018	1.6%	382,810	15.2%	483,134	(8.8%)
LESS BAD DEBT EXPENSE	440,467	509,659	(13.6%)	477,654	(7.8%)	449,922	(2.1%)
TOTAL DEDUCTIONS FROM REVENUE	39,543,345	33,812,438	16.9%	31,519,214	25.5%	31,367,458	26.1%
NET REVENUE FROM PATIENTS	28,344,737	26,706,741	6.1%	27,359,740	3.6%	29,303,741	(3.3%)
OTHER OPERATING REVENUE	5,451,642	4,308,319	26.5%	5,119,629	6.5%	5,360,587	1.7%
TOTAL OPERATING REVENUE	33,796,379	31,015,060	9.0%	32,479,369	4.1%	34,664,328	(2.5%)
LESS: WILLMAR MEDICAL SERVICES OPERATING REVENUE	8,534,102	7,757,990	10.0%	6,699,878	27.4%	6,965,929	22.5%
TOTAL OPERATING REVENUE	25,262,277	23,257,070	8.6%	25,779,491	(2.0%)	27,698,399	(8.8%)
OPERATING EXPENSES							
SALARIES AND WAGES	13,506,749	13,332,147	1.3%	13,496,962	0.1%	13,519,695	(0.1%)
CONTRACT LABOR	847,528	1,111,622	(23.8%)	686,755	23.4%	1,136,642	(25.4%)
SUPPLEMENTAL BENEFITS	3,513,192	4,232,685	(17.0%)	3,835,662	(8.4%)	3,839,912	(8.5%)
SUPPLIES	2,484,629	2,373,972	4.7%	2,533,313	(1.9%)	2,542,470	(2.3%)
DRUGS	2,311,220	1,598,221	44.6%	2,080,421	11.1%	3,055,474	(24.4%)
PURCHASED SERVICES	2,343,440	2,259,150	3.7%	1,937,452	21.0%	2,388,114	(1.9%)
REPAIRS, SERVICE & RENTALS	1,013,281	982,079	3.2%	1,037,954	(2.4%)	980,486	3.3%
UTILITIES	470,301	489,220	(3.9%)	438,566	7.2%	465,803	1.0%
INSURANCE	172,439	213,761	(19.3%)	193,826	(11.0%)	184,149	(6.4%)
PATIENT RELATED TRAVEL	71,535	81,426	(12.1%)	98,167	(27.1%)	83,120	(13.9%)
EDUCATION, TRAVEL, & DUES	309,957	258,429	19.9%	326,623	(5.1%)	273,796	13.2%
OTHER	69,558	81,357	(14.5%)	110,264	(36.9%)	158,934	(56.2%)
DEPRECIATION AND AMORT	2,171,201	2,383,869	(8.9%)	2,403,170	(9.7%)	2,358,481	(7.9%)
INTEREST	480,873	502,442	(4.3%)	501,137	(4.0%)	650,269	(26.1%)
TAXES & SURCHARGE	575,172	571,086	0.7%	570,368	0.8%	505,920	13.7%
TOTAL OPERATING EXPENSES	30,341,075	30,471,466	(0.4%)	30,250,640	0.3%	32,143,265	(5.6%)
LESS: WILLMAR MEDICAL SERVICES OPERATING EXPENSES	5,475,723	4,821,031	13.6%	3,035,574	80.4%	3,637,461	50.5%
NET OPERATING EXPENSES	24,865,352	25,650,435	(3.1%)	27,215,066	(8.6%)	28,505,804	(12.8%)
OPERATING INCOME (LOSS)	396,925	(2,393,365)	(116.6%)	(1,435,575)	(127.6%)	(807,405)	(149.2%)
NON OPERATING INCOME							
INVESTMENT INCOME	264,298	236,532	11.7%	209,550	26.1%	289,058	(8.6%)
UNREALIZED GAIN (LOSS)	117,310	187,269	(37.4%)	56,991	105.8%	85,262	37.6%
OTHER GAIN (LOSS)	208,030	(36,892)	(663.9%)	122,484	69.8%	(4,349)	(4,883.4%)
TOTAL NON OPERATING INCOME	589,638	386,909	52.4%	389,025	51.6%	369,971	59.4%
NET INCOME (LOSS)	\$986,563	(\$2,006,456)	(149.2%)	(\$1,046,550)	(194.3%)	(\$437,434)	(325.5%)

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RICE CARE CENTER
For the Year To Date Period Ending

	April 2015	April 2014	% Var	April 2013	% Var	April 2012	% Var
OPERATING REVENUE							
RICE CARE CENTER REVENUE	\$3,993,775	\$3,277,870	21.8%	\$3,482,059	14.7%	\$2,569,959	55.4%
TOTAL PATIENT REVENUE	3,993,775	3,277,870	21.8%	3,482,059	14.7%	2,569,959	55.4%
LESS DISCOUNTS & CONTRACTUALS	985,924	909,600	8.4%	1,096,152	(10.1%)	443,330	122.4%
LESS BAD DEBT EXPENSE	(7,902)	(2,843)	177.9%	(3,961)	99.5%	(547)	1,344.6%
TOTAL DEDUCTIONS FROM REVENUE	978,022	906,757	7.9%	1,092,191	(10.5%)	442,783	120.9%
NET REVENUE FROM PATIENTS	3,015,753	2,371,113	27.2%	2,389,868	26.2%	2,127,176	41.8%
OTHER OPERATING REVENUE	5,783	1,840	214.3%	2,145	169.6%	4,280	35.1%
TOTAL OPERATING REVENUE	3,021,536	2,372,953	27.3%	2,392,013	26.3%	2,131,456	41.8%
LESS: WILLMAR MEDICAL SERVICES							
TOTAL OPERATING REVENUE	3,021,536	2,372,953	27.3%	2,392,013	26.3%	2,131,456	41.8%
OPERATING EXPENSES							
SALARIES AND WAGES	1,009,648	874,041	15.5%	836,069	20.8%	889,802	13.5%
CONTRACT LABOR	407,321	348,619	16.8%	425,039	(4.2%)	134,282	203.3%
SUPPLEMENTAL BENEFITS	335,147	340,114	(1.5%)	324,508	3.3%	386,836	(13.4%)
SUPPLIES	158,544	156,046	1.6%	180,639	(12.2%)	140,031	13.2%
DRUGS	79,484	72,633	9.4%	68,881	15.4%	63,045	26.1%
PURCHASED SERVICES	56,684	53,051	6.8%	90,300	(37.2%)	62,356	(9.1%)
REPAIRS, SERVICE & RENTALS	30,182	13,584	122.2%	23,053	30.9%	14,672	105.7%
UTILITIES	51,791	59,653	(13.2%)	43,290	19.6%	36,335	42.5%
INSURANCE	13,602	16,782	(18.9%)	16,184	(16.0%)	11,477	18.5%
PATIENT RELATED TRAVEL	1,605	1,312	22.3%	1,111	44.5%	1,443	11.2%
EDUCATION, TRAVEL, & DUES	12,193	19,996	(39.0%)	15,936	(23.5%)	18,189	(33.0%)
OTHER	8,540	452	1,789.4%	2,012	324.5%	307	2,681.8%
DEPRECIATION AND AMORT	240,725	152,048	58.3%	111,448	116.0%	124,227	93.8%
INTEREST	105,633	111,639	(5.4%)	43,222	144.4%	43,980	140.2%
TAXES & SURCHARGE	140,001	143,532	(2.5%)	139,937	0.0%	121,647	15.1%
TOTAL OPERATING EXPENSES	2,651,100	2,363,502	12.2%	2,321,629	14.2%	2,048,629	29.4%
LESS: WILLMAR MEDICAL SERVICES							
NET OPERATING EXPENSES	2,651,100	2,363,502	12.2%	2,321,629	14.2%	2,048,629	29.4%
OPERATING INCOME (LOSS)	370,436	9,451	3,819.5%	70,384	426.3%	82,827	347.2%
NON OPERATING INCOME							
INVESTMENT INCOME	3,700	1,500	146.7%	1,495	147.5%	2,594	42.6%
TOTAL NON OPERATING INCOME	3,700	1,500	146.7%	1,495	147.5%	2,594	42.6%
NET INCOME (LOSS)	\$374,136	\$10,951	3,316.5%	\$71,879	420.5%	\$85,421	338.0%

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Rice Home Medical
RICE HOME MEDICAL
For the 04 Months Ending April 30, 2015

