CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: 2
Meeting Date: April 22, 2013
Attachments: __ Yes x No

CITY COUNCIL ACTION
Date: May 6, 2013

☐ Approved ☐ Denied
☐ Amended ☐ Tabled
☐ Other

Originating Department: City Clerk-Treasurer

Action Requested: Adopt Resolution with the municipal tort limits set at $500,000 per claimant, $1,500,000 per occurrence.

Guiding Principle: Minnesota State Statute

Agenda Item: Statutory Municipal Liability Coverage Limits —City Options

Background/Justification: The statutory municipal tort liability limits for 2013 are set at $500,000 per claimant, $1,500,000 per occurrence.

The city will have $1,500,000 of coverage limits available for most claims. But on those claims to which the statutory limits apply, the city, and LMCIT will be able to use the statutory tort liability limit to limit an individual claimant's recovery to no more that $500,000.

The statutory liability limit only comes into play if somebody has been injured by the city's negligence, and has proved to the court that his/her actual injuries exceed $500,000. The statutory liability limit means, very literally, that the city and LMCIT won't fully compensate that individual for his/her injuries, which the city caused. Because of this, some cities may decide that as a matter of public policy you want to have more than $500,000 available to compensate a citizen who has been injured by the city's negligence.

Since it increases the exposure, there is an additional premium charge of 3.5% if the city decides to waive the statutory per-person limit. Options for the Council to consider are:

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

- *If the city waives the statutory tort limits and does not purchase excess liability coverage;* a single claimant could potentially recover up to $1,500,000 on a single occurrence. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would be limited to $1,500,000, regardless of the number of claimants.

- *If the city waives the statutory tort limits and purchases excess liability coverage,* a single claimant could potentially recover an amount up to the limit of the coverage purchased (example $10 Million). The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants.

Fiscal Impact: No fiscal impact unless a new option is selected

Alternatives: Waive limits and purchase excess liability coverage from the LMCIT.

Staff Recommendation: Recommend that the City Council not waive the statutory tort liability limits

Preparer: City Clerk-Treasurer

Signature: Halliday

CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: 3

Meeting Date: April 22, 2013

Attachments: ☒ Yes No

CITY COUNCIL ACTION

Date: May 6, 2013

☐ Approved ☐ Denied
☐ Amended ☐ Tabled
☐ Other

Originating Department: **Finance**

Action Requested: A) Motion to accept the WIF Grant and borrow the lower amount; B) Motion to adopt the financing schedule, introduce an ordinance, and call for a public hearing for May 20, 2013.

Guiding Principle: City Council Policy and Procedures; Minnesota State Statute

Agenda Item: Western Collector Financing

Background/Justification: City Staff has been working with Springsted, Inc., and the State of Minnesota Public Facilities Authority (PFA) to determine the best method and options of funding the construction of the City Council-approved Western Collector Project. Representatives from Springsted will be present to present the information included and answer any questions.

Fiscal Impact: Improvement to the collection system and potential growth of the expansion of the present Industrial Park. Increase costs for the system rate payors.

Alternatives: Borrow full amount at a higher cost to the rate payors.

Staff Recommendation: Introduce the two motions as presented.

Reviewed by: Steven B. Okins, Finance Director

Preparer: Steven B. Okins, Finance Director

Signature:

Comments:

NOTICE OF PUBLIC HEARING
ON THE ADOPTION OF AN ORDINANCE

NOTICE IS HEREBY GIVEN by the City Council of the City of Willmar, Minnesota, that the City Council will conduct a public hearing on and consider adoption of the Ordinance described below at the Municipal Utilities Building in the City of Willmar, Minnesota, at _____ o'clock p.m. on the 20th day of May, 2013 said proposed Ordinance is as follows:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF A GENERAL OBLIGATION SEWER REVENUE NOTE, SERIES 2013B.

The City of Willmar hereby ordains:

1. The City of Willmar has heretofore determined to acquire and construct approximately 13,000 linear feet of gravity sewer pipe and associated structures (collectively, the "Western Interceptor Project").

2. This Ordinance is adopted in order to authorize the borrowing of money and the issuance of a General Obligation Sewer Revenue Note, Series 2013B, to finance a portion of the costs of the Western Interceptor Project in an approximate aggregate principal amount not to exceed $1,886,812 as provided in Section 2.12 of the City Charter. Further details shall be set forth by resolution.

Such persons as desire to be heard with reference to the proposed Ordinance will be heard at this hearing.

By Order of the City Council

/S/ Kevin Halliday
City Clerk

4. No bonds shall be issued until (a) after the Ordinance has been duly adopted and published in accordance with the City Charter, and (b) the applicable 15 day period has elapsed with respect to said Ordinance and all appropriate bond resolutions during which period no Certificate of Intent is filed in accordance with Section 7.04(j) of the City Charter.

The motion for the adoption of the foregoing resolution was duly seconded by member _____ and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Springsted Incorporated
380 Jackson Street, Suite 300
Saint Paul, MN 55101-2887
Tel: 651-223-3000
Fax: 651-223-3002
www.springsted.com

Springsted

MEMORANDUM

TO: Finance Committee, City of Willmar
Charlene Stevens, City Administrator
Steve Okins, Finance Director

FROM: Kathleen Aho

DATE: April 18, 2013

SUBJECT: Western Interceptor PFA Financing

The Western Interceptor project financing has been moving forward in the form of a loan from the Minnesota Public Facilities Authority or "PFA". This memorandum is being provided to update the City on its options relative to the financing and to establish a calendar of events that must take place to secure the financing.

Recently, the PFA indicated that funds were freed up and the City is now able to fund a portion of the project with a Wastewater Infrastructure Funding ("WIF") grant. The City has the option of receiving a WIF grant in the amount of $763,205 and a reduced loan in the amount of $1,886,812 in lieu of a loan for the full amount of project costs, $2,650,017. This seems like a financially reasonable thing to do, however, it does affect system cash flow since in order to take advantage of the WIF grant, the City will need to fund a segregated capital reserve. The requirement for the reserve is contained in MSA 476A.072, subdivision 12 which states:

> "Each governmental unit receiving a loan or grant under this section shall establish a system replacement fund and shall annually deposit a minimum of $.50 per 1,000 gallons of flow for major rehabilitation or expansion of the treatment system, or replacement of the treatment system at the end of its useful life. Money must remain in the account for the life of the loan from the authority or USDA/RECD, unless use of the fund is approved in writing by the authority for major rehabilitation, expansion, or replacement of the treatment system. By March 1 each year during the life of the loan, each recipient shall submit a report to the authority regarding the amount deposited and the fund balance for the prior calendar year. Failure to comply with the requirements of this subdivision shall result in the authority assessing a penalty fee to the recipient equal to one percent of the supplemental assistance amount for each year of noncompliance. Failure to make the required deposit or pay the penalty fee as required constitutes a default on the loan."

For your reference, I've included the full text of the relevant statute at the end of this document.

Josh Halvorson from Donahue has discussed the parameters of the reserve funding with Kathe Barrett and confirmed that the annual amount of set-aside for Willmar if the WIF grant is accepted will be $86,220. If the grant is accepted the City will need to annually pay debt service on the loan portion and also deposit $86,220 to a segregated capital reserve. The reserve can be spent on capital costs of the system, but only after a written request has been

made of PFA. Kathe Barrett has indicated that they will only require that the City fund the reserve up to the amount of the grant, $763,205, and then deposits can stop unless it is drawn down. If draws are made, contributions will need to resume until the reserve is again at the amount of the original grant. No deposits need to be made to the reserve until the project being funded has been completed.

To contrast the two approaches, two schedules are attached. These are estimates and the interest rate will be confirmed by PFA when the City locks into the loan. The attached schedules have lower principal repayment amounts through 2017. This will ease a small amount of pressure on the sewer rate structure in the early years while the rates are ramping up and yet start full amortization once the rates are able to plateau.

The first schedule attached illustrates the structure described above and funding the full amount of project costs with a loan. We have used a presumed rate of 1.040% based on estimates from PFA on April 8th. The second schedule illustrates the WIF grant/loan combination. The final two columns on the schedule show the contribution to the capital reserve and the variance to the first schedule. As you can see, there is a period where the cash flow needs will be higher with the WIF grant than without it, but overall the WIF grant/loan combination will require less money. Also, once the deposits to the capital reserve accumulate, the reserve will in essence provide the City with a source of interest-free borrowing for smaller capital projects in the future. With PFA approval, cash can be used to fund capital expenditures and then be replaced over time and used again.

We recommend that the City accept the WIF grant, borrow at the lower amount, and make provisions to fund the needed capital reserve.

Proposed rate increases

A number of modifications to original assumptions have been made in the past months and we have updated the rate model to reflect the WIF option discussed above, including the funding of the capital reserve, an increase in the size of the anticipated Lakeland Drive Interceptor financing scheduled for 2014, and a delay in implementation of the initial rate increase. The outcomes of the revisions are summarized in the final schedule attached.

The following assumptions are included in the projections:

- Western Interceptor project cost - $2,650,017
  - PFA low-interest loan - $1,886,812
  - WIF Grant - $763,205
- Annual transfer out to a capital replacement reserve in the amount of $86,220 until the WIF grant amount is reached in 2022.
- Western Interceptor project will be completed in 2013 with first full transfer of $86,220 to the capital reserve occurring in 2014
- Lakeland Drive Interceptor project in 2014 - $6,701,000
- Other miscellaneous capital outlay averaging approximately $360,000 annually 2013-2022
- Administrative fees will increase 3.0% annually
- Utility Improvement fee remains flat over planning period

- Meter fees remain at 2012 levels over planning period
- Volume charge increases needed are projected to be:

	2012	2013	2014	2015	2016	2017
Admin/Billing Charge	$ 2.54	$ 2.62	$ 2.70	$ 2.78	$ 2.86	$ 2.95
Utility Improvement Charge	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00
Meter Charge (5/8" meter)	$ 18.00	$ 18.00	$ 18.00	$ 18.00	$ 18.00	$ 18.00
Tier 1 Volume (per 100 cu ft)	$ 2.17	$ 2.60	$ 3.07	$ 3.50	$ 3.75	$ 4.01
Tier 2 Volume (per 100 cu ft)	$ 3.33	$ 4.00	$ 4.72	$ 5.38	$ 5.76	$ 6.16

Rate increases assumed to go into effect June 1, 2013 and then January 1 for each year thereafter.

Schedule of events

Jennifer Boulton has confirmed that the PFA loan will need to be authorized under the ordnance process the City follows for its other bond issues. I've included a schedule of events on page 9 that will accomplish that requirement. The City has indicated that if draws are needed prior to receipt of funds that they can be internally funded. PFA has indicated that provided that the expenditures are for project related costs they can be reimbursed after closing from loan or grant proceeds under the City's existing reimbursement resolution.

$2,650,017
City of Willmar, Minnesota
General Obligation Clean Water Bonds (PFA Loan), 2013

DEBT SERVICE SCHEDULE

Date	Principal	1.040% Coupon	Interest	Total P+I	Fiscal Total
05/28/2013					
02/20/2014			20,057.68	20,057.68	
08/20/2014	5,017	1.040%	13,780.09	18,797.09	38,854.77
02/20/2015		-	13,754.00	13,754.00	
08/20/2015	5,000	1.040%	13,754.00	18,754.00	32,508.00
02/20/2016		-	13,728.00	13,728.00	
08/20/2016	5,000	1.040%	13,728.00	18,728.00	32,456.00
02/20/2017		-	13,702.00	13,702.00	
08/20/2017	5,000	1.040%	13,702.00	18,702.00	32,404.00
02/20/2018		-	13,676.00	13,676.00	
08/20/2018	29,000	1.040%	13,676.00	42,676.00	56,352.00
02/20/2019		-	13,525.20	13,525.20	
08/20/2019	44,000	1.040%	13,525.20	57,525.20	71,050.40
02/20/2020		-	13,296.40	13,296.40	
08/20/2020	59,000	1.040%	13,296.40	72,296.40	85,592.80
02/20/2021		-	12,989.60	12,989.60	
08/20/2021	74,000	1.040%	12,989.60	86,989.60	99,979.20
02/20/2022		-	12,604.80	12,604.80	
08/20/2022	91,000	1.040%	12,604.80	103,604.80	116,209.60
02/20/2023		-	12,131.60	12,131.60	
08/20/2023	105,000	1.040%	12,131.60	117,131.60	129,263.20
02/20/2024		-	11,585.60	11,585.60	
08/20/2024	107,000	1.040%	11,585.60	118,585.60	130,171.20
02/20/2025		-	11,029.20	11,029.20	
08/20/2025	107,000	1.040%	11,029.20	118,029.20	129,058.40
02/20/2026		-	10,472.80	10,472.80	
08/20/2026	109,000	1.040%	10,472.80	119,472.80	129,945.60
02/20/2027		-	9,906.00	9,906.00	
08/20/2027	110,000	1.040%	9,906.00	119,906.00	129,812.00
02/20/2028		-	9,334.00	9,334.00	
08/20/2028	111,000	1.040%	9,334.00	120,334.00	129,668.00
02/20/2029		-	8,756.80	8,756.80	
08/20/2029	112,000	1.040%	8,756.80	120,756.80	129,513.60
02/20/2030		-	8,174.40	8,174.40	
08/20/2030	113,000	1.040%	8,174.40	121,174.40	129,348.80
02/20/2031		-	7,586.80	7,586.80	
08/20/2031	115,000	1.040%	7,586.80	122,586.80	130,173.60
02/20/2032		-	6,988.80	6,988.80	
08/20/2032	117,000	1.040%	6,988.80	123,988.80	130,977.60
02/20/2033		-	6,380.40	6,380.40	
08/20/2033	117,000	1.040%	6,380.40	123,380.40	129,760.80
02/20/2034		-	5,772.00	5,772.00	
08/20/2034	119,000	1.040%	5,772.00	124,772.00	130,544.00
02/20/2035		-	5,153.20	5,153.20	
08/20/2035	120,000	1.040%	5,153.20	125,153.20	130,306.40
02/20/2036		-	4,529.20	4,529.20	
08/20/2036	120,000	1.040%	4,529.20	124,529.20	129,058.40
02/20/2037		-	3,905.20	3,905.20	
08/20/2037	122,000	1.040%	3,905.20	125,905.20	129,810.40
02/20/2038		-	3,270.80	3,270.80	
08/20/2038	123,000	1.040%	3,270.80	126,270.80	129,541.60
02/20/2039		-	2,631.20	2,631.20	
08/20/2039	124,000	1.040%	2,631.20	126,631.20	129,262.40
02/20/2040		-	1,986.40	1,986.40	
08/20/2040	126,000	1.040%	1,986.40	127,986.40	129,972.80
02/20/2041		-	1,331.20	1,331.20	
08/20/2041	127,000	1.040%	1,331.20	128,331.20	129,662.40
02/20/2042		-	670.80	670.80	
08/20/2042	129,000	1.040%	670.80	129,670.80	130,341.60
Total	2,650,017	-	$511,582.57	$3,161,599.57	$3,161,599.57

City of Willmar, Minnesota

General Obligation Clean Water Bonds (PFA Loan), 2013 & WIF Grant

DEBT SERVICE SCHEDULE

Date	Principal	1.040% Coupon	Interest	Total P+I	Fiscal Total	Required Reserve Dep.	Cum. Reserve Dep.	Gross Annual Req.	Variance to Full Loan
05/28/2013									
02/20/2014			14,281.07	14,281.07			-		
08/20/2014	6,812	1.040%	9,811.42	16,623.42	30,904.49		-	30,904	(7,950)
02/20/2015		-	9,776.00	9,776.00			-		
08/20/2015	5,000	1.040%	9,776.00	14,776.00	24,552.00	86,220	86,220	110,772	78,264
02/20/2016		-	9,750.00	9,750.00			86,220		
08/20/2016	5,000	1.040%	9,750.00	14,750.00	24,500.00	86,220	172,440	110,720	78,264
02/20/2017		-	9,724.00	9,724.00			172,440		
08/20/2017	5,000	1.040%	9,724.00	14,724.00	24,448.00	86,220	258,660	110,668	78,264
02/20/2018		-	9,698.00	9,698.00			258,660		
08/20/2018	15,000	1.040%	9,698.00	24,698.00	34,396.00	86,220	344,880	120,616	64,264
02/20/2019		-	9,620.00	9,620.00			344,880		
08/20/2019	24,000	1.040%	9,620.00	33,620.00	43,240.00	86,220	431,100	129,460	58,410
02/20/2020		-	9,495.20	9,495.20			431,100		
08/20/2020	35,000	1.040%	9,495.20	44,495.20	53,990.40	86,220	517,320	140,210	54,618
02/20/2021		-	9,313.20	9,313.20			517,320		
08/20/2021	42,000	1.040%	9,313.20	51,313.20	60,626.40	86,220	603,540	146,846	46,867
02/20/2022		-	9,094.80	9,094.80			603,540		
08/20/2022	50,000	1.040%	9,094.80	59,094.80	68,189.60	86,220	689,760	154,410	38,200
02/20/2023		-	8,834.80	8,834.80			689,760		
08/20/2023	77,000	1.040%	8,834.80	85,834.80	94,669.60	73,445	763,205	168,115	38,851
02/20/2024		-	8,434.40	8,434.40			763,205		
08/20/2024	78,000	1.040%	8,434.40	86,434.40	94,868.80	0	763,205	94,869	(35,302)
02/20/2025		-	8,028.80	8,028.80			763,205		
08/20/2025	78,000	1.040%	8,028.80	86,028.80	94,057.60	0	763,205	94,058	(35,001)
02/20/2026		-	7,623.20	7,623.20			763,205		
08/20/2026	79,000	1.040%	7,623.20	86,623.20	94,246.40	0	763,205	94,246	(35,699)
02/20/2027		-	7,212.40	7,212.40			763,205		
08/20/2027	80,000	1.040%	7,212.40	87,212.40	94,424.80	0	763,205	94,425	(35,387)
02/20/2028		-	6,796.40	6,796.40			763,205		
08/20/2028	81,000	1.040%	6,796.40	87,796.40	94,592.80	0	763,205	94,593	(35,075)
02/20/2029		-	6,375.20	6,375.20			763,205		
08/20/2029	82,000	1.040%	6,375.20	88,375.20	94,750.40	0	763,205	94,750	(34,763)
02/20/2030		-	5,948.80	5,948.80			763,205		
08/20/2030	83,000	1.040%	5,948.80	88,948.80	94,897.60	0	763,205	94,898	(34,451)
02/20/2031		-	5,517.20	5,517.20			763,205		
08/20/2031	83,000	1.040%	5,517.20	88,517.20	94,034.40	0	763,205	94,034	(36,139)
02/20/2032		-	5,085.60	5,085.60			763,205		
08/20/2032	84,000	1.040%	5,085.60	89,085.60	94,171.20	0	763,205	94,171	(36,806)
02/20/2033		-	4,648.80	4,648.80			763,205		
08/20/2033	85,000	1.040%	4,648.80	89,648.80	94,297.60	0	763,205	94,298	(35,463)
02/20/2034		-	4,206.80	4,206.80			763,205		
08/20/2034	86,000	1.040%	4,206.80	90,206.80	94,413.60	0	763,205	94,414	(36,130)
02/20/2035		-	3,759.60	3,759.60			763,205		
08/20/2035	87,000	1.040%	3,759.60	90,759.60	94,519.20	0	763,205	94,519	(35,787)
02/20/2036		-	3,307.20	3,307.20			763,205		
08/20/2036	88,000	1.040%	3,307.20	91,307.20	94,614.40	0	763,205	94,614	(34,444)
02/20/2037		-	2,849.60	2,849.60			763,205		
08/20/2037	89,000	1.040%	2,849.60	91,849.60	94,699.20	0	763,205	94,699	(35,111)
02/20/2038		-	2,386.80	2,386.80			763,205		
08/20/2038	90,000	1.040%	2,386.80	92,386.80	94,773.60	0	763,205	94,774	(34,768)
02/20/2039		-	1,918.80	1,918.80			763,205		
08/20/2039	91,000	1.040%	1,918.80	92,918.80	94,837.60	0	763,205	94,838	(34,425)
02/20/2040		-	1,445.60	1,445.60			763,205		
08/20/2040	92,000	1.040%	1,445.60	93,445.60	94,891.20	0	763,205	94,891	(35,082)
02/20/2041		-	967.20	967.20			763,205		
08/20/2041	93,000	1.040%	967.20	93,967.20	94,934.40	0	763,205	94,934	(34,728)
02/20/2042		-	483.60	483.60			763,205		
08/20/2042	93,000	1.040%	483.60	93,483.60	93,967.20	0	763,205	93,967	(36,374)
Total	$1,886,812	-	$368,696.49	$2,255,508.49	$2,255,508.49	$763,205		$3,018,713	(142,886)

Projected Sewer Rate Adjustment		20.00%	18.00%	14.00%	7.00%	7.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues											
Charges for Services - City	5,840,045	3,715,768	4,270,462	4,637,854	4,851,391	5,073,550	5,073,550	5,073,550	5,073,550	5,073,550	5,073,550
Charges for Services - JOTS	N/A	2,698,384	3,093,433	3,468,399	3,681,301	3,916,333	3,936,179	3,947,210	3,967,754	3,987,599	4,010,889
Charges for Services - Eagle Lake	150,000	226,416	246,494	264,864	275,544	286,651	286,651	286,651	286,651	286,651	286,651
Charges for Services - Kandiyohi Co	120,000	121,200	122,412	123,636	124,872	126,121	127,382	128,656	129,943	131,242	132,555
Charges for Services - Delivered Waste	16,000	16,160	16,322	16,485	16,650	16,816	16,984	17,154	17,326	17,499	17,674
Administration and Billing Charges	200,000	198,386	204,444	210,502	216,559	235,976	243,176	250,375	257,574	265,573	273,573
Replacement Charges	410,200	415,872	415,872	415,872	415,872	415,872	415,872	415,872	415,872	415,872	415,872
Other Revenue	15,100	15,553	16,020	16,500	16,995	17,505	18,030	18,571	19,128	19,702	20,293
Total Revenues	6,751,345	7,407,739	8,385,459	9,154,112	9,599,184	10,088,825	10,117,825	10,138,039	10,167,798	10,197,689	10,231,056
Operating Expenses											
Personal Services											
Salaries - Treatment	541,689	557,940	574,678	591,918	609,676	627,966	646,805	666,209	686,195	706,781	727,985
Salaries - Collection	55,335	56,995	58,705	60,466	62,280	64,148	66,073	68,055	70,097	72,200	74,366
Salaries - Biosolids	59,465	61,249	63,086	64,979	66,928	68936.23283	71,004	73,134	75,328	77,588	79,916
Pension Contributions	96,346	101,163	106,221	111,533	117,109	122,965	129,113	135,568	142,347	149,464	156,937
Insurance Contributions	204,258	214,471	225,194	236,454	248,277	260,691	273,725	287,412	301,782	316,871	332,715
Total - Personal Services	957,093	991,818	1,027,885	1,065,350	1,104,270	1,144,706	1,186,720	1,230,379	1,275,750	1,322,905	1,371,919
Supplies											
Office Supplies	3,200	3,296	3,395	3,497	3,602	3,710	3,821	3,936	4,054	4,175	4,301
Small Tools	12,900	13,287	13,686	14,096	14,519	14,955	15,403	15,865	16,341	16,832	17,337
Motor Fuels and Lubricants	108,500	111,755	115,108	118,561	122,118	125,781	129,555	133,441	137,445	141,568	145,815
Postage	1,100	1,133	1,167	1,202	1,238	1,275	1,313	1,353	1,393	1,435	1,478
Mtce. Of Equipment	26,000	26,780	27,583	28,411	29,263	30,141	31,045	31,977	32,936	33,924	34,942
Mtce. Of Structures	4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219	5,376
Mtce. Of Other Improvements	14,100	14,523	14,959	15,407	15,870	16,346	16,836	17,341	17,861	18,397	18,949
Subsistence of Persons	2,250	2,318	2,387	2,459	2,532	2,608	2,687	2,767	2,850	2,936	3,024
Cleaning and Waste Removal	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914	4,032
General Supplies	582,500	599,975	617,974	636,513	655,609	675,277	695,535	716,402	737,894	760,030	782,831
Total - Supplies	757,550	780,277	803,685	827,795	852,629	878,208	904,554	931,691	959,642	988,431	1,018,084

