

Pursuant to due call and notice thereof, a Council Workshop of the North Mankato City Council was held in the Municipal Building Council Chambers on August 19, 2013. Mayor Dehen called the meeting to order at 6 p.m. The following were present for the meeting: Mayor Dehen, Council Member Spears and Steiner, Administrator Harrenstein, Finance Director Thorne and City Clerk Gehrke.

Discussion of 2014 Budget

Administrator Harrenstein presented the 2014 General Budget overview reporting total government-wide spending decreased by \$3,289,355 or 16.0 percent, which is a result of the completion of the 14/41 interchange project at the end of 2013. He reported the General Fund spending decreased by \$157,774 as a result of one FTE not filled in the Park Department and reductions in transfers from the General Fund to other funds. The Administrator reported spending in the Water Fund is proposed to increase by \$325,000 funded through a rate increase that brings the cost per 1,000 gallons above 2,250 to \$4.35 from \$2.95. He reported this is the first water rate increase since 2008. The Administrator reported spending in the wastewater fund is proposed to increase by \$278,709 which is funded through a rate increase that brings the cost per 1,000 gallons above 2,250 to \$6.35 from \$3.45. This also is the first rate increase since 2008. He reported both rate increases stabilize the funds and reduce the need to borrow for small projects yet the rates remain one of the lowest in the region. He noted that if proposed water and wastewater plant upgrades in Mankato move forward, this will necessitate a greater rate increase.

Administrator Harrenstein reported the 2014 Budget reflects a proposed property tax levy of \$5,383,784 or a 0.00% increase from the 2013 levy. A resolution to adopt the proposed property tax levy will be presented at the September 3, 2013 Council meeting.

Administrator Harrenstein reported the 2014 Budget proposes to repay the previously reported \$3.1 million of interfund loans in 10 years compared to the 4-year option presented by the City's financial consultants. The repayment schedule for interfund loans represents sound fiscal policy that meets the expectation of rating agencies and presents to the governing body a reliable estimate for special assessment collection and allows any future tax increases to be targeted toward projects that advance the community's quality of life. He reported the 2014 Budget funds the completion of the City's first Comprehensive Plan and allocates other funding to join area partnerships previously withdrawn from by North Mankato. He stated this funding allows the governing body to determine how they want to interact with the region going forward.

Finance Director Thorne gave a PowerPoint presentation of the 2014 Budget outlining in greater detail the information presented by Administrator Harrenstein. She reported the proposed budget allows for the repayment of \$3.17 million of interfund loans, increases in water and sewer rates to stabilize the water and wastewater funds, an equipment replacement schedule shifting the purchase of equipment from debt to cash, and for future capital improvements. She reported that as part of the budget, City staff proposes an established property tax levy for debt service of approximately \$1.5 million in future years allowing the interfund loans to be repaid by making annual allocations from the debt service funds over a ten-year period from 2014 to 2023.

Discussion was held regarding deferred special assessments and the recording of such at the Nicollet County Recorder's Office.

Discussion was held regarding the Capital Improvement Plan and Administrator Harrenstein reported staff will present a Capital Improvement Plan for Council consideration following adoption of the 2014 Budget. He reported a proposed replacement plan for equipment is included in the proposed budget and this fund will eliminate the need to use equipment certificates to finance vehicle and heavy equipment purchases. He reported that any large infrastructure rehabilitation projects in the Capital Improvement Plan approved by the Council would require bonding and a levy increase.

Mayor Dehen stated that since Council Member Freyberg was unable to attend the meeting, he asked the following comments be read for the Budget Workshop:

"First, I must say that this is perhaps the best prepared budget that I have seen on both sides of the river. It addresses all of the "red flags" that the past three CAFR's have alluded to which were previously ignored. It also identifies a plan of action to restore the good faith and credit of the city of NM and should impress even the most doubtful at Moody's Investor Services. This budget is bold but does not inflict any harm on the existing staff, pays down general obligation bonding debt and eliminates the need to continue the irresponsible use of equipment certificates of which some were five year and longer GO Bonds funding three year assets. This is a practice that surely could not continue.

The budget responsibly addresses the concerns raised in the debt study and thankfully this study is used in the preparation of the budget and does not sit collecting dust on a shelf. We paid good money for the study and should therefore be used as a tool in the budget process ... which it was. Thank you.

The enterprise funds show an increase in user fees. This is good and long overdue and is necessary. The council last year directed Clara to do a water study and therefore, I am glad that this was used in part to develop enterprise funds that cash flow and are necessary to repay the questionable practice of borrowing from these funds when in the past we were never given a plan of how to repay them. This budget addresses all the enterprise fund concerns, sets us up with a plan to restore these reserves that will in part be used as debt service and again should be helpful in restoring the good credit of the city.

With regard to the sales tax fund: I believe that the cap of \$6 million dollars are committed and should not be planned on as a future source of revenue until such time there is a legislative effort to extend the dollar amount to be collected or the term of collection is changed. While the budget shows \$1,238,500 in this fund, we had proposed to pay back \$1,500,000 on the bonds paying for the county road 41 interchange and we have only spent \$194. At the same time we spent 178% more on Downtown Riverfront Development than what was proposed and 129% more on the library. So the unsettling thing to me, is that even though we proposed the use of this sales tax, we did not abide by that plan. This begs the question why? Therefore, our number one responsibility to our constituents is to restore that proposal and spend the tax dollars as directed. We should retire the debt on CSAH 41 as planned with no further projects funded out of the sales tax fund until such time legislation is revisited.

Of further interest and needs to be noted, is that the growing employee/city contributions to PERA, VEBA, Life, Health, Disability, Worker's Comp Insurances are highly inflationary to the city. We all need to be aware of this growing liability and should be prepared with a plan of how we will continue to pay for this escalation of a primary expenditure. Much of this could be viewed as an unfunded mandate. We should have a plan.

Lastly, the two resolutions with regard to a Reserve Fund Policy and an Interfund Loan Policy, I strongly support and will make that motion when appropriate. These absent policies have been advised for us to establish in the past three CAFR's that I am aware of and perhaps there were more. This only makes sense to do.

My congratulations to John and Clara for putting together a budget that is simple to read, well organized, well presented to each council member in advance and again while bold, it is a dose of reality and a framework that guides the city to a more prosperous future. Very well done. Thank you Clara and John and staff."

There being no further business, the Council workshop was adjourned at 6:50 p.m.

Mayor

City Clerk

Pursuant to due call and notice thereof, a regular meeting of the North Mankato City Council was held in the Municipal Building Council Chambers on August 19, 2013. Mayor Dehen called the meeting to order at 7:00 p.m. asking that everyone join in the Pledge of Allegiance. The following were present for the meeting: Mayor Dehen, Council Members Spears and Steiner, City Administrator Harrenstein, Finance Director Thorne, City Clerk Gehrke, Attorney Kennedy, Engineer Malm and Planner Fischer. Absent: Council Members Norland and Freyberg.

Approval of Agenda

Council Member Steiner moved, seconded by Council Member Spears, to approve the agenda as presented. Vote on the motion: Steiner, Spears and Dehen, aye; no nays. Motion carried.

Approval of Minutes

Council Member Spears moved, seconded by Council Member Steiner, to approve the minutes of the Council meeting of August 5, 2013. Vote on the motion: Steiner, Spears and Dehen, aye; no nays. Motion carried.

Consent Agenda

Council Member Spears moved, seconded by Council Member Steiner, to approve the Consent Agenda which includes:

- A. Bills and Appropriations.
- B. Application for St. Paul's Evangelical Lutheran Church Family Fun Run, Saturday, October 26, 2013 from 10 a.m. to 11 a.m.
- C. Application for Miracle League of North Mankato Gorilla Fun Run and Audio and Large Group Permit, Saturday, May 3, 2014 from 2 p.m. to 8 p.m.
- D. Audio and Large Group Permit for Styndl/Anderson Wedding, Spring Lake Park, Saturday, June 7, 2014 from 10 a.m. to 8 p.m.
- E. Renewal of Property and Casualty Insurance and Workers' Compensation Insurance.

Vote on the motion: Steiner, Spears and Dehen, aye; no nays. Motion carried.

Public Comments

Proclamation Recognizing Blues on Belgrade Five-Year Anniversary

Mayor Dehen read a proclamation recognizing the five-year anniversary of Blues on Belgrade. He presented the proclamation to representatives of Business on Belgrade who were in attendance and thanked them for their time, dedication and perseverance to promote Business on Belgrade.

Business Items:

Award Bid for Comprehensive Plan to WSB and Associates

Planner Fischer reported in response to a Request for Proposals (RFP) released by the City for the preparation of a new Comprehensive Plan, a total of nine (9) proposals were received from professional planning consultants. The RFP Review Committee selected four (4) consultants which were interviewed in late July. As a result, the Review Committee is recommending WSB and Associates from Minneapolis to lead the Comprehensive Plan Project. Planner Fischer presented the Professional Services Agreement which includes general contract provisions, client responsibility, scope of work and compensation exhibits. WSB and Associates will complete the project for a not to exceed amount of \$28,904. Bolton & Menk would prepare the transportation and public utility sections of the plan at an estimated cost of \$5,000. He reported the City Council previously approved

the use of \$9,169 of HUD Funds for the Comprehensive Plan effort. Administrator Harrenstein reported WSB and Associates will host and maintain a project website and Facebook page, organize and conduct two community-wide meetings, organize and conduct four focus group meetings involving relevant stakeholders and organize and participate in an activity involving elementary school children. Since Council Member Freyberg was unable to attend the Council meeting, he requested the following comments be presented regarding the award of the Comprehensive Plan to WSB and Associates: "Please express caution to WSB when reviewing the biased Downtown Planning Study by I & S as the public comment was ignored. Please advise WSB to make special note of that public comment. Thank you. Envision 2020 is now an old document. Very little input should be gleaned or used from this document. Please contact Paul Vogel and get the information from the recent MPO plan. This should be reviewed as a part of l.z.vii. Page one of Exhibit C." Mayor Dehen requested the City Center Renaissance Plan be included as part of the background documents for review. Council Member Spears reported he was on the Review Committee and the WSB and Associates group had high energy and he strongly supports awarding the bid for the Comprehensive Plan to WSB and Associates. **Council Member Steiner moved, seconded by Council Member Spears, to award the bid for the Comprehensive Plan to WSB and Associates with the addition of MPO Plan and the Renaissance Plan as background documents. Vote on the motion: Spears, Steiner and Dehen, aye; no nays. Motion carried.**

Set Public Hearing for HUD Consolidated Annual Performance Evaluation Report (CAPER) for 7 p.m. on Tuesday, September 3, 2013

Planner Fischer reported that as part of our status as a HUD Entitlement Community, it is required to submit a Consolidated Annual Performance and Evaluation Report (CAPER) to report the use of 2012 Community Development Block Grant (CDBG) funds which the City receives on an annual basis. As part of the reporting process, it is necessary to set and hold a public hearing to present the CAPER and allow a fifteen (15) day comment period after the public hearing. Council Member Spears reported he is unable to vote to set this public hearing since he has not seen the CAPER. **Council Member Steiner moved, seconded by Mayor Dehen, to set a public hearing for the CAPER for 7 p.m. on Tuesday, September 3, 2013. Vote on the motion: Steiner and Dehen, aye; Spears nay. Motion carried.**

Set Public Hearing for Review of Rental License at 503 Wheeler Avenue for 7 p.m. on Tuesday, September 3, 2013

Planner Fischer requested a public hearing be set to review the rental license at 503 Wheeler Avenue, which has received three (3) rental strikes within a 12-month period. He reported that according to the Rental Licensing Code, if three (3) rental strikes occur within a 12-month period, the City Council shall hold a hearing to consider suspension or revocation of the rental license or such penalty as determined by the City Council. Attorney Kennedy reported very few rental properties have received three (3) rental strikes within a 12-month period. He reported the Council will determine if the Rental Licensing Code has been breached and if so, what penalty will be imposed. Attorney Kennedy stated he will provide additional information to the Council on this matter prior to the public hearing. **Council Member Steiner moved, seconded by Council Member Spears, to set a public hearing for review of the rental license at 503 Wheeler Avenue for 7 p.m. on Tuesday, September 3, 2013. Vote on the motion: Spears, Steiner and Dehen, aye; no nays. Motion carried.**

Consider Approval of Grant Administration Contract between the City of North Mankato and Minnesota Valley Action Council, Inc. (MVAC)

Planner Fischer reported in 2013 and 2014 the City will allocate \$43,903 of Community Development Block Grant (CDBG) funds to income-qualified homeowners for housing rehabilitation purposes. To administer the housing rehabilitation program, the City is proposing to contract with Minnesota Valley Action Council, Inc. (MVAC). MVAC has extensive work experience administering state and federal funded housing rehabilitation programs. The fee to administer the housing rehabilitation program shall not exceed \$4,390 and would be funded from the City's CDBG allocation. Judd Schultz, MVAC, appeared before the Council and reported MVAC has previously worked with the City of North Mankato on the homebuyer training program. He reported the Grant Administration Contract is the same as used for other cities that contract with MVAC. Mr. Schultz reported MVAC will market the program and has a matching loan fund program to assist homeowners with their share of the 50 percent match required to receive grant funds. Some discussion was held regarding the loan forgiveness of the matching loan. If a homeowner lives in their home for a period of five years, the loan is forgiven at the rate of 20% each year. Council Member Spears expressed his concern regarding the vicious cycle of using taxpayer dollars to fund programs such as this. Mr. Schultz reported these funds are made available for low- and moderate-income persons to rehabilitate homes in the community. Mayor Dehen stated that \$45,000 in grant funds will realize \$90,000 in increased value to homes. **Council Member Steiner moved, seconded by Mayor Dehen, to approve the Grant Administration Contract between the City of North Mankato and Minnesota Valley Action Council, Inc. (MVAC). Vote on motion: Spears, Steiner and Dehen, aye; no nays. Motion carried.**

Consider Approval of North Mankato Housing Rehabilitation Program Policies and Procedures

Planner Fischer reported that since the City has never initiated a housing rehabilitation program utilizing state and/or federal funding, specific housing rehabilitation policies and procedures have not been created. In order to utilize CDBG funds to housing rehabilitation, it is necessary to adopt policies and procedures for rehabilitation. The CDBG funds would be allocated as deferred loans over a five-year term to income eligible persons or families. The Housing Rehabilitation Program Policies and Procedures developed for administration of the CDBG funds outlines eligible properties, eligible rehabilitation projects, HUD income limits and other program procedures. Judd Schultz, MVAC, reported the Housing Rehabilitation Program Policies and Procedures may be amended at any time as needed. **Council Member Steiner moved, seconded by Mayor Dehen, to approve the North Mankato Housing Rehabilitation Program Policies and Procedures. Vote on the motion: Spears, Steiner and Dehen, aye; no nays. Motion carried.**