	April 2015	% of Gross Sales	April 2014	% of Gross Sales	April 2013	% of Gross Sales	April 2012	% of Gross Sales
GROSS SALES								
SALES REVENUE	\$2,667,357	61.57%	\$2,322,914	58.27%	\$2,321,325	57.49%	\$2,166,305	63.54%
RENTS REVENUE	1,664,099	38.41%	1,656,832	41.56%	1,711,683	42.39%	1,242,878	36.46%
MISC REVENUE	764	0.02%	6,540	0.16%	4,658	0.12%	0	0.00%
GROSS SALES	4,332,220	100.00%	3,986,287	100.00%	4,037,666	100.00%	3,409,183	100.00%
LESS: CONTRACTUAL ALLOWANCES	(1,267,090)	(29.25%)	(1,246,258)	(31.26%)	(1,182,429)	(29.28%)	(747,086)	(21.91%)
LESS: UNCOMPENSATED CARE	(310)	(0.01%)	(2,403)	(0.06%)	(326)	(0.01%)	(8,628)	(0.25%)
LESS: BAD DEBT EXPENSE	(27,615)	(0.64%)	(51,043)	(1.28%)	(5,313)	(0.13%)	(14,276)	(0.42%)
NET SALES	3,037,205	70.11%	2,686,583	67.40%	2,849,599	70.58%	2,639,194	77.41%
COST OF GOODS SOLD								
OXYGEN	25,300	0.58%	23,259	0.58%	39,085	0.97%	42,913	1.26%
EQUIPMENT	207,646	4.79%	285,192	7.15%	315,089	7.80%	265,073	7.78%
SUPPLY - FREIGHT	52,494	1.21%	44,752	1.12%	57,601	1.43%	54,838	1.61%
SUPPLY	766,063	17.68%	726,784	18.23%	655,863	16.24%	671,744	19.70%
EQUIPMENT REPAIR	103,906	2.40%	78,080	1.96%	66,510	1.65%	34,011	1.00%
SHOP EXPENSE	8,508	0.20%	21,210	0.53%	13,352	0.33%	20,523	0.60%
EQUIPMENT RENTAL & LEASES	12,377	0.29%	1,067	0.03%	0	0.00%	0	0.00%
PURCHASE DISCOUNTS	(26,357)	(0.61%)	(43,423)	(1.09%)	(22,283)	(0.55%)	(31,721)	(0.93%)
TOTAL COST OF GOODS SOLD	1,149,936	26.54%	1,136,921	28.52%	1,125,216	27.87%	1,057,380	31.02%
GROSS PROFIT	1,887,269	43.56%	1,549,662	38.87%	1,724,383	42.71%	1,581,814	46.40%
OTHER OPERATING REVENUE	37,637	0.87%	0	0.00%	0	0.00%	0	0.00%
TOTAL OPERATING REVENUE	1,924,906	44.43%	1,549,662	38.87%	1,724,383	42.71%	1,581,814	46.40%
OPERATING EXPENSES								
SALARIES & WAGES	932,800	21.53%	1,027,454	25.77%	960,730	23.79%	859,660	25.22%
SUPPLEMENTAL BENEFITS	354,463	8.18%	399,323	10.02%	343,033	8.50%	244,438	7.17%
SUPPLIES AND DRUGS	28,519	0.66%	31,420	0.79%	35,119	0.87%	30,242	0.89%
PURCHASED SERVICES	108,437	2.50%	89,642	2.25%	143,461	3.55%	115,429	3.39%
REPAIRS, SERVICE & RENTALS	72,476	1.67%	83,310	2.09%	84,151	2.08%	56,653	1.66%
UTILITIES	41,385	0.96%	51,521	1.29%	36,536	0.90%	30,633	0.90%
INSURANCE	16,311	0.38%	15,423	0.39%	16,369	0.41%	21,816	0.64%
PATIENT RELATED TRAVEL	28,033	0.65%	51,313	1.29%	52,983	1.31%	54,337	1.59%
EDUCATION, TRAVEL, & DUES	18,658	0.43%	16,873	0.42%	25,669	0.64%	20,923	0.61%
OTHER EXPENSE	56,290	1.30%	51,631	1.30%	38,185	0.95%	18,196	0.53%
DEPRECIATION & AMORTIZATION	308,886	7.13%	385,129	9.66%	188,811	4.68%	164,481	4.82%
INTEREST EXPENSE	0	0.00%	22	0.00%	15,111	0.37%	16,330	0.48%
TAXES	21,814	0.50%	15,444	0.39%	17,163	0.43%	17,645	0.52%
TOTAL OPERATING EXPENSES	1,988,073	45.89%	2,218,506	55.65%	1,957,322	48.48%	1,650,785	48.42%
NET OPERATING INCOME (LOSS)	(63,168)	(1.46%)	(668,844)	(16.78%)	(232,939)	(5.77%)	(68,971)	(2.02%)
INVESTMENT INCOME (LOSS)	(23,850)	(0.55%)	(16,126)	(0.40%)	0	0.00%	0	0.00%
OTHER GAIN (LOSS)	3,110	0.07%	4,833	0.12%	2,001	0.05%	8,111	0.24%
NET INCOME (LOSS)	(\$83,907)	(1.94%)	(\$680,137)	(17.06%)	(\$230,938)	(5.72%)	(\$60,860)	(1.79%)

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**RICE MEMORIAL HOSPITAL
CONSOLIDATED CASH FLOW STATEMENT**

**FOR THE PERIOD ENDED:
April 30, 2015**

Line #	Current YTD	Prior YTD
1 Sources of Cash & Investments:		
2 Net Income	\$ 1,276,797	\$ (2,675,644)
3 Depreciation & Amortization	2,720,811	\$ 2,921,046
4 Debt Proceeds	-	-
5 Other		
6		
7 Total Sources	<u>3,997,608</u>	<u>245,402</u>
8		
9 Uses		
10 Property, Plant, and Equipment - Gross	1,214,914	5,122,140
11 Debt Payments/Re-funding	1,953,727	1,632,594
12 Working Capital Changes & Other - Net	335,450	(1,037,261)
13		
14 Total Uses	<u>3,504,091</u>	<u>5,717,473</u>
15		
16 Increase / (Decrease) Cash & Investments	493,517	(5,472,071)
17		
18 Beginning of Period (January 1)	<u>27,553,337</u>	<u>31,952,720</u>
19		
20 End of Period	<u><u>\$ 28,046,854</u></u>	<u><u>\$ 26,480,649</u></u>

RICE MEMORIAL HOSPITAL
STATISTICAL AND VOLUME SUMMARY
FOR THE PERIOD ENDED:
April 30, 2015

Line #	Patient Days	CURRENT MONTH				Act/2014	Prior	Act/Prior	
		Actual	Forecast	Var.	Var. %	2014	Var. %	3 mo avg	Var. %
1	Adult Health Care	444	574	(130)	-22.6%	561	-20.9%	646	-31.3%
2	Women and Children's Care	171	188	(17)	-9.0%	203	-15.8%	228	-25.0%
3	ICCU	35	59	(24)	-40.7%	73	-52.1%	75	-53.3%
4	Mental Health	235	226	9	4.0%	223	5.4%	231	1.7%
5	Total Adult & Peds	885	1,047	(162)	-15.5%	1,060	-16.5%	1,180	-25.0%
6									
7	Average Daily Census	29.5	34.9	(5.4)	-15.5%	35.3	-16.5%	39.3	-25.0%
8									
9	Average Length of Stay	3.43	3.76	(0.33)	-8.9%	3.81	-10.0%	3.89	-11.8%
10	Average Length of Stay-CMI	3.44	3.74	(0.30)	-8.0%	3.82	-10.2%	3.84	-10.5%
11									
12	Admissions-Inpatient	240	278	(38)	-13.7%	282	-14.9%	307	-21.8%
13	Observation patients	170	128	42	32.8%	124	36.9%	168	1.2%
14									
15	Medicare Case Mix Index	1.296	1.284	0.012	0.9%	1.279	1.3%	1.230	5.3%
16	Case Mix Index-Total	0.998	1.008	(0.010)	-1.0%	0.997	0.1%	1.010	-1.2%
17									
18	Adjusted Admissions	884	806	77	9.6%	814	8.5%	826	7.0%
19	Adjusted Patient Days	3,258	3,036	222	7.3%	3,060	6.5%	3,170	2.8%
20									
21	Births	56	66	(10)	-15.2%	66	-15.2%	69	-18.8%
22									
23	Rice Care Center-Days	2,191	2,250	(59)	-2.6%	1,806	21.3%	2,206	-0.7%
24	Rice Care Center-Average Daily Census	73.0	75.0	(2.0)	-2.6%	60.2	21.3%	73.5	-0.7%
25	Rice Care Center Case Mix Index	1.060	1.050	0.010	1.0%	1.036	2.3%	1.150	-7.8%
26									
27									
28									
		YEAR-TO-DATE				Act/2014		Act/2013	
		Actual	Forecast	Var.	Var. %	2014	Var. %	2013	Var. %
29	<u>Patient Days</u>								
30	Adult Health Care	2,382	2,296	86	3.7%	2,293	3.9%	2,091	13.9%
31	Women and Children's Care	854	758	96	12.7%	791	8.0%	907	-5.8%
32	ICCU	259	236	23	9.7%	250	3.6%	220	17.7%
33	Mental Health	927	907	20	2.2%	898	3.2%	850	9.1%
34	Total Adult & Peds	4,422	4,197	225	5.4%	4,232	4.5%	4,068	8.7%
35									
36	Average Daily Census	36.9	35.0	1.9	5.4%	35.3	4.5%	33.9	8.7%
37									
38	Average Length of Stay	3.79	3.76	0.02	0.6%	3.86	-1.9%	3.52	7.7%
39	Average Length of Stay-CMI	3.75	3.73	0.02	0.5%	3.85	-2.4%	3.44	9.0%
40									
41	Admissions-Inpatient	1,162	1,115	47	4.2%	1,099	5.7%	1,152	0.9%
42	Observation patients	673	518	155	30.0%	575	17.1%	697	-3.4%
43									
44	Medicare Case Mix Index	1.247	1.284	(0.037)	-2.9%	1.328	-6.1%	1.462	-14.7%
45	Case Mix Index-Total	1.009	1.008	0.001	0.1%	1.003	0.6%	1.022	-1.3%
46									
47	Adjusted Admissions	3,363	3,234	129	4.0%	3,137	7.2%	3,304	1.8%
48	Adjusted Patient Days	12,769	12,171	598	4.9%	12,077	5.7%	11,685	9.3%
49									
50	Births	264	261	3	1.1%	254	3.9%	275	-4.0%
51									
52	Rice Care Center-Days	8,810	9,000	(190)	-2.1%	7,156	23.1%	8,009	10.0%
53	Rice Care Center-Average Daily Census	73.4	75.0	(1.6)	-2.1%	59.6	23.1%	66.7	10.0%
54	Rice Care Center Case Mix Index	1.059	1.050	0.009	0.9%	1.031	2.8%	1.030	2.9%