Projected Sewer Rate Adjustment		20.00%	18.00%	14.00%	7.00%	7.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other Services and Charges											
Communications	5,450	5,614	5,782	5,955	6,134	6,318	6,508	6,703	6,904	7,111	7,324
Printing and Publishing	500	515	530	546	563	580	597	615	633	652	672
Utilities	895,000	921,850	949,506	977,991	1,007,330	1,037,550	1,068,677	1,100,737	1,133,759	1,167,772	1,202,805
Travel, Conferences, and Schools	6,400	6,592	6,790	6,993	7,203	7,419	7,642	7,871	8,107	8,351	8,601
Maint - Equipment	43,000	44,290	45,619	46,987	48,397	49,849	51,344	52,885	54,471	56,105	57,788
Maint - Structures	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720
Maint - Other Improvements	12,600	12,978	13,367	13,768	14,181	14,607	15,045	15,496	15,961	16,440	16,933
Subsistence of Persons	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344
Cleaning and Waste Removal	27,000	27,810	28,644	29,504	30,389	31,300	32,239	33,207	34,203	35,229	36,286
Rents	86,500	89,095	91,768	94,521	97,357	100,277	103,286	106,384	109,576	112,863	116,249
Insurances and Bonds	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878
Awards & Indemnities	-	-	-	-	-	-	-	-	-	-	-
Subscriptions & Memberships	5,200	5,356	5,517	5,682	5,853	6,028	6,209	6,395	6,587	6,785	6,988
Licenses & Taxes	27,200	28,016	28,856	29,722	30,614	31,532	32,478	33,453	34,456	35,490	36,555
Professional Services	104,000	107,120	110,334	113,644	117,053	120,565	124,181	127,907	131,744	135,696	139,767
Advertising	200	206	212	219	225	232	239	246	253	261	269
Other Charges	16,000	16,480	16,974	17,484	18,008	18,548	19,105	19,678	20,268	20,876	21,503
Existing Depreciation	2,400,000	2,280,000	2,166,000	2,057,700	1,954,815	1,857,074	1,764,221	1,676,010	1,592,209	1,512,599	1,436,969
New Depreciation	-	-	61,595	206,615	222,815	225,482	234,815	240,815	246,815	252,815	258,815
Total - Other Services and Charges	3,655,050	3,572,702	3,559,078	3,635,742	3,590,200	3,537,503	3,497,631	3,460,378	3,428,884	3,402,970	3,382,466
Total Operating Expenses	**5,369,693**	**5,344,796**	**5,390,648**	**5,528,888**	**5,547,100**	**5,560,417**	**5,588,906**	**5,622,448**	**5,664,276**	**5,714,305**	**5,772,469**
Operating Income (Loss)	**1,381,652**	**2,062,943**	**2,994,811**	**3,625,224**	**4,052,085**	**4,528,408**	**4,528,919**	**4,515,592**	**4,503,523**	**4,483,384**	**4,458,588**
Non Operating Revenues (Expenses)											
State or Federal Grants	-	1,546,731									
Interest Income	100,000	64,104	54,355	51,778	52,685	56,220	63,057	68,703	73,354	78,090	81,875
Interest Expense Existing Debt	(2,374,845)	(2,303,162)	(2,245,954)	(2,157,399)	(2,070,503)	(1,979,947)	(1,887,563)	(1,798,925)	(1,709,985)	(1,620,198)	(1,527,670)
Interest Expense New Debt		-	(12,771)	(155,816)	(175,278)	(173,291)	(177,334)	(171,658)	(165,849)	(159,905)	(153,821)
Amortization Expense	-										
Special Assessments - Existing											
New Special Assessments		-	-	-	-	-	-	-	-	-	-
Refunds and Reimbursements	15,000										
Other	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Total Non Operating Revenues (Expenses)	**(2,257,345)**	**(689,827)**	**(2,201,870)**	**(2,258,936)**	**(2,190,596)**	**(2,094,518)**	**(1,999,340)**	**(1,899,380)**	**(1,799,980)**	**(1,699,512)**	**(1,597,116)**
Net Income (Loss) Before Transfers	**(875,693)**	**1,373,116**	**792,941**	**1,366,288**	**1,861,489**	**2,433,890**	**2,529,579**	**2,616,212**	**2,703,543**	**2,783,872**	**2,861,472**
Operating Transfers											
Transfers (Out) - WIF Capital Reserve	-		(86,220)	(86,220)	(86,220)	(86,220)	(86,220)	(86,220)	(86,220)	(86,220)	(73,445)
Transfers (Out) - General Fund/Admin	(560,200)	(614,258)	(620,316)	(626,374)	(632,431)	(651,848)	(659,048)	(666,247)	(673,446)	(681,445)	(689,445)
Total Operating Transfers	**(560,200)**	**(614,258)**	**(706,536)**	**(712,594)**	**(718,651)**	**(738,068)**	**(745,268)**	**(752,467)**	**(759,666)**	**(767,665)**	**(762,890)**
Net Income (Loss)	**(1,435,893)**	**758,858**	**86,405**	**653,694**	**1,142,838**	**1,695,821**	**1,784,311**	**1,863,745**	**1,943,876**	**2,016,207**	**2,098,582**

Projected Sewer Rate Adjustment		20.00%	18.00%	14.00%	7.00%	7.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Operating Transfers											
Transfers (Out) - WIF Capital Reserve	-		(86,220)	(86,220)	(86,220)	(86,220)	(86,220)	(86,220)	(86,220)	(86,220)	(73,445)
Transfers (Out) - General Fund/Admin	(560,200)	(614,258)	(620,316)	(626,374)	(632,431)	(651,848)	(659,048)	(666,247)	(673,446)	(681,445)	(689,445)
Total Operating Transfers	(560,200)	(614,258)	(706,536)	(712,594)	(718,651)	(738,068)	(745,268)	(752,467)	(759,666)	(767,665)	(762,890)
Net Income (Loss)	**(1,435,893)**	**758,858**	**86,405**	**653,694**	**1,142,838**	**1,695,821**	**1,784,311**	**1,863,745**	**1,943,876**	**2,016,207**	**2,098,582**
Beginning Cash & Investments	7,886,546	6,410,390	5,435,469	5,177,847	5,268,514	5,622,045	6,305,711	6,870,284	7,335,403	7,809,044	8,187,460
Net Income	(1,435,893)	758,858	86,405	653,694	1,142,838	1,695,821	1,784,311	1,863,745	1,943,876	2,016,207	2,098,582
Depreciation	2,400,000	2,280,000	2,227,595	2,264,315	2,177,630	2,082,556	1,999,036	1,916,825	1,839,024	1,765,414	1,695,784
Amortization	-	-	-	-	-	-	-	-	-	-	-
Acquisition and Construction of Assets	(1,971,812)	(2,997,138)	(7,176,000)	(783,000)	(100,000)	(308,500)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Proceeds from New Long-Term Debt	1,886,812	1,450,407	7,176,000	783,000	100,000	308,500	-	-	-	-	-
Payments on New Long-Term Debt		-	(15,843)	(193,206)	(226,373)	(235,082)	(251,775)	(257,451)	(263,260)	(269,204)	(275,289)
Payments on Existing Long-Term Debt	(2,355,263)	(2,467,048)	(2,555,780)	(2,634,137)	(2,740,563)	(2,859,630)	(2,667,000)	(2,758,000)	(2,746,000)	(2,834,000)	(2,925,000)
Ending Cash Balance	**6,410,390**	**5,435,469**	**5,177,847**	**5,268,514**	**5,622,045**	**6,305,711**	**6,870,284**	**7,335,403**	**7,809,044**	**8,187,460**	**8,481,538**
Minimum Cash Balance											
For ongoing operations (months)	1,342,423	1,336,199	1,347,662	1,382,222	1,386,775	1,390,104	1,397,226	1,405,612	1,416,069	1,428,576	1,443,117
For debt service	4,770,210	4,830,347	5,140,557	5,212,717	5,247,950	4,983,672	4,986,034	4,885,094	4,883,307	4,881,779	4,916,435
Minimum Cash Balance Required	**6,112,634**	**6,166,546**	**6,488,219**	**6,594,939**	**6,634,725**	**6,373,776**	**6,383,260**	**6,290,706**	**6,299,376**	**6,310,355**	**6,359,552**
Amount Over (Under) Minimum	297,757	(731,077)	(1,310,372)	(1,326,425)	(1,012,680)	(68,065)	487,024	1,044,697	1,509,668	1,877,105	2,121,986
WIF Capital Replacement Reserve Accumulation		-	**86,220**	**172,440**	**258,660**	**344,880**	**431,100**	**517,320**	**603,540**	**689,760**	**763,205**

City of Willmar, MN
G. O. Sewer Revenue Notes, Series 2013B
Western Interceptor MN PFA Loan and WIF Grant

April 2013

S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

May 2013

S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

June 2013

S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

July 2013

S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

August 2013

S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

September 2013

S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Schedule of Events

Date	Event	Responsible Party
April 16, 2013	Finalize Loan structure. Provide issue description for Finance Committee.	Springsted
April 22, 2013	Finance Committee Meeting.	City Staff
April 30, 2013	Materials submitted to City for setting the public hearing.	Kennedy & Graven
May 6, 2013	City Council calls for public hearing on the ordinance.	City Council
May 7, 2013	Submit ordinance hearing to the local paper. (The publication must appear in local paper at least 7 days prior to the hearing.)	City Staff
May 13, 2013	Last possible day for publication for hearing on ordinance.	
May 14, 2013	Materials submitted to City for hearing and approving sale	Kennedy & Graven & MNPFA
May 20, 2013	City Council conducts public hearing on the ordinance and approves financing documents, authorizing execution if no petition is received.	City Council
May 21, 2013	Submit Ordinance for publication in local paper.	City Staff
May 24, 2013	Publication of Ordinance (15 day petition period begins).	
Saturday, June 8, 2013	Final date for filing of certificate of intent (15 days from publication of ordinance).	

446A.072 WASTEWATER INFRASTRUCTURE FUNDING PROGRAM.

Subdivision 1.**Establishment of program.**

The authority will establish a wastewater infrastructure funding program to provide supplemental assistance to governmental units receiving funding through the clean water revolving fund program or the United States Department of Agriculture Rural Economic and Community Development's (USDA/RECD) Water and Waste Disposal Loans and Grants program for the predesign, design, and construction of municipal wastewater treatment systems, including purchase of land and easements. The purpose of the program is to assist governmental units demonstrating financial need to build cost-effective projects to address existing environmental or public health problems. To implement the program, the authority shall establish a wastewater infrastructure fund to provide grants and loans for the purposes authorized under title VI of the Federal Water Pollution Control Act. The fund shall be credited with all investment income from the fund and all repayments of loans, grants, and penalties.

Subd. 2.

[Repealed, 2002 c 393 s 91]

Subd. 3.**Program administration.**

(a) The authority shall provide supplemental assistance, as provided in subdivision 5a to governmental units:

(1) whose projects are listed on the Pollution Control Agency's project priority list;

(2) that demonstrate their projects are a cost-effective solution to an existing environmental or public health problem; and

(3) whose projects are approved by the USDA/RECD or certified by the commissioner of the Pollution Control Agency.

(b) For a governmental unit receiving grant funding from the USDA/RECD, applications must be made to the USDA/RECD with additional information submitted to the authority as required by the authority. Eligible project costs and affordability criteria shall be determined by the USDA/RECD.

(c) For a governmental unit not receiving grant funding from the USDA/RECD, application must be made to the authority on forms prescribed by the authority for the clean water revolving fund program with additional information as required by the authority. In accordance with section 116.182, the Pollution Control Agency shall:

(1) calculate the essential project component percentage which must be multiplied by the total project cost to determine the eligible project cost; and

(2) review and certify approved projects to the authority.

(d) Each fiscal year the authority shall make funds available for projects based on their ranking on the Pollution Control Agency's project priority list. The authority shall reserve

funds for a project when the applicant receives a funding commitment from the United States Department of Agriculture Rural Development (USDA/RECD) or submits plans and specifications to the Pollution Control Agency. Funds must be reserved in an amount based on the project cost estimate submitted to the authority prior to the appropriation of the funds and awarded based on the lesser of that amount or the as-bid cost.

Subd. 4.

[Repealed, 2002 c 393 s 91]

Subd. 4a.

[Repealed, 1998 c 404 s 84]

Subd. 5.

[Repealed, 2002 c 393 s 91]

Subd. 5a.**Type and amount of assistance.**

(a) For a governmental unit receiving grant funding from the USDA/RECD, the authority may provide assistance in the form of a grant of up to 65 percent of the eligible grant need determined by USDA/RECD. A governmental unit may not receive a grant under this paragraph for more than $4,000,000 per project or $15,000 per existing connection, whichever is less, unless specifically approved by law.

(b) For a governmental unit receiving a loan from the clean water revolving fund under section 446A.07, the authority may provide assistance under this section in the form of a grant if the average annual residential wastewater system cost after completion of the project would otherwise exceed 1.4 percent of the median household income of the project service area. In determining whether the average annual residential wastewater system cost would exceed 1.4 percent, the authority must consider the total costs associated with building, operating, and maintaining the wastewater system, including existing wastewater debt service, debt service on the eligible project cost, and operation and maintenance costs. Debt service costs for the proposed project are calculated based on the maximum loan term permitted for the clean water revolving fund loan under section 446A.07, subdivision 7. The amount of the grant is equal to 80 percent of the amount needed to reduce the average annual residential wastewater system cost to 1.4 percent of median household income in the project service area, to a maximum of $4,000,000 per project or $15,000 per existing connection, whichever is less, unless specifically approved by law. The eligible project cost is determined by multiplying the total project costs minus any other grants by the essential project component percentage calculated under subdivision 3, paragraph (c), clause (1). In no case may the amount of the grant exceed 80 percent of the eligible project cost.

(c) Notwithstanding the limits in paragraphs (a) and (b), for a governmental unit receiving supplemental assistance under this section after January 1, 2002, if the authority determines that the governmental unit's construction and installation costs are significantly increased due to geological conditions of crystalline bedrock or karst areas and discharge limits that are more stringent than secondary treatment, the maximum award under this section shall not be more than $25,000 per existing connection.

Subd. 5b.**Special assessment deferral.**

A governmental unit receiving a loan under subdivision 5a that levies special assessments to repay the loan under subdivision 5a or section 446A.07 may defer payment of such assessments under the provisions of sections 435.193 to 435.195.

Subd. 6.**Disbursements.**

Disbursements of grants or loans awarded under this section by the authority to recipients must be made for eligible project costs as incurred by the recipients, and must be made by the authority in accordance with the project financing agreement and applicable state and federal laws and rules governing the payments.

Subd. 7.**Loan repayments.**

Notwithstanding the limitations set forth in section 475.54, subdivision 1, this subdivision shall govern the maturities and mandatory sinking fund redemptions of the loans under this section. A governmental unit receiving a loan under this section shall repay the loan in semiannual payment amounts determined by the authority. The payment amount must be based on the average payments on the governmental unit's clean water revolving fund loan or, if greater, the minimum amount required to fully repay the loan by the maturity date. Payments must begin within one year of the date of the governmental unit's final payment on the clean water revolving fund loan. The final maturity date of the loan under this section must be no later than 20 years from the date of the first payment on the loan under this section and no later than 40 years from the date of the first payment on the clean water revolving fund loan.

Subd. 8.**Eligibility.**

A governmental unit is eligible for assistance under this section only after applying for grant funding from other sources and funding has been obtained, rejected, or the authority has determined that the potential funding is unlikely.

Subd. 9.**Funding limitation.**

Supplemental assistance may not be used to reduce the sewer service charges of a significant wastewater contributor, or a single user that has caused the need for the project or whose current or projected flow and load exceed one-half of the current wastewater treatment plant's capacity.

Subd. 10.

[Repealed, 2002 c 393 s 91]

Subd. 11.**Report on needs.**

By February 1 of each even-numbered year, the authority, in conjunction with the Pollution Control Agency, shall prepare a report to the Finance Division of the senate Environment and Natural Resources Committee and the house of representatives Environment and Natural Resources Finance Committee on wastewater funding assistance needs of governmental units under this section.

Subd. 12.**System replacement fund.**

Each governmental unit receiving a loan or grant under this section shall establish a system replacement fund and shall annually deposit a minimum of $.50 per 1,000 gallons of flow for major rehabilitation or expansion of the treatment system, or replacement of the treatment system at the end of its useful life. Money must remain in the account for the life of the loan from the authority or USDA/RECD, unless use of the fund is approved in writing by the authority for major rehabilitation, expansion, or replacement of the treatment system. By March 1 each year during the life of the loan, each recipient shall submit a report to the authority regarding the amount deposited and the fund balance for the prior calendar year. Failure to comply with the requirements of this subdivision shall result in the authority assessing a penalty fee to the recipient equal to one percent of the supplemental assistance amount for each year of noncompliance. Failure to make the required deposit or pay the penalty fee as required constitutes a default on the loan.

Subd. 13.

[Repealed, 2002 c 393 s 91]

Subd. 14.**Consistency with land use plans.**

A governmental unit applying for a project in an unsewered area shall include in its application to the authority a certification from the county in which the project is located that:

(1) the project is consistent with the county comprehensive land use plan, if the county has adopted one;

(2) the project is consistent with the county water plan, if the county has adopted one; and

(3) the county has adopted specific land use ordinances or controls so as to meet or exceed the requirements of Minnesota Rules, part 7080.0305.

History:

1996 c 463 s 45; 1997 c 246 s 18; 1998 c 404 s 50-52; 1999 c 223 art 2 s 48; 2000 c 492 art 1 s 60; 2002 c 393 s 65-75; 2006 c 281 art 4 s 24; 2007 c 96 art 1 s 6; 2008 c 277 art 3 s 3; 2008 c 300 s 37,38; 2010 c 290 s 3-6

CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: 4

Meeting Date: April 22, 2013

Attachments: ☒ Yes No

CITY COUNCIL ACTION

Date: May 6, 2013

☐ Approved ☐ Denied
☐ Amended ☐ Tabled
☐ Other

Originating Department: **Finance**

Action Requested: Approval to start the process to increase the rates charged for the Waste Treatment operations.

Guiding Principle: City Council Policy and Procedures

Introduction: Staff needs direction and approval from Committee to implement rates calculated by Springsted for the Wastewater Treatment Plant.

Background/Justification: (See Attachment)

Fiscal Impact: Increase in revenues and profitability for the Wastewater Treatment operations.

Alternatives: Subsidize rates with other revenues such as tax dollars. Not raising rates is not an option.

Staff Recommendation: Grant approval to prepare an ordinance to increase rates.

Reviewed by: Steven B. Okins, Finance Director

Preparer: Steven B. Okins, Finance Director

Signature:

Comments:

City of Willmar, Minnesota

Wastewater Utility Rate Study

November 2012

Wastewater Utility Rate Study

- Purpose of Study
- Assumptions
- Recent Financial Performance
- Recommendations
- Financial Projections
- Sample Bills
- Conclusions

Purpose of Study

- Review financial performance
- Recommend rate structure to generate revenues sufficient for:
  - Operating expenses
  - Capital maintenance and replacement
  - Debt service
  - Cash reserves

Assumptions

- 6,310 accounts
- 8,575 meters
- Sewer Volume
  - 56.0 million cubic feet/year from JOTS
  - 4.3 million cubic feet/year from Eagle Lake
  - 88.8 million cubic feet/year from RCPLi
  - 7.5% lower than total water sales

Assumptions (cont.)

- Most expenses increase 3% per year
  - Benefits increase 5% per year
- $5.4 million in capital outlay over 5 years
- Existing debt service of $4.9 million annually
  - Includes Western Interceptor debt payments

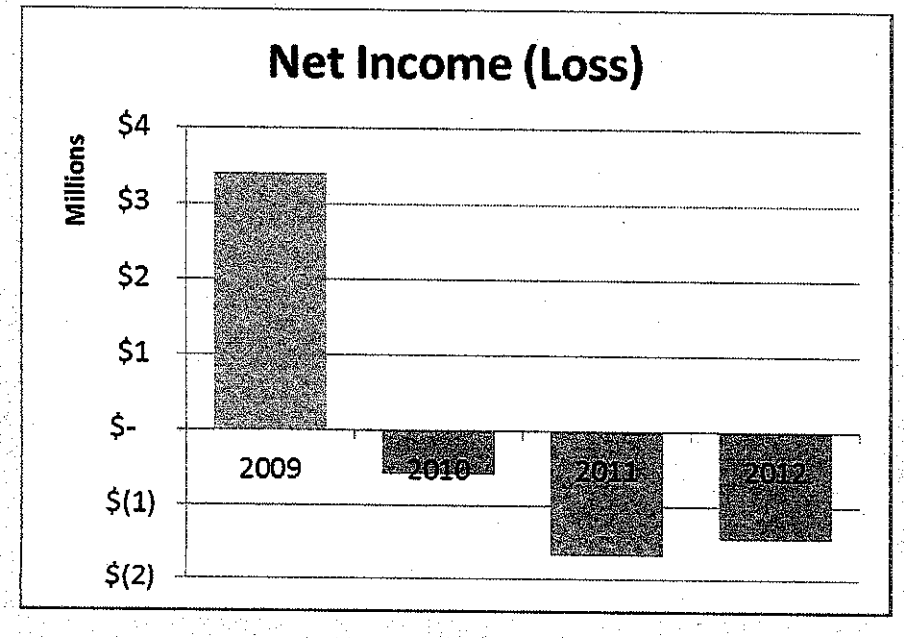
Recent Financial Performance

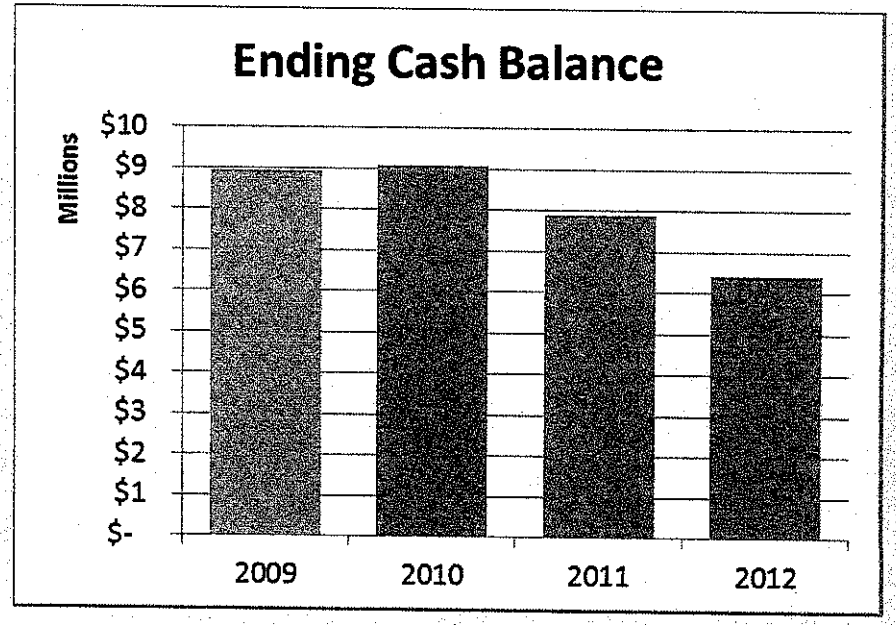
- Operating income is positive
- Net income is negative
  - $2.3 million interest payments on debt
  - Net loss of ($1.67 million) in 2011
  - Net loss of ($1.44 million) in 2012
- Cash position is worsening
  - $9.0 million in 2010
  - $6.4 million in 2012

Recent Financial Performance (cont.)