Approval of CDBG Rehabilitation Standards

Planner Fischer presented the CDBG Rehabilitation Standards and reported that since CDBG funds will be used to rehabilitate single-family homes, according to federal regulations it is necessary to adopt CDBG Rehabilitation Standards. These standards are provided to outline the anticipated condition of each dwelling upon completion of rehabilitation in light of the benefits received. The CDBG Rehabilitation Standards were drafted by the Minnesota Valley Action Council, Inc. (MVAC) according to Section 8 Housing Standards. In response to a question from Council Member Spears, Planner Fischer reported that expenditure of the funds for housing rehabilitation was approved as part of the 2013 HUD Action Plan. **Council Member Steiner moved, seconded by Mayor Dehen, to approve the CDBG Rehabilitation Standards. Vote on the motion: Spears, Steiner and Dehen, aye; no nays. Motion carried.**

Ord. No. 51, Fourth Series, Establishing Interim Ordinance Under Minnesota Statute 462.355

Attorney Kennedy reported the City of North Mankato is currently studying the issue of licensing retail establishments that operate as hookah bars or sampling bars or a similar operation. Although no such operations currently exist within the City, the study is necessary to determine where would be proper zoning for such use if application is made to the City. He presented Ord. No. 51, Fourth Series, which establishes a one-year moratorium to protect the planning process while formal studies are conducted regarding such land use issues. Attorney Kennedy reported that recently the City of Mankato revised their tobacco ordinance which excludes licensing of retail establishments that operate as hookah bars, sampling bars and similar operations. Council Member Spears stated he believes this is a study in futility since he believes it has been pre-determined to ban the licensing of these establishments in North Mankato. He also stated there is too much government regulation and if consenting adults want to smoke e-cigarettes and they do no harm to others, they should be allowed to do so. **Council Member Steiner moved, seconded by Mayor Dehen, to adopt Ord. No. 51, Fourth Series, Establishing Interim Ordinance Under Minnesota Statute 462.355. Vote on the Ordinance: Steiner and Dehen, aye; Spears, nay. Motion carried.**

City Administrator and Staff Comments

Administrator Harrenstein reported he and his wife are the proud parents of a baby boy born Saturday, August 17, 2013. He also stated that it is a pleasure to work for the City of North Mankato.

Mayor and Council Comments**Mayor**

Mayor Dehen thanked Business on Belgrade for the work they do and reported the Bier on Belgrade event will be held on October 5, 2013 and the River Ramble will be held on October 6, 2013.

Public Comments**Phil Henry, 1300 Noretta Drive**

Phil Henry, 1300 Noretta Drive, appeared before the Council stating his support for the use of the HUD funds for rehabilitation of properties. He also reported he enjoys the more interesting Council meetings.

There being no further business, on a motion by Council Member Steiner, seconded by Council Member Spears, the meeting was adjourned at 7:50 p.m.

Mayor

City Clerk

CITY OF NORTH MANKATO

REQUEST FOR COUNCIL ACTION



Agenda Item #7	Department: City Planner	Council Meeting Date: 09/03/13
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TITLE OF ISSUE: Public Hearing, 7 p.m. - HUD Consolidated Annual Performance Evaluation Report (CAPER)

BACKGROUND AND SUPPLEMENTAL INFORMATION: As part of our status as a HUD Entitlement Community, we are required to submit a Consolidated Annual Performance and Evaluation Report (CAPER) on the use of 2012 Community Development Block Grant (CDBG) funds which we receive on an annual basis. As part of the process, it is necessary to hold a public hearing to present the CAPER and allow a 15-day comment period after the public hearing. In the 2012 Action Plan, CDBG funds were allocated to relocate and rehabilitate a rental dwelling at 238 Nicollet Avenue. As planning staff also was responsible for administration activities in 2012, the project did not occur within 2012. Currently, staff is waiting for the owner of 238 Nicollet to respond to an agreement with the City to begin the project. Therefore, no CDBG Funds were expended in 2012.

If additional space is required, attach a separate sheet

REQUESTED COUNCIL ACTION: Hold Public Hearing and allow 15-day comment period.

For Clerk's Use:

Motion By: _____
 Second By: _____

Vote Record:

Aye	Nay	
_____	_____	Norland
_____	_____	Spears
_____	_____	Freyberg
_____	_____	Steiner
_____	_____	Dehen

SUPPORTING DOCUMENTS ATTACHED

Resolution	Ordinance	Contract	Minutes	Map
<input type="checkbox"/>				

Other (specify) Notice of Hearing, CAPER

Workshop

Regular Meeting

Special Meeting

Refer to: _____

Table until: _____

Other: _____

NOTICE OF PUBLIC HEARING FOR
CONSOLIDATED ANNUAL PERFORMANCE
AND EVALUATION REPORT (CAPER)
CITY OF NORTH MANKATO

NOTICE IS HEREBY GIVEN that the City Council of the City of North Mankato, Minnesota, will meet in the Council Chambers of the Municipal Building, 1001 Belgrade Avenue, North Mankato, Minnesota, at 7 p.m. on the 3rd day of September, 2013, to hold a public hearing to present the Consolidated Annual Performance and Evaluation Report (CAPER) to report on the use of the 2012 Community Development Block Grant (CDBG) funds. A copy of the CAPER is available for review at the North Mankato Municipal Building, 1001 Belgrade Avenue.

Such persons as desire to be heard with reference to this issue should appear at this meeting. Public comments may be sent to the North Mankato Municipal Building, 1001 Belgrade Avenue, North Mankato, MN 56003. All comments must be received by September 18, 2013.

Dated this 22nd day of August 2013.

Nancy Gehrke, CMC
City Clerk
City of North Mankato, Minnesota

August 22, 2013
NOTICE OF PUBLIC
HEARING FOR
CONSOLIDATED ANNUAL
PERFORMANCE
AND EVALUATION
REPORT (CAPER)
CITY OF NORTH MANKATO

NOTICE IS HEREBY GIVEN that the City Council of the City of North Mankato, Minnesota, will meet in the Council Chambers of the Municipal Building, 1001 Belgrade Avenue, North Mankato, Minnesota, at 7 p.m. on the 3rd day of September, 2013, to hold a public hearing to present the Consolidated Annual Performance and Evaluation Report (CAPER) to report on the use of the 2012 Community Development Block Grant (CDBG) funds. A copy of the CAPER is available for review at the North Mankato Municipal Building, 1001 Belgrade Avenue. Such persons as desire to be heard with reference to this issue should appear at this meeting. Public comments may be sent to the North Mankato Municipal Building, 1001 Belgrade Avenue, North Mankato, MN 56003. All comments must be received by September 18, 2013. Dated this 22nd day of August 2013.
Nancy Gehrke, CMC
City Clerk
City of North Mankato,
Minnesota

AFFIDAVIT OF PUBLICATION

State of Minnesota, ss.
County of Blue Earth

James P. Santori, being duly sworn, on oath says that he is the publisher or authorized agent and employee of the publisher of the newspaper known as *The Free Press and The Land*, and has full knowledge of the facts which are stated below:

(A) The newspaper has complied with all of the requirements constituting qualification as a legal newspaper, as provided by Minnesota Statute 331.02, 331.06, and other applicable laws, as amended.

(B) The printed _____ Notice _____

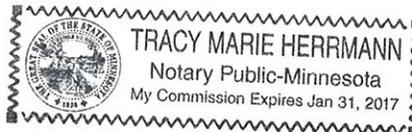
_____ which is attached was cut from the columns of said newspaper, and was printed and published once each week, for 1 successive weeks; it was first published on Thursday, the 22 day of August, 2013, and was thereafter printed and published on every Thursday to and including Thursday, the 22 day of August, 2013; and printed below is a copy of the lower case alphabet from A to Z, both inclusive, which is hereby acknowledged as being the size and kind of type used in the composition and publication of the notice:

abcdefghijklmnopqrstuvwxyz

By: James P. Santori
Publisher

Subscribed and sworn to before me on this 22 day of August, 2013.

Tracy Marie Herrmann
Notary Public



CITY OF NORTH MANKATO



2012 Consolidated Annual Performance and Evaluation Report

Executive Summary

2012 was the third year the City of North Mankato became an Entitlement Community and subsequently the third year of a Five-Year Consolidated Plan for housing and community development. The City of North Mankato's proposed 2012 CDBG expenditures were consistent with the 2010-2014 Consolidated Plan and One-Year Action Plan. However, no funds were expended in 2012.

The Consolidated Plan identified the following areas for the use of CDBG funds during 2010-2014:

- ◆ Parks and Recreation Facilities
- ◆ Parking Facilities
- ◆ Infrastructure Improvements
- ◆ Building Acquisition/Construction/Rehabilitation
- ◆ Development of Affordable Rental Units
- ◆ Single-Family Direct Homeownership Assistance
- ◆ Single-Family Residential Rehabilitation
- ◆ Commercial Rehabilitation

The 2012 Action Plan specified that CDBG funds would be used to relocate and rehabilitate a rental dwelling addressed as 238 Nicollet Avenue. As mentioned earlier in the CAPER, no CDBG funds were expended in 2012 for two reasons. First, from June 1, 2012 to March 4, 2013 the City Planner also served as Interim City Administrator. As a result, staff did not have the ability to manage all planning and administrative duties during this time period. Second, the owner of 238 Nicollet Avenue has had off and on interest in the project. To this date, staff is still trying to come to terms with the property owner to complete the project.

- I. Summary of Resources and Distribution of Funds for FY2012. \$58,596 was made available to the City through a 2012 formula allocation. The City was able to allocate unused 2011 CDBG funds in 2012.
- II. Assessment of Five-Year Goals and Objectives
The following are the City of North Mankato's goals and objectives as listed in its 2010-2014 Consolidated Plan:

Parks and Recreation Facilities

Over the 5-year plan, approximately \$100,000 may be used for redevelopment activities that will include replacement of existing park amenities and accessibility improvements for persons with physical disabilities.

Parking Facilities

As part of downtown redevelopment efforts, CDBG funds may be used to create off-street parking opportunities in the Central Business District. Over the 5-year plan, one parking facility may be constructed for an approximated cost of \$100,000.

Infrastructure Improvements

CDBG funds will be used to rehabilitate existing water, sewer, street and sidewalks in areas which principally benefit low- and moderate-income persons. Over the 5-year plan, approximately \$200,000 may be spent on water/sewer improvements, and \$100,000 may be used on street improvements.

Building Acquisition/Construction/Rehabilitation

CDBG funds will be used to purchase both commercial and residential buildings which contribute to slum and blight conditions. To date \$105,500 of CDBG funds have been used to acquire single-family properties for future redevelopment projects.

Development of Affordable Rental Rents

CDBG funds may be used to construct affordable rental units in the Central Business District. Through a local Envision 2020 community planning process, the creation of urban villages was identified as a high priority.

Single-Family Direct Homeownership Assistance Grant Program

During the first program year, CDBG funds were used to provide grants to low- to moderate-income persons to help pay for the down payment and/or closing costs with the acquisition and construction of single-family residential dwellings. It was originally planned that eleven (11) grants of up to \$8,000 would be allocated in the first year. Due to limited interest in the initiative, this activity was replaced with an alternative initiative.

Single-Family Residential Rehabilitation

CDBG funds may be used to provide grants/loans to low- to moderate-income persons to rehabilitate existing single-family dwellings.

Economic Development Technical Assistant

CDBG funds may be used to assist funding the South Central Small Business Development Center.

Commercial Rehabilitation

CDBG funds may be used for the rehabilitation of existing commercial buildings which contribute to slum and blight conditions.

Property Acquisition

Purchase vacant parcels with re-use of the parcels in compliance with all HUD regulations.

The following is a breakdown of the CDBG funds allocated toward the 2010 and 2011 goals and objectives:

2010

- Provide two \$8,000 homebuyer assistance grants including program administration

2011

- Purchase of 202 Christensen Street - \$30,500
- Purchase of 706 Range Street - \$75,000

Due to the limited CDBG funds available to the City of North Mankato on an annual basis, it is extremely difficult to accomplish all its goals and objectives set forth in its Consolidated Plan.

See Tables 1C, 2A, 3B

Affirmatively Furthering Fair Housing

In 2010, the City of North Mankato prepared an Analysis of Impediments to Fair Housing. While the Analysis did not identify any significant impediments, based on the information gathered to produce the Analysis, the following conclusions and recommendations were made:

1. In the City of North Mankato, local land use policies, regulations, zoning ordinances, building codes and site selection policies do not discriminate or limit the availability of fair housing.

While currently the City's policies and procedures do not limit the availability of fair housing, this will be monitored continuously to ensure no future limitations will appear.

2. The City of North Mankato understands there is a need for affordable housing and the importance and benefits that affordable housing brings to a community.

Providing affordable housing and ensuring fair housing is a complex and difficult task. High development costs and low incentives for developers play a large role. The City of North Mankato will investigate funding opportunities to provide more affordable and fair housing opportunities.

3. The maintenance of records in regards to fair housing.

The City of North Mankato will keep accurate records of items relating to fair housing and the Analysis of Impediments to Fair Housing and Fair Housing Plan. The City will document actions taken to eliminate impediments, and plans to ensure fair housing opportunities in the future.

The following activities were conducted in 2012 to affirmatively further Fair Housing Choice:

- ◆ On July 23, 2012, in partnership with the Cities of Mankato, St. Peter and Madelia, a one-day housing training program was offered and held at the Mankato Civic Center. The agenda included property management, fair housing, lease agreements and legal issues. All North Mankato landlords received an invitation to this event.

- ◆ The City submitted an application for the Minnesota Housing Finance Agency to secure funding through the Minnesota City Participation Program to provide below-market interest rate home mortgage loans for income-qualified first-time homebuyers.

Affordable Housing

In the Consolidated Plan, the 2010 goal was to provide eleven (11) grants to income-qualified persons to purchase single-family dwellings. While there was sufficient interest in the program, only two persons were able to meet the income guidelines. Both recipients qualified as low-income persons and both persons and purchases were in compliance with all Section 215 requirements.

While the City intended to use CDBG funds in 2012 to rehabilitate an existing affordable rental dwelling, the project has yet to occur.

Continuum of Care

As there are no known homeless persons in North Mankato, no attempt was made to address needs in this area. Special needs of persons that are not homeless are being addressed by other State and Federal funding services.

Other Actions

Projects and initiatives set forth in the Consolidated Plan and Annual Action Plan were previously implemented utilizing CDBG funds. Specifically, two properties were acquired where the re-use of the property for residential purposes will have a direct benefit to LMI persons.