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**RICE MEMORIAL HOSPITAL
STATISTICAL AND VOLUME SUMMARY
FOR THE PERIOD ENDED:
April 30, 2015**

	CURRENT MONTH				2014	Act/2014	Prior	Act/Prior
	Actual	Forecast	Var.	Var. %		Var. %	3 mo avg	Var. %
Ancillary Services								
1 IP Surgeries	64	79	(15)	-19.0%	76	-15.8%	82	-22.0%
2 OP Surgeries	196	171	25	14.6%	175	12.0%	159	23.3%
3 Total Surgeries	260	250	10	4.0%	251	3.6%	241	7.9%
4								
5 ER Visits-Inpatient	177	176	1	0.6%	160	10.6%	195	-9.2%
6 ER Visits-Outpatient	958	980	(22)	-2.2%	869	10.2%	908	5.5%
7 ER Visits-Total	1,135	1,156	(21)	-1.8%	1,029	10.3%	1,103	2.9%
8								
9 Lab Tests	22,388	23,245	(857)	-3.7%	23,210	-3.5%	22,902	-2.2%
10 Medical Imaging Procedures	1,398	1,440	(42)	-2.9%	1,508	-7.3%	1,448	-3.5%
11 Radiation Oncology Treatments	305	245	60	24.5%	316	-3.5%	264	15.5%
12 Medical Oncology Visits	306	248	58	23.4%	270	13.3%	247	23.9%
13								
14 Dialysis Treatments	1,012	999	13	1.3%	986	2.6%	1,004	0.8%
15 Rehab Visits	4,107	3,934	173	4.4%	3,992	2.9%	4,078	0.7%
16 Hospice Visits	1,766	1,864	(98)	-5.3%	1,861	-5.1%	1,639	7.7%
17 Ambulance Runs	220	244	(24)	-9.8%	227	-3.1%	238	-7.6%
18								
19								
Full Time Equivalents (FTE's)								
21 FTE's - Hospital	605	601	3	0.6%	629	-3.9%	619	-2.3%
22 FTE's - Care Center	90	86	5	5.8%	83	8.7%	92	-1.6%
23 FTE's - Home Medical	67	74	(7)	-8.9%	78	-13.6%	71	-5.0%
24 Total FTE's	762	761	2	0.2%	790	-3.5%	782	-2.5%
25								
26								
27								
YEAR-TO-DATE								
	Actual	Forecast	Var.	Var. %	2014	Act/2014 Var. %	2013	Act/2013 Var. %
Ancillary Services								
30 IP Surgeries	311	310	1	0.3%	285	9.1%	360	-13.6%
31 OP Surgeries	672	681	(9)	-1.3%	679	-1.0%	725	-7.3%
32 Total Surgeries	983	991	(8)	-0.8%	964	2.0%	1,085	-9.4%
33								
34 ER Visits-Inpatient	763	701	62	8.8%	673	13.4%	660	15.6%
35 ER Visits-Outpatient	3,683	3,851	(168)	-4.4%	3,272	12.6%	3,382	8.9%
36 ER Visits-Total	4,446	4,552	(106)	-2.3%	3,945	12.7%	4,042	10.0%
37								
38 Lab Tests	91,093	92,323	(1,230)	-1.3%	89,221	2.1%	87,468	4.1%
39 Medical Imaging Procedures	5,741	5,742	(1)	0.0%	5,744	-0.1%	5,371	6.9%
40 Radiation Oncology Treatments	1,097	977	120	12.3%	1,025	7.0%	1,841	-40.4%
41 Medical Oncology Visits	1,048	980	68	6.9%	968	8.3%	787	33.2%
42								
43 Dialysis Treatments	4,025	3,981	44	1.1%	3,842	4.8%	3,043	32.3%
44 Rehab Visits	16,340	15,571	769	4.9%	14,873	9.9%	13,988	16.8%
45 Hospice Visits	6,683	7,474	(791)	-10.6%	7,495	-10.8%	7,222	-7.5%
46 Ambulance Runs	935	976	(41)	-4.2%	932	0.3%	870	7.5%
47								
48								
Full Time Equivalents (FTE's)								
50 FTE's - Hospital	616	603	13	2.1%	632	-2.6%	640	-3.8%
51 FTE's - Care Center	92	86	6	7.4%	81	13.9%	83	10.3%
52 FTE's - Home Medical	70	75	(4)	-5.5%	82	-14.3%	78	-10.0%
53 Total FTE's	778	763	15	2.0%	795	-2.1%	801	-2.9%

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**RICE MEMORIAL HOSPITAL
KEY PERFORMANCE INDICATORS**

FOR THE PERIOD ENDED:

Line #	04/30/15 Actual	2015 YTD Actual	2015 Forecast	2014 Actual	2013 Actual	2012 Actual	2011 Actual	Industry Benchmarks
1	OPERATIONAL							
2	Operating Margin							
3	0.9%	1.6%	1.3%	-3.6%	-1.5%	1.3%	5.0%	
4	9.8%	12.3%	8.7%	6.5%	1.0%	8.7%	-0.1%	
5	-7.4%	-2.1%	1.9%	-9.0%	-22.5%	-3.0%	1.4%	
6								
7	0.9%	2.2%	1.8%	-3.3%	-3.2%	1.4%	4.4%	2.2%
8								
9	1.2%	4.0%	2.6%	-1.8%	-3.6%	2.4%	5.8%	2.8%
10								
11	11.5%	12.7%	12.6%	7.1%	7.0%	11.6%	14.6%	10.8%
12								
13	FINANCIAL							
14		44.1%	44.5%	45.8%	46.3%	43.3%	46.3%	38.7%
15		3.7	3.0	2.4	1.8	3.0	3.5	2.9
16		53	48	53	52	64	55	46
17		120	119	116	128	114	116	131
18		61%	62%	57%	64%	63.0%	58.6%	87%
19		7.5	8.0	7.7	8.9	7.1	6.3	9.1
20		11.9	11.0	10.6	9.3	9.1	9.2	10.2
21		1.21	1.00	(0.33)	(0.52)	0.75	1.65	0.30
22	PRODUCTIVITY							
23	Rice Hospital							
24								
25	\$ 7,851	\$ 8,098		\$ 8,197	\$ 8,255	\$ 8,287	\$ 7,610	
26								
27	90.1%	89.8%	90.0%	93.5%	90.0%	89.1%	85.0%	
28								
29	52.7%	52.9%	50.0%	55.5%	52.6%	50.5%	48.1%	50%
30								
31	13.3	14.3	14.4	14.6	14.9	14.6	13.4	14.9
32	3.6	3.8	4.1	3.9	4.2	4.1	3.8	4.4
33								
34	\$ 702	\$ 732		\$ 771	\$ 770	\$ 755	\$ 739	
35	\$ 684	\$ 681		\$ 584	\$ 684	\$ 762	\$ 614	
36	\$ 1,385	\$ 1,412		\$ 1,355	\$ 1,454	\$ 1,517	\$ 1,353	
37								
38		1.6%	2.0%	2.6%	2.0%	2.2%	2.1%	7.4%
39								
40		8.7%	9.0%	9.3%	9.1%	9.0%	9.6%	6.9%
41								
42	Rice Care Center							
43	6.4	6.5	6.5	6.7	6.6	6.7	6.5	5.8
44								
45	90.2%	87.7%	91.3%	93.5%	99.0%	91.3%	100.1%	
46								
47	Rice Home Medical							
48	\$ 173,400	\$ 184,500	\$ 191,600	\$ 171,700	\$ 161,600	\$ 144,500	\$ 158,000	
49								
50	111.8%	103.3%	96.8%	115.5%	142.0%	104.9%	97.7%	
51								
52		4.4		4.9	4.7	5.8	6.0	
53		82.1		74	78	63	61	
54								

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PRELIMINARY DRAFT
For review and discussion
subject to change

**ANNUAL FINANCIAL REPORT
OF
KANDIYOHI AREA TRANSIT
December 31, 2014 and 2013**

WESTBERG EISCHENS, PLLP
Certified Public Accountants
Willmar, Minnesota 56201

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For review and discussion
subject to change

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**KANDIYOHI AREA TRANSIT
ORGANIZATION
December 31, 2014**

PRELIMINARY DRAFT
For review and discussion
Position on Board
subject to change

Term On
Board Expires

Joint Powers Board Members:

Kevin Crowley, City of Pennock	Chair	12/31/2014
Jim Butterfield, Kandiyohi County	Vice-Chair	12/31/2014
Rick Fagerlie, City of Willmar	Secretary/Treasurer	12/31/2014
Dean Shuck, Kandiyohi County	Member	12/31/2014
Bruce DeBlieck, City of Willmar	Member	12/31/2014

Transit System Operations Board Members:

Darrell Ruch	Chair	Indefinite
Chad Christianson	Vice-Chair	12/31/2014
Kevin Halliday	Secretary/Treasurer	Indefinite
Kristi Maahs	Member	12/31/2014
LeAnne Freeman	Member	12/31/2014
Michelle Prah	Member	12/31/2014
Terri Fehn	Member	12/31/2014
Debra Buffington	Member	12/31/2014
Pam Meinert	Member	Indefinite

Management

Tiffany Collins	Transit Director	Indefinite
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INDEPENDENT AUDITOR'S REPORT
PRELIMINARY DRAFT
For review and discussion
subject to change

Kandiyohi Area Transit Board
Willmar, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of Kandiyohi Area Transit, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Kandiyohi Area Transit's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above, present fairly, in all material respects, the respective financial position of Kandiyohi Area Transit as of December 31, 2014 and 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial

PRELIMINARY DRAFT

For review and discussion

statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Kandiyohi Area Transit's basic financial statements. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules of Revenues and Expenses – By Program is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules of Revenues and Expenses – By Program is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2015 on our consideration of Kandiyohi Area Transit's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kandiyohi Area Transit's internal control over financial reporting and compliance.