	2009	2010	2011	2012
Total Operating Revenue	**$ 3,576,202**	**$ 4,139,101**	**$ 5,670,166**	**$ 6,751,345**
Total - Personal Services	$ 905,654	$ 950,855	$ 945,389	$ 957,093
Total - Supplies	$ 131,241	$ 275,966	$ 481,454	$ 757,550
Total - Other Services and Charges	$ 1,180,672	$ 1,851,491	$ 3,209,440	$ 3,655,050
Total Operating Expenses	**$ 2,217,567**	**$ 3,078,312**	**$ 4,636,283**	**$ 5,369,693**
Operating Income (Loss)	**$ 1,358,635**	**$ 1,060,789**	**$ 1,033,883**	**$ 1,381,652**
Total Non Operating Revenues (Expenses)	$ 2,307,617	$ (1,398,915)	$ (2,034,795)	$ (2,257,345)
Transfers (Out)	$ (250,000)	$ (250,000)	$ (665,616)	$ (560,200)
Net Income (Loss)	**$ 3,416,252**	**$ (588,126)**	**$ (1,666,528)**	**$ (1,435,893)**
Ending Cash Balance	**$ 8,954,947**	**$ 9,070,148**	**$ 7,886,546**	**$ 6,410,390**

Recent Financial Performance (cont.)





- Need to recover an additional $1.5 million annually

JOTS – Revenues and Expenses

Expenses Allocated to JOTS		Revenues from JOTS	
General Admin, O&M	389,681	Meter charges	52,566
Utilities	349,990	Volume charges	1,791,776
Chemicals	227,787	Surcharges	475,045
Additional Biosolids	33,433		
Replacement Fund	160,409		
Debt Service	1,162,901		
Depreciation	-		
Total	2,324,199	Total	2,319,387
		Surplus/(Deficit)	(4,812)

- Current revenues match allocated expenses

Rate Recommendations

	2012	2013	2014	2015	2016	2017
Admin/Billing Charge	$ 2.54	$ 2.62	$ 2.70	$ 2.78	$ 2.86	$ 2.95
Utility Improvement Charge	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00
Meter Charge (5/8" meter)	$ 18.00	$ 18.00	$ 18.00	$ 18.00	$ 18.00	$ 18.00
Tier 1 Volume (per 100 cu ft)	$ 2.17	$ 2.57	$ 3.05	$ 3.36	$ 3.70	$ 3.96
Tier 2 Volume (per 100 cu ft)	$ 3.33	$ 3.95	$ 4.68	$ 5.15	$ 5.67	$ 6.07

- Admin/Billing projected to grow 3% annually
- Meter charges unchanged
- Volume-based rates must rise to generate necessary revenues

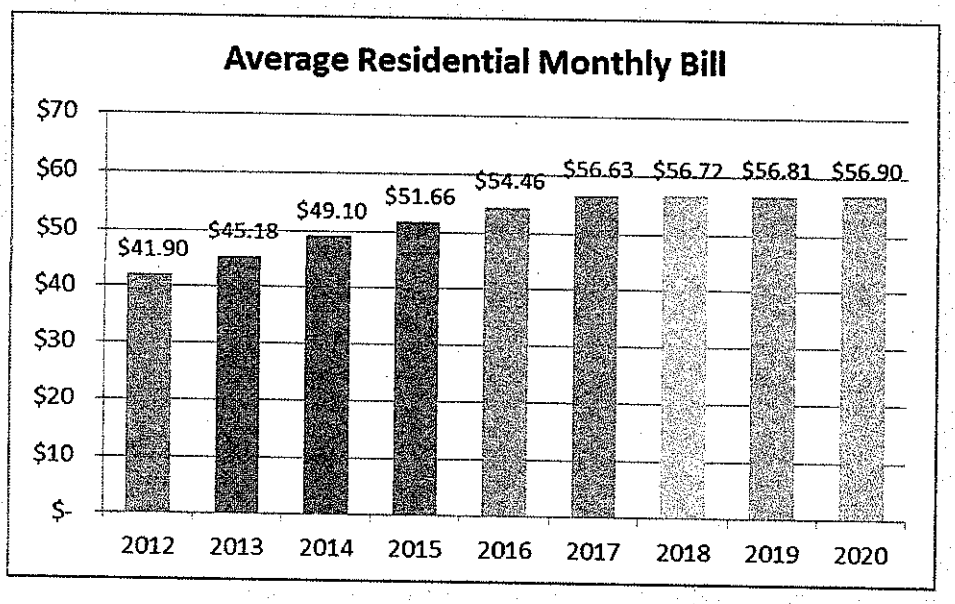
Financial Projections

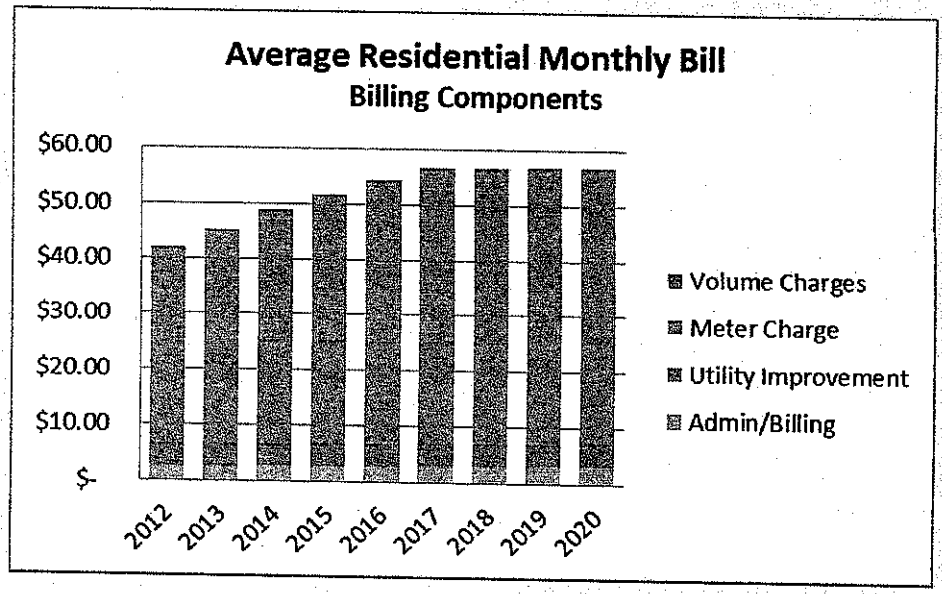
	2012	2013	2014	2015	2016	2017
Beginning Cash & Investments	7,886,546	6,410,390	5,463,118	5,183,025	5,175,031	5,596,297
Net Income	(1,435,893)	(705,667)	192,550	670,648	1,325,510	1,878,269
Depreciation	2,400,000	2,280,000	2,176,167	2,144,867	2,058,182	1,963,108
Amortization	-	-	-	-	-	-
Acquisition and Construction of Assets	(2,958,557)	(425,700)	(3,775,000)	(783,000)	(100,000)	(308,500)
Proceeds from New Long-Term Debt	2,873,557	425,700	3,775,000	783,000	100,000	308,500
Payments on New Long-Term Debt		-	(15,843)	(109,371)	(140,862)	(147,860)
Payments on Existing Long-Term Debt	(2,355,263)	(2,521,605)	(2,632,968)	(2,714,137)	(2,821,563)	(2,941,630)
Ending Cash Balance	**6,410,390**	**5,463,118**	**5,183,025**	**5,175,031**	**5,596,297**	**6,348,184**
Minimum Cash Balance						
For ongoing operations (months)	1,342,423	1,336,199	1,334,805	1,352,360	1,356,913	1,360,242
For debt service	4,841,290	4,911,632	5,076,501	5,148,863	5,184,288	4,910,191
Minimum Cash Balance Required	**6,183,714**	**6,247,831**	**6,411,306**	**6,501,223**	**6,541,201**	**6,270,433**
Amount Over (Under) Minimum	226,677	(784,713)	(1,228,281)	(1,326,192)	(944,903)	77,750

- Positive net income in 2014
- Cash reserves rebuilt by 2017

Sample Bill – Residential

	Average Residential User (5/8" meter and 800 cu ft (5,984 gallons) per month								
	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administration and Billing	$ 2.54	$ 2.62	$ 2.70	$ 2.78	$ 2.86	$ 2.95	$ 3.04	$ 3.13	$ 3.22
Utility Improvement Charge	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00
Meter Charge (5/8" meter)	$ 18.00	$ 18.00	$ 18.00	$ 18.00	$ 18.00	$ 18.00	$ 18.00	$ 18.00	$ 18.00
Volume Charge (800 cu ft)	$ 17.36	$ 20.56	$ 24.40	$ 26.88	$ 29.60	$ 31.68	$ 31.68	$ 31.68	$ 31.68
Total Monthly Charges	$ 41.90	$ 45.18	$ 49.10	$ 51.66	$ 54.46	$ 56.63	$ 56.72	$ 56.81	$ 56.90

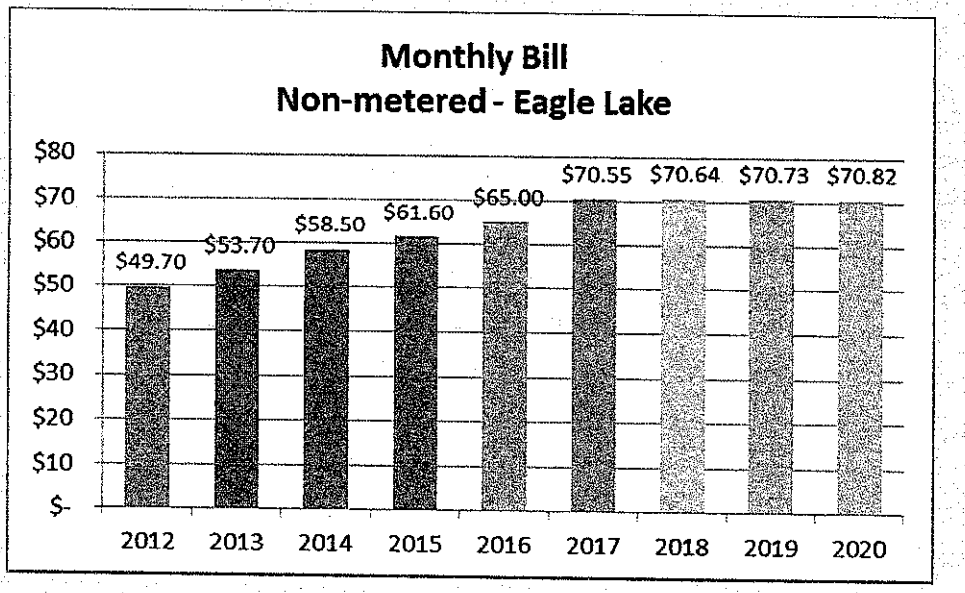




Sample Bill – Eagle Lake

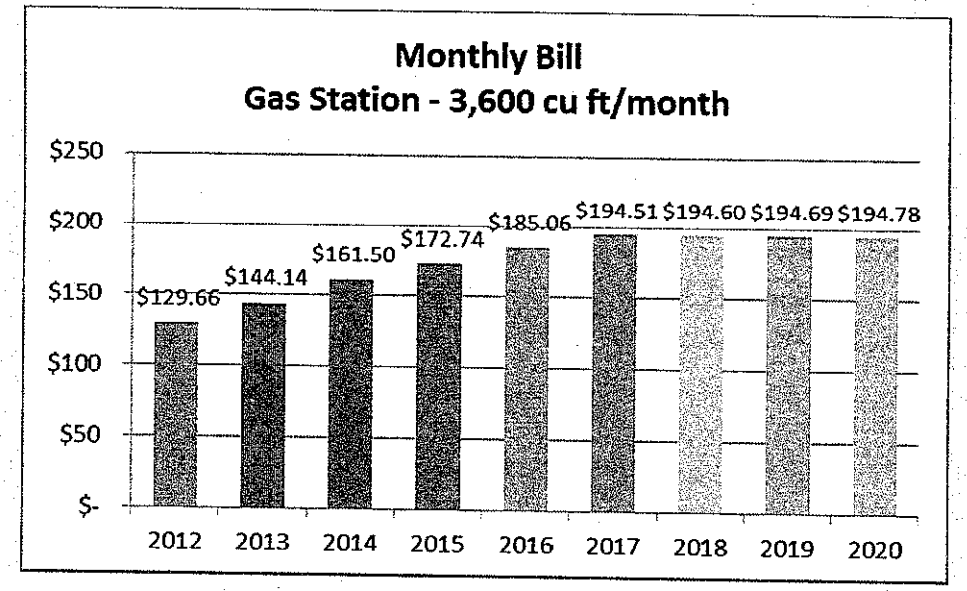
Non-Metered Eagle Lake User (1,000 cu ft (7,480 gal) per month and 1.5x residential meter charge)	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administration and Billing	$ -	$ -	$ -	$ -	$ -	**$ 2.95**	**$ 3.04**	**$ 3.13**	**$ 3.22**
Utility Improvement Charge	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00
Meter Charge (residential x 1.	$ 27.00	$ 27.00	$ 27.00	$ 27.00	$ 27.00	$ 27.00	$ 27.00	$ 27.00	$ 27.00
Volume Charge (1,000 cu ft)	$ 21.70	$ 25.70	$ 30.50	$ 33.60	$ 37.00	$ 39.60	$ 39.60	$ 39.60	$ 39.60
Total Monthly Charges	$ 49.70	$ 53.70	$ 58.50	$ 61.60	$ 65.00	$ 70.55	$ 70.64	$ 70.73	$ 70.82

* Eagle Creek agreement expires in 2016; assume that Admin charges start in 2017



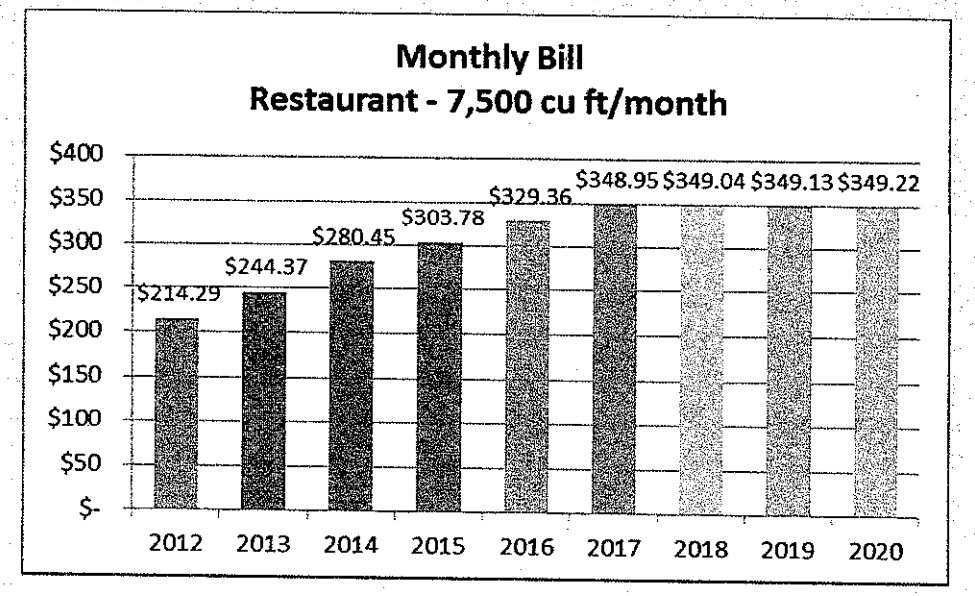
Sample Bill – Gas Station

Gas Station - 1" meter and 3,600 cu ft (26,928 gallons) per month	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administration and Billing	$ 2.54	$ 2.62	$ 2.70	$ 2.78	$ 2.86	$ 2.95	$ 3.04	$ 3.13	$ 3.22
Utility Improvement Charge	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00
Meter Charge (1" meter)	$ 45.00	$ 45.00	$ 45.00	$ 45.00	$ 45.00	$ 45.00	$ 45.00	$ 45.00	$ 45.00
Volume Charge (3,600 cu ft)	$ 78.12	$ 92.52	$ 109.80	$ 120.96	$ 133.20	$ 142.56	$ 142.56	$ 142.56	$ 142.56
Total Monthly Charges	$ 129.66	$ 144.14	$ 161.50	$ 172.74	$ 185.06	$ 194.51	$ 194.60	$ 194.69	$ 194.78



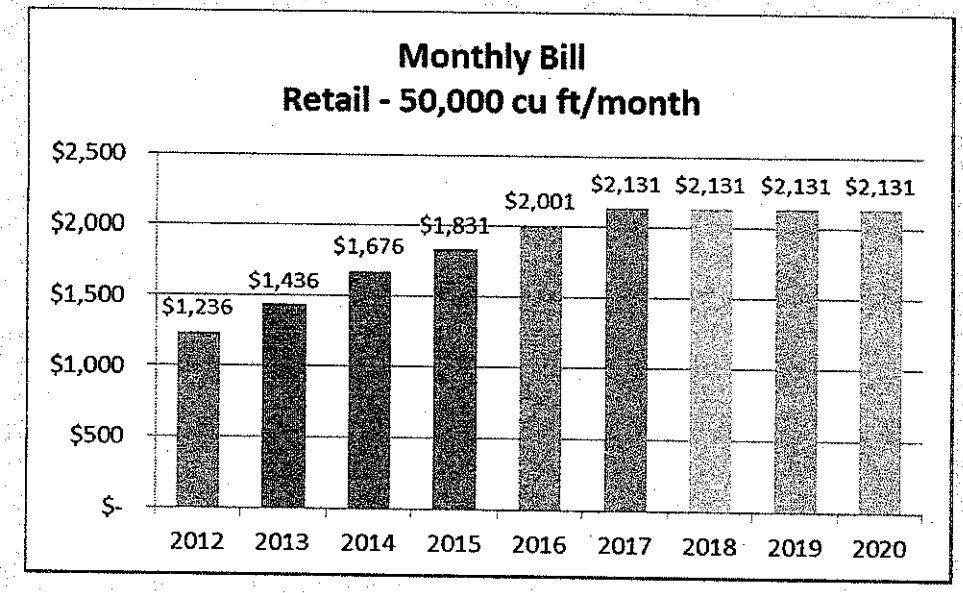
Sample Bill – Restaurant

Restaurant - 1" meter and 7,500 cu ft (56,100 gallons) per month									
	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administration and Billing	$ 2.54	$ 2.62	$ 2.70	$ 2.78	$ 2.86	$ 2.95	$ 3.04	$ 3.13	$ 3.22
Utility Improvement Charge	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00
Meter Charge (1" meter)	$ 45.00	$ 45.00	$ 45.00	$ 45.00	$ 45.00	$ 45.00	$ 45.00	$ 45.00	$ 45.00
Volume Charge (7,500 cu ft)	$ 162.75	$ 192.75	$ 228.75	$ 252.00	$ 277.50	$ 297.00	$ 297.00	$ 297.00	$ 297.00
Total Monthly Charges	$ 214.29	$ 244.37	$ 280.45	$ 303.78	$ 329.36	$ 348.95	$ 349.04	$ 349.13	$ 349.22



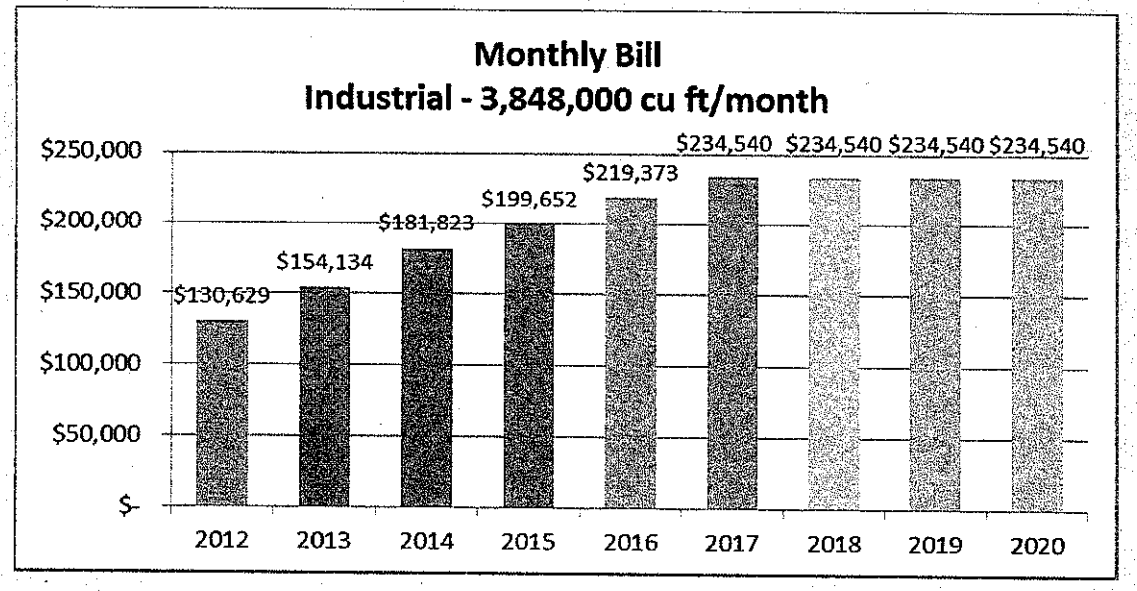
Sample Bill – Retail

Retail User - 2" meter and 50,000 cu ft (374,000 gallons) per month	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administration and Billing	$ 2.54	$ 2.62	$ 2.70	$ 2.78	$ 2.86	$ 2.95	$ 3.04	$ 3.13	$ 3.22
Utility Improvement Charge	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.00
Meter Charge (2" meter)	$ 144.00	$ 144.00	$ 144.00	$ 144.00	$ 144.00	$ 144.00	$ 144.00	$ 144.00	$ 144.00
Volume Charge (50,000 cu ft)	$ 1,085.00	$ 1,285.00	$ 1,525.00	$ 1,680.00	$ 1,850.00	$ 1,980.00	$ 1,980.00	$ 1,980.00	$ 1,980.00
Total Monthly Charges	$ 1,235.54	$ 1,435.62	$ 1,675.70	$ 1,830.78	$ 2,000.86	$ 2,130.95	$ 2,131.04	$ 2,131.13	$ 2,131.22



Sample Bill – Industrial

	Industrial User - 12 meters and 3,848,000 cu ft (28,785,000 gallons) per month								
	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administration and Billing	$ 2.54	$ 2.62	$ 2.70	$ 2.78	$ 2.86	$ 2.95	$ 3.04	$ 3.13	$ 3.22
Utility Improvement Charge (x12)	$ 48.00	$ 48.00	$ 48.00	$ 48.00	$ 48.00	$ 48.00	$ 48.00	$ 48.00	$ 48.00
Meter Charge (12 various meters)	$ 4,302	$ 4,302	$ 4,302	$ 4,302	$ 4,302	$ 4,302	$ 4,302	$ 4,302	$ 4,302
Volume Charge (3,848,000 cu ft)	$ 126,277	$ 149,781	$ 177,470	$ 195,299	$ 215,020	$ 230,187	$ 230,187	$ 230,187	$ 230,187
Total Monthly Charges	$ 130,629	$ 154,134	$ 181,823	$ 199,652	$ 219,373	$ 234,540	$ 234,540	$ 234,540	$ 234,540