In an attempt to complement CDBG funds, the City actively seeks grant opportunities for parks, housing and transportation improvements. Furthermore, the City worked with area cities and counties as part of the formation of a Metropolitan Planning Organization (MPO) to address area transportation issues.

Leveraging Resources

No other public or private resources were obtained to complement CDBG funding in 2012.

Citizen Comment

On September 3, 2013, a public hearing was held to present the CAPER. A 15-day comment period was made available after the public hearing.

The City does not have HUD approved neighborhood revitalization strategies or Section 108 loan guarantees.

CDBG Program

In the third year of administering CDBG funds, the City proposed to undertake a rental housing relocation and rehabilitation project. However, the project has yet to take place.

Program Income

Through past federal grants obtained by the City, the City has \$706,317 of federal program income. The funds are held in a separate revolving loan fund bank account to be used for future community and economic development projects.

Transition Table 1C
Summary of Specific Housing/Community Development Objectives
 (Table 1A/1B Continuation Sheet)

Obj #	Specific Objectives	Sources of Funds	Performance Indicators	Expected Number	Actual Number	Outcome/Objective*
	Homeless Objectives					
	0	0	0	0	0	0
	Special Needs Objectives					
	0	0	0	0	0	0
	Other Objectives					

*Outcome/Objective Codes

	Availability/Accessibility	Affordability	Sustainability
Decent Housing	DH-1	DH-2	DH-3
Suitable Living Environment	SL-1	SL-2	SL-3
Economic Opportunity	EO-1	EO-2	EO-3

Table 2A
Priority Housing Activities

Priority Need	5-Yr. Goal Plan/Act	Yr. 1 Goal Plan/Act	Yr. 2 Goal Plan/Act	Yr. 3 Goal Plan/Act	Yr. 4 Goal Plan/Act	Yr. 5 Goal Plan/Act
CDBG						
Acquisition of existing rental units	1		1	0		
Production of new rental units				0		
Rehabilitation of existing rental units				0		
Rental assistance				0		
Acquisition of existing owner units	1	1	1	0		
Production of new owner units				0		
Rehabilitation of existing owner units				0		
Homeownership assistance	11	2		0		
HOME						
Acquisition of existing rental units						
Production of new rental units						
Rehabilitation of existing rental units						
Rental assistance						
Acquisition of existing owner units						
Production of new owner units						
Rehabilitation of existing owner units						
Homeownership assistance						
HOPWA						
Rental assistance						
Short term rent/mortgage utility payments						
Facility based housing development						
Facility based housing operations						
Supportive services						
Other						

Table 2A
Priority Housing Needs/Investment Plan Goals

Priority Need	5-Yr. Goal Plan/Act	Yr. 1 Goal Plan/Act	Yr. 2 Goal Plan/Act	Yr. 3 Goal Plan/Act	Yr. 4 Goal Plan/Act	Yr. 5 Goal Plan/Act
Renters						
0 - 30 of MFI						
31 - 50% of MFI						
51 - 80% of MFI						
Owners						
0 - 30 of MFI						
31 - 50 of MFI						
51 - 80% of MFI	11	2	0	0		
Homeless*						
Individuals						
Families						
Non-Homeless Special Needs						
Elderly						
Frail Elderly						
Severe Mental Illness						
Physical Disability						
Developmental Disability						
Alcohol/Drug Abuse						
HIV/AIDS						
Victims of Domestic Violence						
Total	11	2	0	0		
Total Section 215						
215 Renter						
215 Owner						

* Homeless individuals and families assisted with transitional and permanent housing

Table 2A
Priority Housing Needs/Investment Plan Table

PRIORITY HOUSING NEEDS (households)		Priority		Unmet Need
Renter	Small Related	0-30%	H	
		31-50%	L	
		51-80%	L	
	Large Related	0-30%	L	
		31-50%	L	
		51-80%	L	
	Elderly	0-30%	M	
		31-50%	L	
		51-80%	L	
	All Other	0-30%	L	
		31-50%	L	
		51-80%	L	
Owner	Small Related	0-30%	L	
		31-50%	L	
		51-80%	H	
	Large Related	0-30%	L	
		31-50%	L	
		51-80%	L	
	Elderly	0-30%	H	
		31-50%	L	
		51-80%	M	
	All Other	0-30%	L	
		31-50%	L	
		51-80%	L	
Non-Homeless Special Needs	Elderly	0-80%	L	
	Frail Elderly	0-80%	L	
	Severe Mental Illness	0-80%	L	
	Physical Disability	0-80%	L	
	Developmental Disability	0-80%	L	
	Alcohol/Drug Abuse	0-80%	L	
	HIV/AIDS	0-80%	L	
	Victims of Domestic Violence	0-80%	L	

**Table 3B
ANNUAL AFFORDABLE HOUSING COMPLETION GOALS**

Grantee Name: Program Year:	Expected Annual Number of Units To Be Completed	Actual Annual Number of Units Completed	Resources used during the period			
			CDBG	HOME	ESG	HOPWA
BENEFICIARY GOALS (Sec. 215 Only)						
Homeless households			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Non-homeless households			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special needs households			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Sec. 215 Beneficiaries*			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RENTAL GOALS (Sec. 215 Only)						
Acquisition of existing units			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Production of new units			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Rehabilitation of existing units	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rental Assistance			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Total Sec. 215 Affordable Rental			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HOME OWNER GOALS (Sec. 215 Only)						
Acquisition of existing units			<input type="checkbox"/>	<input type="checkbox"/>		
Production of new units			<input type="checkbox"/>	<input type="checkbox"/>		
Rehabilitation of existing units			<input type="checkbox"/>	<input type="checkbox"/>		
Homebuyer Assistance			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Total Sec. 215 Affordable Owner			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMBINED RENTAL AND OWNER GOALS (Sec. 215 Only)						
Acquisition of existing units			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Production of new units			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Rehabilitation of existing units			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rental Assistance			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Homebuyer Assistance			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Combined Total Sec. 215 Goals*			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OVERALL HOUSING GOALS (Sec. 215 + Other Affordable Housing)						
Annual Rental Housing Goal			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Annual Owner Housing Goal			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Overall Housing Goal	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* The total amounts for "Combined Total Sec. 215 Goals" and "Total Sec. 215 Beneficiary Goals" should be the same number.

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: Michael Fischer, City Planner
DATE: August 26, 2013
SUBJECT: Review of Rental License at 503 Wheeler Avenue

The home at 503 Wheeler Avenue is a licensed rental property which has received three (3) rental strikes within a 12-month period. The following is a summary of the incidents that occurred at 503 Wheeler Avenue that resulted in rental strikes:

<u>Date</u>	<u>Offense</u>
November 28, 2012	Disorderly Conduct
June 1, 2013	Public Nuisance/Disturbance
July 4, 2013	Domestic

Since rental licensing began in 2003, two (2) properties have had their rental licenses reviewed by the City Council due to rental strikes. The following is a summary of the license reviews:

<u>Year</u>	<u>Address</u>	<u>Council Action</u>
2005	1036 Center Street	\$1,000 fine
2010	815 Page Avenue	\$500 fine

According to the Residential Rental Licensing Code, if a third violation involving a guest of or the occupant of a licensed premise occurs within 12 months after any 2 previous instances for which notices were sent to the licensee regarding the same licensed premises, the rental dwelling license for the individual rental unit may be denied, revoked, suspended, or such other penalty imposed by the City Council. Any action to deny, revoke or suspend a license or impose any other penalty under this section shall be initiated by the City Council at the request of the Police Chief.

On August 29, 2013 the Police Chief and I had the opportunity to talk with the owner of the property. He indicated that he is considering the sale of the property.

NOTICE OF PUBLIC HEARING ON REVIEW OF RENTAL LICENSE
CITY OF NORTH MANKATO

NOTICE IS HEREBY GIVEN that the City Council of the City of North Mankato, Minnesota, will meet in the Council Chambers of the Municipal Building, 1001 Belgrade Avenue, North Mankato, Minnesota, at 7 p.m. on the 3rd day of September, 2013, to hold a public hearing to review the rental license at 503 Wheeler Avenue.

Such persons as desire to be heard with reference to this rental license should appear at this meeting.

Dated this 22nd day of August 2013.

Nancy Gehrke, CMC
City Clerk
City of North Mankato, Minnesota

August 22, 2013
**NOTICE OF PUBLIC HEARING
ON REVIEW OF
RENTAL LICENSE**
CITY OF NORTH MANKATO
NOTICE IS HEREBY GIVEN that
the City Council of the City of
North Mankato, Minnesota, will
meet in the Council Chambers of
the Municipal Building, 1001
Belgrade Avenue, North Mankato,
Minnesota, at 7 p.m. on the 3rd day
of September, 2013, to hold a pub-
lic hearing to review the rental
license at 503 Wheeler Avenue.
Such persons as desire to be heard
with reference to this rental
license should appear at this meet-
ing.
Dated this 22nd day of August 2013.
Nancy Gehrke, CMC
City Clerk
City of North Mankato,
Minnesota

AFFIDAVIT OF PUBLICATION

State of Minnesota, ss.
County of Blue Earth

James P. Santori, being duly sworn, on oath says that he is the publisher or authorized agent and employee of the publisher of the newspaper known as The Free Press and The Land, and has full knowledge of the facts which are stated below:

(A) The newspaper has complied with all of the requirements constituting qualification as a legal newspaper, as provided by Minnesota Statute 331.02, 331.06, and other applicable laws, as amended.

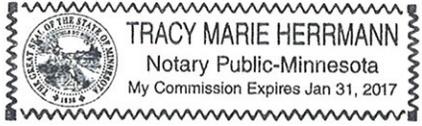
(B) The printed _____ Notice _____

which is attached was cut from the columns of said newspaper, and was printed and published once each week, for 1 successive weeks; it was first published on Thursday, the 22 day of August, 2013, and was thereafter printed and published on every Thursday to and including Thursday, the 22 day of August, 2013; and printed below is a copy of the lower case alphabet from A to Z, both inclusive, which is hereby acknowledged as being the size and kind of type used in the composition and publication of the notice:

abcdefghijklmnopqrstuvwxyz
By: *James P. Santori*
Publisher

*Subscribed and sworn to before me on this 22
day of August, 2013.*

Tracy Marie Herrmann
Notary Public



1st Strike
11/28/12

ICR# 12-002817

**NORTH MANKATO POLICE DEPARTMENT
RENTAL PROPERTY DISTURBANCE REPORT**

OFFENSE

- LOUD PARTY
- DOMESTIC
- NOISE COMPLAINT
- NARCOTICS VIOLATION
- ANIMAL COMPLAINT
- LIQUOR LAW VIOLATION
- DISORDERLY CONDUCT
- OTHER:Fire

CHECK ALL THAT APPLY: (DESCRIBE IN DETAIL IN YOUR ICR)

- LOUD/INTRUSIVE
- No Noise/Party Found
- Music (Volume/Bass)
- Party – Approx. # Persons Present?
- Voices (Talking/Yelling)
- Barking Dog
- Loud Noise – Noise heard from what distance?
- Other Noise?

EXPLANATION OF THE ABOVE CHECKED BOXES: Responded to a fire. Resident had been burning insulation off of copper wire inside of the garage. All wire had been stripped inside the garage. Was lied to by the daughter of Talitha Griffin. Talitha will not contact me. *Simpson.*

Rental Strike Notification: In accordance with North Mankato Police Policy, the above is to serve as a rental strike notification relating to the above disturbance.

North Mankato Police Department
INITIAL COMPLAINT REPORT

Agency Case Number (OCA) **12-002817** CONT. AGENCY NCIC IDENT. (CAG) **MNO520100** Date Reported (RPD) **11/28/12** Time Reported (TRP) **1443**

MOC **9601** MCS **CLOSED** Place Committed (PLC) **503 Wheeler Ave.**

TYPE: **Fire** OCC DATE: **11/28/12**

OFFICER ID: **715** TIME RX: **1443** OUT: CLEAR:

GENDER: **Female** RACE: **Black** CJRS:

LN: **Simpson** FN: **Talitha** MN: **Synctche-Yargee**

ADDRESS: **SAA** PHONE: **507-340-0503** TYPE:

INVOLVEMENT: **O** CITY: **North Mankato** ST: **Mn.** ZIP: **56003**

DL#: DOB: **02/08/75** LOSS VALUE:

ADDITIONAL RESPONDERS: **NMFD**

COMPLAINT:

(O) Lashanique Sharle Griffin DOB: 07/11/92
503 Wheeler Ave.
North Mankato Mn. 56003

(O) Steven Chris Anderson DOB: 02/24/48
431 W. 7th St. Mankato

10865 W. Orange Grove
Tucson Arizona
507-382-0557

I responded to a call of smoke coming from a garage at the above address. NMFD was on scene when I arrived. The fire was quickly put out and the garage had to be ventilated due to noxious fumes and smoke. Fire Chief Pohlman pointed out a thirty gallon garbage can with fire wood in the bottom that had been the source of the smoke and fire. It was clear that someone was using the can to burn the insulation off of copper wire. There were old window air conditioning units and other electronics laying around and in piles that had been taken apart and stripped of the wiring. There was also a pile of partially burned wire in the garage. All of the wiring for the garage lights and plug ins for the garage itself had been stripped and removed also. I took photo's of the missing wiring and the other items listed previously.

Lashanique is the daughter of Talitha. She came out of the house after the fire department had been on scene for at least ten to fifteen minutes. She stated she was going to pick up her sister and seemed to know

North Mankato Police Department

INITIAL COMPLAINT REPORT

nothing of what had happened in the garage. I asked her who was in the garage that day and she stated her mother had told her that her step father, Steven Anderson was working on a car in the garage. He was not present nor was anyone else when we arrived. She stated that Steven was a white male in his early thirties. I have not been able to locate that person of that age in our area as of yet. A Buick Park Avenue parked in the garage (833JPP) does come back to a Steven Anderson 02/24/1948 of Mankato. I spoke to Steven and he stated he was there around nine am but for a short time and left. I mentioned all of the electronics and debris in the garage and he stated he had noticed that there also. He stated he had nothing to do with any of the wire missing from the garage. When I spoke to him he was on his way 10865 West Orange Grove in Tucson Arizona for the winter. I did speak a city employee who stated he was driving by the residence a few months ago and noticed a black male that looked like [REDACTED] who is Talitha's son outside the garage burning something in the bottom half of an old grill. He state he called us to check it out because the smoke was very black. When an officer arrived the fire was out and no one was around.