WESTBERG EISCHENS, PLLP
Willmar, Minnesota
June 11, 2015

**KANDIYOHI AREA TRANSIT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014 and 2013
PRELIMINARY DRAFT
For review and discussion
subject to change**

Introduction

Kandiyohi Area Transit (KAT) is a joint powers enterprise operation between Kandiyohi County, Minnesota, and the City of Willmar, Minnesota, created to provide a coordinated service delivery and funding source for public transportation for the mutual benefit of each of the joint participants.

KAT's management presents this discussion and analysis of its financial performance during the fiscal years ended December 31, 2014 and 2013, to assist the reader in focusing on significant financial issues and concerns.

Overview of the Financial Statements

This annual financial report consists of three parts – the Management's Discussion and Analysis (this section), the basic financial statements (which include notes to those financial statements) and supplementary information. KAT follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting in accordance with principals generally accepted in the United States of America. The financial statements include the statement of net position, the statement of revenues, expenses, and changes in net position, and the statement of cash flows.

The statement of net position provides information about the nature of assets and obligations (liabilities) of KAT as of the end of the year. The statement of revenues, expenses, and changes in net position reports revenues and expenses for the current year. The statement of cash flows reports cash receipts, cash payments, and changes in cash resulting from operating activities, noncapital financing activities, capital financing activities, and investing activities.

The basic proprietary fund financial statements can be found on pages 12-14 of this report.

The notes on pages 15-22 of this report provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

Financial Highlights

The majority of KAT's net position (57%) is unrestricted. The remaining net position (43%) is invested in capital assets at December 31, 2014. This represents the net investment in the buses that transport citizens for KAT system, plus the buildings, improvements and office equipment purchased.

**KANDIYOHI AREA TRANSIT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014 and 2013**

Net Position

PRELIMINARY DRAFT
For review and discussion
subject to change

The following tables summarize the financial position of KAT, as of December 31, 2014 and 2013:

Condensed Statement of Net Position

	2014	2013	Dollar Change	Percentage Change
Assets				
Current and other assets	\$ 1,319,931	\$ 1,169,799	\$ 150,132	12.8 %
Capital assets, net	<u>782,588</u>	<u>814,562</u>	<u>(31,974)</u>	(3.9) %
Total assets	<u>\$ 2,102,519</u>	<u>\$ 1,984,361</u>	<u>\$ 118,158</u>	6.0 %
Liabilities				
Current liabilities	\$ 256,090	\$ 232,918	\$ 23,172	9.9 %
Noncurrent liabilities	<u>27,911</u>	<u>28,178</u>	<u>(267)</u>	%
Total liabilities	<u>284,001</u>	<u>261,096</u>	<u>22,905</u>	8.8 %
Net position				
Net investment in capital assets	782,588	814,562	(31,974)	(3.9) %
Unrestricted	<u>1,035,930</u>	<u>908,703</u>	<u>127,227</u>	14.0 %
Total net position	<u>1,818,518</u>	<u>1,723,265</u>	<u>95,253</u>	5.5 %
Total liabilities and net position	<u>\$ 2,102,519</u>	<u>\$ 1,984,361</u>	<u>\$ 118,158</u>	6.0 %

Condensed statement of net position highlights are as follows for the year ended December 31, 2014:

- The net position of KAT exceeded liabilities by \$1,534,517.
- Current assets increased by \$150,132 primarily due to a significant increase in cash balances. Receipts from transit users and grants were higher in 2014. Current assets consist of cash and cash equivalents, accounts receivable and due from other governments.
- Long-term assets (capital assets) of \$782,588 consist of the net value of the buses that are used in the KAT system, plus net value of the office and garage facility, bus shelters, any improvements made to those structures and equipment purchased. Long-term assets decreased \$31,974 from 2013 to 2014 primarily as a result of a disposal of \$87,151 in capital assets.
- Current liabilities increased by \$23,172 due to an increase in accounts payable. The accounts payable balance at December 31, 2014 includes two buses that were purchased for \$139,914.
- Noncurrent liabilities, the portion of compensated absences due after one year, decreased by \$267.
- Total net position increased by \$95,253.

**KANDIYOHI AREA TRANSIT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014 and 2013**

Net Position (continued)

PRELIMINARY DRAFT
For review and discussion

The following tables summarize the financial position of KAT as of December 31, 2013 and 2012:

Condensed Statement of Net Position

	2013	2012	Dollar Change	Percentage Change
Assets				
Current and other assets	\$ 1,169,799	\$ 909,753	\$ 260,046	28.6 %
Capital assets, net	814,562	704,074	110,488	15.7 %
Total assets	\$ 1,984,361	\$ 1,613,827	\$ 370,534	23.0 %
Liabilities				
Current liabilities	\$ 232,918	\$ 106,929	\$ 125,989	117.8 %
Noncurrent liabilities	28,178	30,834	(2,656)	(8.6) %
Total liabilities	261,096	137,763	123,333	89.5 %
Net position				
Net investment in capital assets	814,562	704,074	110,488	15.7 %
Unrestricted	908,703	771,990	136,713	17.7 %
Total net position	1,723,265	1,476,064	247,201	16.7 %
Total liabilities and net position	\$ 1,984,361	\$ 1,613,827	\$ 370,534	23.0 %

Condensed statement of net position highlights are as follows for the year ended December 31, 2013:

- The net position of KAT exceeded liabilities by \$1,462,169.
- Current assets increased by \$260,046 primarily due to grant money for a bus that was receivable at year end. Current assets consist of cash and cash equivalents, accounts receivable and due from other governments.
- Long-term assets (capital assets) of \$782,588 consist of the net value of the buses that are used in the KAT system, plus net value of the office and garage facility, bus shelter, any improvements made to those structures and equipment purchased. Long-term assets increased \$110,488 from 2012 to 2013 primarily as a result of an additional \$303,482 in capital assets. A new bus and software purchased consisted of the majority of the additions in 2013.
- Current liabilities increased by \$125,989 as accounts payable increased \$118,915 due largely in part to a bus that was purchased in 2013 but not paid for until 2014.
- Noncurrent liabilities, the portion of compensated absences due after one year, decreased by \$2,656.
- Total net position increased by \$247,201.

**KANDIYOHI AREA TRANSIT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014 and 2013**

Changes in Net Position

PRELIMINARY DRAFT
For review and discussion
subject to change

The following charts summarize operating revenues, expenses, and changes in net position of KAT for the years ended December 31, 2014 and 2013:

Condensed Statement of Revenues, Expenses and Changes in Net Position

	2014	2013	Dollar Change	Percentage Change
Operating Revenues:				
Passenger fare	\$ 245,639	\$ 227,377	\$ 18,262	8.0 %
Contract revenue	214,812	157,198	57,614	36.7 %
Federal grants	365,887	314,658	51,229	16.3 %
State grants	709,363	709,000	363	0.1 %
Total operating revenues	<u>1,535,701</u>	<u>1,408,233</u>	<u>127,468</u>	9.1 %
Operating Expenses:				
Personnel	865,601	789,644	75,957	9.6 %
Administration	143,272	105,844	37,428	35.4 %
Vehicle	199,648	167,713	31,935	19.0 %
Operations	187,307	143,986	43,321	30.1 %
Insurance	35,848	39,938	(4,090)	(10.2) %
Depreciation	175,258	192,994	(17,736)	(9.2) %
Total operating expenses	<u>1,606,934</u>	<u>1,440,119</u>	<u>166,815</u>	11.6 %
Non-Operating Revenues	<u>166,486</u>	<u>279,087</u>	<u>(112,601)</u>	(40.3) %
Change in net position	95,253	247,201	(151,948)	(61.5) %
Beginning Net Position	<u>1,723,265</u>	<u>1,476,064</u>	<u>247,201</u>	16.7 %
Ending Net Position	<u>\$ 1,818,518</u>	<u>\$ 1,723,265</u>	<u>\$ 95,253</u>	5.5 %

Condensed statements of revenues, expenses, and changes in net position highlights are as follows for the year ended December 31, 2014:

- Passenger fare revenues increased \$18,262 (8.00%) due to an increase of approximately 10,000 riders.
- Contract revenues increased by \$57,614 (36.70%). The grant funding for the senior transportation program increased approximately \$21,000. In addition, Blue Ride and UCare revenue increased approximately \$27,000.
- The federal share of the operating grant increased to 40% of the operating deficit compared to 30% in 2013.
- Personnel expenses increased by \$75,957 (9.6%) primarily due all staff receiving a 3% raise and having more hours of service.
- Administration expenses increased by \$37,428 (35.4%) primarily due to professional fees and employee training.
- Vehicle expenses increased \$31,935 (19.0%). The increase is attributed to KAT keeping an older bus that required more maintenance.
- Operations expenses increased \$43,321 (30.1%) primarily due to higher usage of the volunteer driver program.
- Non-operating revenues decreased \$112,601 (61.5%). Capital grants were approximately \$117,000 less in 2014.