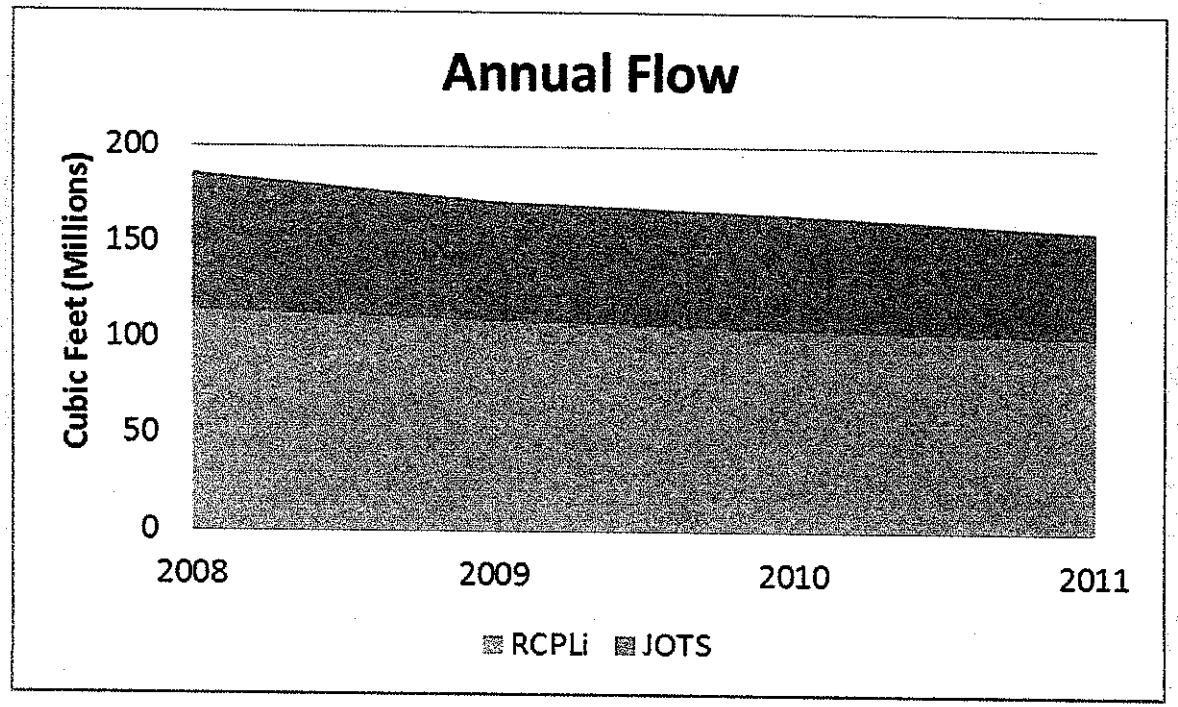


City of Willmar, Minnesota

Wastewater Utility Rate Study
Supplementary Material

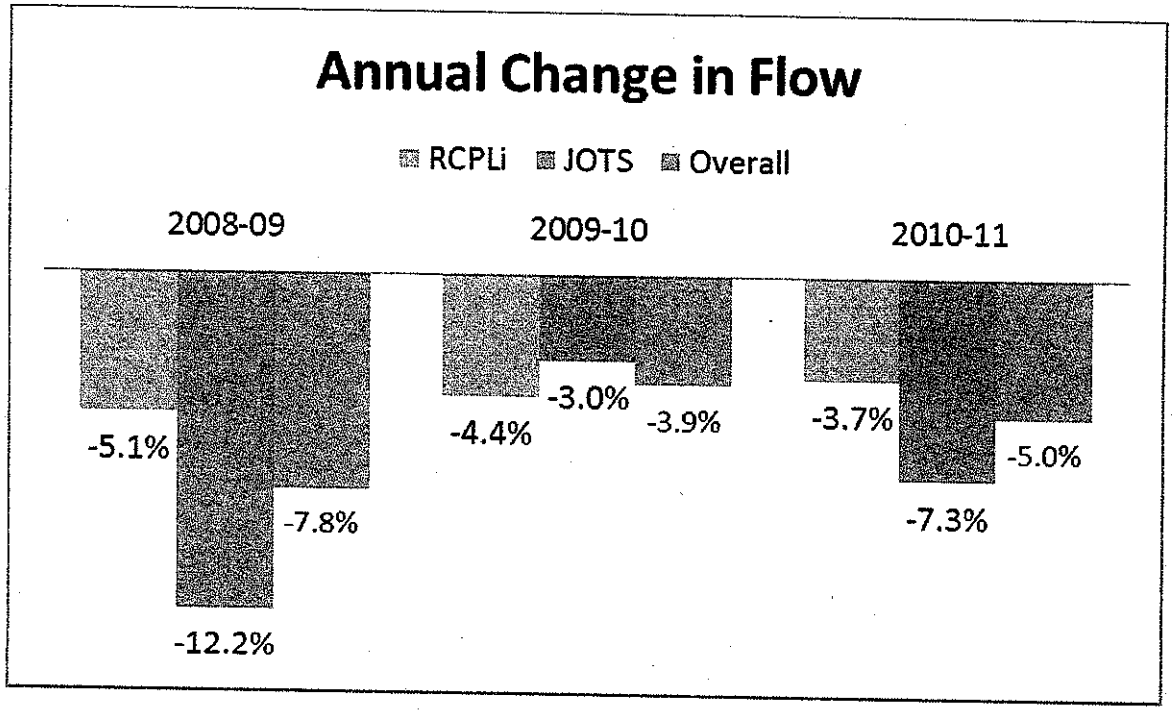
November 2012

Usage Trends



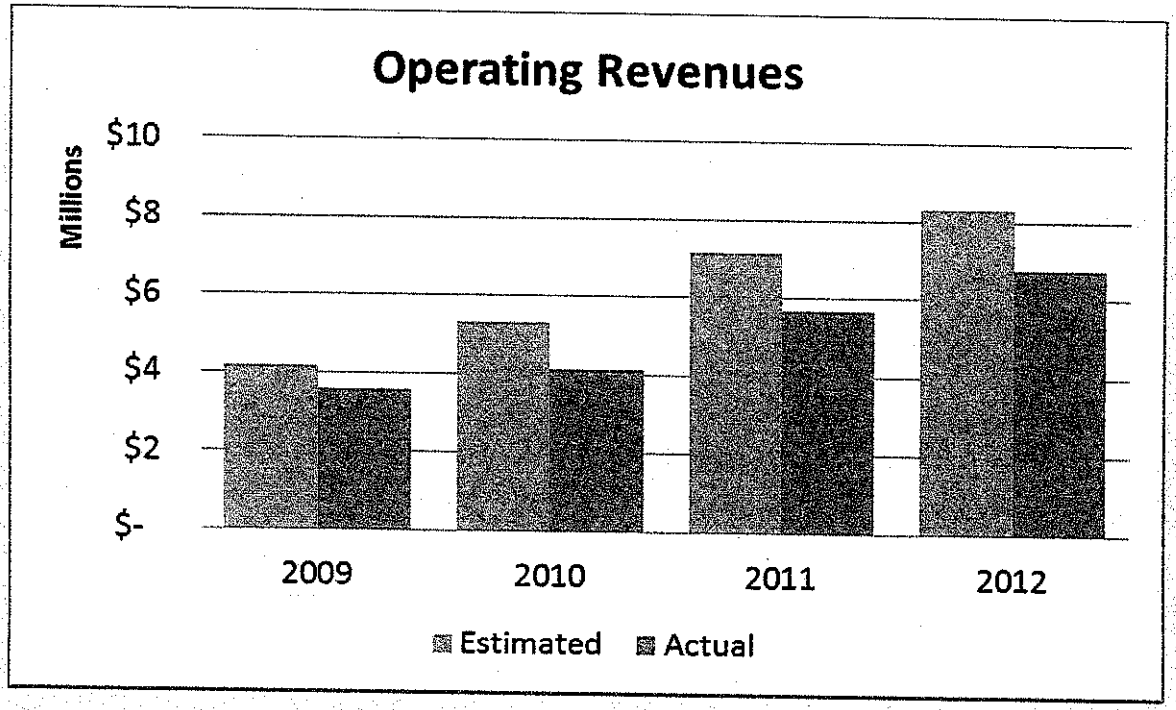
Consumption (cu ft)	2008	2009	2010	2011
RCPLi	115,495,455	109,624,400	104,809,100	100,959,400
JOTS	70,965,107	62,281,700	60,382,400	55,993,300
Overall	186,460,830	171,906,100	165,191,500	156,952,700

Usage Trends (cont.)



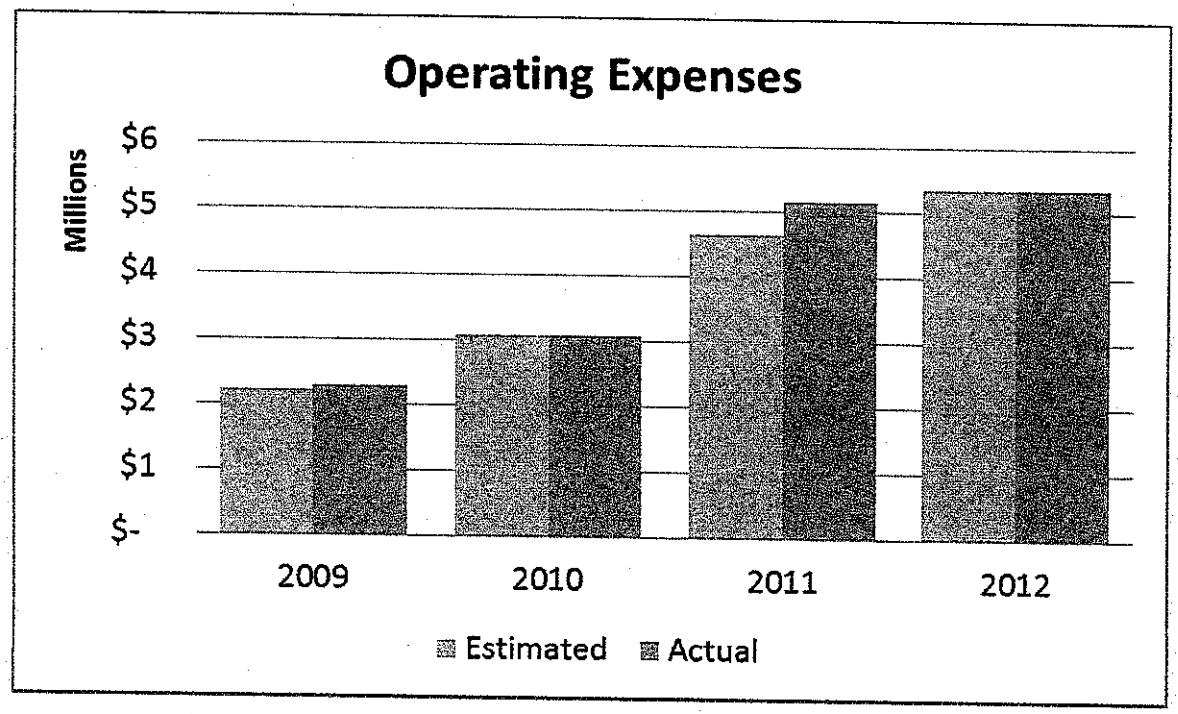
Annual Change	2008-09	2009-10	2010-11
RCPLi	-5.1%	-4.4%	-3.7%
JOTS	-12.2%	-3.0%	-7.3%
Overall	-7.8%	-3.9%	-5.0%

Projections vs. Actual – Revenues



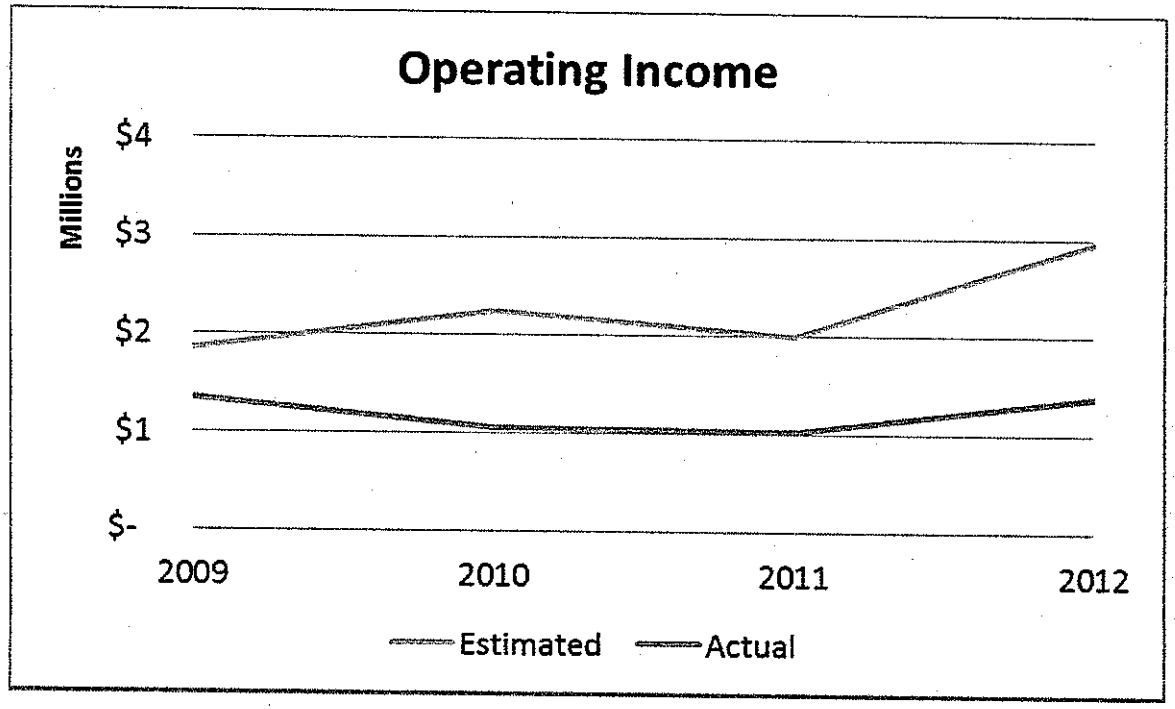
Operating Revenues	2009	2010	2011	2012
Estimated	$ 4,155,561	$ 5,322,435	$ 7,156,962	$ 8,327,592
Actual	$ 3,576,202	$ 4,139,101	$ 5,670,166	$ 6,751,345
Difference	$ (579,359)	$ (1,183,334)	$ (1,486,796)	$ (1,576,247)

Projections vs. Actual – Expenses



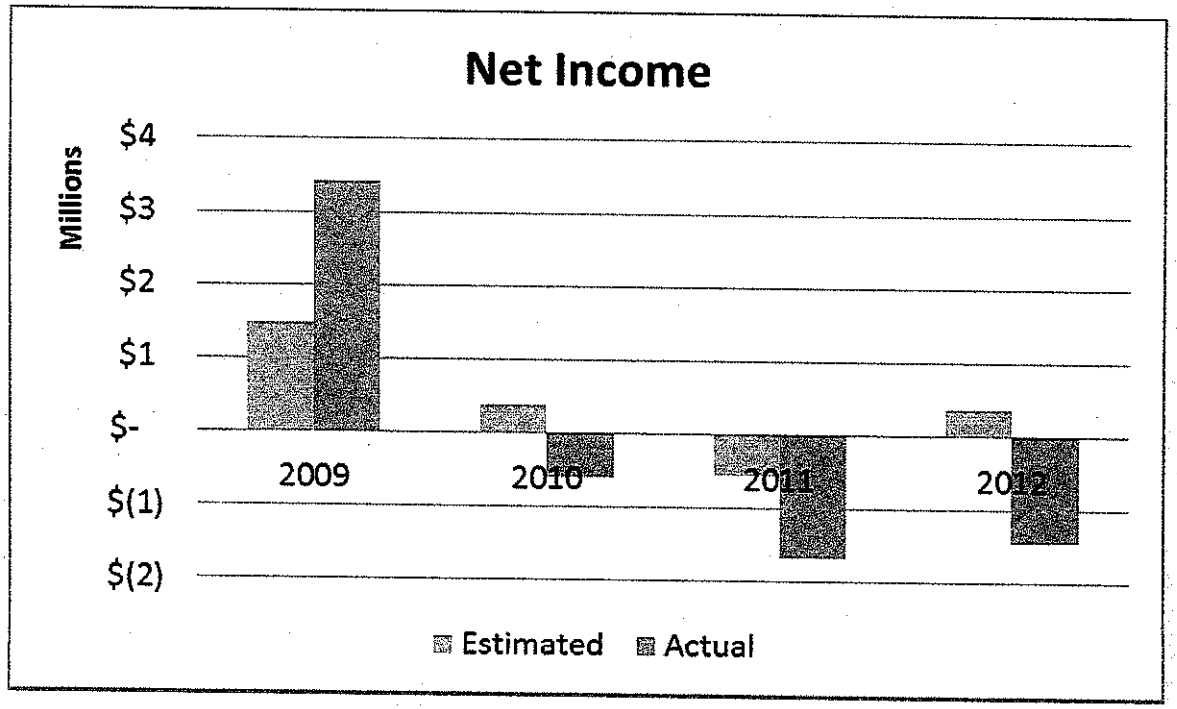
Operating Expenses	2009	2010	2011	2012
Estimated	$ (2,217,567)	$ (3,078,312)	$ (4,636,283)	$ (5,369,693)
Actual	$ (2,300,039)	$ (3,087,997)	$ (5,165,979)	$ (5,371,190)
Difference	$ (82,472)	$ (9,685)	$ (529,696)	$ (1,497)

Projections vs. Actual – Operating Income



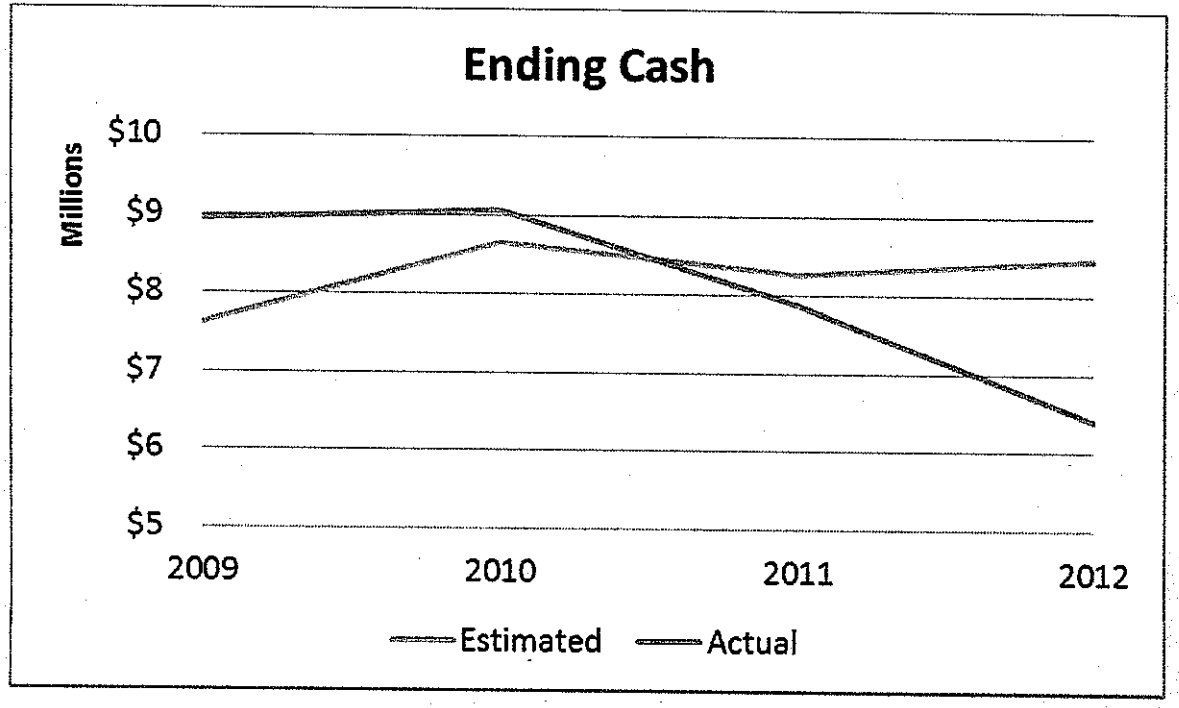
Operating Income	2009	2010	2011	2012
Estimated	$ 1,855,522	$ 2,234,438	$ 1,990,983	$ 2,956,402
Actual	$ 1,358,635	$ 1,060,789	$ 1,033,883	$ 1,381,652
Difference	$ (496,887)	$ (1,173,649)	$ (957,100)	$ (1,574,750)

Projections vs. Actual – Net Income



Net Income	2009	2010	2011	2012
Estimated	$ 1,480,093	$ 376,341	$ (542,576)	$ 369,048
Actual	$ 3,416,252	$ (588,126)	$ (1,666,528)	$ (1,435,893)
Difference	$ 1,936,159	$ (964,467)	$ (1,123,952)	$ (1,804,941)

Projections vs. Actual – Ending Cash



Ending Cash	2009	2010	2011	2012
Estimated	$ 7,636,020	$ 8,652,159	$ 8,272,405	$ 8,465,332
Actual	$ 8,954,947	$ 9,070,148	$ 7,886,546	$ 6,410,390
Difference	$ 1,318,927	$ 417,989	$ (385,859)	$ (2,054,942)

CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: 5

Meeting Date: April 22, 2013

Attachments: ☒ Yes No

CITY COUNCIL ACTION

Date: May 6, 2013

☐ Approved ☐ Denied
☐ Amended ☐ Tabled
☐ Other

Originating Department: Finance	

Action Requested: A) Motion to introduce an Ordinance and call for a public hearing for May 20, 2013; B) Resolution to adopt the Final Budget for Project 1301; C) Resolution to adopt the Final Budget for Project 1303; and D) Resolution to adopt the Final Budget for Project 1305.

Guiding Principle: City Council Policy and Procedures; Minnesota State Statute

Agenda Item: 2013 Street Improvement Financing

Background/Justification: City Staff has again been working with Springsted, Inc., to determine the best method and options of funding the City Council-approved 2013 Street Improvement Program. Representatives from Springsted will be present to answer any questions the committee may have. Internally, staff has received bids and compiled final budgets for Projects 1301, 1303, and 1305 for Committee approval.

Fiscal Impact: Improvement of city streets and continue street funding with direction of expanding funding options. Adding approximately $65,000 of annual obligation to Community Investment Fund.

Alternatives: Discontinue 10-year street improvement program.

Staff Recommendation: Introduce the motion and adopt three resolutions as presented.

Reviewed by: Steven B. Okins, Finance Director

Preparer: Steven B. Okins, Finance Director	**Signature:**

Comments:

NOTICE OF PUBLIC HEARING
ON THE ADOPTION OF AN ORDINANCE

NOTICE IS HEREBY GIVEN by the City Council of the City of Willmar, Minnesota, that the City Council will conduct a public hearing on and consider adoption of the Ordinance described below at the Municipal Utilities Building in the City of Willmar, Minnesota, at _____ o'clock p.m. on the 20th day of May, 2013 said proposed Ordinance is as follows:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF $1,950,000 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2013A AND THE LEVYING OF TAXES TO SECURE PAYMENT THEREFOR.

The City of Willmar hereby ordains:

1. In accordance with Minnesota Statutes, Chapter 429, the City of Willmar has heretofore determined to construct the following improvements:

Project	Total Cost	Amount to be Financed	Amount to be Assessed
2013 Improvements (Projects 1301 and 1303)	$3,750,280	$1,950,000	$1,316,167

2. In order to finance said improvements it is necessary to issue General Obligation Improvement Bonds of the City in the amount of $1,950,000.

3. For the purposes of complying with Minnesota Statutes, Section 475.61, there is hereby levied a direct ad valorem tax upon all taxable property in the municipality in such amounts as are required by law to secure payment of said Bonds.

4. This Ordinance is adopted in order to authorize the borrowing of money and the issuance of general obligation bonds and the levying of taxes therefore as provided in Section 2.12 of the City Charter. Further details shall be set forth by resolution.

Such persons as desire to be heard with reference to the proposed Ordinance will be heard at this hearing.

By Order of the City Council

/S/ Kevin Halliday
City Clerk

4. Upon sale of said bonds, the City Clerk shall compute the levy made by said Ordinance No. _____ commencing in or about the year 2013 and ending in or about the year 2022 upon all taxable property in the City, which tax shall be spread upon the tax rolls and collected with and as part of other general property taxes in said City in such an amount as is necessary to comply with Minnesota Statutes, Section 475.61(1). Said tax levy shall be irrepealable so long as any of said bonds are outstanding and unpaid, provided that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61(3).

5. No bonds shall be issued and no tax levy shall be effective in accordance with this resolution until (a) after the Ordinance has been duly adopted and published in accordance with the City Charter, and (b) the applicable 15 day period has elapsed with respect to said Ordinance and all appropriate bond resolutions during which period no Certificate of Intent is filed in accordance with Section 7.04(j) of the City Charter.