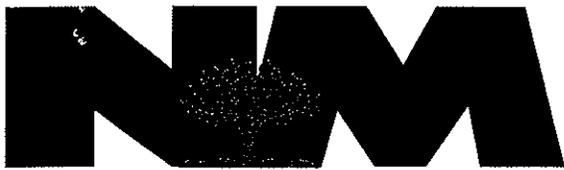
I spoke to one of Talitha's other daughters and she did not know if her mother was home. I had to ask if she would go in the house and look for her. She came out some time later and stated her mother was not home. I tried to contact her by phone but her phone message stated she was no accepting calls at that time.

On 11/28/12 I contacted Blaine Conklin at 351-1678. Blaine owns and rent the property at 503 Wheeler. I told him what had happened and what could have happened if someone had not caught the fire in time. The garage, deck and house are all connected. I told him that I will be issuing a rental strike on the property. I also reminded him of the strike from 05/16/12.

A short time after my talk with Steven Anderson he called me and stated he was bothered with the fact that he had just lied to me to cover for the Talitha's kids. He stated he has been in Arizona for nearly a year but was back in September and did go to 503 Wheeler to check on his car. He stated he noticed the windshield broken and a dent in the trunk. I feel that Lashanique lied to cover also by telling me that her mother had told her that Steven had been at the garage that day. When I asked her if Steve was white or black she did state he was white. I asked how old he was and she stated he was in her early thirties. Steve is sixty four years old.

I will go to the residence again and attempt contact. I did leave a card for Talitha with her daughter for her to call me and she has no contacted me.

Officer Kevin Spieker #715



CITY OF NORTH MANKATO

November 30, 2012

Blaine Conklin
19 South 1st Street
Unit B2005
Minneapolis, MN 55401

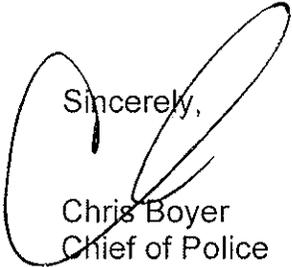
Re: 503 Wheeler Avenue - 2nd Rental Strike

Dear Rental Property Owner/Manager:

It has come to my attention that the following violation has taken place at a rental property for which you are responsible. See the attached sheet documenting the incident. Please be aware that the police did respond to the residence. This is the second time in twelve months that a police presence at this residence has been necessary.

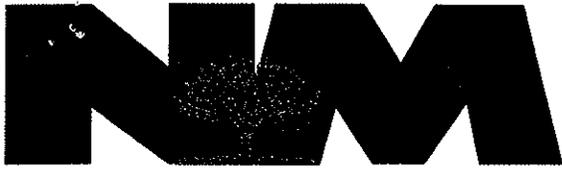
The purpose of this letter is to inform you of the incident and to request that you, the property owner or manager, submit a written report of the action taken to prevent further violations on the premises. This report is to be submitted to the Chief of Police within five days from the date of this letter. If the licensee fails to comply with this requirement be advised the rental license may be denied, revoked, suspended, or not renewed.

Please contact Heather Anderson at 507-625-4141 if you have any questions regarding this letter.

Sincerely,

Chris Boyer
Chief of Police
City of North Mankato

Enclosure





CITY OF NORTH MANKATO

November 30, 2012

Talitha Simpson
503 Wheeler Avenue
North Mankato, MN 56003

Dear Tenant:

Per City Ordinance the police department is required to inform the owner of a rental property of specific types of prohibited activity that occur at that rental property. A copy of the report must also be sent to the tenant. Enclosed is a copy of a report sent to the property owner or manager of the rental property in which you reside.

Please contact Heather Anderson at 507-625-4141 if you have any questions regarding this letter.

A handwritten signature in black ink, appearing to read 'Chris Boyer', written over the word 'Sincerely,'.

Sincerely,

Chris Boyer
Chief of Police
City of North Mankato

Enclosure



Heather Anderson

From: Chris Boyer [701@nmpd.org]
Sent: Wednesday, December 05, 2012 12:26 PM
To: Blaine Conklin
Subject: Re: 503 Wheeler Ave Rental Strike Action Plan

Hello Blaine,

Your plan sounds good, please update me after Friday with your final course of action.

Thanks

Chief Boyer

From: Blaine Conklin [mailto:blaine_conklin@hotmail.com]
To: 701@nmpd.org
Sent: Wed, 05 Dec 2012 11:05:58 -0600
Subject: 503 Wheeler Ave Rental Strike Action Plan

Chief Boyer,

I am writing in response to the letter I received regarding my rental property at 503 Wheeler Ave. I understand this is the second rental strike against this property. After the first infraction earlier this year I had several conversations with the tenant, Talitha Simpson, and told her that what took place was unacceptable to me and I expected that there would be no further problems. She assured me this would be a one time incident and that there would not be any issues going forward. Therefore it was very disappointing to receive the call from Officer Spieker about the incident that took place last week. I received your letter and a copy of the police report on Monday afternoon. Since then I have scheduled an inspection of the property with the building inspector Dave Knudson. We will be meeting at the property on Friday afternoon to look at the damage that occurred to the garage and also inspect the entire home to make sure there has been no damage to the inside of the house. That afternoon I will be able to meet with Talitha as well and talk to her about what we will do from this point on. Please let me know if you have any further questions. I can provide you with another update when I have the meetings on Friday afternoon.

Blaine Conklin

E-MAIL CONFIDENTIALITY NOTICE:

The contents of this e-mail message and any attachments are intended solely for the addressee(s) and may contain confidential and/or legally privileged information. If you are not the intended recipient of this message or if this message has been addressed to you in error, please immediately alert the sender by reply e-mail and then delete this message and any attachments. If you are not the intended recipient, you are notified that any use, dissemination, distribution, copying, or storage of this message or any attachment is strictly prohibited.

12/5/2012

Heather Anderson

From: Chris Boyer [701@nmpd.org]
Sent: Tuesday, December 11, 2012 3:39 PM
To: Heather Anderson
Subject: Fw: RE: 503 Wheeler Ave Rental Strike Action Plan

From: Blaine Conklin [mailto:blaine_conklin@hotmail.com]
To: 701@nmpd.org
Sent: Tue, 11 Dec 2012 15:14:54 -0600
Subject: RE: 503 Wheeler Ave Rental Strike Action Plan

Chief Boyer,

I was able to meet Dave Knudson at the property on Friday afternoon. He conducted an inspection on the entire property including the home and garage. There are a few small items that came up in the inspection that I will have taken care of within the 30 day time frame that I was given. But we were able to see there had been no damage done anywhere to the property from the incident that took place in the garage. I was able to have a long conversation with Talitha as well regarding the two rental strikes and what was required of her going forward. The person that started the fire in the garage is not living at the house. She very much wants to continue to live there, and she is aware of the severity of the situation and knows that if she wants to continue renting the home there cannot be another incident. I will continue to check in with her periodically to make sure there is nothing happening that would cause another rental strike.

Please let me know if there is anything I can add or if you have further questions.

Thank you,

Blaine Conklin

From: 701@nmpd.org
Subject: Re: 503 Wheeler Ave Rental Strike Action Plan
To: blaine_conklin@hotmail.com
Date: Wed, 5 Dec 2012 12:26:07 -0600

Hello Blaine,

Your plan sounds good, please update me after Friday with your final course of action.

Thanks

Chief Boyer

From: Blaine Conklin [mailto:blaine_conklin@hotmail.com]
To: 701@nmpd.org
Sent: Wed, 05 Dec 2012 11:05:58 -0600
Subject: 503 Wheeler Ave Rental Strike Action Plan

Chief Boyer,

I am writing in response to the letter I received regarding my rental property at 503 Wheeler Ave. I understand this is the second rental strike against this property. After the first infraction earlier this year I had several conversations with the tenant, Talitha Simpson, and told her that what took place was unacceptable to me and I expected that there would be no further problems. She assured me

this would be a one time incident and that there would not be any issues going forward. Therefore it was very disappointing to receive the call from Officer Spieker about the incident that took place last week. I received your letter and a copy of the police report on Monday afternoon. Since then I have scheduled an inspection of the property with the building inspector Dave Knudson. We will be meeting at the property on Friday afternoon to look at the damage that occurred to the garage and also inspect the entire home to make sure there has been no damage to the inside of the house. That afternoon I will be able to meet with Talitha as well and talk to her about what we will do from this point on. Please let me know if you have any further questions. I can provide you with another update when I have the meetings on Friday afternoon.

Blaine Conklin

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2nd Strike

6/1/13

ICR# 13-1183

**NORTH MANKATO POLICE DEPARTMENT
RENTAL PROPERTY DISTURBANCE REPORT**

OFFENSE

- LOUD PARTY
- DOMESTIC
- NOISE COMPLAINT
- NARCOTICS VIOLATION
- ANIMAL COMPLAINT
- LIQUOR LAW VIOLATION
- DISORDERLY CONDUCT
- OTHER:

CHECK ALL THAT APPLY: (DESCRIBE IN DETAIL IN YOUR ICR)

- LOUD/INTRUSIVE
- No Noise/Party Found
- Music (Volume/Bass)
- Party – Approx. # Persons Present?
- Voices (Talking/Yelling)
- Barking Dog
- Loud Noise – Noise heard from what distance?
- Other Noise?Extremely loud shouting and arguing.

EXPLANATION OF THE ABOVE CHECKED BOXES: Dispatched to a call for another disturbance at 503 Wheeler Ave. As I exited my vehicle acrossed the street, I could hear loud shouting and arguing that included profanities. No one would answer the door and the yelling continued. After I made contact with the tenant she continued to yell after I asked her to talk not yell.

Rental Strike Notification: In accordance with North Mankato Police Policy, the above is to serve as a rental strike notification relating to the above disturbance.

North Mankato Police Department
INITIAL COMPLAINT REPORT

Agency Case Number (OCA) **13-1183** CONT. AGENCY NCIC IDENT. (CAG) **MNO520100** Date Reported (RPD) **6/1/2013** Time Reported (TRP) **0845**

MOC **N3070** MCS **CLOSED** Place Committed (PLC) **503 Wheeler Ave**

TYPE: **Public Nuisance / Disturbance** OCC DATE: **6/1/2013**

OFFICER ID: **711** TIME RX: **0845** OUT: CLEAR:

GENDER: **Female** RACE: **Black** CJRS:

LN: **Simpson** FN: **Talitha** MN: **Synctche Yargee**

ADDRESS: **503 Wheeler Ave** PHONE: TYPE:

INVOLVEMENT: **S** CITY: **North Mankato** ST: **MN** ZIP: **56003**

DL#: DOB: **2/8/1975** LOSS VALUE:

ADDITIONAL RESPONDERS:

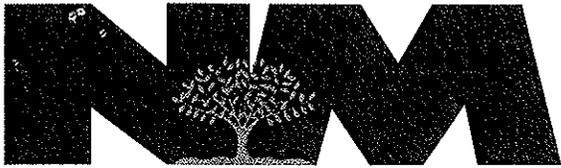
COMPLAINT:

(S) LaShanique Sharle Griffin (7/11/1992)
503 Wheeler Ave
North Mankato, MN 56003

Received a report of a disturbance at 503 Wheeler Ave. Upon my arrival I could hear a loud female arguing and yelling "Get the fuck out of my house." and "Just walk the fuck up outta here." I knocked very hard on the door and no one answered. The arguing and yelling continued. I then went to an open window that the yelling was coming from. I yelled for them to come to the window or open the door. I could hear some pushing and yelling inside. I pulled the screen off the window and pulled down a curtain, exposing the two females that were having the argument. I told them to come open the door. Simpson continued to yell at Griffin. I was able to walk through the house and to the back bedroom. I then attempted to straighten out the argument. It sounded like Griffin had broken a trampoline and Simpson was upset about it. Simpson was also mad that Griffin didn't respect her. Griffin just wanted to take her stuff and leave. I told her she was welcome to take her stuff and leave. After some time, she got up and left.

Simpson made the comment that if Griffin's property was more important than family, that she would "destroy that shit." I told her that if she damaged Griffin's property she could be charged and brought to jail. She told me she wanted to go to jail.

Officer Shawn Morgan North Mankato Police Department #711



CITY OF NORTH MANKATO

June 6, 2013

Blaine Conklin
19 South 1st Street
Unit B2005
Minneapolis, MN 55401

Re: 503 Wheeler Avenue - 2nd Rental Strike

Dear Rental Property Owner/Manager:

It has come to my attention that the following violation has taken place at a rental property for which you are responsible. See the attached sheet documenting the incident. Please be aware that the police did respond to the residence. This is the second time in twelve months that a police presence at this residence has been necessary.

The purpose of this letter is to inform you of the incident and to request that you, the property owner or manager, submit a written report of the action taken to prevent further violations on the premises. This report is to be submitted to the Chief of Police within five days from the date of this letter. If the licensee fails to comply with this requirement be advised the rental license may be denied, revoked, suspended, or not renewed.

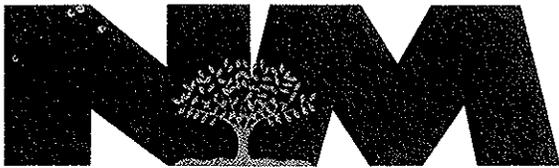
Please contact Heather Anderson at 507-625-4141 if you have any questions regarding this letter.

Sincerely,

Chris Boyer
Chief of Police
City of North Mankato

Enclosure





CITY OF NORTH MANKATO

June 6, 2013

Talitha Simpson
503 Wheeler Avenue
North Mankato, MN 56003

Dear Tenant:

Per City Ordinance the police department is required to inform the owner of a rental property of specific types of prohibited activity that occur at that rental property. A copy of the report must also be sent to the tenant. Enclosed is a copy of a report sent to the property owner or manager of the rental property in which you reside.

Please contact Heather Anderson at 507-625-4141 if you have any questions regarding this letter.

Sincerely,

Chris Boyer
Chief of Police
City of North Mankato

Enclosure



Heather Anderson

From: Heather Anderson [heathera@northmankato.com]
Sent: Wednesday, June 12, 2013 5:03 PM
To: 'blaine_conklin@hotmail.com'
Subject: 503 Wheeler Avenue - Property Complaints

Blaine,

Please be aware that we have received numerous neighborhood complaints that the trampoline is back in the front yard at 503 Wheeler Avenue. A site visit confirms it is back in the front yard. A trampoline is considered playground equipment and no playground equipment is allowed in any front yard area. The trampoline must either be moved to a side or back yard, stored indoors or removed from the property.

Additionally, it has been reported that dog waste generated from the dogs living at the property is being disposed of by your tenants down the storm sewer in the street. While we have had no visual confirmation by City Staff on this complaint, we want you to be aware of it.

I understand from your email to Chris Boyer that you are not having success in contacting your tenant at this property regarding the latest rental strike and you may need to begin eviction proceedings. Please be aware that as the property owner, you are responsible for any actions by your tenants that violate the City Rental Code. Any further rental strikes at this property in the next twelve (12) months will result in this matter being reviewed by the City Council to consider revocation of your rental license.