**KANDIYOHI AREA TRANSIT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014 and 2013**

PRELIMINARY DRAFT
For review and discussion
subject to change

Changes in Net Position (Continued)

The following charts summarize operating revenues, expenses, and changes in net position of KAT for the years ended December 31, 2013 and 2012:

Condensed Statement of Revenues, Expenses and Changes in Net Position

	2013	2012	Dollar Change	Percentage Change
Operating Revenues:				
Passenger fare	\$ 227,377	\$ 211,808	\$ 15,569	7.4 %
Contract revenue	157,198	156,089	1,109	0.7 %
Federal grants	314,658	310,000	4,658	1.5 %
State grants	709,000	644,250	64,750	10.1 %
Total operating revenues	<u>1,408,233</u>	<u>1,322,147</u>	<u>86,086</u>	6.5 %
Operating Expenses:				
Personnel	789,644	727,806	61,838	8.5 %
Administration	105,844	109,062	(3,218)	(3.0) %
Vehicle	167,713	183,672	(15,959)	(8.7) %
Operations	143,986	119,334	24,652	20.7 %
Insurance	39,938	39,953	(15)	(0.0) %
Depreciation	192,994	174,624	18,370	10.5 %
Total operating expenses	<u>1,440,119</u>	<u>1,354,451</u>	<u>85,668</u>	6.3 %
Non-Operating Revenues	<u>279,087</u>	<u>46,829</u>	<u>232,258</u>	496.0 %
Change in net position	247,201	14,525	232,676	1,601.9 %
Beginning Net Position	<u>1,476,064</u>	<u>1,461,539</u>	<u>14,525</u>	1.0 %
Ending Net Position	<u>\$ 1,723,265</u>	<u>\$ 1,476,064</u>	<u>\$ 247,201</u>	16.7 %

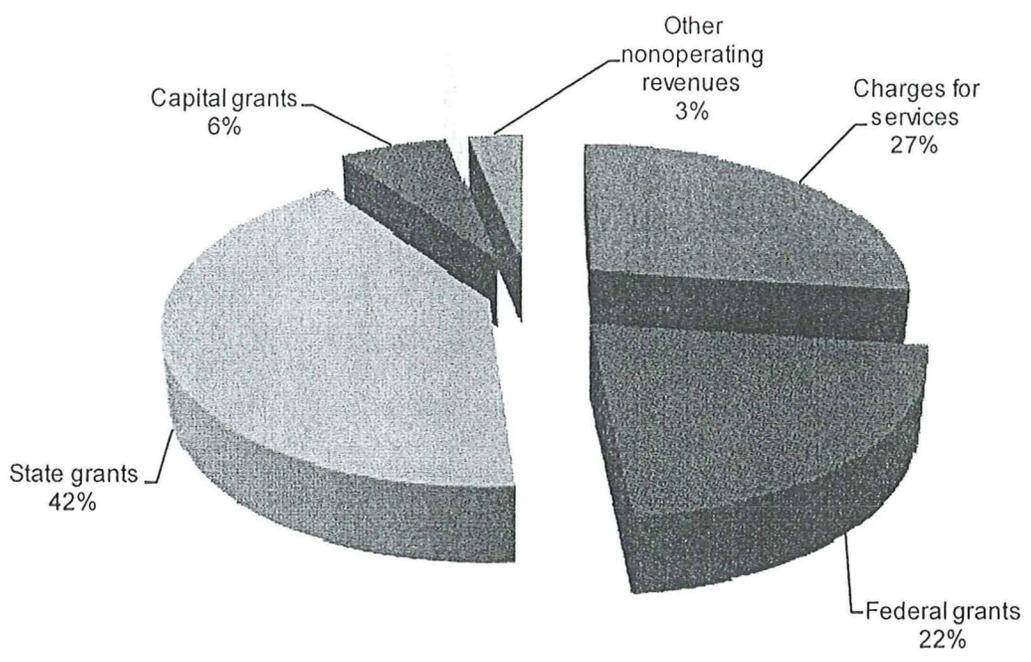
Condensed statements of revenues, expenses, and changes in net assets highlights are as follows for the year ended December 31, 2013:

- Passenger fare revenues increased \$15,569 (7.40%) from 2012 to 2013 due to an increase in fare prices.
- The state share of the operating grant increased to make up for the decrease in the federal share.
- Personnel expenses increased \$61,838 (8.5%) primarily due to more full-time employees and an additional 2,080 hours of driving. In addition, health insurance expense had a significant increase.
- Vehicle expenses have decreased \$15,959 (8.70%) from 2012 to 2013. The decrease is attributed to there being less repairs and maintenance done in 2013.
- Operations expenses increased \$24,652 (20.7%) primarily due to higher usage of the volunteer driver program.
- Non-operating revenues increased \$ 232,258 (496.00%). The KAT system received a Federal capital grant of \$92,000 for a bus and a State capital grant of \$136,000 for software, whereas in 2012 the KAT system did not have any large capital purchases, so no capital grants were requested.

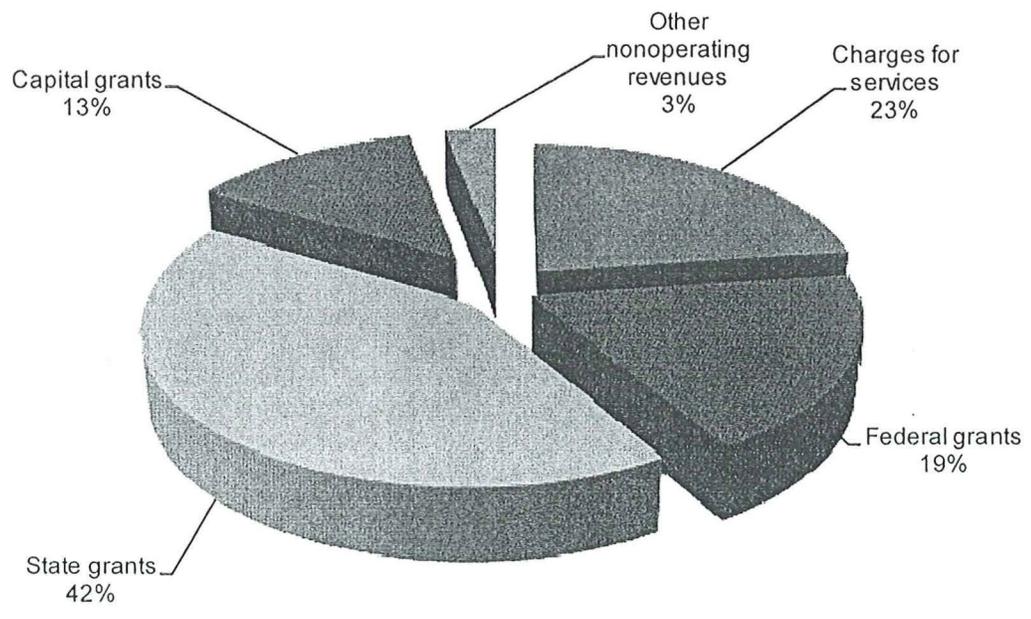
KANDIYOHI AREA TRANSIT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014 and 2013