The motion for the adoption of the foregoing resolution was duly seconded by member _____ and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Springsted Incorporated
380 Jackson Street, Suite 300
Saint Paul, MN 55101-2887
Tel: 651-223-3000
Fax: 651-223-3002
www.springsted.com

MEMORANDUM

TO: Finance Committee, City of Willmar
Charlene Stevens, City Administrator
Steve Okins, Finance Director

FROM: Kathleen Aho

DATE: April 18, 2013

SUBJECT: 2013 Street Improvement Project Financing

This memorandum speaks to a request that the Finance Committee recommend that the City Council call for a public hearing on an ordinance authorizing the issuance of $1,950,000 General Obligation Improvement Bonds, Series 2013A.

The proceeds of the Bonds will be used to finance the City's annual street improvement project, specifically portions of projects 1301 and 1303. In addition to Bond proceeds, the City will use Municipal State-aid Street funds, Municipal Utility funds, Wastewater Treatment Plant funds and other City funds to pay a portion of the project costs. The table below outlines the sources that will provide funding for the improvements:

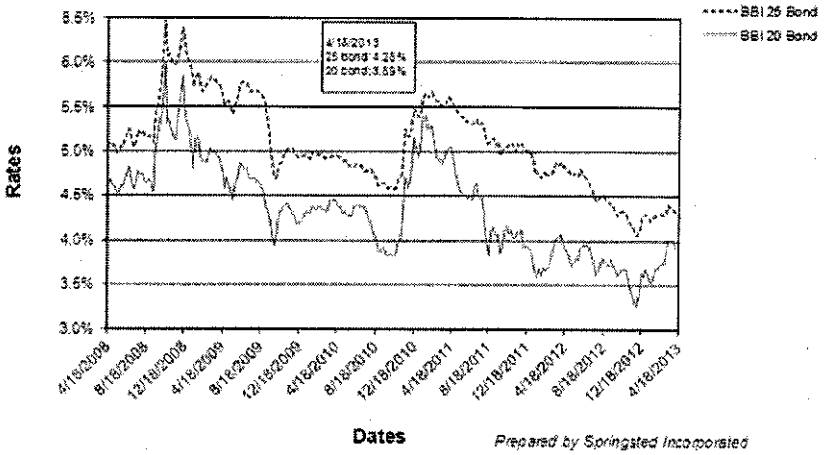
	1301	1303	Total
Sources Of Funds			
Assessments	$694,527	$621,640	$1,316,167
Other - Transfer	429,527	(429,527)	-
City Community Investment Fund	633,871	-	633,871
Rounding	-	-	(38)
Subtotal Bonding	$1,757,925	$192,113	$1,950,000
State MSA Funds	1,061,092	323,589	1,384,681
City (General/Cap. Imp.)	-	240,000	240,000
Municipal Utility Commision	113,186	-	113,186
City Wastew ater Treatment Plant	62,375	-	62,375
Rounding	-	-	38
Total Sources	**$2,994,578**	**$755,702**	**$3,750,280**

The Bonds will be repaid from a combination of special assessments and general ad valorem tax levies or other available City funds. The City intends to use the Community Investment Fund to offset the need for future levies for debt service.

The Bonds will be repaid over a term of ten years to coincide with the term of the repayment of special assessments. Principal payments on the Bonds are structured around the projected assessment income to achieve approximately equal annual debt service for the portion not paid by special assessments. Schedules showing the sources and uses of funds and estimated debt service payments on the Bonds are attached. The debt service schedule includes the projection of special assessment collections and the resulting tax levy portion of the Bonds.

Municipal market conditions continue to be attractive for issuers. The Federal Open Market Committee has pledged to keep interest rates low through mid-2015. Combined with the limited supply of municipal bonds, interest rates continue near historical lows. To the right is a chart of the Bond Buyer's Index ("BBI") for the past five years. The BBI measures the yield of high grade municipal bonds in the 20th year for general obligation bonds (the BBI 20 Bond Index) and the 30th year for revenue bonds (the BBI 25 Bond Index).

BBI 25-bond (Revenue) and 20-bond (G.O.) Rates for 5 Years Ending 4/18/2013



A schedule of events has been established assuming that the public hearing will be held on May 20, 2013, at which time the City Council will also consider a resolution authorizing the City move forward with the sale and award of the Bonds on July 1, 2013 if all conditions for issuance under the Charter have been met. Additional key events are outlined below:

April 22, 2013	Finance Committee forwards request
May 6, 2013	Council calls for public hearing
May 20, 2013	Council conducts public hearing, authorizes bond sale contingent on satisfaction of Charter provisions
July 1, 2013	**Council considers award of bonds**
Late July 2013	Proceeds are received

$1,950,000
City of Willmar, Minnesota
General Obligation Improvement Bonds, Series 2013A

Sources & Uses

Dated 07/15/2013 | Delivered 07/15/2013

	Total
Sources Of Funds	
Par Amount of Bonds	$1,950,000.00
Reoffering Premium	16,846.10
City Cash for Feb. 1, 2014 Interest Payment	14,395.11
Total Sources	**$1,981,241.21**
Uses Of Funds	
Rounding Amount	1,918,300.00
Costs of Issuance	31,700.00
Total Underwriter's Discount (0.864%)	16,846.10
Deposit to Capitalized Interest (CIF) Fund	14,395.11
Total Uses	**$1,981,241.21**

$1,950,000
City of Willmar, Minnesota
General Obligation Improvement Bonds, Series 2013A

NET DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	City Funds	Net New D/S	105% of Total	Assessment	Levy Required
02/01/2014	-	-	14,395.11	14,395.11	(14,395.11)	-	-	-	-
02/01/2015	210,000.00	1.250%	26,440.00	236,440.00	-	236,440.00	248,262.00	186,132.34	62,129.66
02/01/2016	200,000.00	1.250%	23,815.00	223,815.00	-	223,815.00	235,005.75	172,128.32	62,877.43
02/01/2017	200,000.00	1.250%	21,315.00	221,315.00	-	221,315.00	232,380.75	167,627.02	64,753.73
02/01/2018	195,000.00	1.250%	18,815.00	213,815.00	-	213,815.00	224,505.75	163,125.74	61,380.01
02/01/2019	195,000.00	1.250%	16,377.50	211,377.50	-	211,377.50	221,946.38	158,624.44	63,321.94
02/01/2020	195,000.00	1.250%	13,940.00	208,940.00	-	208,940.00	219,387.00	154,123.16	65,263.84
02/01/2021	190,000.00	1.300%	11,502.50	201,502.50	-	201,502.50	211,577.63	149,621.86	61,955.77
02/01/2022	190,000.00	1.450%	9,032.50	199,032.50	-	199,032.50	208,984.13	145,120.58	63,863.55
02/01/2023	190,000.00	1.600%	6,277.50	196,277.50	-	196,277.50	206,091.38	140,619.28	65,472.10
02/01/2024	185,000.00	1.750%	3,237.50	188,237.50	-	188,237.50	197,649.38	136,118.00	61,531.38
Total	$1,950,000.00	-	$165,147.61	$2,115,147.61	(14,395.11)	$2,100,752.50	$2,205,790.13	$1,573,240.74	$632,549.39

Dated	7/15/2013
Delivery Date	7/15/2013
First Coupon Date	2/01/2014

Yield Statistics

Bond Year Dollars	$11,606.67
Average Life	5.952 Years
Average Coupon	1.4228686%
Net Interest Cost (NIC)	1.4228686%
True Interest Cost (TIC)	1.4198815%
Bond Yield for Arbitrage Purposes	1.2677587%
All Inclusive Cost (AIC)	1.7109991%

IRS Form 8038

Net Interest Cost	1.2707268%
Weighted Average Maturity	5.934 Years

RESOLUTION NO. ____
FINAL PROJECT NO. 1301 BUDGET

ESTIMATED TOTAL COST $ 2,994,578
*Budget Amounts are Essential

Dated: May 6, 2013

Code		
	PERSONNEL SERVICES	
10*	Salaries Reg. Employees	
11*	Overtime Reg. Employees	
12*	Salaries Temp. Employees	
13*	Employer Pension Contr.	
14*	Employer Ins. Contr.	
	TOTAL	**$0.00**
	SUPPLIES	
20*	Office Supplies	
21*	Small Tools	
22*	Motor Fuels & Lubricants	
23*	Postage	$1,000.00
24	Mtce. of Equipment	
25	Mtce. of Structures	
26	Mtce. of Other Improvements	
27	Subsistenance of Persons	
28	Cleaning & Waste Removal	
29*	General Supplies	$500.00
	TOTAL	**$1,500.00**
	OTHER SERVICES	
30	Communications	
31*	Printing & Publishing	$1,000.00
32	Utilities	
33*	Travel-Conf.-Schools	
34	Mtce. of Equipment	
35	Mtce. of Structures	
36*	Mtce. of Other Impr.	$2,577,894.00
37	Subsistence of Persons	
38	Cleaning & Waste Removal	
39*	Other Services	$128,895.00
	TOTAL	**$2,707,789.00**
	OTHER CHARGES	
40	Rents	
41*	Insurance & Bonds	
42	Awards & Indemnities	
43	Subscription/Memberships	
44	Interest	
45	Licenses & Taxes	
46*	Prof. Serv.	$84,289.00
47*	Advertising	$1,000.00
48*	Adm. OH (Transfer)	$200,000.00
49	Other Charges	
	TOTAL	**$285,289.00**
	GRAND TOTAL	**$2,994,578.00**

RECEIVABLES	
Property Owners	$694,527.00
City (Com. Inv.)	$633,871.00
State (MSA)	$1,061,092.00
City (MUC)	$113,186.00
City (WTP)	$62,375.00
Other-Prop. Owners 1303	$429,527.00
TOTAL	**$2,994,578.00**

FINANCING	
Bonds	$1,328,398.00
State (MSA)	$1,061,092.00
City (MUC)	$113,186.00
City (WTP)	$62,375.00
Other (Bonds 1303)	$429,527.00
TOTAL	**$2,994,578.00**

GRAND TOTAL **$2,994,578.00**

Dated:_____

_____
Mayor

Attest:

_____
City Clerk/Treasurer

RESOLUTION NO. ____
FINAL PROJECT NO. 1303 BUDGET

ESTIMATED TOTAL COST $755,702.00
*Budget Amounts are Essential

Dated: June 6, 2013

Code		
	PERSONNEL SERVICES	
10*	Salaries Reg. Employees	
11*	Overtime Reg. Employees	
12*	Salaries Temp. Employees	
13*	Employer Pension Contr.	
14*	Employer Ins. Contr.	
	TOTAL	**$0.00**
	SUPPLIES	
20*	Office Supplies	
21*	Small Tools	
22*	Motor Fuels & Lubricants	
23*	Postage	$1,000.00
24	Mtce. of Equipment	
25	Mtce. of Structures	
26	Mtce. of Other Improvements	
27	Subsistenance of Persons	
28	Cleaning & Waste Removal	
29*	General Supplies	$500.00
	TOTAL	**$1,500.00**
	OTHER SERVICES	
30	Communications	
31*	Printing & Publishing	$1,000.00
32	Utilities	
33*	Travel-Conf.-Schools	
34	Mtce. of Equipment	
35	Mtce. of Structures	
36*	Mtce. of Other Impr.	$657,132.00
37	Subsistence of Persons	
38	Cleaning & Waste Removal	
39*	Other Services	$32,857.00
	TOTAL	**$690,989.00**
	OTHER CHARGES	
10	Rents	
11*	Insurance & Bonds	
12	Awards & Indemnities	
13	Subscription/Memberships	
14	Interest	
15	Licenses & Taxes	
16*	Prof. Serv.	$13,213.00
17*	Advertising	
18*	Adm. OH (Transfer)	$50,000.00
19	Other Charges	
	TOTAL	**$63,213.00**
	GRAND TOTAL	**$755,702.00**

RECEIVABLES	
Property Owners	$621,640.00
County	
State (MSA)	$323,589.00
City (Gen./Cap. Imp.)	$240,000.00
City	
Other (Transfer 1301)	-$429,527.00
TOTAL	**$755,702.00**

FINANCING	
Bonds	$192,113.00
State (MSA)	$323,589.00
City	
City (Gen./Cap. Imp.)	$240,000.00
Other (City LOST)	
TOTAL	**$755,702.00**

GRAND TOTAL **$755,702.00**

Dated:_____

_____
Mayor

Attest:

_____
City Clerk/Treasurer

1. Overlay $657,132.00
(see list)

RESOLUTION NO. ____
FINAL PROJECT NO. 1305 BUDGET

ESTIMATED TOTAL COST $399,040
*Budget Amounts are Essential

Dated: June 6, 2013

Code		
	PERSONNEL SERVICES	
10*	Salaries Reg. Employees	
11*	Overtime Reg. Employees	
12*	Salaries Temp. Employees	
13*	Employer Pension Contr.	
14*	Employer Ins. Contr.	
	TOTAL	**$0.00**
	SUPPLIES	
20*	Office Supplies	
21*	Small Tools	
22*	Motor Fuels & Lubricants	
23*	Postage	$500.00
24	Mtce. of Equipment	
25	Mtce. of Structures	
26	Mtce. of Other Improvements	
27	Subsistenance of Persons	
28	Cleaning & Waste Removal	
29*	General Supplies	
	TOTAL	**$500.00**
	OTHER SERVICES	
30	Communications	
31*	Printing & Publishing	$500.00
32	Utilities	
33*	Travel-Conf.-Schools	
34	Mtce. of Equipment	
35	Mtce. of Structures	
36*	Mtce. of Other Impr.	$346,991.00
37	Subsistence of Persons	
38	Cleaning & Waste Removal	
39*	Other Services	$17,350.00
	TOTAL	**$364,841.00**
	OTHER CHARGES	
10	Rents	
11*	Insurance & Bonds	
12	Awards & Indemnities	
13	Subscription/Memberships	
14	Interest	
15	Licenses & Taxes	
16*	Prof. Serv.	$19,375.00
17*	Advertising	$1,000.00
18*	Adm. OH (Transfer)	$13,324.00
19	Other Charges	
	TOTAL	**$33,699.00**
	GRAND TOTAL	**$399,040.00**

RECEIVABLES	
Property Owners	
County	
State (MSA)	$166,165.00
City	
City	
Other (Fed. RR)	$232,875.00
TOTAL	**$399,040.00**

FINANCING	
Bonds	
State (MSA)	$166,165.00
City	
City	
Other (Fed. RR)	$232,875.00
TOTAL	**$399,040.00**

GRAND TOTAL **$399,040.00**

Dated:_____

_____
Mayor

Attest:

_____
City Clerk/Treasurer

1. Trott Ave. SW (Ind. Blvd./16th St. SW) $88,241.00
2. Quiet Zone $258,750.00

CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: 6

Meeting Date: April 22, 2013

Attachments: ☒ Yes No

CITY COUNCIL ACTION

Date: May 6, 2013

☐ Approved ☐ Denied
☐ Amended ☐ Tabled
☐ Other

Originating Department: **Finance**

Action Requested: Receive for information only.

Guiding Principle: City Council Policy and Procedures

Agenda Item: Ten-Year Street Program – Debt and Funding History Presentation

Background/Justification: City Staff will present, update and explain the City's Program for Financing the Ten-Year Street Improvement Program.

Fiscal Impact: Possible depletion and need for future commitment of City Council to additional resources for continuing the Street Improvement Program for the next five to ten years.

Alternatives: Commit additional resources to fund Street Reconstruction, Overlay, and other Improvement. Possible Street Improvement District.

Staff Recommendation: Review and receive for information only.

Reviewed by: Steven B. Okins, Finance Director

Preparer: Steven B. Okins, Finance Director

Signature:

Comments:

DEBT SERVICE (SPECIAL ASSESSMENTS) FUNDS

Principal and interest payments on special assessment bonds are paid from this fund. Bonds are issued periodically in amounts necessary to meet expenditure requirements for special assessment projects.

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

	2010 Actual	2011 Actual	2012 Budget	2013 Proposed	2013 Adopted
Undesignated Bal.	$ ----	$ ----	$ ----	$ ----	$ ----
Designated Bal.	5,091,588	5,109,921	5,282,118	4,548,501	4,548,501
Revenues	2,520,580	2,632,154	1,697,827	1,785,845	1,785,845
Expenditures	(2,502,247)	(2,459,957)	(2,431,444)	(2,456,760)	(2,456,760)
Prior Adjust.	----	----	----	----	----
Balance-Dec. 31	5,109,921	5,282,118	4,548,501	3,877,586	3,877,586

BONDED INDEBTEDNESS AS OF DECEMBER 31, 2012 AND STATEMENT OF PRINCIPAL AND INTEREST REQUIREMENTS FOR 2013

	Outstanding As of 12/31/2012			Amount Due in 2013	
	Principal	Interest	Total	Principal	Interest
ENTERPRISE FUNDS					
Waste Treatment Note-1997	$ 1,335,345.87	$ 117,504.88	$ 1,452,850.75	$ 251,048.00	$ 39,847.00
Waste Treatment-2004	$ 745,000.00	108,223.75	853,223.75	95,000.00	27,111.00
Waste Treatment-2008 CWRF	$ 39,293,000.00	13,483,764.62	52,776,764.62	1,445,000.00	1,286,846.00
Waste Treatment-2008 WIF	$ 7,000,000.00	-	7,000,000.00	-	-
Waste Treatment-2009 CWRF	$ 1,503,151.43	353,576.54	1,856,727.97	72,000.00	36,933.00
Waste Treatment-2009 CWRF	$ 34,915,000.00	18,647,735.48	53,562,735.48	795,000.00	1,423,171.00
Total	$ 84,791,497.30	$ 32,710,805.27	$ 117,502,302.57	$ 2,658,048.00	$ 2,513,908.00
SPECIAL ASSESSMENT BONDS					
Improvement Bond-2002	$ 100,000.00	1,875.00	101,875.00	100,000.00	1,875.00
Improvement Bond-2003	$ 110,000.00	4,510.00	114,510.00	55,000.00	3,383.00
Improvement Bond-2004	$ 595,000.00	35,400.00	630,400.00	200,000.00	19,700.00
Improvement Bond-2005	$ 1,395,000.00	98,728.75	1,493,728.75	360,000.00	43,208.00
Improvement Bond-2006	$ 980,000.00	93,686.25	1,073,686.25	195,000.00	33,440.00
Improvement Bond-2007A	$ 1,970,000.00	224,781.25	2,194,781.25	335,000.00	68,407.00
Improvement Bond-2007B	$ 1,060,000.00	129,400.00	1,189,400.00	170,000.00	39,000.00
Improvement Bond-2008	$ 1,070,000.00	141,232.50	1,211,232.50	155,000.00	36,693.00
Improvement Bond-2010	$ 1,600,000.00	183,068.75	1,783,068.75	185,000.00	35,838.00
Improvement Bond-2011	$ 1,825,000.00	217,930.00	2,042,930.00	180,000.00	32,600.00
Improvement Bond-2012B	$ 1,460,000.00	165,253.22	1,625,253.22	60,000.00	28,994.00
Total	$ 12,165,000.00	$ 1,295,865.72	$ 13,460,865.72	$ 1,995,000.00	$ 343,138.00
G.O. REVENUE BONDS					
Airport-2004	$ 1,255,000.00	$ 204,858.75	$ 1,459,858.75	$ 135,000.00	$ 44,855.00
Total	$ 1,255,000.00	$ 204,858.75	$ 1,459,858.75	$ 135,000.00	$ 44,855.00
Grand Total	**$ 98,211,497.30**	**$ 34,211,529.74**	**$ 132,423,027.04**	**$ 4,788,048.00**	**$ 2,901,901.00**

2013

COMMUNITY INVESTMENT

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

Expenditures shall be made solely from accumulated investment earnings until 1995. After 1995 and beyond, only from accumulated investment earnings whenever possible. The projects are prioritized as follows:

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

	2010 Actual	2011 Actual	2012 Budget	2013 Mayor Proposed	2013 Adopted
Unassigned Bal.	$ 4,265,750	$ 3,986,720	$ 0	$ 0	$ 0
Assigned Bal.			4,158,320	658,320	658,320
Restricted Bal.	4,500,000	4,500,000	4,500,000	8,000,000	8,000,000
Revenues	382,236	768,622	444,940	514,734	514,734
Expenditures	(661,265)	(597,022)	(444,940)	(514,734)	(514,734)
Prior Adjust.	(1)		----	----	----
Balance-Dec. 31	8,486,720	8,658,320	8,658,320	8,658,320	8,658,320

Community Investment Fund Obligations

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2012	$34,345.91	$36,575.02	$36,378.04	$36,181.06	$35,984.08	$35,787.10	$35,590.12	$30,143.14	$30,051.16	$35,209.18	$0.00	$0.00
2011	$66,224.78	$89,317.26	$86,883.34	$89,158.67	$90,851.25	$86,711.08	$87,343.18	$87,408.26	$87,095.34	$86,404.42	$0.00	$0.00
2010	$ 66,845.50	$ 62,852.32	$ 64,214.14	$ 65,575.96	$ 61,687.78	$ 62,695.22	$ 63,243.29	$63,791.36	$ 63,420.68	$0.00	$0.00	$0.00
2009	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
2008A	$46,072.12	$47,325.66	$48,416.47	$49,263.14	$49,947.05	$45,136.86	$45,613.40	$45,932.46	$0.00	$0.00	$0.00	$0.00
2007A	$82,767.12	$84,360.28	$80,703.41	$82,493.42	$79,033.45	$81,020.34	$83,007.24	$0.00	$0.00	$0.00	$0.00	$0.00
2007B	$133,616.04	$135,670.32	$132,264.60	$134,108.88	$135,743.16	$131,917.44	$133,341.72	$0.00	$0.00	$0.00	$0.00	$0.00
2006A	$88,705.73	$88,167.30	$87,628.87	$86,988.06	$86,244.86	$90,751.68	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
2005A	$15,784.13	$15,792.88	$10,735.38	$11,295.38	$11,858.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
2004B	$2,391.97	$572.78	$3,885.46	$1,738.12	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
2003A	-$5,464.50	-$4,354.50	-$3,302.25	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
2002A	$23,590.58	$20,068.34	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
2001D	$50,774.90	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Annual	$605,654.28	$576,347.66	$547,807.46	$556,802.69	$551,349.63	$534,019.72	$448,138.95	$227,275.22	$180,567.18	$121,613.60	$0.00	$0.00
2013	$0.00	$0.00	$62,129.66	$62,877.43	$64,753.73	$61,380.01	$63,321.94	$65,263.84	$61,955.77	$63,663.55	$65,422.10	$61,531.38
	$605,654.28	$576,347.66	$609,937.12	$619,680.12	$616,103.36	$595,399.73	$511,460.89	$292,539.06	$242,522.95	$185,277.15	$65,422.10	$61,531.38

2013

PUBLIC WORKS RESERVE

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

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

Key Points

Establish supplemental public (street) improvement financing vehicle utilizing annual utility fund revenues.
Program commits utility fund or portions thereof for a period of up to fifteen years.
Program allows time for the Community Investment Fund to rebound by paying off debt and building up reserves.

Future Considerations

City should consider permanent financing for public works improvements through local option sales tax which is due to expire in 2012.
No deferred assessments. All projects must be financed 100% with public funds, assessments developer financing, or combinations thereof.

	2010 Actual	2011 Actual	2012 Budget	2013 Mayor Proposed	2013 Adopted
Unassigned Bal.	$ ----	$ ----	$ ----	$ ----	$ ----
Assigned Bal.	----	409,512	635,086	791,564	791,564
Revenues	409,512	419,464	400,000	424,800	424,800
Expenditures	----	(193,890)	(243,522)	(363,373)	(363,373)
Prior Adjust.	----	----	----	----	----
Balance-Dec. 31	409,512	635,086	791,564	852,991	852,991

BASIC PREMISE

TO ACCELERATE AND MAINTAIN / SUSTAIN
PUBLIC IMPROVEMENTS INITIATING A FINANCING MECHANISM WITH A FIVE-YEAR STREET IMPROVEMENT / RECONSTRUCTION PROGRAM

KEY POINTS

- Establish supplemental public (street) improvement financing vehicle utilizing annual utility fund revenues.
- Program commits utility fund or portions thereof for a period of up to 15 years.
- No new fees or taxes. Revenues being used for essentially same purposes.