Please feel free to contact me should you have any questions.

Thank-you,

Heather Anderson
City of North Mankato
1001 Belgrade Avenue
North Mankato, MN 56003
Ph: 507-625-4141
Fax: 507-625-4151
<mailto:heathera@northmankato.com>

From: Chris Boyer [mailto:701@nmpd.org]
Sent: Wednesday, June 12, 2013 11:08 AM
To: Blaine Conklin
Cc: Heather Anderson
Subject: Re:

Thanks Blaine, I will pass this information to Heather at City Hall also..

Chief Boyer

From: Blaine Conklin [mailto:blaine_conklin@hotmail.com]
To: 701@nmpd.org [mailto:701@nmpd.org]
Sent: Wed, 12 Jun 2013 10:16:31 -0600
Subject:
Chief Boyer,

I'm writing in response to the police report from my property at 503 Wheeler on 6/1. I have been reaching out to Talitha and have not had a response yet. If need be, I will be starting the eviction process because of this being the second time that you needed to respond to the property. I will keep you updated on what is happening, but at least wanted to let you know I am working on it. Thank you for your patience.

Blaine Conklin

E-MAIL CONFIDENTIALITY NOTICE:

The contents of this e-mail message and any attachments are intended solely for the addressee(s) and may contain confidential and/or legally privileged information. If you are not the intended recipient of this message or if this message has been addressed to you in error, please immediately alert the sender by reply e-mail and then delete this message and any attachments. If you are not the intended recipient, you are notified that any use, dissemination, distribution, copying, or storage of this message or any attachment is strictly prohibited.

E-MAIL CONFIDENTIALITY NOTICE:

The contents of this e-mail message and any attachments are intended solely for the addressee(s) and may contain confidential and/or legally privileged information. If you are not the intended recipient of this message or if this message has been addressed to you

7/2/2013

Heather Anderson

From: Blaine Conklin [blaine_conklin@hotmail.com]
Sent: Tuesday, July 02, 2013 3:30 PM
To: Heather Anderson
Cc: 'Chris Boyer'; dknudson@northmankato.com
Subject: RE: 503 Wheeler Avenue - Status Update
Importance: High

I have been able to speak with Talitha about the incident that happened at my property. The argument that took place was between Talitha and her adult daughter LaShanique. LaShanique was just there to pick up some of her property that was stored at the house, but she does not live there. Talitha does have a 20 year old daughter that lives with her at the house named Shamika. She is handicapped and has been under Talitha's care so I did not name her on the tenant list that I submitted to the city. Shamika was just able to graduate from high school and is consulting with her social worker on transitioning to living on her own. This should be happening shortly and then it will be just Talitha and her other two minor children living at the home.

When I talked to her I stressed the importance of having no further incidents occur. I have decided to allow her to continue living there as she seems to be taking the proper steps in being a better tenant. She is also now on a month to month lease as we are past the initial 12 month term, so I could ask her to vacate the property at any time with a 30 day notice.

If you have any further questions please let me know.

Thank you,
Blaine Conklin

From: heathera@northmankato.com
To: blaine_conklin@hotmail.com
CC: 701@nmpd.org; dknudson@northmankato.com
Subject: 503 Wheeler Avenue - Status Update
Date: Thu, 27 Jun 2013 09:34:12 -0500

Blaine,

I'm contacting you to request a status update on your rental property at 503 Wheeler Avenue. Specifically, have you had any communication with your tenant and what steps will be taken to resolve the issues at the property.

Please provide us an update as soon as possible.

Thank-you,

Heather Anderson
City of North Mankato
1001 Belgrade Avenue
North Mankato, MN 56003
Ph: 507-625-4141
Fax: 507-625-4151
<mailto:heathera@northmankato.com>

7/2/2013

3rd Strike

7/4/13

ICR# 13-1459

**NORTH MANKATO POLICE DEPARTMENT
RENTAL PROPERTY DISTURBANCE REPORT**

OFFENSE

- LOUD PARTY
- DOMESTIC
- NOISE COMPLAINT
- NARCOTICS VIOLATION
- ANIMAL COMPLAINT
- LIQUOR LAW VIOLATION
- DISORDERLY CONDUCT
- OTHER:Disturbance / Altercation

CHECK ALL THAT APPLY: (DESCRIBE IN DETAIL IN YOUR ICR)

- LOUD/INTRUSIVE
- No Noise/Party Found
- Music (Volume/Bass)
- Party – Approx. # Persons Present?
- Voices (Talking/Yelling)
- Barking Dog
- Loud Noise – Noise heard from what distance?
- Other Noise?

EXPLANATION OF THE ABOVE CHECKED BOXES: Recieved a report of a fight / people yelling at the above location. Upon arrival observed / heard individuals arguing outside. This was the second call for noise at this residence on the same day. See Report for further details

Rental Strike Notification: In accordance with North Mankato Police Policy, the above is to serve as a rental strike notification relating to the above disturbance.

North Mankato Police Department
INITIAL COMPLAINT REPORT

Agency Case Number (OCA) 13-1459
CONT. AGENCY NCIC IDENT. (CAG) MNO520100
Date Reported (RPD) 07/04/13
Time Reported (TRP) 1858 hrs.

MOC 9801
MCS CLOSED
Place Committed (PLC) 503 Wheeler Ave.

TYPE: Domestic (Noise Complaint 9923)
OCC DATE: 07/04/13

OFFICER ID: 706
TIME RX: 1858 hrs.
OUT: CLEAR:

GENDER: RACE: CJRS:

LN: FN: MN:

ADDRESS: PHONE: TYPE:

INVOLVEMENT: C
CITY: ST: ZIP:

DL#: DOB: LOSS VALUE:

ADDITIONAL RESPONDERS: 705 / 715

COMPLAINT:

M: Chad Charles Anderson DOB: 05/29/80 Ph. Unk.
503 Wheeler Ave. North Mankato, MN 56003

M: Steven Chris Anderson DOB: 02/24/48 Ph. 507-382-0557
10865 W. Orange Grove Tucson, AZ 85743

M: Talitha Syntyche Simpson DOB: 02/08/75 Ph. No Phone
503 Wheeler Ave. North Mankato, MN 56003

On the above date and time I, Officer Gangelhoff, received a report of a fight/yelling at the above location. Upon arrival I found Chad sitting in a vehicle (passenger's seat) in the driveway of the residence. Chad was arguing with Talitha who was sitting approximately 30 feet away on the deck. I made contact with Chad and he told me that everything was fine. Chad was obviously intoxicated (i.e. bloodshot eyes / slurred speech). I then spoke to Chad's dad, Steven Chris Anderson, who informed me that Chad had gotten into an altercation with Talitha's brother, Craig Ethan Simpson. Steven stated he broke the fight up and was going to remove Chad from the property. Steve then drove Chad from the residence. I then spoke to Talitha, who informed me that Chad stays with her from time to time. Talitha stated that her brother, Craig, left the area after the altercation. I informed Talitha that I would be issuing her a rental strike based this incident. Talitha informed me that she talks loud because she can't hear very

North Mankato Police Department

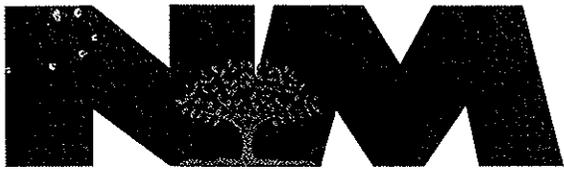
INITIAL COMPLAINT REPORT

well. Talitha stated she would call the NMPD on Monday to speak with Chief Boyer in regards to this incident.

****Rental Strike Issued****

****It is important to note that earlier in the day (1554 hrs.) there was a noise complaint at 503 Wheeler Ave. At that time tenants were advised to turn the music down by 707.**

Officer Brian Gangelhoff #706
North Mankato Police Department



CITY OF NORTH MANKATO

July 9, 2013

Blaine Conklin
19 South 1st Street
Unit B2005
Minneapolis, MN 55401

Re: 503 Wheeler Avenue – 3rd Rental Strike

Dear Rental Property Owner/Manager:

It has come to my attention that the following violation has taken place at a rental property for which you are responsible. See the attached sheet documenting the incident. Please be aware that the police did respond to the residence. This is the third time in twelve months that a police presence at this property has been necessary. The first incident was on November 28, 2012 and the second incident was on June 1, 2013.

The purpose of this letter is to inform you of the incident and to request that you, the property owner or manager, submit a written report of the action taken to prevent further violations on the premises. This report is to be submitted to the Chief of Police within five days from the date of this letter. If the licensee fails to comply with this requirement be advised the rental license may be denied, revoked, suspended, or not renewed.

Please contact Heather Anderson at 507-625-4141 if you have any questions regarding this letter.

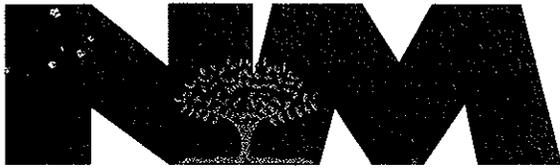
Sincerely,

A handwritten signature in black ink, appearing to read 'Chris Boyer', written over a large, loopy scribble.

Chris Boyer
Chief of Police
City of North Mankato

Enclosure





CITY OF NORTH MANKATO

July 9, 2013

Talitha Simpson
503 Wheeler Avenue
North Mankato, MN 56003

Dear Tenant:

Per City Ordinance the police department is required to inform the owner of a rental property of specific types of prohibited activity that occur at that rental property. A copy of the report must also be sent to the tenant. Enclosed is a copy of a report sent to the property owner or manager of the rental property in which you reside.

Please contact Heather Anderson at 507-625-4141 if you have any questions regarding this letter.

Sincerely,

Chris Boyer
Chief of Police
City of North Mankato

Enclosure



Heather Anderson

From: Blaine Conklin [blaine_conklin@hotmail.com]
Sent: Monday, July 15, 2013 10:03 AM
To: Heather Anderson
Cc: 'Chris Boyer'
Subject: RE: 503 Wheeler Avenue - 3rd Strike
Importance: High

I spoke to Talitha about this incident. It fits the previous pattern of someone not living at the property coming to visit and the trouble starting from there. We spoke about the people she is associating with and the fact that she is responsible for what takes place at the property whether it is her or someone that she has visiting her that causes a problem. She knows that she is in a tenuous situation for being able to stay at the house, but she very much wants to stay living there and she is motivated to get these issues corrected.

> From: heathera@northmankato.com
> To: blaine_conklin@hotmail.com
> CC: 701@nmpd.org
> Subject: 503 Wheeler Avenue - 3rd Strike
> Date: Tue, 9 Jul 2013 09:41:51 -0500
>
>
>
> Blaine,
>
> On July 4, 2013 another rental strike was issued to the property you own at
> 503 Wheeler Avenue; please see the attached letter and copy of the police
> report. This is the third rental strike in 12 months.
>
> You must provide a written report to Chief Boyer outlining the action you
> will be taking to prevent further violation on the premises. This report
> must be submitted by Monday July 15, 2013
>
> Please feel free to contact myself or Chris Boyer should you have any
> questions.
>
>
> Heather Anderson
> City of North Mankato
> 1001 Belgrade Avenue
> North Mankato, MN 56003
> Ph: 507-625-4141
> Fax: 507-625-4151
> mailto:heathera@northmankato.com
>
>
>
>
>

7/16/2013

CLAIM REPORT
 BILLS PAID AFTER THE COUNCIL MEETING OF AUGUST 19, 2013
 END OF MONTH

75744	Hy-Vee, Inc.	water & items for concessions-Police & Caswell	\$838.42
75745	Select Account	August participant fee-Unallocated	\$106.14
75746	Telrite Corporation	long distance phone bill-Mun Bldg	\$371.46
75747	Verizon Wireless	cell phone bill-Admin, Police & Inspections	\$156.31
75748	Carquest Auto Parts	equipment parts & supplies-All Depts.	\$1,064.70
75749	HickoryTech	telephone bill-All Depts.	\$382.94
75750	ICMA Retirement Trust - 457	employee payroll deductions	\$3,118.85
75751	ICMA Retirement Trust - Roth IRA	employee payroll deductions	\$660.00
75752	Law Enforcement Labor Service	employee payroll deductions	\$450.00
75753	NCPERS Minnesota-Unit 662400	employee payroll deductions	\$192.00
75754	Void	Void	\$0.00
75755	United Way	employee payroll deductions	\$205.97
75756	Navitor Midwest	business cards-Police & Street Depts.	\$344.42
75757	Sprint	PCS connection card data plan-Pol, 2013 Const & P/A	\$234.26
75758	Cincinnati Insurance Co.	insurance-Public Access	\$25.00
75759	National Insurance Services	life insurance for July, August & September	\$1,029.48
75760	National Insurance Services	long term disability insurance for July, August & Sept.	\$2,329.56
75761	National Insurance Services	voluntary life insurance for July, August & September	\$180.50
75762	University of Minnesota	registration fee for workshop-Park Dept.	\$60.00
	Total		<u><u>\$11,750.01</u></u>

CLAIMS CONTINUED

General	\$9,396.36
Library	\$381.53
Bookmobile	\$43.33
Community Development	\$188.07
2013 Construction	\$118.39
Water	\$724.28
Sewer	\$360.47
Sanitary Collection	\$133.03
Storm Water	\$61.63
Public Access	<u>\$342.92</u>
Total	<u><u>\$11,750.01</u></u>