PRELIMINARY DRAFT
For review and discussion
subject to change

2014 - Revenues



2013 - Revenues

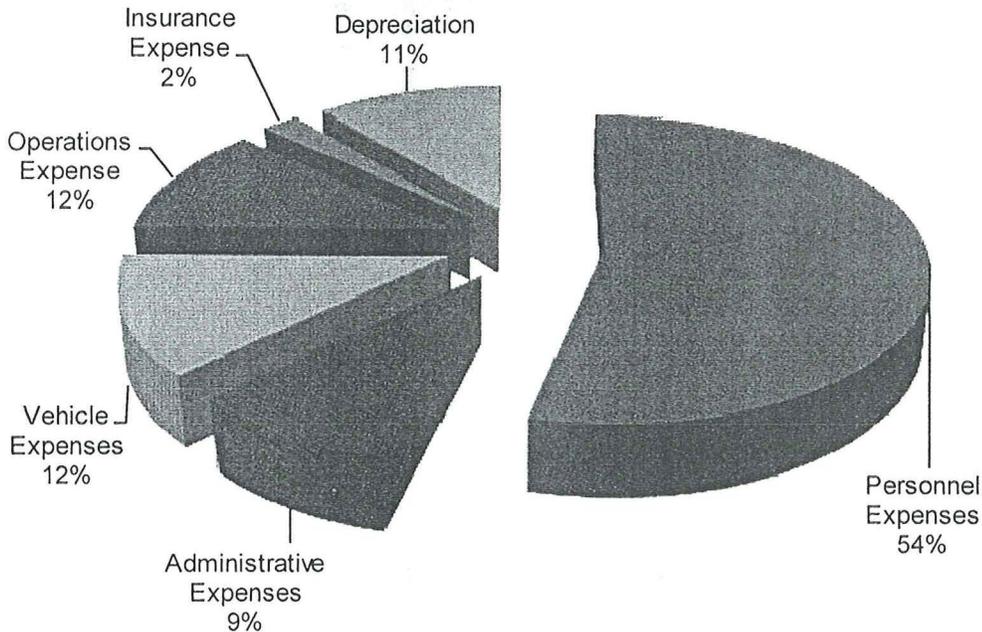


KANDIYOHI AREA TRANSIT
MANAGEMENT'S DISCUSSION AND ANALYSIS

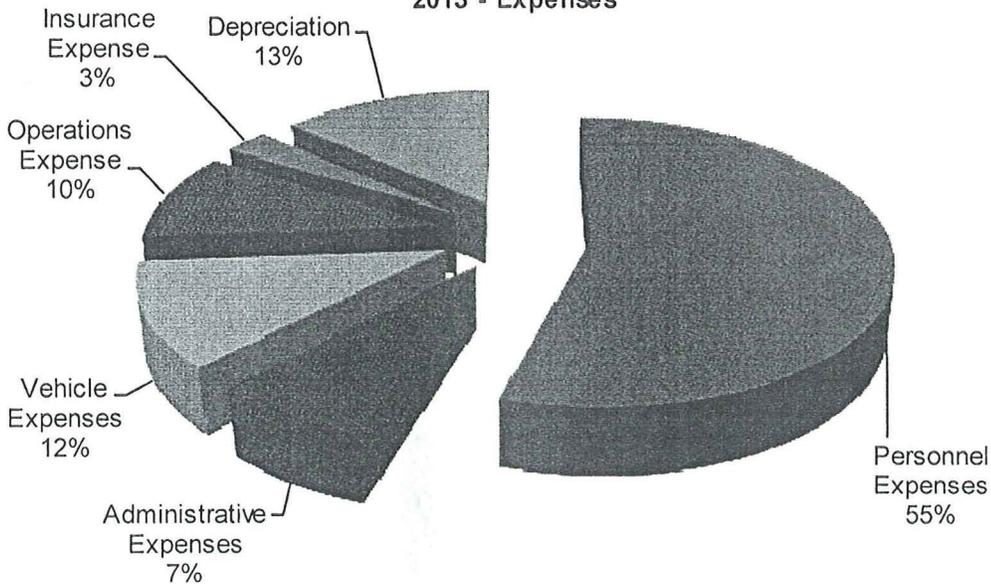
December 31, 2014 and 2013

PRELIMINARY DRAFT
For review and discussion
subject to change

2014 - Expenses



2013 - Expenses



**KANDIYOHI AREA TRANSIT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014 and 2013**

PRELIMINARY DRAFT
For review and discussion
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Capital Assets

KAT's investment in capital assets for its business-type activities as of December 31, 2014 amounts to \$782,588 (net of accumulated depreciation). This investment in capital assets includes buildings and improvements, furniture and equipment, and vehicles.

Change in Capital Assets

	2014	2013	Change
Vehicles	\$ 1,055,937	\$ 1,003,175	\$ 52,762
Buildings and improvements	465,731	468,834	(3,103)
Bus shelter	158,974	152,724	6,250
Furniture and equipment	355,521	355,521	-
Accumulated depreciation	(1,253,575)	(1,165,692)	(87,883)
Net Capital Assets	\$ 782,588	\$ 814,562	\$ (31,974)

Additional information regarding KAT's capital assets can be found in Note 3 on page 18.

Contacting KAT's Management

This financial report is designed to provide our citizens, customers, and creditors with a general overview of KAT's finances and to show the Board's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to the Transit Director, Kandiyohi Area Transit, 1320 22nd Street SW, Willmar, MN 56201.

KANDIYOHI AREA TRANSIT
STATEMENTS OF NET POSITION DRAFT
December 31, 2014 and 2013
 For review and discussion
 subject to change

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,057,686	\$ 863,029
Accounts receivable	33,636	12,949
Due from other governments	228,609	293,821
Total current assets	1,319,931	1,169,799
NONCURRENT ASSETS		
Capital assets		
Vehicles	1,055,937	1,003,175
Buildings and improvements	465,731	468,834
Bus shelter	158,974	152,724
Furniture and equipment	355,521	355,521
	2,036,163	1,980,254
Less: Accumulated depreciation	(1,253,575)	(1,165,692)
Total noncurrent assets	782,588	814,562
TOTAL ASSETS	\$ 2,102,519	\$ 1,984,361
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 189,255	\$ 154,877
Due to other governments	11,451	20,994
Accrued wages	18,735	14,927
Accrued payroll taxes and related liabilities	3,649	9,120
Unearned revenue	8,000	8,000
Compensated absences - due within one year	25,000	25,000
Total current liabilities	256,090	232,918
NONCURRENT LIABILITIES		
Compensated absences - due in more than one year	27,911	28,178
Total noncurrent liabilities	27,911	28,178
TOTAL LIABILITIES	284,001	261,096
NET POSITION		
Net investment in capital assets	782,588	814,562
Unrestricted	1,035,930	908,703
Total net position	1,818,518	1,723,265
TOTAL LIABILITIES AND NET POSITION	\$ 2,102,519	\$ 1,984,361

See Notes to Basic Financial Statements

KANDIYOHI AREA TRANSIT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ended **December 31, 2014 and 2013**
PRELIMINARY DRAFT
For review and discussion
subject to change 2014

	2014	2013
OPERATING REVENUES		
Passenger fare	\$ 245,639	\$ 227,377
Contract revenue	214,812	157,198
Federal operating grants	365,887	314,658
State operating grants	<u>709,363</u>	<u>709,000</u>
Total operating revenues	<u>1,535,701</u>	<u>1,408,233</u>
OPERATING EXPENSES		
Salaries and wages	649,189	589,057
Payroll taxes and benefits	216,412	200,587
Uniforms	1,221	3,895
Training	10,223	1,633
Building maintenance	32,097	26,313
Occupancy	34,457	28,159
Advertising and promotions	26,492	19,557
Professional fees	29,087	22,451
Office and other administrative	41,792	30,149
Fuel and lubricants	133,981	126,846
Vehicle maintenance	65,667	40,867
Volunteer driver reimbursement	155,210	117,673
Liability and property insurance	35,848	39,938
Depreciation	<u>175,258</u>	<u>192,994</u>
Total operating expenses	<u>1,606,934</u>	<u>1,440,119</u>
OPERATING INCOME (LOSS)	<u>(71,233)</u>	<u>(31,886)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest earnings	2,341	2,301
Advertising and fundraising	20,636	22,526
Federal capital grant	56,000	92,000
State capital grant	54,359	136,000
Joint powers member capital contribution	30,112	26,260
Gain on disposal of capital assets	<u>3,038</u>	<u>-</u>
Total nonoperating revenues	<u>166,486</u>	<u>279,087</u>
CHANGE IN NET POSITION	95,253	247,201
NET POSITION, BEGINNING	<u>1,723,265</u>	<u>1,476,064</u>
NET POSITION, ENDING	<u>\$ 1,818,518</u>	<u>\$ 1,723,265</u>

KANDIYOHI AREA TRANSIT
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2014 and 2013
PRELIMINARY DRAFT
For review and discussion
subject to change

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 433,355	\$ 366,341
Payments to suppliers for goods and services	(553,020)	(456,247)
Payments to employees for services	<u>(867,531)</u>	<u>(790,679)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(987,196)</u>	<u>(880,585)</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES		
Intergovernmental receipts	1,167,606	962,555
Advertising and fundraising	<u>18,001</u>	<u>23,482</u>
NET CASH PROVIDED BY NON CAPITAL FINANCING ACTIVITIES	<u>1,185,607</u>	<u>986,037</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Grants restricted for capital purchases	92,000	136,000
Joint powers member contributions	30,132	25,995
Acquisition of capital assets	(134,384)	(175,348)
Proceeds from sales of capital assets	<u>6,157</u>	<u>-</u>
NET CASH PROVIDED BY (USED IN)		
CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(6,095)</u>	<u>(13,353)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on cash and investments	<u>2,341</u>	<u>2,301</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>2,341</u>	<u>2,301</u>
NET INCREASE IN CASH	194,657	94,400
CASH AND TEMPORARY INVESTMENTS, BEGINNING	<u>863,029</u>	<u>768,629</u>
CASH AND TEMPORARY INVESTMENTS, ENDING	<u>\$ 1,057,686</u>	<u>\$ 863,029</u>
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (71,233)	\$ (31,886)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation	175,258	192,994
Intergovernmental revenue	(1,075,250)	(1,023,658)
<i>(Increase) decrease in assets</i>		
Accounts receivable	(18,052)	643
Due from other governments	(9,044)	(13,877)
<i>Increase (decrease) in liabilities</i>		
Accounts payable	22,598	(9,219)
Due to other governments	(9,543)	10,453
Accrued wages and benefits	(1,930)	(1,035)
Unearned revenue	<u>-</u>	<u>(5,000)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (987,196)</u>	<u>\$ (880,585)</u>

See Notes to Basic Financial Statements.

**KANDIYOHI AREA TRANSIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013**

PRELIMINARY DRAFT

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES For review and discussion
subject to change

A. Basis of Presentation

The financial statements of Kandiyohi Area Transit (KAT) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The GASB pronouncements are recognized as U.S. generally accepted accounting principles for state and local governments.

B. Financial Reporting Entity

Kandiyohi Area Transit Board was established October 20, 1998, by a joint powers agreement between the City of Willmar and Kandiyohi County, Minnesota pursuant to Minnesota Statute Section 471.59. Operations did not begin until 1999. The agreement was established to provide public transportation services throughout the Kandiyohi County area. The joint powers agreement remains in force until a member notifies the other party of its intentions to withdraw, at least 90 days before termination takes effect.

The Board consists of two members appointed by Kandiyohi County from its County Board, two members appointed by the City of Willmar from its City Council, and one elected official from the remaining local units of government in Kandiyohi County appointed at large by the Board. Members of the Board serve an annual term and may be reappointed by their respective governing body. The Board has established a Transit Systems Operations Board that is responsible for the operating policies and procedures in delivering public transportation services.