YEAR	DEDICATED FUND	ANNUAL DEBT PAYMENTS	DEDICATED BALANCE	EARNED INTEREST
2010	400,000		400,000	8,000
2011	808,000	80,000	728,000	14,560
2012	1,142,560	160,000	982,560	19,651
2013	1,402,211	240,000	1,162,211	23,244
2014	1,585,455	320,000	1,265,455	25,309
2015	1,690,765	400,000	1,290,765	25,815
2016	1,716,580	400,000	1,316,580	26,332
2017	1,742,911	400,000	1,342,911	26,858
2018	1,769,770	400,000	1,369,770	27,395
2019	1,797,165	400,000	1,397,165	27,943
2020	1,825,108	400,000	1,425,108	28,502
2021		400,000		
2022		320,000		
2023		240,000		
2024		160,000		
2025		80,000		
			$2,625,108	

Calculation based on $400,000 annual revenue, $7-$800,000 annual City share, 4% interest on debt service, $80,000 annual debt payments, and 2% interest earnings on dedicated balances.

YEAR	DEDICATED FUND	ANNUAL DEBT PAYMENTS	EARNED INTEREST	DEDICATED BALANCE
				400,000
2010	400,000		8,000	808,000
2011	400,000	-80,000	14,560	1,142,560
2012	400,000	-160,000	19,651	1,402,211
2013	400,000	-240,000	23,244	1,585,455
2014	400,000	-320,000	25,309	1,690,764
2015	400,000	-400,000	25,815	1,716,579
2016	400,000	-400,000	26,332	1,742,911
2017	400,000	-400,000	26,858	1,769,769
2018	400,000	-400,000	27,395	1,797,164
2019	400,000	-400,000	27,943	1,825,107
2020	400,000	-400,000	28,502	1,853,609
2021		-400,000		
2022		-320,000		
2023		-240,000		
2024		-160,000		
2025		-80,000		

Calculation based on $400,000 annual revenue, $7-$800,000 annual City share, 4% interest on debt service, $80,000 annual debt payments, and 2% interest earnings on dedicated balances.

YEAR	DEDICATED FUND	ANNUAL DEBT PAYMENTS	EARNED INTEREST	DEDICATED BALANCE
				-0-
2010	409,512	-0-	-0-	409,512
2011	411,016	-193,890	8,448	635,086
2012	412,164	-248,162	12,928	799,088
2013	411,000 (B)	-363,373 (B)	13,800 (B)	860,515 (B)
2014	411,000	-411,000	17,210	877,725
2015	411,000	-411,000	17,555	895,280
2016	411,000	-411,000	17,906	913,186
2017	411,000	-411,000	18,264	931,450
2018	411,000	-411,000	18,629	950,079
2019	411,000	-411,000	19,002	969,081
2020	411,000	-411,000	19,382	988,463
2021		-411,000		
2022		-329,000		
2023		-247,000		
2024		-165,000		
2025		-85,000		

Calculation based on $400,000 annual revenue, $7-$800,000 annual City share, 4% interest on debt service, $80,000 annual debt payments, and 2% interest earnings on dedicated balances.

OTHER CONSIDERATIONS

- Five- year street improvement program with consistent City share ($7-$800, 000).

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

- Allows time for Community Investment Fund to rebound and build up balance.

- Financing plan will have accumulated sufficient funds to retire debt in year nine.

COMMUNITY INVESTMENT FUND OBLIGATIONS

	2016	2017	2018	2019
2009	$0	$0	$0	$0
2008A	$49,947	$45,136	$45,613	$45,932
2007A	$79,033	$81,020	$83,007	
2007B	$135,743	$131,917	$133,341	
2006A	$86,244	$90,751		
2005A	$11,858			
2004B				
2003A				
2002A				
2001D				
2000A				
1999				
	$362,825	$348,824	$261,961	$45,932

2011 IMPROVEMENTS
PROPOSED SCHEDULE
CITY OF WILLMAR

SCHEDULED ACTION	OPTION A
Receive Report and Order Hearing	February 7, 2011
Improvement Hearing	February 22, 2011
Open Bids	April 12, 2011
Assessment Hearing	May 16, 2011
Award Bid	June 20, 2011

Senate Transportation Committee Advances Statewide Investment

On Wednesday, the Senate Transportation Committee passed a statewide, comprehensive investment in Minnesota's transportation infrastructure (S.F. 1173). The road to passing this bill was rocky, with the Governor proclaiming last week that he would not support a gas tax increase and thus derailing the committee's original budget proposal. The Senate Transportation Committee then considered a "lights on" transportation bill that provided no additional transportation funding, but that bill was laid over due to a lack of support from committee members.

So, this week, the committee proposed new funding package that included a different funding source-- a gross receipts tax on motor fuels at the wholesale level. Motor fuels distributors will be imposed a 5.5 percent tax on their gross receipts to be paid on a quarterly basis (not per transaction). Correspondingly, the gas tax is decreased by six cents. Advocates of this funding proposal state that this tax may or may not be passed along to the consumer because it is imposed at the wholesale level, and this mechanism provides for more long-term security than the gas tax, as vehicles are becoming more fuel efficient. Funding for the gross receipts tax would go to Highway User Tax Distribution Fund and distributed to trunk highways, county highways, and city streets under the same formula as the gas tax.

The Senate's bill provides a statewide, balanced investment and is good for Greater Minnesota. It includes the following:

- Cities are authorized to create Street Maintenance Districts and impose fees to plan and fund street upkeep
- Funding for Greater Minnesota transit is increased by $20 million, with a General Fund increase and increasing its MVST allocation from 4% to 5%
- Funding for the new "Corridors of Commerce" program, which will help complete the missing links in interregional corridor projects throughout the state
- Greater Minnesota counties are given the same authority to impose a half-cent sales tax for transportation projects without voter referendum as metro counties currently hold
- All counties are given the authority to impose a $10 wheelage tax
- $20 million in increased funding for the TED program
- A .25 metro sales tax increase to support the transit system.

The bill is up for consideration in the Senate Finance Committee tonight. The House's "lights on" transportation funding bill—which includes no new funding due to House leadership's strong objection to a highway investment-- is scheduled to be heard in Ways and Means tomorrow.

Parks & Trails Bill on House Floor Saturday

The Legacy bill (H.F. 1183), which contains parks and trails funding, will be up on the House floor Saturday. Structurally, the bill is good for Greater Minnesota. Twenty percent of the funding will go to Greater Minnesota and the bill also establishes the Greater Minnesota Parks and Trail Commission. Therefore, if contacting your legislator, you can tell them they should support the bill. If you have any questions, please contact Elizabeth Wefel at eawefel@flaherty-hood.com.

CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: 7

Meeting Date: April 22, 2013

Attachments: ☒ Yes No

CITY COUNCIL ACTION

Date: May 6, 2013

☐ Approved ☐ Denied
☐ Amended ☐ Tabled
☐ Other

Originating Department: **Finance**

Action Requested: Receive and review reports.

Guiding Principle: City Council Policy/Procedures.

Introduction: Submission of various reports.

Background/Justification:
A) 1st Quarter General Fund
B) 1st Quarter Investment & Interest Activity
C) 1st Quarter Rice Trust
D) March Rice Trust

Fiscal Impact:

Alternatives: N/A

Staff Recommendation: Receive reports and place on file.

Reviewed by: Steven B. Okins, Finance Director

Preparer: Steven B. Okins, Finance Director

Signature:

Comments:

2013

GENERAL FUND

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

	2010 Actual	2011 Actual	2012 Budget	2013 Adopted	2013 Actual 1st Quarter
Undesignated Bal.	$ ----	$ ----	$ ----	$ ----	$ ----
Designated Bal.	14,576,343	14,042,972	14,191,120	14,032,047	14,032,047
Revenues	13,501,740	13,851,529	13,967,407	14,102,167	1,043,498
Operating	(12,840,642)	(12,681,667)	(12,433,067)	(13,414,514)	(2,552,910)
Capital Transfers	(1,194,915)	(1,018,319)	(1,693,413)	(1,817,611)	----
Expenditures	(14,035,557)	(13,699,986)	(14,126,480)	(15,232,125)	(2,552,910)
Prior Adjust.	446	(3,395)	----	----	----
Balance-Dec. 31	14,042,972	14,191,120	14,032,047	12,902,089	12,522,635

SUMMARY OF REVENUE ACCOUNTS

GENERAL FUND

	2010 Actual	2011 Actual	2012 Budget	2013 Adopted	2013 Actual 1st Quarter
TAXES					
CURRENT AD VALOREM	3,296,429	3,450,982	3,992,734	3,992,734	0
DELINQUENT AD VALOREM	72,658	111,256	55,000	100,000	52,356
FRANCHISE FEE	----	----	----	230,000	0
LICENSES AND PERMITS	364,712	297,120	272,030	277,730	76,669
INTERGOVERNMENTAL					
OTHER AIDS	942,510	922,430	763,853	736,941	127,953
LOCAL GOVERNMENT AID	4,052,790	4,052,790	4,052,790	4,052,790	0
SERVICE CHARGES	869,222	944,488	741,830	724,450	125,184
FINES AND FORFEITS	168,716	163,098	184,000	170,500	39,186
SPECIAL ASSESSMENTS	2,023	1,477	----	----	119
MISCELLANEOUS REVENUE	1,142,314	1,274,952	715,500	980,500	123,138
OTHER FINANCING SOURCES	2,590,364	2,632,936	3,189,670	2,836,522	498,893
EXTRAORDINARY ITEMS	----	----	----	----	----
TOTAL	**13,501,740**	**13,851,529**	**13,967,407**	**14,102,167**	**1,043,498**

SUMMARY OF EXPENDITURES BY FUNCTION

GENERAL FUND

	2010 Actual	2011 Actual	2012 Budget	2013 Adopted	2013 Actual 1st Quarter
GENERAL GOVERNMENT					
CITY ADMINISTRATOR	231,208	264,211	240,749	272,701	62,387
MAYOR & COUNCIL	160,960	185,704	179,200	204,615	17,565
PLANNING & DEVELOPMENT	449,573	449,048	461,840	482,412	105,799
CITY CLERK-TREASURER	206,961	206,706	209,121	207,994	47,731
ASSESSING	301,090	259,332	263,951	274,950	51,660
FINANCE	341,668	344,326	369,592	387,032	73,290
LEGAL	186,844	185,280	196,737	216,000	40,853
CITY HALL	135,765	151,789	169,123	145,254	24,000
INFORMATION TECHNOLOGY	264,646	267,029	267,548	425,530	93,793
CULTURAL DIVERSITY	21,000	42,000	42,000	0	0
ELECTIONS	48,010	28,672	57,486	22,697	11,973
NON-DEPARTMENTAL	1,158,402	1,233,737	805,217	1,255,100	216,939
TOTAL GENERAL GOV'T	**3,506,127**	**3,617,834**	**3,262,564**	**3,894,285**	**745,990**
PUBLIC SAFETY					
POLICE DEPARTMENT	4,006,814	3,775,748	4,137,724	4,111,630	812,065
FIRE PROTECTION	718,077	732,263	652,668	645,430	123,625
NON-DEPARTMENTAL	1,660	14,608	15,000	15,000	18
TOTAL PUBLIC SAFETY	**4,726,551**	**4,522,619**	**4,805,392**	**4,772,060**	**935,708**
PUBLIC WORKS					
TRANSIT SYSTEM	0	6,000	9,000	13,000	0
ENGINEERING	705,408	470,502	504,714	496,938	56,813
PUBLIC WORKS	2,882,784	2,859,601	3,029,502	2,384,391	464,777
NON-DEPARTMENTAL	928	812	243,618	2,000	0
AIRPORT	110,632	151,062	179,350	0	0
TOTAL PUBLIC WORKS	**3,699,752**	**3,487,977**	**3,966,184**	**2,896,329**	**521,590**

	2010 Actual	2011 Actual	2012 Budget	2013 Proposed	2013 Actual 1st Quarter
HEALTH & SOCIAL SERVICES					
NON-DEPARTMENTAL	15,000	15,000	15,000	0	0
TOTAL HEALTH/SOC SER	**15,000**	**15,000**	**15,000**	**0**	**0**
CULTURE & RECREATION					
LIBRARY	412,597	459,007	459,007	469,173	92,920
AUDITORIUM	65,111	40,867	59,600	47,500	8,789
NON-DEPARTMENTAL	41,800	51,000	52,500	110,500	15,000
PARK DEVELOPMENT	22,000	(21,057)	45,000	0	0
LEISURE SERVICES	402,516	435,107	395,767	327,051	50,058
CIVIC CENTER	550,277	541,883	640,946	564,705	144,863
COMMUNITY CENTER	135,474	82,920	75,828	133,242	24,530
AQUATIC CENTER	176,852	176,394	168,614	199,669	13,462
TOTAL CULTURE/RECR	**1,806,627**	**1,766,121**	**1,897,262**	**1,851,840**	**349,622**
OTHER FINANCING USES					
TRANSFERS OUT	281,500	290,435	180,078	1,817,611	0
TOTAL OTHER FINANC	281,500	290,435	180,078	1,817,611	0
GRAND TOTAL	**14,035,557**	**13,699,986**	**14,126,480**	**15,232,125**	**2,552,910**

WILLMAR

FINANCE

City Office Building
Box 755
Willmar, Minnesota 56201

320-235-4984
FAX: 320-235-4917

2013 Interest/Dividends Received By Institution

Institution	January	February	March	2013 Year-To-Date	2012 Year-To-Date
Heritage Bank	$ 22.82	$ 962.30	$ 310.73	$ 1,295.85	$ 3,643.35
Morgan Stanley Smith Barney	$ 5,033.03	$ 14,760.56	$ 30,000.00	$ 49,793.59	$ 15,702.48
UBS	$ 75,000.03	$ 5,000.00	$ 5,000.00	$ 85,000.03	$ 56,250.00
Wells Fargo	$ 20,000.00	$ -	$ -	$ 20,000.00	$ 35,122.22
Wells Fargo Advisors	$ 22,593.08	$ 21,715.00	$ 21,250.00	$ 65,558.08	$ 33,153.84
Totals	**$ 122,648.96**	**$ 42,437.86**	**$ 56,560.73**	**$ 221,647.55**	**$ 143,871.89**

WILLMAR

FINANCE

City Office Building
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Willmar, Minnesota 56201

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INVESTMENT ACTIVITY REPORT FOR QUARTER ENDING MARCH 31, 2013

BALANCE AT PRIOR QUARTER ENDING DECEMBER 31, 2012	**$ 47,119,283.92**
SUMMARY OF JANUARY, 2013, THROUGH MARCH, 2013, TRANSACTIONS:	
(02/15/2013) SOLD: MSSB, FHLMC-3134G3LC2 2.00%	(1,000,000.00)
(02/15/2013) Market Value Adjustment: MSSB, FHLMC-3134G3LC2	1,760.00
(03/27/2013) PURCHASED: Multi-Bank Securities, FHLB-313382G49, 2.000-6.000%	999,750.00
(03/28/2013) SOLD: Wells Fargo Advisors, FHLMC-3134G3SF8, 2.125 - 7.000%	(2,000,000.00)
(03/28/2013) Market Value Adjustment: Wells Fargo Advisors, FHLMC-3134G3SF8	(4,620.00)
(03/31/2012) Market Value Adjustment at Quarter-End	(79,527.55)
MARCH 31, 2013 BALANCE	**$ 45,036,646.37**

*Morgan Stanley Smith Barney

CASH/INVESTMENT PORTFOLIO AS OF MARCH 31, 2013

	INSTITUTION	SECURITY TYPE	MATURITY DATE	INTEREST RATE	PAR VALUE		MARKET VALUE
1	MSSB	CD-591557DP5	10/07/2013	1.150%	245,000.00		246,460.20
2	MSSB	CD-70153RGY8	10/15/2013	1.250%	245,000.00		246,533.70
3	MSSB	CD-02580VDA0	12/24/2013	4.750%	96,000.00		98,959.68
4	MSSB	CD-02586TDA9	12/24/2013	4.750%	96,000.00		98,959.68
5	MSSB	CD-36159CGN0	12/30/2013	4.100%	96,000.00		98,560.32
6	MSSB	CD-381426XZ3	12/31/2013	4.000%	96,000.00		98,488.32
7	MSSB	CD-36160TFS0	01/23/2014	3.400%	96,000.00		98,229.12
8	MSSB	CD-795450HC2	01/23/2014	3.500%	96,000.00		98,294.40
9	MSSB	CD-140653G26	01/28/2014	3.500%	96,000.00		98,328.96
10	MSSB	CD-02004MU84	10/08/2014	1.750%	150,000.00		152,677.50
11	MSSB	CD-02005QP64	08/10/2015	1.100%	96,000.00		96,557.76
12	MSSB	CD-25811LZ28	08/10/2015	1.000%	245,000.00		246,423.45
13	MSSB	CD-795450NT8	08/10/2015	1.100%	150,000.00		150,871.50
14	MSSB	CD-36160TE51	12/09/2016	2.100%	150,000.00		154,633.50
15	MSSB	CD-06740KFC6	12/14/2016	1.950%	245,000.00		252,203.00
16	MSSB	CD-38143ADT9	12/14/2016	2.050%	150,000.00		154,126.50
17	MSSB	CD-02587DJS8	12/15/2016	2.050%	150,000.00		154,398.00
18	MSSB	CD-2546703M2	02/08/2017	1.750%	245,000.00		251,948.20
19	Wells Fargo Advisors	CD-36157PFB0	06/08/2018	2.000%	150,000.00		155,463.00
20	MSSB	CD-17284A3Z9	12/12/2019	1.600%	245,000.00		245,320.95
21	Wells Fargo	FFCB-3133EAYB8	04/17/2020	1.840%	2,000,000.00		2,000,248.00
22	UBS	FHLMC-3134G3XL9	12/28/2020	2.000%	1,000,000.00		997,600.00
23	UBS	FHLMC-3134G3YP9	07/26/2021	2.000%	6,000,000.00	*	6,025,200.00
24	Wells Fargo	FHLMC-3134G3D49	11/23/2021	2.000%	2,000,000.00		2,006,110.00
25	Wells Fargo	FNMA-3136G0FC0	05/02/2022	2.600%	1,000,000.00		1,002,133.00
26	Wells Fargo	FHLB-313381C60	06/07/2022	2.080%	2,000,000.00		1,992,342.00
27	UBS	FHLMC-3134G3WU0	06/21/2022	2.250%	1,000,000.00		1,002,050.00
28	Wells Fargo Advisors	FHLB-313379VX4	07/12/2022	2.530%	797,872.34	^	798,135.63
29	Wells Fargo Advisors	FHLB-3133803F2	07/25/2022	1.250-5.000%	2,000,000.00		1,989,500.00
30	UBS	FNMA-3136G0TG6	07/26/2022	2.000%	1,000,000.00	*	990,640.00
31	Wells Fargo	FNMA-3136G0TG6	07/26/2022	2.000%	2,000,000.00	*	1,981,282.00
32	Wells Fargo Advisors	FHLB-313380BC0	08/15/2022	1.010-5.000%	4,300,000.00		4,302,365.00
33	MSSB	FHLB-313380GQ4	09/07/2022	1.500-5.000%	4,000,000.00		3,986,440.00
34	UBS	FNMA-3136G0D65	09/27/2022	2.000%	3,000,000.00	*	2,945,700.00
35	UBS	FNMA-3135G0RC9	10/25/2022	2.200%	1,000,000.00		987,190.00
36	UBS	FNMA-3136G02Z3	11/15/2022	2.250%	1,900,000.00		1,891,849.00
37	Wells Fargo	FHLB-313381DA0	12/05/2022	2.190%	2,000,000.00		1,985,514.00
38	Wells Fargo Advisors	FHLB-313381GY5	12/27/2022	1.500-5.000%	3,000,000.00		2,959,860.00
39	Multi-Bank Securities	FHLB-313381H40	12/28/2022	1.500-9.000%	1,000,000.00		992,420.00
40	Multi-Bank Securities	FHLB-313382G49	03/27/2023	2.000-6.000%	1,000,000.00		1,002,630.00
	TOTAL INVESTMENT				$ 45,135,872.34		$ 45,036,646.37
41	Heritage Bank	Low Activity Ckg	None	0.100%	4,653,921.32		4,653,921.32
42	Heritage Bank	SB Ckg/Law Enf.Forf	None	0.100%	33,793.51		33,793.51
43	Heritage Bank	Commercial Ckg	None	0.100%	210,379.16		210,379.16
	TOTAL PORTFOLIO FOR MARCH 31, 2013				$ 50,033,966.33		$ 49,934,740.36

* Par Value is not equal to Purchase Amount

^ WFA FHLB-313379VX4	1,500,000.00	Par Value
Partial Call 10/12/12	(15,957.45)	
Partial Call 12/17/12	(686,170.21)	
	797,872.34	

Historical Interest/Dividends Received Per Quarter
2001 through 03/31/2013

Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual Totals
2013	$ 221,647.55				$ 221,647.55
2012	$ 143,871.89	$ 345,677.26	$ 175,728.62	$ 159,483.59	$ 824,761.36
2011	$ 281,807.02	$ 275,608.48	$ 290,307.92	$ 211,444.35	$ 1,059,167.77
2010	$ 234,241.45	$ 446,351.92	$ 233,012.97	$ 365,903.94	$ 1,279,510.28
2009	$ 509,706.62	$ 484,844.91	$ 342,331.25	$ 343,882.12	$ 1,680,764.90
2008	$ 531,303.45	$ 435,311.50	$ 478,334.39	$ 554,954.62	$ 1,999,903.96
2007	$ 622,474.29	$ 495,977.22	$ 582,224.88	$ 728,080.25	$ 2,428,756.64
2006	$ 392,269.92	$ 398,251.19	$ 435,489.27	$ 424,705.40	$ 1,650,715.78
2005	$ 297,617.30	$ 358,311.00	$ 323,683.93	$ 417,349.67	$ 1,396,961.90
2004	$ 256,365.99	$ 349,941.03	$ 239,169.92	$ 363,170.98	$ 1,208,647.92
2003	$ 347,623.33	$ 429,146.02	$ 278,583.40	$ 303,848.26	$ 1,359,201.01

Historical Balances At the End of Each Quarter
2001 through 03/31/2013

	Investments				Operating Cash (Flex Gold and Checking)			
Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2013	$45,036,646.37 #				$ 4,864,300.48			
2012	$41,122,817.67 #	$37,855,613.32 #	$44,310,158.10 #	$47,119,283.92 #	$ 8,136,948.46	$11,647,103.27	$ 6,473,162.53	$ 7,735,728.32
2011	$41,498,738.04 #	$42,926,445.51 #	$33,053,338.89 #	$46,841,372.72 #	$ 6,566,351.65	$ 9,181,801.11	$18,167,922.89	$ 7,404,105.73
2010	$41,358,462.50	$40,144,176.24 #	$44,577,231.24 #	$48,797,293.88 #	$ 5,700,619.84	$ 8,771,348.62	$ 3,304,736.92	$ 4,417,038.74
2009	$40,055,806.99	$41,062,156.99	$38,897,050.00	$45,863,584.72	$ (2,077,111.26)	$ 7,201,418.64	$ 8,850,416.77	$ 5,516,985.71
2008	$41,205,848.94	$43,736,011.19	$45,244,926.32	$42,945,529.36	$ 3,167,634.31	$ 1,718,731.16	$ 1,997,209.74	$ 6,351,625.00
2007	$43,139,351.72	$48,100,353.36	$47,115,305.03	$50,105,966.14	$ 926,179.01	$ 663,940.06	$ 926,179.01	$ (341,184.39)
2006	$40,287,460.83	$39,045,724.67	$45,986,724.51	$48,565,446.01	$ 239,513.13	$ 982,309.33	$ 1,133,968.89	$ 171,495.87
2005	$36,768,248.22	$37,768,170.45	$48,355,084.17	$48,354,326.94	$ 1,513,953.62	$ 961,246.67	$ 1,454,324.57	$ 1,007,718.38
2004	$33,825,796.69	$36,595,276.05	$36,590,625.49	$41,648,716.38	$ 4,244,239.97	$ 1,158,817.03	$ 201,061.64	$ 275,984.98
2003	$34,064,199.18	$30,950,347.81	$35,925,098.63	$40,818,791.70	$ 3,859,939.14 **	$ 7,755,088.56 **	$ 2,656,112.08 **	$ 933,074.61 **

\# Investment Balance after adjusting for market values
2010 market values were only adjusted 1/1/10 and 12/31/10

**4M, Flex Gold, General Ckg

Bremer

Investment Management & Trust

1100 West St. Germain Street
St. Cloud, MN 56301

Relationship Manager: Carol E Hruby
Phone Number: 507-537-0208

Associate: Beth A Ritter
Phone Number: 507-537-0232

Account Statement

Statement of Value and Activity

January 1, 2013 - March 31, 2013

Cushman A Rice Trust
180205

Are you concerned about paying too much in taxes? Contact your relationship manager to discuss tax managed investment strategies.