PORT AUTHORITY INVOICES
BILLS PAID AFTER THE COUNCIL MEETING OF AUGUST 19, 2013
END OF MONTH

None to report

List of Port Authority Bills in the Amount of \$0.00

Council Meeting of Septembr 3, 2013

Mayor Mark Dehen

Council Member Kim Spears

Council Member Diane Norland

Council Member William Steiner

Council Member Robert Freyberg

List of Bills in the Amount of \$11,750.01

Council Meeting of September 3, 2013

Mayor Mark Dehen

Council Member Kim Spears

Council Member Diane Norland

Council Member William Steiner

Council Member Robert Freyberg

CLAIM REPORT
FOR REGULAR COUNCIL MEETING OF SEPTEMBER 3, 2013

Alpha Wireless	equipment parts-Fire Dept.	\$21.37
Amateur Softball Association	Boys & Girls National tournament fees-Comm Dev	\$2,000.00
Ameripride Service	gloves, mats, uniform & towel service-All Depts.	\$617.90
AmLawn, Inc.	mowing-Park Dept.	\$279.18
Apt Machining & Fabricating, Inc.	equipment parts-Street Dept.	\$171.55
Audio Editions	supplies & audio books-Library	\$555.90
Baker & Taylor	books-Library & Bookmobile	\$242.76
Batteries Plus Bulbs	supplies-Street Dept.	\$30.59
Bauer's Upholstery	equipment parts-Park Dept.	\$138.09
Benco Electric Cooperative	electric bill-All Depts.	\$31,856.45
Bolton & Menk, Inc.	engineering fees-Fin, Str, Comm Dev, 13 Const & Wtr	\$12,689.50
Border States Electric Supply	equipment parts-Street Lighting	\$300.97
C & S Supply Co., Inc.	equipment parts & supplies-All Depts.	\$477.94
CenterPoint Energy	gas bill-All Depts.	\$1,058.03
City of Mankato	wastewater fee for September-Sewer Dept.	\$65,000.00
Computer Technology Solutions, Inc.	equipment parts & toner-Fin, Water & Public Access	\$478.05
Crysteel Truck Equipment	equipment parts-Street Dept.	\$1,133.34
Cushman Motor Co., Inc.	equipment parts-Caswell	\$2,221.45
Dairy Queen West	items for concessions-Caswell	\$59.50
Dalco	supplies-Mun Bldg, Police, Fire & Library	\$753.09
DeGrood's Home Store	refrigerator-Mun Bldg	\$483.13
DEMCO, Inc.	supplies-Library	\$220.13
Emergency Automotive Technologies	equipment parts-Fire Dept.	\$227.64
Employee Data Forms of MO	printed forms-Admin	\$36.75
Fastenal Company	equipment parts-Sewer Dept.	\$3.85
Ferguson Enterprises	plumbing supplies-Swim Fac, Park, Sales Tax & Water	\$198.74
G & H Ready Mix	concrete-Water & Storm Water	\$1,755.32
Gale/Cengage Learning	books-Library & Bookmobile	\$389.42
Government Finance Officers Assn.	membership dues-Finance	\$190.00
Great American Business Products	supplies-Park Dept.	\$582.40
Hansen Sanitation	refuse pickup-Sanitation	\$48,711.05
Hart's Auto Supply	equipment parts-Street Dept.	\$90.00
Hendrickson, Christopher	running shoes-Police Physical Fitness	\$70.38
Heyn Brothers	curbing at Benson Park playground-Parkland	\$1,080.00
Howe, Sandra	gym membership-Police Physical Fitness	\$165.00

CLAIMS CONTINUED

Hutch Auto & Truck Parts I & S Group, Inc.	equipment parts-Mun Bldg	\$74.81
Ingram Library Services	permit applications, const admin & staking-Sales Tax	\$2,760.00
Jackson-Hirsh, Inc.	books-Library	\$1,629.70
Javens Mechanical Contracting Co.	supplies-Mun Bldg	\$63.46
	annual test & maint backflow preventer-Police	\$95.00
LJP Enterprises, Inc.	trailer rent-Sanitation	\$600.00
Lawson Products, Inc.	supplies-Shop	\$188.98
Mankato Mudjacking	raise sidewalk that settled due to reconstruction-Str	\$410.00
Mankato Tent & Awning Co.	repair banners-Contingency	\$35.00
Matheson Tri-Gas, Inc.	welding supplies-Shop	\$287.46
McCrometer, Inc.	equipment parts-Water Dept.	\$283.23
Menards-Mankato	concrete-Street Dept.	\$32.06
Midstates Equipment & Supply	asphalt remover-Street Dept.	\$2,182.92
MII Life, inc.-VEBA	4th quarter contributions for VEBA account	\$28,500.00
Minnesota Department of Health	service connection fee-Water Dept.	\$7,755.00
Minnesota Elevator, Inc.	dumb waiter repair-Library	\$323.00
Minnesota Rural Water Association	registration fee for training-Water Dept.	\$125.00
Minnesota State Fire Chiefs Assn.	registration fees for MSFCA conference-Fire Dept.	\$440.00
Minnesota Valley Testing Lab	water & sample testing-Water & Sewer Depts.	\$214.75
MN Dept Employment & Economic Dev	Thin Film grant repayment-Port Auth State Rev Loan	\$2,414.02
MRCI	wages for MRCI employees-Sanitation	\$13,505.80
Needham, Brenda	FF1 Certification test prep-Fire Dept.	\$160.00
North Star Stone & Masonry	concrete-Park Dept.	\$52.10
OverDrive, Inc.	downloadable audio/ebooks-Library	\$886.60
Overhead Door Co. of Mankato, Inc.	repair overhead door-Fire Dept.	\$180.50
Pet Expo Distributor	aquatic supplies-Library	\$19.99
Petty Cash, Clara Thorne	petty cash items-All Depts.	\$30.91
Prairie Land Surveying	storm sewer easement 1033 Belgrade-Storm Water	\$450.00
Ramy Turf Products	grass seed & fertilizer-Park, Parkland & Sales Tax	\$2,503.32
Red Feather Paper Co.	supplies-Caswell & Sanitation	\$211.93
River Bend Business Products	copier maintenance-Mun Bldg	\$1,124.23
Sherwin-Williams Co.	paint-Mun Bldg	\$44.72
Sign Pro	supplies-Mun Bldg, Street & Park Depts.	\$33.82
South Central College	training-Police Dept.	\$1,000.00
Southern Minnesota Construction	rock, asphalt, emulsion oil-Street, Parkland & Water	\$6,029.50
Staples Advantage	supplies & copy paper-All Depts.	\$2,263.84
Stone & Steel Design	paver-Contingency	\$66.84
Streicher's	tactical vests for TRT officers-Police Dept.	\$8,737.20
Tyler Technologies, Inc.	software maintenance-Water, Sewer & Sanitation	\$11,058.93
US Engravers, Inc.	nameplates-Street & Park Depts.	\$33.82

CLAIMS CONTINUED

US Foods	items for concessions-Caswell	\$180.93
Viking Electric Supply	electrical supplies-Sales Tax & Water	\$192.74
WW Blacktopping	asphalt trail in Benson Park-Parkland	\$1,375.00
WW Blacktopping	Estimate #1 Caswell North Soccer Fields	\$17,090.50
WW Blacktopping	Estimate #1 2013 Wearing Course Improvements	\$143,793.52
Xcel Energy	electric bill-All Depts.	\$27,662.56
Zarnoth Brush Works, Inc.	sweeper brooms-Street Dept.	\$940.61
		<hr/>
Total		<u>\$462,333.77</u>

CLAIMS CONTINUED

General	\$85,278.39
Library	\$6,581.27
Bookmobile	\$757.76
Community Development	\$3,566.55
Parkland	\$4,616.44
Contingency	\$101.84
Port Authority State Revolving Loan Fund	\$2,414.02
Local Option Sales Tax Construction	\$22,018.06
2013 Construction	\$150,813.52
Water	\$37,283.68
Sewer	\$73,638.17
Sanitary Collection	\$66,372.23
Storm Water	\$4,253.38
Public Access	<u>\$4,638.46</u>
Total	<u><u>\$462,333.77</u></u>

PORT AUTHORITY INVOICES
FOR REGULAR COUNCIL MEETING OF SEPTEMBER 3, 2013

MN Dept Employment & Economic Dev Thin Film grant repayment-Port Auth State Rev Loan	<u>\$2,414.02</u>
Total	<u><u>\$2,414.02</u></u>

List of Port Authority Bills in the Amount of \$2,414.02

Council Meeting of September 3, 2013

Mayor Mark Dehen

Council Member Kim Spears

Council Member Diane Norland

Council Member William Steiner

Council Member Robert Freyberg

List of Bills in the Amount of \$462,333.77

Council Meeting of September 3, 2013

Mayor Mark Dehen

Council Member Kim Spears

Council Member Diane Norland

Council Member William Steiner

Council Member Robert Freyberg

RESOLUTION NO.

RESOLUTION APPROVING DONATIONS/CONTRIBUTIONS

WHEREAS, the Minn. Stat. 465.03 and 465.04 allows the governing body of any city, county, school district or town to accept gifts for the benefit of its citizens in accordance with terms prescribed by the donor;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA, that the following donations/contributions are approved as follows:

Donor of Gift	Restriction on Gift	Amount
Miscellaneous – Art Splash	Library	\$63.00
Miscellaneous – Art Splash	Library	\$768.50

Adopted by the City Council this 3rd day of September 2013.

Mayor

City Clerk

APPLICATION FOR LICENSE
CITY OF NORTH MANKATO

TYPE OF LICENSE:

Application Fee:

BUSINESS NAME:	CROIX OIL COMPANY CROIX CONVENIENCE - WEBSTER #82
BUSINESS ADDRESS:	201 WEBSTER AVE NORTH MANKATO, MN 56003
MINNESOTA TAX I.D. #	FEDERAL TAX I.D. #

Applicant's Name: MARK JOSEPH OGREN
(Include full middle name)

Applicant's Social Security #: _____ Citizenship Status: _____

Applicant's Present Address: 1221 Third Ave So.
Stillwater, MN 55082

Length of time at this address: 10+ years

Applicant's Occupation: President

Applicant's Place of Employment: CROIX OIL COMPANY

Length of time so engaged: 25+ years

Applicant's addresses and occupations for the three (3) years prior to the date of application (if different from above):

Has applicant ever been convicted of a felony, gross misdemeanor, or misdemeanor, including violation of a municipal ordinance but excluding traffic violations, and if so, the date and place of conviction and the nature of the offense:

NO

List four (4) character references if applicant has not resided in the City for two (2) years prior to the date of application:

Kyle Mrozek

References continued ---

Greg Weis

Dr. Dave Kelley

Bob Kitchen master

I, the applicant, understand that it is unlawful to intentionally make a false statement or omission upon this application form. Further, I understand that any false statement in such application, or any willful omission to state any information called for on such application form, shall, upon discovery of such falsehood, work an automatic refusal of license, or if already issued, shall render any license or permit issued pursuant thereto, void, and of no effect to protect me from prosecution for violation of Chapter 6, or any part hereto, of the City Code for the City of North Mankato.

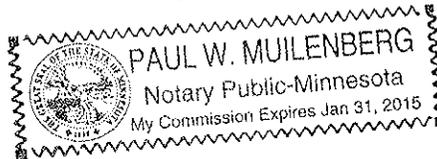
Mango
 Signature of Applicant

 Date of Birth *8/15/13*

 Date of Signing

Subscribed and sworn to before me this
15th day of *August*, 2013.

Paul W. Muilenberg
 City Clerk Notary Public



OFFICE USE If needed:

POLICE approved *P* not approved ___ Date: *Chef Boyer #701*
09-20-13

COUNCIL ACTION approved ___ not approved ___ Date: _____

Application Fee paid on: _____

License Issued on: _____

**CITY OF NORTH MANKATO
APPLICATION FOR RENEWAL OF LICENSES**

Following are the license fees for City licenses for the period January 1, 2013, through December 31, 2013. Please complete this form, sign it, and return it by December 1, 2012, along with the appropriate license fee payable to the City of North Mankato.

RETURN TO: City Clerk/City of North Mankato
P.O. Box 2055
North Mankato, MN 56002-2055

On-Sale Intoxicating Liquor	\$3,750	\$ _____
Sunday On-Sale Liquor	220	\$ _____
Off-Sale Intoxicating Liquor	220	\$ _____
On-Sale Intoxicating Liquor (Club)	330	\$ _____
Wine	275	\$ _____
Cabaret (only with on-sale)	375	\$ _____
Business Set-Up	330	\$ _____
3.2 Beer Off-Sale	35	\$ <u>35.00</u>
3.2 Beer On-Sale	275	\$ _____
Brewer Off-Sale Growler	200	\$ _____
Tap Room On-Sale	300	\$ _____
Cigarette	150	\$ <u>150.00</u>
Soft Drink	25	\$ <u>25.00</u>
Mechanical Amusement Device	20/site & 20/each machine	\$ _____
Taxicab	20 /vehicle	\$ _____
Mobile Home	60	\$ _____
Refuse Hauler	35 /first truck	\$ _____
	25 /each addl. truck	\$ _____
	TOTAL:	\$ <u>210.00</u>

I, the undersigned, hereby stipulate that I will maintain the required worker's compensation insurance and if necessary, liquor liability insurance, throughout the licensing period.

Mankato
Applicant's Signature

CROIX OIL COMPANY
Business Name

Social Security Number
1221 Third Ave. So. Stillwater, MN 55002
Applicant's Address

Minnesota Tax I.D. #

8/15/13
Date

Federal Tax I.D. #
1749 S. Greeley St., P.O. Box 15

MAIN OFFICE Business Address Stillwater, MN 55002

LOCATION: 201 WEBSTER AVE
NORTH MANKATO, MN 56003



Minnesota Department of Public Safety
 Alcohol and Gambling Enforcement Division (AGED)
 444 Cedar Street, Suite 222, St. Paul, MN 55101-5133
 Telephone 651-201-7507 Fax 651-297-5259 TTY 651-282-6555

Certification of an On Sale Liquor License, 3.2% Liquor license, or Sunday Liquor License

Cities and Counties: You are required by law to complete and sign this form to certify the issuance of the following liquor license types:
 1) City issued on sale intoxicating and Sunday liquor licenses
 2) City and County issued 3.2% on and off sale malt liquor licenses

Name of City or County Issuing Liquor License NICOLLET License Period From: _____ To: _____

Circle One: New License License Transfer _____ Suspension Revocation Cancel _____
 (former licensee name) (Give dates)

License type: (circle all that apply) On Sale Intoxicating Sunday Liquor 3.2% On sale 3.2% Off Sale

Fee(s): On Sale License fee: \$ _____ Sunday License fee: \$ _____ 3.2% On Sale fee: \$ _____ 3.2% Off Sale fee: \$ _____

Licensee Name: CROWN OIL COMPANY DOB _____ Social Security # _____
 (corporation, partnership, LLC, or individual)

Business Trade Name CROWN OIL COMPANY Business Address MAIN P.O. BOX 15 STILLWATER MN 55082
CROWN CONVENIENCE - WEBSTER #67 201 WEBSTER AVE CITY NORTH MARSH

Zip Code MN County NICOLLET Business Phone 651-439-5755 Home Phone 651-336-5843
CELL

Home Address 1221 THIRD AVE SO. City STILLWATER Licensee's MN Tax ID # _____

Licensee's Federal Tax ID # _____ (To apply call IRS 800-829-4933)

If above named licensee is a corporation, partnership, or LLC, complete the following for each partner/officer:

MARK JOSEPH OGREN 1221 Third Ave So.
Stillwater, MN 55082

Partner/Officer Name (First Middle Last)	DOB	Social Security #	Home Address
<u>MARK JOSEPH OGREN</u>			<u>1221 Third Ave So.</u> <u>Stillwater, MN 55082</u>
(Partner/Officer Name (First Middle Last))	DOB	Social Security #	Home Address
Partner/Officer Name (First Middle Last)	DOB	Social Security #	Home Address

Intoxicating liquor licensees must attach a certificate of Liquor Liability Insurance to this form. The insurance certificate must contain all of the following:

- 1) Show the exact licensee name (corporation, partnership, LLC, etc) and business address as shown on the license.
- 2) Cover completely the license period set by the local city or county licensing authority as shown on the license.