C. Measurement Focus and Basis of Accounting

KAT's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when the related liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The principal operating revenues are federal and state grants, plus fare box revenues.

D. Assets, Liabilities, and Net Assets

1. Assets

Cash

For purpose of the statement of cash flows, cash and cash equivalents include cash on hand and all cash and investments with an original maturity of three months or less when purchased.

Due from other governments

Due from other governments primarily represents amounts due from federal and state grants.

**KANDIYOHI AREA TRANSIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

PRELIMINARY DRAFT
For review and discussion
subject to change

1. Assets (continued)

Capital Assets and Depreciation

Capital assets are defined as any item financed by a capital grant regardless of cost. All other capital assets are subject to an initial individual cost of \$1,000 or more and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Depreciation is determined using the straight-line method for the estimated useful lives of the assets:

Classification	Range
Leasehold improvements	7-15 years
Building	20-40 years
Furniture and equipment	5-7 years
Vehicles	5 years

2. Liabilities

Unearned Revenue

Unredeemed bus fare tickets and tokens are reported as unearned revenue until they are redeemed.

Compensated Absences

The accompanying financial statements include a liability for unused vacation that has vested. KAT's personnel policy provides that employees earn vacation leave dependent upon their years of service. Part-time employees earn vacation on a prorated basis. Unused vacation leave may not be accumulated in excess of the amount earned by an employee during any 12-month period using January 1 as the beginning reference date for computation. As of December 31, 2014 and 2013, KAT reported accrued vacation time of \$32,380 and \$27,545, respectively.

Sick leave is accumulated at one day per month for full-time employees after completing one year of service. Part-time employees earn sick leave on a prorated basis. Upon retirement, as qualified by PERA and FICA or by disability, severance pay of accumulated sick leave hours shall be paid at 75%, not to exceed 700 hours based on the employee's rate of pay at the time of retirement. The employee must have a minimum of ten years of service at KAT to qualify for the retirement payout. As of December 31, 2014 and 2013, KAT reported accrued sick leave of \$20,531 and \$25,633, respectively.

3. Net Position

The portion of net position reported as net investment in capital assets represents the capital assets of KAT, net of accumulated depreciation. The remaining net position is reported as unrestricted net position.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 DEPOSITS AND INVESTMENTS

A. Deposits

In accordance with Minnesota statutes, KAT is authorized to designate a depository for public funds and to invest in certificates of deposit. The Minnesota statutes require that all KAT's deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount on deposit plus accrued interest at the close of the financial institution's banking day, not covered by insurance or bonds.

Authorized collateral includes treasury bills, notes, and bond; issues of U.S. government agencies; general obligations rated "A" or better and revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

As of December 31, 2014 and 2013, KAT's deposits were entirely covered by federal depository insurance or collateral held by KAT or its agent in KAT's name.

B. Investments

Minnesota statutes generally authorize the following types of investments as available to KAT:

1. Securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minnesota Statute.
2. Mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments.
3. General obligations of the State of Minnesota and its municipalities, and certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service.
4. Bankers' acceptances of United States banks.
5. Commercial paper issued by the United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less.
6. Repurchase agreements, securities lending agreements, joint powers in investment trusts and guaranteed investment contracts, with certain restrictions.

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

**KANDIYOHI AREA TRANSIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013**

PRELIMINARY DRAFT
For review and discussion
subject to change

B. Investments (continued)

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk

As of December 31, 2014 and 2013, KAT did not own any investments that required disclosure regarding interest rate risk, credit risk, custodial credit risk or concentration of credit risk.

NOTE 3 CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2014 and 2013 was as follows:

	12/31/2014			
	Beginning	Additions	Dispositions	Ending
Capital Assets				
Vehicles	\$ 1,003,175	\$ 139,914	\$ (87,152)	\$ 1,055,937
Buildings & improvements	468,834	-	(3,103)	465,731
Bus shelter	152,724	6,250	-	158,974
Furniture & equipment	355,521	-	-	355,521
	<u>1,980,254</u>	<u>146,164</u>	<u>(90,255)</u>	<u>2,036,163</u>
Accumulated depreciation				
Vehicles	748,113	93,385	(87,151)	754,347
Buildings & improvements	164,327	14,632	(224)	178,735
Bus shelter	39,393	7,688	-	47,081
Furniture & equipment	213,859	59,553	-	273,412
	<u>1,165,692</u>	<u>175,258</u>	<u>(87,375)</u>	<u>1,253,575</u>
Capital assets, net	<u>\$ 814,562</u>	<u>\$ (29,094)</u>	<u>\$ (2,880)</u>	<u>\$ 782,588</u>
	12/31/2013			
	Beginning	Additions	Dispositions	Ending
Capital Assets				
Vehicles	\$ 875,041	\$ 128,134	\$ -	\$ 1,003,175
Buildings & improvements	463,807	5,027	-	468,834
Bus shelter	152,724	-	-	152,724
Furniture & equipment	185,200	170,321	-	355,521
	<u>1,676,772</u>	<u>303,482</u>	<u>-</u>	<u>1,980,254</u>
Accumulated depreciation				
Vehicles	633,203	114,910	-	748,113
Buildings & improvements	149,548	14,779	-	164,327
Bus shelter	31,757	7,636	-	39,393
Furniture & equipment	158,190	55,669	-	213,859
	<u>972,698</u>	<u>192,994</u>	<u>-</u>	<u>1,165,692</u>
Capital assets, net	<u>\$ 704,074</u>	<u>\$ 110,488</u>	<u>\$ -</u>	<u>\$ 814,562</u>

PRELIMINARY DRAFT
 For review and discussion
 subject to change

NOTE 4 CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the years ended December 31, 2014 and 2013 was as follows:

	12/31/2014			Ending Balance
	Beginning Balance	Additions	Reductions	
Compensated absences	\$ 53,178	\$ 50,367	\$ 50,634	\$ 52,911

	12/31/2013			Ending Balance
	Beginning Balance	Additions	Reductions	
Compensated absences	\$ 55,834	\$ 49,326	\$ 51,982	\$ 53,178

NOTE 5 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

A. Plan Description

All full-time and certain part-time employees of KAT are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). The PERA administers the General Employees Retirement Fund (GERF) which is a cost sharing, multiple-employer retirement plan. The plan is established and administered in accordance with Minn. Stat. chs.353 and 356.

GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security, and Basic Plan members are not. All new members must participate in the Coordinated Plan.

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefits are established by state statute and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For all GERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree--no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

**KANDIYOHI AREA TRANSIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013**

NOTE 5 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

PRELIMINARY DRAFT
For review and discussion
subject to change

A. Plan Description (continued)

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF, PEPFF, and PECF. That report may be obtained on the Internet at www.mnpera.org, by writing to PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088 or by calling (651) 296-7460 or 1-800-652-9026.

B. Funding Policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. KAT makes annual contributions to the pension plans equal to the amount required by state statutes. GERF Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.25%, respectively, of their annual covered salary in 2014 and 2013.

KAT was required to contribute the following percentages of annual covered payroll.

	2014	2013	2012
Public Employee Retirement Fund			
Basic Plan Members	11.78%	11.78%	11.78%
Coordinated Plan Members	7.25%	7.25%	7.25%

KAT's contributions for the years ending December 31, 2014, 2013, and 2012, for the Public Employees Retirement Fund were:

2014	\$ 43,860
2013	\$ 43,228
2012	\$ 38,319

KAT's contributions were equal to the contractually required contributions for each year as set by state statute.

Contribution rates will increase on January 1, 2015 for the Coordinated Plan, 6.5% for members and 7.5% for employers.

NOTE 6 LEASE AGREEMENT

During 2001, KAT entered into a lease with Joint Powers member Kandiyohi County to utilize land in which to construct a bus operations facility and garage. Concurrent with the lease, the County financed construction of the building and other leasehold improvements. This loan was repaid in full during 2005. The initial lease term is for ten years with no annual cost to KAT. The lease matured during 2011 and thereafter requires an annual payment of \$1 per year for the additional fifty year lease renewal period.

On April 18, 2008, the Joint Powers Board authorized entering into a land lease agreement for a bus shelter/transit site with Joint Powers Member, City of Willmar. The lease is for \$1 per year for twenty years.

**KANDIYOHI AREA TRANSIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013**

PRELIMINARY DRAFT
For review and discussion
subject to change

NOTE 7 RELATED PARTY

Joint Powers members consist of the City of Willmar and Kandiyohi County, Minnesota.

The City of Willmar annually provides fuel and occasional vehicle repair and maintenance services and is reimbursed for these costs. Willmar Municipal Utilities provides utility service to KAT.

Various purchases were made with Kandiyohi County for license tabs, recycling services, etc. All of the purchases were of minimal amounts.

	2014	2013
Total paid to the City of Willmar	\$ 143,846	\$ 116,242
Total paid to Kandiyohi County	\$ -	\$ -

Kandiyohi County contracts with KAT to provide transportation services. Kandiyohi County also provides support with a capital contribution.

The City of Willmar provides support with a capital contribution. The Housing and Redevelopment Authority is an occasional customer of the transit system.