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Willmar City Offices
ATTN Michael Schmit
Box 755
Willmar MN 56201-0755

Bremer

Investment Management & Trust

1100 West St. Germain Street
St. Cloud, MN 56301

Account Summary

Statement of Value and Activity

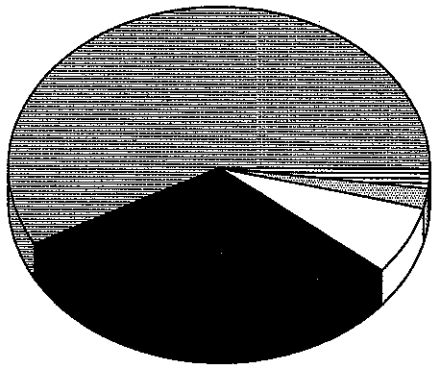
January 1, 2013 - March 31, 2013

Market Value Reconciliation

	This Period	1/1/13 to 3/31/13
Beginning Market Value	**$2,616,990.01**	**$2,616,990.01**
Additions	$0.00	$0.00
Withdrawals	-$20,002.36	-$20,002.36
Expenses/ Fees/ Taxes	-$5,355.64	-$5,355.64
Income	$14,750.67	$14,750.67
Other	$0.00	$0.00
Change in Market Value	$122,807.30	$122,807.30
Ending Market Value	**$2,729,189.98**	**$2,729,189.98**
Realized Gains/Losses (Included in Total Above)	$2,877.70	$2,877.70

Asset Allocation

	Asset Class	Balance
58%	Equities	$1,572,160.21
31%	Fixed Income	$853,975.71
7%	Alternative	$191,405.67
2%	Cash and Money Market	$65,016.06
2%	Other	$46,632.33
100%	**Total Assets Value**	**$2,729,189.98**



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Statement of Value and Activity

January 1, 2013 - March 31, 2013

Asset Detail

Description	Shares/Par Value	Current Price	Market Value	Tax Cost	Est. Ann. Income	Current Yield
Cash and Money Market						
Federated Government Obligations Tax-Managed Fund TICKER: GOTXX	64,446.40	1.000	$64,446.40	$64,446.40	$5.86	0.01%
Cash			$569.66			
Total Cash and Money Market			$65,016.06	$64,446.40	$5.86	
Equities						
Stocks						
Abbott Labs TICKER: ABT	235.00	35.320	$8,300.20	$5,368.27	$131.60	1.59%
Air Products & Chemicals Inc TICKER: APD	227.00	87.120	$19,776.24	$15,813.51	$644.68	3.26%
Akamai Technologies Inc TICKER: AKAM	560.00	35.320	$19,779.20	$15,878.82	$0.00	0.00%
Apple Inc TICKER: AAPL	66.00	442.660	$29,215.56	$13,015.37	$699.60	2.39%
Broadcom Corp TICKER: BRCM	390.00	34.679	$13,524.81	$16,653.15	$171.60	1.27%
Cameron International Corp TICKER: CAM	241.00	65.200	$15,713.20	$12,866.81	$0.00	0.00%
Celgene Corp TICKER: CELG	295.00	115.910	$34,193.45	$13,294.78	$0.00	0.00%
Cisco Systems Inc TICKER: CSCO	1,118.00	20.895	$23,360.61	$22,332.76	$626.08	2.68%
Citigroup Inc TICKER: C	324.00	44.240	$14,333.76	$12,175.73	$12.96	0.09%

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Statement of Value and Activity

January 1, 2013 - March 31, 2013

Description	Shares/Par Value	Current Price	Market Value	Tax Cost	Est. Ann. Income	Current Yield
Colgate Palmolive Co TICKER: CL	132.00	118.030	$15,579.96	$9,683.21	$359.04	2.30%
Comcast Corp-CL A TICKER: CMCSA	813.00	41.980	$34,129.74	$13,575.13	$634.14	1.86%
CVR Energy, Inc. Escrow	609.00	0.000	$0.00	$0.00	$0.00	0.00%
CVS Caremark Corp TICKER: CVS	356.00	54.990	$19,576.44	$9,785.80	$320.40	1.64%
Deere & Co TICKER: DE	222.00	85.980	$19,087.56	$17,979.96	$452.88	2.37%
Dover Corp TICKER: DOV	216.00	72.880	$15,742.08	$10,383.11	$302.40	1.92%
Ebay Inc TICKER: EBAY	382.00	54.220	$20,712.04	$13,280.92	$0.00	0.00%
EMC Corp Mass TICKER: EMC	488.00	23.890	$11,658.32	$5,601.58	$0.00	0.00%
Emerson Elec Co TICKER: EMR	409.00	55.870	$22,850.83	$18,771.16	$670.76	2.93%
Exxonmobil Corp TICKER: XOM	163.00	90.110	$14,687.93	$9,871.93	$371.64	2.53%
Ford Motor Co DEL TICKER: F	1,004.00	13.150	$13,202.60	$13,249.39	$401.60	3.04%
Google Inc CL A TICKER: GOOG	34.00	794.188	$27,002.39	$18,505.71	$0.00	0.00%
Hudson City Bancorp Inc TICKER: HCBK	3,084.00	8.640	$26,645.76	$29,419.14	$986.88	3.70%
ITC Holdings Corp TICKER: ITC	185.00	89.260	$16,513.10	$8,901.57	$279.35	1.69%
Microsoft Corp TICKER: MSFT	501.00	28.605	$14,331.11	$12,362.57	$460.92	3.22%

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Statement of Value and Activity

January 1, 2013 - March 31, 2013

Description	Shares/Par Value	Current Price	Market Value	Tax Cost	Est. Ann. Income	Current Yield
Mylan Inc TICKER: MYL	590.00	28.955	$17,083.45	$8,820.85	$0.00	0.00%
Nike Inc-Class B TICKER: NKE	298.00	59.010	$17,584.98	$14,310.24	$250.32	1.42%
Pepsico Inc TICKER: PEP	299.00	79.110	$23,653.89	$10,731.84	$642.85	2.72%
Procter & Gamble Co TICKER: PG	203.00	77.060	$15,643.18	$11,529.86	$456.34	2.92%
Qualcomm Inc TICKER: QCOM	250.00	66.940	$16,735.00	$10,032.22	$250.00	1.49%
Quest Diagnostics Inc TICKER: DGX	261.00	56.461	$14,736.32	$14,561.96	$313.20	2.13%
Schlumberger LTD TICKER: SLB	242.00	74.890	$18,123.38	$13,936.78	$302.50	1.67%
St Jude Medical Inc TICKER: STJ	262.00	40.440	$10,595.28	$8,956.30	$262.00	2.47%
State Street Corp TICKER: STT	540.00	59.090	$31,908.60	$25,792.29	$561.60	1.76%
Stericycle Inc TICKER: SRCL	145.00	106.180	$15,396.10	$8,027.09	$0.00	0.00%
Sysco Corp TICKER: SYY	440.00	35.170	$15,474.80	$13,347.51	$492.80	3.18%
T Rowe Price Group Inc TICKER: TROW	355.00	74.870	$26,578.85	$17,061.43	$539.60	2.03%
Target Corp TICKER: TGT	359.00	68.450	$24,573.55	$12,938.51	$516.96	2.10%
The Mosaic Company TICKER: MOS	379.00	59.610	$22,592.19	$21,006.26	$379.00	1.68%

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Statement of Value and Activity

January 1, 2013 - March 31, 2013

Description	Shares/Par Value	Current Price	Market Value	Tax Cost	Est. Ann. Income	Current Yield
Thermo Fisher Scientific Inc TICKER: TMO	209.00	76.490	$15,986.41	$9,730.97	$125.40	0.78%
Transocean LTD TICKER: RIG	325.00	51.960	$16,887.00	$19,183.74	$0.00	0.00%
Vodafone Group Spons ADR TICKER: VOD	685.00	28.400	$19,454.00	$17,656.84	$1,026.82	5.28%
3M Co TICKER: MMM	212.00	106.310	$22,537.72	$14,228.26	$538.48	2.39%
			$795,461.59	$570,623.33	$14,184.40	
Mutual Funds						
Baron Growth Fund-Ins TICKER: BGRIX	1,254.33	61.330	$76,927.87	$51,217.76	$7,014.20	9.12%
Calamos Growth Fund-A TICKER: CVGRX	1,029.70	49.700	$51,175.94	$32,677.22	$0.00	0.00%
Diamond Hill Large Cap Fd-I TICKER: DHLRX	4,640.73	18.530	$85,992.69	$63,513.05	$1,131.85	1.32%
Federated Strategic Val Div Is TICKER: SVAIX	24,763.73	5.410	$133,971.77	$93,133.27	$5,004.75	3.74%
Harbor International Fd-Ins TICKER: HAINX	2,039.32	63.420	$129,333.61	$78,996.90	$1,437.39	1.11%
ICM Small Company Port Instl TICKER: ICSCX	1,833.43	31.570	$57,881.42	$28,647.75	$234.68	0.40%
JP Morgan Mid Cap Value Fund-I TICKER: FLMVX	1,731.72	31.520	$54,583.91	$38,908.92	$702.28	1.29%
Oppenheimer Developing Mkt-Y TICKER: ODVYX	1,649.33	34.940	$57,627.45	$23,800.61	$411.23	0.71%

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Statement of Value and Activity

January 1, 2013 - March 31, 2013

Description	Shares/Par Value	Current Price	Market Value	Tax Cost	Est. Ann. Income	Current Yield
Vanguard International Growth Fd-Iv TICKER: VWIGX	6,505.74	19.860	$129,203.96	$84,474.12	$3,656.22	2.83%
			$776,698.62	$495,369.60	$19,592.60	
Total Equities			$1,572,160.21	$1,065,992.93	$33,777.00	
Fixed Income						
Taxable Individual Bonds						
Assurant Inc DTD 02/18/2004 5.625% 02/15/2014 Non Callable	50,000.00	103.997	$51,998.50	$50,626.28	$2,812.50	5.41%
Federal Home Loan Bank DTD 08/12/2009 3.250% 09/12/2014 Non Callable	50,000.00	104.341	$52,170.50	$50,386.41	$1,625.00	3.11%
University Oklahoma Revs Higher Education DTD 03/03/2011 2.659% 07/01/2015 Non Callable	25,000.00	103.866	$25,966.50	$25,018.21	$664.75	2.56%
United States Treasury Notes DTD 08/31/2010 1.250% 08/31/2015 TICKER: UTN1215	45,000.00	102.297	$46,033.65	$45,778.38	$562.50	1.22%
United States Treasury Strips Stripped Coupon DTD 02/15/1986 Zero Cpn 02/15/2016 TICKER: 21516	60,000.00	98.922	$59,353.20	$58,503.92	$0.00	0.00%
Cisco Systems Inc DTD 02/22/2006 5.500% 02/22/2016 Non Callable	50,000.00	113.647	$56,823.50	$48,882.40	$2,750.00	4.84%

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Statement of Value and Activity

January 1, 2013 - March 31, 2013

Description	Shares/Par Value	Current Price	Market Value	Tax Cost	Est. Ann. Income	Current Yield
United States Treasury Strips Stripped Coupon DTD 08/15/1987 Zero Cpn 02/15/2017	100,000.00	97.768	$97,768.00	$97,120.83	$0.00	0.00%
Montclair Twp New Jersey General Obligation DTD 11/07/2012 1.960% 04/01/2017 Non Callable	25,000.00	100.693	$25,173.25	$25,575.48	$490.00	1.95%
Washington Post Co DTD 01/30/2009 7.250% 02/01/2019 Non Callable	25,000.00	118.906	$29,726.50	$27,547.43	$1,812.50	6.10%
United States Treasury Notes DTD 02/15/2009 2.750% 02/15/2019	25,000.00	110.250	$27,562.50	$23,875.86	$687.50	2.49%
Fedl Natl Mtge Assn Pool #765251 15 Yr Gtd Single Family Mortgage DTD 03/01/2004 4.000% 03/01/2019 Non Callable TICKER: 765251A	5,724.57	107.276	$6,141.09	$5,730.27	$228.98	3.73%
Charles Schwab Corp DTD 07/22/2010 4.450% 07/22/2020 Non Callable	25,000.00	114.382	$28,595.50	$27,287.89	$1,112.50	3.89%
Fedl Natl Mtge Assn Pool #829079 15 Yr Gtd Single Family Mortgage DTD 09/01/2005 4.000% 09/01/2020 Non Callable TICKER: 829079A	20,719.55	107.338	$22,239.95	$21,340.42	$828.78	3.73%
Symantec Corp DTD 09/16/2010 4.200% 09/15/2020 Non Callable	25,000.00	106.792	$26,698.00	$24,611.00	$1,050.00	3.93%

0005354 - 0800592

Statement of Value and Activity

January 1, 2013 - March 31, 2013

Description	Shares/Par Value	Current Price	Market Value	Tax Cost	Est. Ann. Income	Current Yield
Federal Home Loan Mortgage Corp Medium Term Note DTD 01/13/2012 2.375% 01/13/2022 Non Callable	25,000.00	104.080	$26,020.00	$24,898.75	$593.75	2.28%
Clear Creek Texas Indep Sch Dist School District Revenue DTD 11/01/2012 3.700% 02/15/2026 Non Callable Psf-Gtd	25,000.00	106.658	$26,664.50	$26,872.38	$925.00	3.47%
Govt Natl Mtge Assn Pool #553351 30 Yr Gtd Single Family Mortgage DTD 07/01/2003 4.500% 07/15/2033 Non Callable TICKER: 553351X	10,792.06	109.941	$11,864.90	$10,684.12	$485.64	4.09%
Federal Home Loan Mortgage Corp Gold Pool #C01676-30 Yr Gtd Mtge DTD 11/01/2003 6.000% 11/01/2033 Non Callable TICKER: C01676F	27,261.81	111.679	$30,445.72	$27,159.58	$1,635.71	5.37%
Fedl Natl Mtge Assn Pool #357883 30 Yr Gtd Single Family Mortgage DTD 08/01/2005 5.000% 05/01/2035 Non Callable TICKER: 357883A	21,241.33	108.965	$23,145.62	$20,778.89	$1,062.07	4.59%

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Statement of Value and Activity

January 1, 2013 - March 31, 2013

Description	Shares/Par Value	Current Price	Market Value	Tax Cost	Est. Ann. Income	Current Yield
Federal Home Loan Mortgage Corp Gold Pool #G02884-30 Yr Gtd Mtge DTD 04/01/2007 6.000% 04/01/2037 Non Callable TICKER: G02884F	28,426.48	110.333	$31,363.79	$28,740.61	$1,705.59	5.44%
Federal Home Loan Mortgage Corp Gold Pool #C03478-30 Yr Gtd Mtge DTD 06/01/2010 4.500% 06/01/2040 Non Callable TICKER: C03478F	25,673.95	107.043	$27,482.17	$26,604.14	$1,155.33	4.20%
			$733,237.34	$698,023.25	$22,188.10	
Taxable Mutual Funds						
Sit Emerging Markets Debt Fund TICKER: SITEX	2,397.87	11.330	$27,167.86	$27,023.98	$1,694.81	6.24%
SIMT High Yield Bond Fund TICKER: SHYAX	6,136.20	7.850	$48,169.18	$46,027.36	$3,035.09	6.30%
Sit International Fixed Income Fund TICKER: SEFIX	4,303.44	10.550	$45,401.33	$44,927.95	$2,085.45	4.59%
			$120,738.37	$117,979.29	$6,815.35	
Total Fixed Income			$853,975.71	$816,002.54	$29,003.45	
Alternative						
Absolute Strategies Fund TICKER: ASFIX	17,028.97	11.240	$191,405.67	$175,397.25	$0.00	0.00%
Total Alternative			$191,405.67	$175,397.25	$0.00	

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Statement of Value and Activity

January 1, 2013 - March 31, 2013

Description	Shares/Par Value	Current Price	Market Value	Tax Cost	Est. Ann. Income	Current Yield
Other						
Mineral Interest In Se4 16-159-67 Towner Co ND	1.00	1,600.000	$1,600.00	$1.00	$0.00	0.00%
Mineral Interest Ne4 31-8-30 W1m Storthoaks Area, Saskatchewan (Cert of Title)	1.00	18,400.000	$18,400.00	$1.00	$0.00	0.00%
75% Mineral Interest In E2sw4 W2se4 17-119-34 Kandiyohi Co MN	1.00	600.000	$600.00	$1.00	$0.00	0.00%
75% Mineral Interest In Lot 1 2-161-78 Bottineau Co ND	1.00	750.000	$750.00	$1.00	$0.00	0.00%
75% Mineral Interest In Lot 4 of Govt Lot 5 4-121-35 Kandiyohi Co MN	1.00	150.000	$150.00	$1.00	$0.00	0.00%
75% Mineral Interest In Lots 3-4 and E2sw4 31-162-77 Bottineau Co ND	1.00	2,926.130	$2,926.13	$1.00	$0.00	0.00%
75% Mineral Interest In Lots 3-4 and S2nw4 1-161-78 Bottineau Co ND	1.00	3,000.000	$3,000.00	$1.00	$0.00	0.00%
75% Mineral Interest In Lots 3-7 Se4nw4 E2sw4 N2se4 6-161-77 Bottineau Co ND	1.00	7,500.000	$7,500.00	$1.00	$0.00	0.00%
75% Mineral Interest In Ne4nw4 20-119-34 Kandiyohi Co MN	1.00	150.000	$150.00	$1.00	$0.00	0.00%
75% Mineral Interest In Ne4se4 9-118-34 Kandiyohi Co MN	1.00	150.000	$150.00	$1.00	$0.00	0.00%
75% Mineral Interest In Nw4 33-162-78 Bottineau Co ND	1.00	3,000.000	$3,000.00	$1.00	$0.00	0.00%

0005355 - 0800582

Statement of Value and Activity

January 1, 2013 - March 31, 2013

Description	Shares/Par Value	Current Price	Market Value	Tax Cost	Est. Ann. Income	Current Yield
75% Mineral Interest In Nw4nw4 4-122-36 Kandiyohi Co MN	1.00	150.000	$150.00	$1.00	$0.00	0.00%
75% Mineral Interest In Nw4se4 29-119-34 Kandiyohi Co MN	1.00	150.000	$150.00	$1.00	$0.00	0.00%
75% Mineral Interest In N2nw4 Except W 18.25 Acres N2ne4 4-120-33 Kandiyohi Co MN	1.00	231.200	$231.20	$1.00	$0.00	0.00%
75% Mineral Interest In Part of Govt Lot 4 34-121-35 Kandiyohi Co MN	1.00	150.000	$150.00	$1.00	$0.00	0.00%
75% Mineral Interest In Sw4 S2nw4 W2se4 Sw4ne4 24-119-36 Kandiyohi Co MN	1.00	1,350.000	$1,350.00	$1.00	$0.00	0.00%
75% Mineral Interest In Sw4 10-162-77 Bottineau Co ND	1.00	3,000.000	$3,000.00	$1.00	$0.00	0.00%
75% Mineral Interest In Sw4 28-162-78 Bottineau Co ND	1.00	3,000.000	$3,000.00	$1.00	$0.00	0.00%
75% Mineral Interest In S2se4 33-121-33 Kandiyohi Co MN	1.00	300.000	$300.00	$1.00	$0.00	0.00%

0005386 - 0800582

Statement of Value and Activity

January 1, 2013 - March 31, 2013

Description	Shares/Par Value	Current Price	Market Value	Tax Cost	Est. Ann. Income	Current Yield
75% Mineral Interest In S2se4ne4 9-118-34 Kandiyohi Co MN	1.00	75.000	$75.00	$1.00	$0.00	0.00%
Total Other			$46,632.33	$20.00	$0.00	
Total All Assets			**$2,729,189.98**	**$2,121,859.12**	**$62,786.31**	

Publicly traded assets are valued using pricing sources we believe to be reliable. Assets for which a current value is not available may be shown at a value of $1. Values are updated based on internal policy and may not be updated monthly.