Circle One: (Yes No) During the past year has a summons been issued to the licensee under the Civil Liquor Liability Law?

Workers Compensation Insurance is also required by all licensees: Please complete the following:

Workers Compensation Insurance Company Name: EMC Policy # 8H5-77-93-14

I Certify that this license(s) has been approved in an official meeting by the governing body of the city or county.

City Clerk or County Auditor Signature _____ Date _____
 (title)

On Sale Intoxicating liquor licensees must also purchase a \$20 Retailer Buyers Card. To obtain the application for the Buyers Card, please call 651-201-7504, or visit our website at www.dps.state.mn.us.

Certificate of Compliance Minnesota Workers' Compensation Law

PRINT IN INK or TYPE.

Minnesota Statutes, Section 176.182 requires every state and local licensing agency to withhold the issuance or renewal of a license or permit to operate a business or engage in any activity in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of Minnesota Statutes, Chapter 176. The required workers' compensation insurance information is the name of the insurance company, the policy number, and the dates of coverage, or the permit to self-insure. If the required information is not provided or is falsely stated, it shall result in a \$2,000 penalty assessed against the applicant by the commissioner of the Department of Labor and Industry.

A valid workers' compensation policy must be kept in effect at all times by employers as required by law.

BUSINESS NAME (Individual name only if no company name used) CROIX OIL COMPANY		LICENSE OR PERMIT NO (if applicable)	
DBA (doing business as name) (if applicable) CROIX CONVENIENCE - WEBSTER #69			
BUSINESS ADDRESS (PO Box must include street address) LOCATION 201 WEBSTER AVE MAIN P.O. BOX 15		CITY NORTH MARSH STILLWATER	STATE MN MN
		ZIP CODE 56003 55082	

YOUR LICENSE OR CERTIFICATE WILL NOT BE ISSUED WITHOUT THE FOLLOWING INFORMATION. You must complete number 1, 2 or 3 below.

NUMBER 1 COMPLETE THIS PORTION IF YOU ARE INSURED:

INSURANCE COMPANY NAME (not the insurance agent) EMC		
WORKERS' COMPENSATION INSURANCE POLICY NO. 845-77-93-14	EFFECTIVE DATE 3/14/13	EXPIRATION DATE 3/14/14

NUMBER 2 COMPLETE THIS PORTION IF SELF-INSURED:

I have attached a copy of the permit to self-insure.

NUMBER 3 COMPLETE THIS PORTION IF EXEMPT:

I am not required to have workers' compensation insurance coverage because:

- I have no employees.
- I have employees but they are not covered by the workers' compensation law. (See Minn. Stat. § 176.041 for a list of excluded employees.) Explain why your employees are not covered: _____
- Other: _____

ALL APPLICANTS COMPLETE THIS PORTION:

I certify that the information provided on this form is accurate and complete. If I am signing on behalf of a business, I certify that I am authorized to sign on behalf of the business.

APPLICANT SIGNATURE (mandatory) 	TITLE President	DATE 8/15/13
--	---------------------------	------------------------

NOTE: If your Workers' Compensation policy is cancelled within the license or permit period, you must notify the agency who issued the license or permit by resubmitting this form. This material can be made available in different forms, such as large print, Braille or on a tape. To request, call 1-800-342-5354 (DIAL-DLI) Voice c TDD (651) 297-4198.

STATE OF MINNESOTA)
)
COUNTY OF NICOLLET)

I, the undersigned licensee, do hereby swear under oath that I am exempt from the state law requirement that I provide a certificate of insurance showing liquor liability coverage because of the following: (check those that apply)

- I am an on-sale 3.2 licensee with sales of less than \$25,000 of 3.2 beer for the preceding year;
- I am an off-sale 3.2 licensee with sales of less than \$50,000 of 3.2 beer for the preceding year; and
- I am a holder of an on-sale wine license with sales of less than \$25,000 of wine for the preceding year.

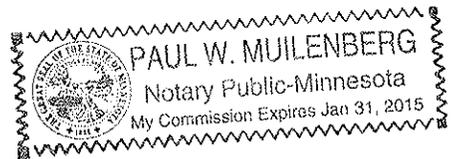
Note: we will be carrying insurance in any case.

By Mark J. Ogren
Name Mark J. Ogren
Its President
CROIX OIL COMPANY
Business Name

Business Address

The foregoing instrument was acknowledged before me this 15th day of August, 20 13.

by [Signature]
Notary Public



Received by City Clerk:

Date

City Clerk



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
08/16/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER McGarry Kearney Agcy Inc 450 N MAIN ST STILLWATER, MN 55082	CONTACT NAME:	
	PHONE (A/C, No, Ext):	FAX (A/C, No):
	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: EMPLOYERS MUTUAL INSURANCE CO	30716
INSURED CROIX OIL COMPANY PO BOX 15 1749 GREELEY ST S STILLWATER, MN 55082	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVO	POLICY NUMBER	POLICY EFF (M/M/DD/YYYY)	POLICY EXP (M/M/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Liquor Liability GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			8D5779313	03/14/2013	03/14/2014	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N N/A				WC STATUTORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

201 Webster Avenue
North Mankato, MN 56003

CERTIFICATE HOLDER**CANCELLATION**

City of North Mankato 1001 Belgrade Ave Mankato, MN 56003	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

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CITY OF NORTH MANKATO

REQUEST FOR COUNCIL ACTION



Agenda Item #11A	Department: Finance Director	Council Meeting Date: 09/03/13
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TITLE OF ISSUE: Resolution Approving a Proposed Tax Levy

BACKGROUND AND SUPPLEMENTAL INFORMATION: Minnesota Statute requires that on or before September 15th, the City shall certify to the County Auditor, the proposed property tax levy for taxes payable in the following year. City staff has met with City Council and held a Budget Workshop on August 19, 2013 where Council has had opportunity to review the 2014 Proposed Budget. A subsequent meeting will be held on December 2, 2013 and December 16, 2013, if necessary, at which the budget and levy will be discussed and at which public comment will be permitted. The 2014 Budget and Tax Levy will be adopted by City Council on December 16.

The City proposes \$5,383,784 be certified to Nicollet County to be levied for the 2014 tax rolls. Council will have the opportunity to modify the final tax levy prior to adoption on December 16th; it can be reduced, but it can not be increased.

If additional space is required, attach a separate sheet

REQUESTED COUNCIL ACTION: Adopt Resolution Approving the Proposed Tax Levy

For Clerk's Use:

Motion By: _____
 Second By: _____

Vote Record:

	Aye	Nay	
	_____	_____	Norland
	_____	_____	Spears
	_____	_____	Freyberg
	_____	_____	Steiner
	_____	_____	Dehen

SUPPORTING DOCUMENTS ATTACHED

Resolution	Ordinance	Contract	Minutes	Map
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (specify) _____				

<input type="checkbox"/> Workshop
<input checked="" type="checkbox"/> Regular Meeting
<input type="checkbox"/> Special Meeting

<input type="checkbox"/> Refer to: _____
<input type="checkbox"/> Table until: _____
<input type="checkbox"/> Other: _____

RESOLUTION NO.

RESOLUTION APPROVING A PROPOSED TAX LEVY

WHEREAS, Minnesota Statute 275.065 requires that on or before September 15th, each taxing authority shall certify to the County Auditor, the proposed property tax levy for taxes payable in the following year; and

WHEREAS, an estimate of the required property taxes for collection in the City of North Mankato for the tax year payable 2014 has been made;

WHEREAS, the City Council will hold subsequent meetings at which the budget and levy will be discussed and at which public comment will be permitted. The meetings will be held in the Council Chambers of the Municipal building, 1001 Belgrade Avenue, North Mankato, Minnesota as follows:

December 2, 2013	7 p.m.	Public Hearing
December 16, 2013	7 p.m.	Public Hearing (if necessary)
December 16, 2013	7 p.m.	Adopt 2014 Budget and Tax Levy

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA, that a proposed tax levy in the amount of \$5,383,784 be certified to the Nicollet County Auditor on or before September 15, 2013. This levy shall be subject to modification by the City Council;

BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH MANKATO, MINNESOTA, THAT City taxpayers may call 507-625-4141 or address comments to Clara Thorne, Finance Director, City of North Mankato, 1001 Belgrade Avenue, North Mankato, Minnesota 56003 if they have questions related to the auditor's property tax notice.

Adopted by the City Council this 3rd day of September 2013.

Mayor

ATTEST:

City Clerk

CITY OF NORTH MANKATO

REQUEST FOR COUNCIL ACTION



Agenda Item # 11B	Department: City Planner	Council Meeting Date: 09/03/13
-------------------	--------------------------	--------------------------------

TITLE OF ISSUE: Set Public Hearing for 7 p.m. on Monday, September 16, 2013 to Consider Vacation of LorRay Drive Street Right-of-Way

BACKGROUND AND SUPPLEMENTAL INFORMATION:

Arnold's Implement is proposing to make improvements to their parking areas in an effort to address stormwater drainage. Based on the extent of their proposed improvements, it is required that they construct an on-site stormwater holding pond to retain water. As Arnold's wishes to maintain their existing parking areas, they are requesting that the City vacate a portion of the LorRay Drive right-of-way and transfer ownership to them as a location for a stormwater pond. Attached is a map showing the location of the right-of-way and a letter from the City Engineer which provides a recommendation on the request. The City has previously vacated LorRay Drive street right-of-way and transferred ownership to Walgreens and the Erbert and Gerbert's building located at the intersection of LorRay Drive and Commerce Drive for parking lot expansions. As part of the process, it is necessary to set and hold a public hearing. It is recognized by staff that the city council may wish to be compensated for the ROW. While exchanges have been done in the past, this does not set precedent. As a result, alternatives to this proposal include requesting compensation for the ROW in question or simply requesting the property owner to make the improvements on their property. A requirement to include a fountain and landscaping around the pond could also be considered.

If additional space is required, attach a separate sheet

REQUESTED COUNCIL ACTION: Set Public Hearing

For Clerk's Use:

Motion By: _____
 Second By: _____

Vote Record:

	Aye	Nay	
_____			Norland
_____			Spears
_____			Freyberg
_____			Steiner
_____			Dehen

SUPPORTING DOCUMENTS ATTACHED

Resolution	Ordinance	Contract	Minutes	Map
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Other (specify) Notice of Hearing, Letter from City Engineer

Workshop
 Regular Meeting
 Special Meeting

Refer to: _____
 Table until: _____
 Other: _____

**NOTICE OF HEARING ON
STREET RIGHT-OF-WAY VACATION
ADJACENT TO LORRAY DRIVE**

NOTICE IS HEREBY GIVEN that the City Council of the City of North Mankato, Minnesota, will hold a public hearing on Monday, September 16, 2013, commencing at 7:00 p.m. in the Council Chambers of the Municipal Building, 1001 Belgrade Avenue, to consider the vacation of the following described street right-of-way adjacent to LorRay Drive:

Part of the Southwest Quarter of the Southeast Quarter of Section 2, Township 108 North, Range 27 West, City of North Mankato, Nicollet County, Minnesota described as: Commencing at the Northwest corner of Lot 1, Block 1, Arnold Subdivision No. 2, according to the recorded plat thereof; thence southeasterly along the westerly line of said Lot 1, a distance of 83.46 feet to the point of beginning; thence southwesterly, deflecting to the right 73 degrees 42 minutes 02 seconds, a distance of 55.19 feet; thence southeasterly deflecting to the left 66 degrees 33 minutes 01 seconds, a distance of 253.79 feet; thence easterly deflecting to the left 68 degrees 26 minutes 37 seconds, a distance of 40.59 feet to said westerly line of Lot 1; thence northwesterly along the westerly lines of said Lot 1 to the point of beginning.

Contains 0.33 acres of land.

Dated this 3rd day of September 2013.

Nancy Gehrke, CMC
City Clerk
City of North Mankato, Minnesota



BOLTON & MENK, INC.

Consulting Engineers & Surveyors

1960 Premier Drive • Mankato, MN 56001-5900

Phone (507) 625-4171 • Fax (507) 625-4177

www.bolton-menk.com

MEMORANDUM

Date: August 29, 2013
To: Mike Fischer, City Planner
From: Brian Malm, P.E.
Cc: Dan Sarff, P.E.
Subject: Arnold's Implement Stormwater Pond and Proposed Right-of-Way Transfer

Recently, Arnolds Implement proposed improvements to the display area of their lot located in the SE corner of the intersection of Lor Ray Drive and Howard Drive. The proposed improvements would consist of installing recycled bituminous over what is currently grass area used for the display of various machines and implements. In accordance with the City's stormwater ordinance and MPCA requirements, this expansion requires the installation of a permanent stormwater management system. In this case the proposed stormwater management system will consist of a wet sedimentation pond.

During the planning for the proposed pond, representatives from Arnold's approached the City and requested permission to construct a portion of the pond within the Lor Ray Drive right-of-way to minimize the loss of display area within their lot. Exhibit 1 shows the location of the proposed pond and the area of right-of-way that a portion of the pond would occupy.