	2014	2013
Total received from the City of Willmar	\$ 15,000	\$ 13,000
Total received from Kandiyohi County	\$ 15,112	\$ 53,174

At year end, there were outstanding balances as follows:

	2014	2013
Accounts receivable - Kandiyohi County	\$ 12,838	\$ 6,802
Accounts receivable - City of Willmar	\$ 75	\$ 75
Accounts payable - Kandiyohi County	\$ -	\$ 23
Accounts payable - City of Willmar	\$ 11,077	\$ 20,994

KANDIYOHI AREA TRANSIT
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

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NOTE 8 RISK MANAGEMENT

KAT is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. In order to protect against these risks of loss, KAT purchases commercial insurance through the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool. The LMCIT currently operates common risk management and insurance programs for municipal entities. KAT pays an annual premium to the LMCIT for its insurance coverage. The LMCIT is self-sustaining through commercial companies for excess claims. KAT is covered through the pool for any claims incurred but unreported, however, retains risk for the deductible portion of its insurance policies. The amounts of these deductibles are considered immaterial to the financial statements.

KAT workers' compensation insurance policy is retrospectively rated. With this type of policy, final premiums are determined after loss experience, workers' compensation rates and salaries for the year are known. The final premium adjustment was reduced in the year the adjustment was made.

As of December 31, 2014 and 2013, there were no significant reductions in insurance coverage from the prior year.

NOTE 9 CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and possible adjustment, principally Minnesota Department of Transportation and corresponding federal agencies. The amount, if any, of expenditures which may be disallowed cannot be determined at this time. KAT expects these amounts, if any, to be immaterial to these financial statements.

NOTE 10 SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 11, 2015 the date the financial statements were available to be issued.

Subsequent to year end, Kandiyohi Area Transit merged with Renville County Heartland Express to become Central Community Transit. The new entity was formed through a joint powers agreement between Kandiyohi County, City of Willmar and Renville County.

KANDIYOHI AREA TRANSIT
SCHEDULES OF REVENUES AND EXPENSES BY PROGRAM
For The Year Ended December 31, 2014

PRELIMINARY DRAFT
review and discussion
subject to change

	Primary Operations	Elderly/ Disabled Program	County and Insurance Contracts	Highway 12 Route	Total
OPERATING REVENUES					
Passenger fare	\$ 240,839	\$ -	\$ -	\$ 4,800	\$ 245,639
Contract revenue	67,640	6,100	137,887	3,185	214,812
Federal grants	365,887	-	-	-	365,887
State grants	690,463	-	-	18,900	709,363
Total operating revenues	<u>1,364,829</u>	<u>6,100</u>	<u>137,887</u>	<u>26,885</u>	<u>1,535,701</u>
OPERATING EXPENSES					
Salaries and wages	632,742	2,581	-	13,866	649,189
Payroll taxes and benefits	214,534	-	-	1,878	216,412
Uniforms	1,221	-	-	-	1,221
Training	10,223	-	-	-	10,223
Building maintenance	32,097	-	-	-	32,097
Occupancy	32,899	-	-	1,558	34,457
Advertising and promotions	20,627	-	-	5,865	26,492
Professional fees	29,087	-	-	-	29,087
Office and other administrative	41,774	-	-	18	41,792
Fuel and lubricants	122,897	6,113	-	4,971	133,981
Vehicle maintenance	65,667	-	-	-	65,667
Volunteer driver reimbursement	53,026	-	102,184	-	155,210
Liability and property insurance	35,848	-	-	-	35,848
Depreciation	175,258	-	-	-	175,258
Total operating expenses	<u>1,467,900</u>	<u>8,694</u>	<u>102,184</u>	<u>28,156</u>	<u>1,606,934</u>
OPERATING INCOME (LOSS)	<u>(103,071)</u>	<u>(2,594)</u>	<u>35,703</u>	<u>(1,271)</u>	<u>(71,233)</u>
NONOPERATING REVENUES (EXPENSES)					
Interest earnings	2,341	-	-	-	2,341
Advertising and fundraising	20,636	-	-	-	20,636
Federal capital grant	56,000	-	-	-	56,000
State capital grant	54,359	-	-	-	54,359
Joint powers member capital contribution	30,112	-	-	-	33,150
Gain on disposal of capital assets	3,038	-	-	-	3,038
Total nonoperating revenues	<u>166,486</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>166,486</u>
CHANGE IN NET POSITION	<u>\$ 63,415</u>	<u>\$ (2,594)</u>	<u>\$ 35,703</u>	<u>\$ (1,271)</u>	95,253
NET POSITION, BEGINNING					<u>1,723,265</u>
NET POSITION, ENDING					<u>\$ 1,818,518</u>

KANDIYOHI AREA TRANSIT
SCHEDULES OF REVENUES AND EXPENSES - BY PROGRAM
For The Year Ended December 31, 2019

PRELIMINARY DRAFT
*for review and discussion
subject to change*

	Primary Operations	Elderly/ Disabled Program	Job Access Reverse Commute	County and Insurance Contracts	Total
OPERATING REVENUES					
Passenger fare	\$ 219,542	\$ -	\$ 7,835	\$ -	\$ 227,377
Contract revenue	44,493	7,812	-	104,893	157,198
Federal grants	298,749	-	15,909	-	314,658
State grants	709,000	-	-	-	709,000
Total operating revenues	<u>1,271,784</u>	<u>7,812</u>	<u>23,744</u>	<u>104,893</u>	<u>1,408,233</u>
OPERATING EXPENSES					
Salaries and wages	562,992	4,678	21,387	-	589,057
Payroll taxes and benefits	197,361	-	3,226	-	200,587
Uniforms	3,895	-	-	-	3,895
Training	1,633	-	-	-	1,633
Building maintenance	26,313	-	-	-	26,313
Occupancy	28,159	-	-	-	28,159
Advertising and promotions	10,483	-	9,074	-	19,557
Professional fees	22,451	-	-	-	22,451
Office and other administrative	30,149	-	-	-	30,149
Fuel and lubricants	114,021	1,629	11,196	-	126,846
Vehicle maintenance	40,108	-	759	-	40,867
Volunteer driver reimbursement	44,229	-	-	73,444	117,673
Liability and property insurance	32,886	3,554	3,498	-	39,938
Depreciation	192,994	-	-	-	192,994
Total operating expenses	<u>1,307,674</u>	<u>9,861</u>	<u>49,140</u>	<u>73,444</u>	<u>1,440,119</u>
OPERATING INCOME (LOSS)	<u>(35,890)</u>	<u>(2,049)</u>	<u>(25,396)</u>	<u>31,449</u>	<u>(31,886)</u>
NONOPERATING REVENUES (EXPENSES)					
Interest earnings	2,301	-	-	-	2,301
Advertising and fundraising	21,426	-	1,100	-	22,526
Federal capital grant	92,000	-	-	-	92,000
State capital grant	136,000	-	-	-	136,000
Joint powers member capital contribution	26,260	-	-	-	26,260
Total nonoperating revenues	<u>277,987</u>	<u>-</u>	<u>1,100</u>	<u>-</u>	<u>279,087</u>
CHANGE IN NET POSITION	<u>\$ 242,097</u>	<u>\$ (2,049)</u>	<u>\$ (24,296)</u>	<u>\$ 31,449</u>	<u>247,201</u>
NET POSITION, BEGINNING					<u>1,476,064</u>
NET POSITION, ENDING					<u>\$ 1,723,265</u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

PRELIMINARY DRAFT
For review and discussion
subject to change

Kandiyohi Area Transit Joint Powers Board
Willmar, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Kandiyohi Area Transit as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Kandiyohi Area Transit's basic financial statements, and have issued our report thereon dated June 11, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Kandiyohi Area Transit's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Kandiyohi Area Transit's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Kandiyohi Area Transit's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control described in the accompanying Schedule of Findings and Recommendations as 2009-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kandiyohi Area Transit's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing such an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Minnesota Legal Compliance

The *Minnesota Legal Compliance Audit Guide for Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. 6.65, contains six categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, and miscellaneous provisions. Our audit considered all of the listed categories, except that we did not test for compliance with the provisions for public indebtedness because Kandiyohi Area Transit does not have any debt.

In connection with our audit, nothing came to our attention that caused us to believe that Kandiyohi Area Transit failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Political Subdivisions*. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding Kandiyohi Area Transit's noncompliance with the above referenced provisions.

Kandiyohi Area Transit's responses to the internal control finding identified in our audit have been included in the Schedule of Findings and Recommendations. Kandiyohi Area Transit's responses were not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Kandiyohi Area Transit's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kandiyohi Area Transit's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

WESTBERG EISCHENS, PLLP
Willmar, Minnesota
June 11, 2015

KANDIYOHI AREA TRANSIT
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
December 31, 2014

PRELIMINARY DRAFT
for review and discussion
subject to change

FINANCIAL STATEMENT FINDINGS

Finding 2009-001

Criteria:

Generally, a system of internal control includes controls over preparing the financial statements and related disclosures in accordance with accounting principles generally accepted in the United States of America (GAAP).

Condition:

KAT has relied upon the auditor to prepare the financial statements and related disclosures in accordance with GAAP.

Questioned Costs:

None

Effect:

KAT management may not be able to detect or prevent misstatements in the financial statements.

Cause:

The small size and resources of its business office staff precludes KAT management from preparing its own financial statements.

Recommendation:

We recommend that KAT evaluate its internal controls and make changes that are determined to be cost effective.

CORRECTIVE ACTION PLAN (CAP)

Finding 2009-001

Explanation of Disagreement with Audit Finding:

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

KAT will continue to review auditor prepared financial statements with the intention of understanding and acceptance of responsibility for reporting under GAAP.

Officer Responsible for Ensuring CAP:

Transit Director

Planned Completion Date:

Ongoing

Plan to Monitor Completion of CAP:

The Operations Board will monitor corrective action plan.