0005356 - 0930582

Statement of Value and Activity

January 1, 2013 - March 31, 2013

Transaction Summary

Transaction	Principal Cash	Income Cash
Beginning Cash Balance on 1/1/13	**-$18,143.16**	**$20,002.36**
Additions	**$0.00**	**$0.00**
Disbursements		
Withdrawals	$0.00	-$20,002.36
Expenses	$0.00	-$223.75
Fees	-$2,565.96	-$2,565.93
Taxes	$0.00	$0.00
Total Disbursements	**-$2,565.96**	**-$22,792.04**
Income		
Taxable Interest	$0.00	$9,993.79
Tax Exempt Interest	$0.00	$0.00
Dividends	$0.00	$4,756.88
Rental Income	$0.00	$0.00
Other Income	$0.00	$0.00
Total Income	**$0.00**	**$14,750.67**
Security Purchases	**-$21,902.36**	**$0.00**
Security Sales/Maturities		
Security Sales/Maturities	$38,298.90	$0.00
Gain Distributions	$0.00	$0.00
Total Security Sales/Maturities	**$38,298.90**	**$0.00**
Money Market Purchases/Sales	**-$7,078.75**	**$0.00**
Other	**$0.00**	**$0.00**
Ending Cash Balance on 3/31/13	**-$11,391.33**	**$11,960.99**

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Statement of Value and Activity

January 1, 2013 - March 31, 2013

Transaction Details By Category

Date	Transaction Description	Principal Cash	Income Cash	Tax Cost
1/1/13	**Beginning Balance**	**-$18,143.16**	**$20,002.36**	
	Withdrawals			
1/15/13	Paid to Rice Memorial Hospital Distribution for 4th Quarter Grants	$0.00	-$20,002.36	$0.00
		$0.00	-$20,002.36	
	Expenses			
1/16/13	Paid to Kandiyohi County Court Admin Deductible Estate Expense Annual Filing Fee for Court Accounting	$0.00	-$55.00	$0.00
2/20/13	Paid to Johnson Moody Schmidt & Kleinhuizen Legal Fee for Services Rendered on File #Bjs-93132	$0.00	-$168.75	$0.00
		$0.00	-$223.75	
	Fees			
1/28/13	Account Portfolio Fee Collected Total Charges: $1,691.43 Fees up To: 12/31/12 from $2,606,047.42 In Market Value Issue Maintenance Fee: $41.67	-$845.72	$0.00	$0.00
1/28/13	Account Portfolio Fee Collected Total Charges: $1,691.43 Fees up To: 12/31/12 from $2,606,047.42 In Market Value Issue Maintenance Fee: $41.67	$0.00	-$845.71	$0.00

0005357 - 0800582

Statement of Value and Activity

January 1, 2013 - March 31, 2013

Date	Transaction Description	Principal Cash	Income Cash	Tax Cost
2/20/13	Account Portfolio Fee Collected Total Charges: $1,714.49 Fees up To: 1/31/13 from $2,661,403.18 In Market Value Issue Maintenance Fee: $41.67	-$857.25	$0.00	$0.00
2/20/13	Account Portfolio Fee Collected Total Charges: $1,714.49 Fees up To: 1/31/13 from $2,661,403.18 In Market Value Issue Maintenance Fee: $41.67	$0.00	-$857.24	$0.00
3/25/13	Account Portfolio Fee Collected Total Charges: $1,725.97 Fees up To: 2/28/13 from $2,688,949.31 In Market Value Issue Maintenance Fee: $41.67	-$862.99	$0.00	$0.00
3/25/13	Account Portfolio Fee Collected Total Charges: $1,725.97 Fees up To: 2/28/13 from $2,688,949.31 In Market Value Issue Maintenance Fee: $41.67	$0.00	-$862.98	$0.00
		-$2,565.96	-$2,565.93	
Total Disbursements		**-$2,565.96**	**-$22,792.04**	
	Taxable Interest			
1/2/13	University OK Revs 2.659% 7/01/15	$0.00	$332.38	$0.00
1/3/13	SEI SIMT High Yield Bond CL A 59 Dividend from 12/1/12 to 12/31/12	$0.00	$258.28	$0.00
1/3/13	Federated Gov Obl TX Mgd-I Dividend from 12/1/12 to 12/31/12	$0.00	$0.35	$0.00
1/14/13	FHLMC MTN 2.375% 1/13/22	$0.00	$296.88	$0.00
1/15/13	FHLMC Gd PL #C01676 6.000% 11/01/33 December FHLMC Due 1/15/13	$0.00	$151.50	$0.00
1/15/13	FHLMC Gd PL #G02884 6.000% 4/01/37 December FHLMC Due 1/15/13	$0.00	$159.39	$0.00

0005358 - 0800582

Statement of Value and Activity

January 1, 2013 - March 31, 2013

Date	Transaction Description	Principal Cash	Income Cash	Tax Cost
1/15/13	FHLMC Gd PL #C03478 4.500% 6/01/40 December FHLMC Due 1/15/13	$0.00	$109.89	$0.00
1/15/13	GNMA PL #553351 4.500% 7/15/33 December GNMA Due 1/15/13	$0.00	$42.05	$0.00
1/22/13	Charles Schwab Corp 4.450% 7/22/20	$0.00	$556.25	$0.00
1/25/13	FNMA PL #357883 5.000% 5/01/35 December FNMA Due 1/25/13	$0.00	$96.95	$0.00
1/25/13	FNMA PL #765251 4.000% 3/01/19 December FNMA Due 1/25/13	$0.00	$22.59	$0.00
1/25/13	FNMA PL #829079 4.000% 9/01/20 December FNMA Due 1/25/13	$0.00	$78.11	$0.00
2/1/13	SEI SIMT High Yield Bond CL A 59 Dividend from 1/1/13 to 1/31/13	$0.00	$250.36	$0.00
2/1/13	Washington Post 7.250% 2/01/19	$0.00	$906.25	$0.00
2/1/13	Federated Gov Obl TX Mgd-I Dividend from 1/1/13 to 1/31/13	$0.00	$0.44	$0.00
2/15/13	FHLMC Gd PL #C01676 6.000% 11/01/33 January FHLMC Due 2/15/13	$0.00	$145.72	$0.00
2/15/13	FHLMC Gd PL #G02884 6.000% 4/01/37 January FHLMC Due 2/15/13	$0.00	$155.08	$0.00
2/15/13	FHLMC Gd PL #C03478 4.500% 6/01/40 January FHLMC Due 2/15/13	$0.00	$104.18	$0.00
2/15/13	GNMA PL #553351 4.500% 7/15/33 January GNMA Due 2/15/13	$0.00	$40.89	$0.00
2/15/13	Assurant Inc 5.625% 2/15/14	$0.00	$1,406.25	$0.00
2/15/13	Clear Creek TX Sch 3.700% 2/15/26	$0.00	$267.22	$0.00
2/15/13	U.S. Treasury Notes 2.750% 2/15/19	$0.00	$343.75	$0.00
2/22/13	CISCO Systems Inc 5.500% 2/22/16	$0.00	$1,375.00	$0.00
2/25/13	FNMA PL #357883 5.000% 5/01/35 January FNMA Due 2/25/13	$0.00	$95.43	$0.00
2/25/13	FNMA PL #765251 4.000% 3/01/19 January FNMA Due 2/25/13	$0.00	$21.93	$0.00

0005369 - 0809582

Statement of Value and Activity

January 1, 2013 - March 31, 2013

Date	Transaction Description	Principal Cash	Income Cash	Tax Cost
2/25/13	FNMA PL #829079 4.000% 9/01/20 January FNMA Due 2/25/13	$0.00	$73.59	$0.00
2/28/13	U.S. Treasury Notes 1.250% 8/31/15	$0.00	$281.25	$0.00
3/1/13	Federated Gov Obl TX Mgd-I Dividend from 2/1/13 to 2/28/13	$0.00	$0.39	$0.00
3/1/13	SEI SIMT High Yield Bond CL A 59 Dividend from 2/1/13 to 2/28/13	$0.00	$208.80	$0.00
3/12/13	FHLB 3.250% 9/12/14	$0.00	$812.50	$0.00
3/15/13	FHLMC Gd PL #C01676 6.000% 11/01/33 February FHLMC Due 3/15/13	$0.00	$139.82	$0.00
3/15/13	FHLMC Gd PL #G02884 6.000% 4/01/37 February FHLMC Due 3/15/13	$0.00	$150.62	$0.00
3/15/13	FHLMC Gd PL #C03478 4.500% 6/01/40 February FHLMC Due 3/15/13	$0.00	$100.50	$0.00
3/15/13	GNMA PL #553351 4.500% 7/15/33 February GNMA Due 3/15/13	$0.00	$40.60	$0.00
3/15/13	Symantec Corp 4.200% 9/15/20	$0.00	$525.00	$0.00
3/25/13	FNMA PL #357883 5.000% 5/01/35 February FNMA Due 3/25/13	$0.00	$92.69	$0.00
3/25/13	FNMA PL #765251 4.000% 3/01/19 February FNMA Due 3/25/13	$0.00	$20.25	$0.00
3/25/13	FNMA PL #829079 4.000% 9/01/20 February FNMA Due 3/25/13	$0.00	$71.45	$0.00
3/27/13	SEI Sit Emerging Mkt Debt CL A 98	$0.00	$259.21	$0.00
		$0.00	$9,993.79	
	Dividends			
1/2/13	Pepsico Inc	$0.00	$160.71	$0.00
1/11/13	Schlumberger LTD	$0.00	$88.83	$0.00
1/15/13	State Street Corp	$0.00	$129.60	$0.00
1/15/13	Thermo Fisher Scientific Inc	$0.00	$31.35	$0.00

0005369 - 0800582

Statement of Value and Activity

January 1, 2013 - March 31, 2013

Date	Transaction Description	Principal Cash	Income Cash	Tax Cost
3/29/13	Pepsico Inc	$0.00	$160.71	$0.00
		$0.00	$4,756.88	
Total Income		**$0.00**	**$14,750.67**	
	Security Purchases			
1/29/13	Purchased 19 Shares of Apple Inc Trade Date 1/24/13 Paid $1.52 Brokerage 19 Shares At $455.33960078	-$8,652.97	$0.00	$8,652.97
2/11/13	Purchased 1,004 Shares of Ford Motor Co DEL Trade Date 2/6/13 Paid $40.16 Brokerage 1,004 Shares At $13.1566	-$13,249.39	$0.00	$13,249.39
Total Security Purchases		**-$21,902.36**	**$0.00**	
	Security Sales/Maturities			
1/15/13	Paid Down 1,156.12 Par Value of FHLMC Gd PL #C01676 6.000% 11/01/33 for Record Date of December Due 1/15/13 December FHLMC Due 1/15/13	$1,156.12	$0.00	-$1,151.78
1/15/13	Paid Down 862.88 Par Value of FHLMC Gd PL #G02884 6.000% 4/01/37 for Record Date of December Due 1/15/13 December FHLMC Due 1/15/13	$862.88	$0.00	-$872.89

0005360 - 8005582

Statement of Value and Activity

January 1, 2013 - March 31, 2013

Date	Transaction Description	Principal Cash	Income Cash	Tax Cost
1/15/13	Paid Down 1,523.15 Par Value of FHLMC Gd PL #C03478 4.500% 6/01/40 for Record Date of December Due 1/15/13 December FHLMC Due 1/15/13	$1,523.15	$0.00	-$1,581.05
1/15/13	Paid Down 311.03 Par Value of GNMA PL #553351 4.500% 7/15/33 for Record Date of December Due 1/15/13 December GNMA Due 1/15/13	$311.03	$0.00	-$307.92
1/25/13	Paid Down 366.33 Par Value of FNMA PL #357883 5.000% 5/01/35 for Record Date of December Due 1/25/13 December FNMA Due 1/25/13	$366.33	$0.00	-$357.90
1/25/13	Paid Down 195.86 Par Value of FNMA PL #765251 4.000% 3/01/19 for Record Date of December Due 1/25/13 December FNMA Due 1/25/13	$195.86	$0.00	-$196.07
1/25/13	Paid Down 1,354.98 Par Value of FNMA PL #829079 4.000% 9/01/20 for Record Date of December Due 1/25/13 December FNMA Due 1/25/13	$1,354.98	$0.00	-$1,398.54
1/30/13	Sold 235 Shares of Abbvie Inc Trade Date 1/24/13 Paid $9.40 Brokerage Paid $0.20 SEC Fee 235 Shares At $37.31620009	$8,759.71	$0.00	-$5,821.41
2/11/13	Sold 1,117 Shares of Activision Blizzard, Inc Trade Date 2/6/13 Paid $44.68 Brokerage Paid $0.30 SEC Fee 1,117 Shares At $11.86149999	$13,204.32	$0.00	-$13,065.67

0005360 - 0800582

Statement of Value and Activity

January 1, 2013 - March 31, 2013

Date	Transaction Description	Principal Cash	Income Cash	Tax Cost
2/15/13	Paid Down 1,179.66 Par Value of FHLMC Gd PL #C01676 6.000% 11/01/33 for Record Date of January Due 2/15/13 January FHLMC Due 2/15/13	$1,179.66	$0.00	-$1,175.24
2/15/13	Paid Down 892.49 Par Value of FHLMC Gd PL #G02884 6.000% 4/01/37 for Record Date of January Due 2/15/13 January FHLMC Due 2/15/13	$892.49	$0.00	-$902.58
2/15/13	Paid Down 981.48 Par Value of FHLMC Gd PL #C03478 4.500% 6/01/40 for Record Date of January Due 2/15/13 January FHLMC Due 2/15/13	$981.48	$0.00	-$1,017.77
2/15/13	Paid Down 75.46 Par Value of GNMA PL #553351 4.500% 7/15/33 for Record Date of January Due 2/15/13 January GNMA Due 2/15/13	$75.46	$0.00	-$74.71
2/25/13	Paid Down 655.96 Par Value of FNMA PL #357883 5.000% 5/01/35 for Record Date of January Due 2/25/13 January FNMA Due 2/25/13	$655.96	$0.00	-$641.31
2/25/13	Paid Down 506.68 Par Value of FNMA PL #765251 4.000% 3/01/19 for Record Date of January Due 2/25/13 January FNMA Due 2/25/13	$506.68	$0.00	-$507.20
2/25/13	Paid Down 643.19 Par Value of FNMA PL #829079 4.000% 9/01/20 for Record Date of January Due 2/25/13 January FNMA Due 2/25/13	$643.19	$0.00	-$663.11
3/15/13	Paid Down 702.75 Par Value of FHLMC Gd PL #C01676 6.000% 11/01/33 for Record Date of February Due 3/15/13 February FHLMC Due 3/15/13	$702.75	$0.00	-$700.11

0005361 - 0800582

Statement of Value and Activity

January 1, 2013 - March 31, 2013

Date	Transaction Description	Principal Cash	Income Cash	Tax Cost
3/15/13	Paid Down 1,696.95 Par Value of FHLMC Gd PL #G02884 6.000% 4/01/37 for Record Date of February Due 3/15/13 February FHLMC Due 3/15/13	$1,696.95	$0.00	-$1,715.70
3/15/13	Paid Down 1,126.05 Par Value of FHLMC Gd PL #C03478 4.500% 6/01/40 for Record Date of February Due 3/15/13 February FHLMC Due 3/15/13	$1,126.05	$0.00	-$1,166.85
3/15/13	Paid Down 35.19 Par Value of GNMA PL #553351 4.500% 7/15/33 for Record Date of February Due 3/15/13 February GNMA Due 3/15/13	$35.19	$0.00	-$34.84
3/25/13	Paid Down 1,004.76 Par Value of FNMA PL #357883 5.000% 5/01/35 for Record Date of February Due 3/25/13 February FNMA Due 3/25/13	$1,004.76	$0.00	-$982.88
3/25/13	Paid Down 349 Par Value of FNMA PL #765251 4.000% 3/01/19 for Record Date of February Due 3/25/13 February FNMA Due 3/25/13	$349.00	$0.00	-$349.35
3/25/13	Paid Down 714.9 Par Value of FNMA PL #829079 4.000% 9/01/20 for Record Date of February Due 3/25/13 February FNMA Due 3/25/13	$714.90	$0.00	-$736.32
Total Security Sales/Maturities		**$38,298.90**	**$0.00**	
	Money Market Purchases/Sales			
	Combined Purchases for the Period 1/1/13 - 3/31/13 of Federated Gov Obl TX Mgd-I	-$39,285.45	$0.00	$39,285.45

28600561 - 0800582

Statement of Value and Activity

January 1, 2013 - March 31, 2013

Date	Transaction Description	Principal Cash	Income Cash	Tax Cost
	Combined Sales for the Period 1/1/13 - 3/31/13 of Federated Gov Obl TX Mgd-I	$32,206.70	$0.00	-$32,206.70
Total Money Market Purchases/Sales		**-$7,078.75**	**$0.00**	
	Other			
1/2/13	Spin Off Received 235 Shares Distribution At 1 Share of Abbvie Inc for Each Share of Abbott Labs Due 01/01/13 Market Value of $0.00 Each Share Held of Abbott Labs (002824100) Entitles The Holder to Receive 1 Share of Abbvie Inc (00287y109). Non-Taxable	$0.00	$0.00	$5,821.41
1/2/13	Spin Off Book Value of Abbott Labs Adjusted by $-5,821.41 Old: $11,189.68 /New $5,368.27	$0.00	$0.00	$0.00
1/2/13	Spin Off Federal Cost Basis of Abbott Labs Adjusted by $-1,297.34 Old: $2,493.70 /New $1,196.36	$0.00	$0.00	-$1,297.34
1/2/13	Spin Off State Cost Basis of Abbott Labs Adjusted by $-1,297.34 Old: $2,493.70 /New $1,196.36	$0.00	$0.00	$0.00

0005362 - 0800582

Statement of Value and Activity

January 1, 2013 - March 31, 2013

Date	Transaction Description	Principal Cash	Income Cash	Tax Cost
1/2/13	Spin Off Federal Cost Basis of Abbott Labs Adjusted by $-399.16 Old: $767.25 /New $368.09	$0.00	$0.00	-$399.16
1/2/13	Spin Off State Cost Basis of Abbott Labs Adjusted by $-399.16 Old: $767.25 /New $368.09	$0.00	$0.00	$0.00
1/2/13	Spin Off Federal Cost Basis of Abbott Labs Adjusted by $-4,124.91 Old: $7,928.73 /New $3,803.82	$0.00	$0.00	-$4,124.91
1/2/13	Spin Off State Cost Basis of Abbott Labs Adjusted by $-4,124.91 Old: $7,928.73 /New $3,803.82	$0.00	$0.00	$0.00
1/15/13	Amortized Premium on FHLMC Gd PL #G02884 6.000% 4/01/37 Fed Basis Decreased by $4.34 to $32,248.55 1/15/13 Current Year Amortization	$0.00	$0.00	-$4.34
1/15/13	Amortized Premium on FHLMC Gd PL #C03478 4.500% 6/01/40 Fed Basis Decreased by $14.16 to $30,418.55 1/15/13 Current Year Amortization	$0.00	$0.00	-$14.16

0005362 - 0600582

Statement of Value and Activity

January 1, 2013 - March 31, 2013

Date	Transaction Description	Principal Cash	Income Cash	Tax Cost
1/22/13	Amortized Premium on Charles Schwab Corp 4.450% 7/22/20 Fed Basis Decreased by $15.21 to $27,287.89 1/22/13 Current Year Amortization	$0.00	$0.00	-$15.21
1/25/13	Accreted Discount on FNMA PL #357883 5.000% 5/01/35 Fed Basis Increased by $15.94 to $22,733.01 1/25/13 Market Discount	$0.00	$0.00	$15.94
1/25/13	Amortized Premium on FNMA PL #765251 4.000% 3/01/19 Fed Basis Decreased by $0.24 to $6,783.41 1/25/13 Current Year Amortization	$0.00	$0.00	-$0.24
1/25/13	Amortized Premium on FNMA PL #829079 4.000% 9/01/20 Fed Basis Decreased by $22.18 to $24,185.98 1/25/13 Current Year Amortization	$0.00	$0.00	-$22.18
2/1/13	Amortized Premium on Washington Post 7.250% 2/01/19 Fed Basis Decreased by $28.47 to $27,547.43 2/1/13 Current Year Amortization	$0.00	$0.00	-$28.47
2/15/13	Amortized Premium on FHLMC Gd PL #G02884 6.000% 4/01/37 Fed Basis Decreased by $9.12 to $31,366.54 2/15/13 Current Year Amortization	$0.00	$0.00	-$9.12

0005863 - 0800582

Statement of Value and Activity

January 1, 2013 - March 31, 2013

Date	Transaction Description	Principal Cash	Income Cash	Tax Cost
2/15/13	Amortized Premium on FHLMC Gd PL #C03478 4.500% 6/01/40 Fed Basis Decreased by $28.92 to $28,808.58 2/15/13 Current Year Amortization	$0.00	$0.00	-$28.92
2/15/13	Amortized Premium on Assurant Inc 5.625% 2/15/14 Fed Basis Decreased by $71.93 to $50,626.28 2/15/13 Current Year Amortization	$0.00	$0.00	-$71.93
2/15/13	Amortized Premium on Clear Creek TX Sch 3.700% 2/15/26 Fed Basis Decreased by $13.75 to $26,872.38 2/15/13 Current Year Amortization	$0.00	$0.00	-$13.75
2/25/13	Accreted Discount on FNMA PL #357883 5.000% 5/01/35 Fed Basis Increased by $15.25 to $22,390.36 2/25/13 Market Discount	$0.00	$0.00	$15.25
2/25/13	Amortized Premium on FNMA PL #765251 4.000% 3/01/19 Fed Basis Decreased by $0.29 to $6,587.05 2/25/13 Current Year Amortization	$0.00	$0.00	-$0.29
2/25/13	Amortized Premium on FNMA PL #829079 4.000% 9/01/20 Fed Basis Decreased by $26.13 to $22,761.31 2/25/13 Current Year Amortization	$0.00	$0.00	-$26.13

0005363-0800582

Statement of Value and Activity

January 1, 2013 - March 31, 2013

Date	Transaction Description	Principal Cash	Income Cash	Tax Cost
2/28/13	Amortized Premium on U.S. Treasury Notes 1.250% 8/31/15 Fed Basis Decreased by $49.44 to $45,778.38 2/28/13 Current Year Amortization	$0.00	$0.00	-$49.44
3/12/13	Amortized Premium on FHLB 3.250% 9/12/14 Fed Basis Decreased by $48.34 to $50,386.41 3/12/13 Current Year Amortization	$0.00	$0.00	-$48.34
3/15/13	Amortized Premium on FHLMC Gd PL #G02884 6.000% 4/01/37 Fed Basis Decreased by $7.65 to $30,456.31 3/15/13 Current Year Amortization	$0.00	$0.00	-$7.65
3/15/13	Amortized Premium on FHLMC Gd PL #C03478 4.500% 6/01/40 Fed Basis Decreased by $19.82 to $27,770.99 3/15/13 Current Year Amortization	$0.00	$0.00	-$19.82
3/25/13	Accreted Discount on FNMA PL #357883 5.000% 5/01/35 Fed Basis Increased by $12.72 to $21,761.77 3/25/13 Market Discount	$0.00	$0.00	$12.72
3/25/13	Amortized Premium on FNMA PL #765251 4.000% 3/01/19 Fed Basis Decreased by $0.23 to $6,079.62 3/25/13 Current Year Amortization	$0.00	$0.00	-$0.23

0005964 - 0800582

Statement of Value and Activity

January 1, 2013 - March 31, 2013

Date	Transaction Description	Principal Cash	Income Cash	Tax Cost
3/25/13	Amortized Premium on FNMA PL #829079 4.000% 9/01/20 Fed Basis Decreased by $21.46 to $22,076.74 3/25/13 Current Year Amortization	$0.00	$0.00	-$21.46
Total Other		**$0.00**	**$0.00**	
3/31/13	**Ending Balance**	**-$11,391.33**	**$11,960.99**	

0005864 - 0800582

Statement of Value and Activity

January 1, 2013 - March 31, 2013

No pending trades.

00005385 - 0800582

Statement of Value and Activity

January 1, 2013 - March 31, 2013

The enclosed statement is provided to authorized recipients pursuant to state law or the account agreement. The statement reflects the receipts, disbursements, and market value of the assets and liabilities of the account managed by Bremer, as well as Bremer's compensation. If you have any questions about this statement, please contact your relationship manager.

0000395 - 0800582

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Investment Management & Trust

Activity Summary as of 3/31/2013

RICE CUSHMAN A CHAR TR

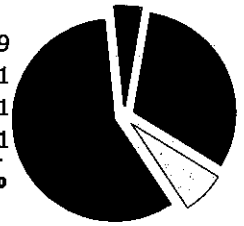
Account 180205

Market Value Reconciliation

	Since 03/01/2013 ($)	Year to Date ($)
Beginning Market Value	**2,686,663.42**	**2,616,990.01**
Disbursements		
Withdrawals	**0.00**	**-20,002.36**
Expenses	**0.00**	**-223.75**
Fees	**-1,725.97**	**-5,131.89**
Total Disbursements	**-1,725.97**	**-25,358.00**
Income		
Investment Income	**4,016.92**	**14,750.67**
Total Income	**4,016.92**	**14,750.67**
Value on Mar 31, 2013	**2,729,189.96**	**2,729,189.96**
Total Change in Portfolio Value	**40,235.59**	**122,807.28**

Asset Allocation

Asset Category	Market Value	% Total
Cash & Money Markets	65,016.06	2.38
Fixed Income	853,975.69	31.29
Alternative	191,405.67	7.01
Equity	1,572,160.21	57.61
Other	46,632.33	1.71
Total	**$2,729,189.96**	**100.00%**



Income Summary

	This Period ($)	Year to Date ($)
Taxable Income	4,016.92	14,750.67
Total Income Summary	**4,016.92**	**14,750.67**

Gain/Loss Summary

	This Period ($)	Year to Date ($)
Short-term	0.00	138.65
Long-term	-56.45	2,739.05
Total Gain/Loss Summary	**-56.45**	**2,877.70**

While the information and statistics given are believed to be complete and accurate, we cannot guarantee their completeness or accuracy. Past performance is no guarantee of future results.

Bremer
Investment Management & Trust

Selected Period Performance
RICE CUSHMAN A CHAR TR
Account 180205
Period Ending: 03/31/2013

Sector	Market Value	1 Month	Year to Date (3 Months)
Total Fund	2,686,034	1.66	5.22
Total Fd Net Fee	2,686,034	1.59	5.02
Fixed Income	856,724	.21	.63
BarCap Int Aggregate Bd		.13	.14
Domestic Equity	1,256,723	3.31	10.42
S&P 500 Index		3.75	10.61
Russell 2000 Index		4.62	12.39
Intl. Equity	316,165	-.05	2.13
MSCI EAFE (US$ & Net) Index		.82	5.12
Short Term Cash	64,447	.00	.00
Citigroup 1 Month Treas Bill		.01	.01
Alternative Investments	191,406	.99	1.44
Citigroup 3 Month Treas Bill		.01	.02
Uninvested Cash	570	.00	.00

While the information and statistics given are believed to be complete and accurate, we cannot guarantee their completeness or accuracy. Past performance is no guarantee of future results.