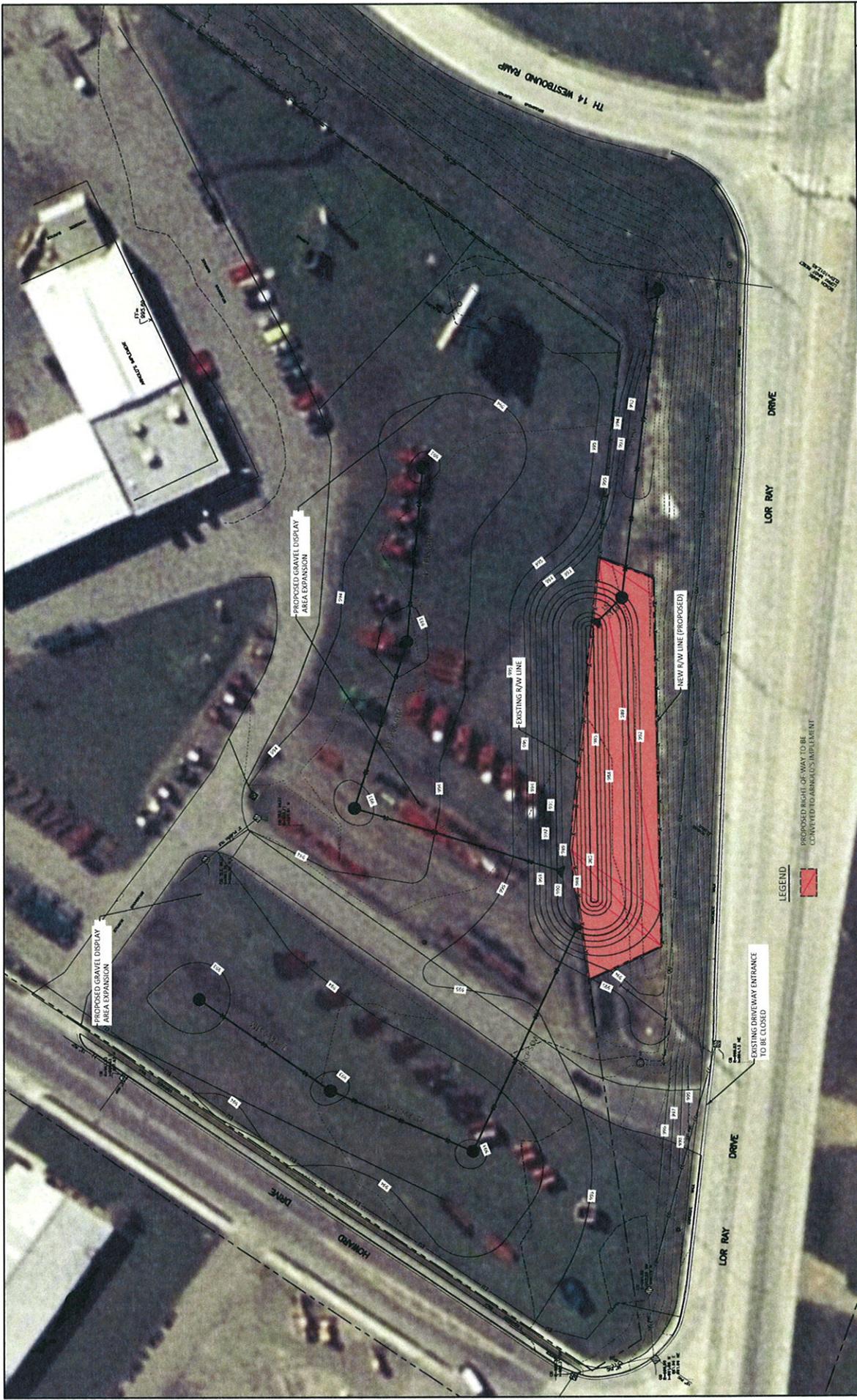
There is precedent for the City transferring areas of un-needed or excess right-of-way to the adjacent property owner for the purpose of development or expansion. Within the past 5-7 years, the City has transferred portions of excess, un-needed right-of-way along Lor Ray Drive to adjacent properties south of TH 14. These transfers facilitated additional parking needed for the Walgreens store and the strip mall that replaced the Budget Mart, both located at the intersection of Commerce Drive and Lor Ray Drive. Given this precedent, staff requested that we investigate whether placement of a portion of the proposed pond within the right-of-way, and transfer of a portion of the right-of-way to Arnold's was feasible.

The current right-of-way for Lor Ray drive in this area is wider than needed for the current roadway geometry. Current traffic volume on this section of Lor Ray Drive is 11,800 vehicles per day (2011 count). The current roadway geometry (four lane divided roadway with turn lanes and sidewalk on both sides) is adequate for a traffic volume up to at least 25,000 vehicles per day. Based on typical traffic volume increase projections, we would not expect the need for roadway widening in the foreseeable future (>20 years). However, there may be a need at some point for intersection improvements at the Howard Drive and/or TH 14 ramp intersections. The position of the pond centered between these intersections would allow for intersection improvements potentially requiring widening of the roadway at either of these intersections (e.g. additional turn lanes, signal or roundabout construction).

During discussions with Arnold's, City staff suggested that in exchange for the proposed right-of-way transfer that Arnold's agree to close the existing driveway access off Lor Ray Drive. Arnold's has agreed to this closure. This is very beneficial as minimizing access points on arterial roadways had been proven to increase safety and improve traffic flow.



Given the fact that the current right-of-way is wider than needed, that the proposed transfer would still allow space for future intersection improvements, and the added benefit of the access closure, we believe that the right-of-way transfer is feasible.



<p>© Bolton & Menk, Inc. 2011. All Rights Reserved. 12501 W. 14TH AVENUE, SUITE 200, WESTWOOD, CO 80085-1200</p>		<p>BOLTON & MENK, INC. Consulting Engineers & Surveyors 800 W. 14TH AVENUE, SUITE 200, WESTWOOD, CO 80085-1200 303.440.1111</p>		<p>ARNOLD'S IMPLEMENT SITE IMPROVEMENTS RIGHT-OF-WAY EXHIBIT</p>	
Sheet No.	1	Scale	AS SHOWN	Date	11/11/11

HOWARD DRIVE

NORTH LINE SW 1/4-SE 1/4 SECTION 2

BLOCK 1

C. & H. TWO

BLOCK 1 INDUSTRIAL PLAT

NW CORNER LOT 1

POINT OF BEGINNING

83.46

55.19

90.96

73°42'2"

66°33'1"

0.33 ACRES

253.79

40.59

68°26'37"

TRUNK HIGHWAY NO. 14 TURNBACK 1287, DATED 6-23-2004
MNDOT RELEASE NO.

LOR RAY DRIVE

201.87

WESTERLY LINE LOT 1

SUBDIVISION

INDUSTRIAL



LEGEND

- 3/4" IRON PIPE MONUMENT SET MARKED BY REG. NO. 26748
- MONUMENT FOUND

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CERTIFICATE OF SURVEY
NORTH MANKATO, MINNESOTA

PART OF THE SW 1/4 - SE 1/4,
SECTION 2-108-27

BOLTON & MENK, INC.

Consulting Engineers & Surveyors

1960 PREMIER DRIVE, MANKATO, MN 56001 (507) 625-4171

MANKATO, FAIRMONT, SLEEPY EYE, BURNSVILLE, WILLMAR, CHASKA, RAMSEY,
MAPLEWOOD, BAXTER, ROCHESTER, MINNESOTA & AMES, SPENCER, IOWA

FOR: ARNOLD'S IMPLEMENT
CITY OF NORTH MANKATO

SHEET 1 OF 2

H:\PRIV\M19106948\C3D\1069488D1.DWG 08-28-2013 9:12a.m.

2.0 S2-T108-R27-43

Part of the Southwest Quarter of the Southeast Quarter of Section 2, Township 108 North, Range 27 West, City of North Mankato, Nicollet County, Minnesota described as: Commencing at the Northwest corner of Lot 1, Block 1, Arnold Subdivision No. 2, according to the recorded plat thereof; thence southeasterly along the westerly line of said Lot 1, a distance of 83.46 feet to the point of beginning; thence southwesterly, deflecting to the right 73 degrees 42 minutes 02 seconds, a distance of 55.19 feet; thence southeasterly deflecting to the left 66 degrees 33 minutes 01 seconds, a distance of 253.79 feet; thence easterly deflecting to the left 68 degrees 26 minutes 37 seconds, a distance of 40.59 feet to said westerly line of Lot 1; thence northwesterly along the westerly lines of said Lot 1 to the point of beginning. Contains 0.33 acres of land.

SURVEYOR'S CERTIFICATION

I hereby certify that this survey was prepared by me or under my direct supervision and that I am a duly licensed land surveyor under the laws of the State of Minnesota.

Janele Fowlds

 Janele Fowlds
 License Number 26748

8-28-2013

Date

SHEET 2 OF 2

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CERTIFICATE OF SURVEY
NORTH MANKATO, MINNESOTA

PART OF THE SW 1/4 - SE 1/4,
 SECTION 2-108-27



BOLTON & MENK, INC.
Consulting Engineers & Surveyors
 1960 PREMIER DRIVE, MANKATO, MN 56001 (507) 625-4171
 MANKATO, FAIRMONT, SLEEPY EYE, BURNSVILLE, WILLMAR, CHASKA, RAMSEY,
 MAPLEWOOD, BAXTER, ROCHESTER, MINNESOTA & AMES, SPENCER, IOWA

FOR: ARNOLD'S IMPLEMENT
 CITY OF NORTH MANKATO

H:\PRIV\M19106948\C3D\106948BD1.DWG 08-28-2013 9:12a.m.

2.0 S2-T108-R27-43

CITY OF NORTH MANKATO

REQUEST FOR COUNCIL ACTION



Agenda Item # 11C	Department: Finance Director	Council Meeting Date: 09/03/13
-------------------	------------------------------	--------------------------------

TITLE OF ISSUE: North Mankato Firefighters Relief Association Financial Statement and Supplementary Information for Year Ended December 31, 2012

BACKGROUND AND SUPPLEMENTAL INFORMATION: Attached is a copy of the North Mankato Firefighters Relief Association Financial Statement and Supplementary Information for Year Ended December 31, 2012.

If additional space is required, attach a separate sheet

REQUESTED COUNCIL ACTION: Accept the Firefighters Relief Association Financial Statement and Supplementary Information

For Clerk's Use:

Motion By: _____
 Second By: _____

Vote Record:

	Aye	Nay	
	_____	_____	Norland
	_____	_____	Spears
	_____	_____	Freyberg
	_____	_____	Steiner
	_____	_____	Dehen

SUPPORTING DOCUMENTS ATTACHED

Resolution	Ordinance	Contract	Minutes	Map
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (specify) <u>Report</u>				

<input type="checkbox"/> Workshop
<input checked="" type="checkbox"/> Regular Meeting
<input type="checkbox"/> Special Meeting

<input type="checkbox"/> Refer to: _____
<input type="checkbox"/> Table until: _____
<input type="checkbox"/> Other: _____

NORTH MANKATO FIREFIGHTERS RELIEF ASSOCIATION
NORTH MANKATO, MINNESOTA

FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED
DECEMBER 31, 2012

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INTENTIONALLY

NORTH MANKATO FIREFIGHTERS RELIEF ASSOCIATION
NORTH MANKATO, MINNESOTA
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DECEMBER 31, 2012

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INTRODUCTORY SECTION

NORTH MANKATO FIREFIGHTERS RELIEF ASSOCIATION
NORTH MANKATO, MINNESOTA

YEAR ENDED
DECEMBER 31, 2012

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NORTH MANKATO FIREFIGHTERS RELIEF ASSOCIATION
NORTH MANKATO, MINNESOTA
ORGANIZATION
YEAR ENDED DECEMBER 31, 2012

<u>Officers</u>	<u>Title</u>
Ed Hoffman	President
Jay Hewlett	Vice President
Alan Ebbinga	Secretary
Dan Giefer	Treasurer
<u>General Trustees</u>	
Greg Schumacher	Trustee
Cory Sletten	Trustee
<u>Ex Officio Members</u>	
Mark Dehen	Mayor
Nancy Gehrke	City Clerk
Tim Pohlman	Fire Chief

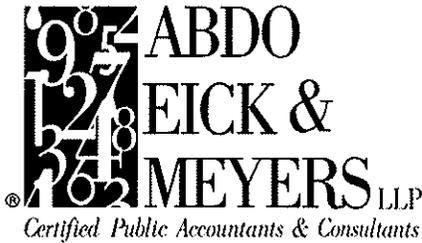
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FINANCIAL SECTION

NORTH MANKATO FIREFIGHTERS RELIEF ASSOCIATION
NORTH MANKATO, MINNESOTA

YEAR ENDED
DECEMBER 31, 2012

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11 Civic Center Plaza
Suite 300
P.O. Box 3166
Mankato, MN 56002-3166

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
North Mankato Firefighters Relief Association
North Mankato, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental and fiduciary activities of the North Mankato Firefighters Relief Association (the Association) as of and for the year ended December 31, 2012, which collectively comprise the Association's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental and fiduciary activities of the Association as of December 31, 2012, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Other Matters

Change in Accounting Standards

As described in Note 7 to the basic financial statements, the Association adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows and Resources, Deferred Inflows of Resources, and Net Position* and Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for the year ended December 31, 2012. Adoption of the provisions of these statements results in significant change to the classifications of the components of the financial statements.

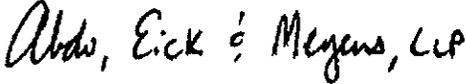
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 11 and the Required Supplementary Information on page 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures, to the required supplementary information in accordance with auditing standards generally accepted in the United States of America which, consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information in Relation to the Financial Statements as a Whole

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Association's basic financial statements as a whole. The introductory section listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on it.

June 24, 2013
Mankato, Minnesota


ABDO, EICK & MEYERS, LLP
Certified Public Accountant

Management's Discussion and Analysis

The Management Discussion and Analysis of the North Mankato Firefighters Relief Association's (the Association) financial performance provides an overview of the financial activities and funding conditions for the fiscal year ended December 31, 2012.

Using the Annual Report

The financial statements, which reflect the activities of the Special Pension Trust fund (the Plan), are reported in the Statements of Fiduciary Net Position (See page 20) and the Statement of Changes in Fiduciary Net Position (See page 21). These statements are presented on a full accrual basis and reflect all trust activities as incurred.

The financial statements also include activities of the General fund, which is primarily used to account for the fundraising activities of the Association.

Financial Highlights

- The Plan's net position increased \$167,073 (or 12.9 percent) as a result of the fiscal year's activities.
- The required contributions decreased by \$6,129. This decrease includes an increase in state aid of \$1,846 (or 4.0 percent) from the State of Minnesota (the State), offset by a decrease in required city contribution of \$7,016 and a decrease in supplementary benefits of \$959 from the State.
- Net investment income increased \$195,423 from fiscal year 2011.
- Accrued pension liability increased \$68,661 (or 5.0 percent) over the prior year. This increase was partially due to normal cost increase offset by pension payouts of \$52,573 (not including supplemental benefit) in 2012.
- The General fund's fund balance decreased \$28,298 (or 21.1 percent) as a result of the fiscal year's activities. Fundraising activities net receipts were \$30,161 for the current year. The fund balance of the General fund at year end was \$105,952.

Plan Highlights

The Plan's funding level increased from 93.8 percent to 100.9 percent.

Plan Net Position

	December 31	
	2012	2011
Cash and cash equivalents	\$ 19,240	\$ 31,365
Investments	1,443,776	1,245,750
Receivables	3,134	21,962
Net position	<u>\$ 1,466,150</u>	<u>\$ 1,299,077</u>

For the current fiscal year 2012 there is a net increase of \$167,073 (or 12.9 percent) from the previous fiscal year 2011. The previous fiscal year 2011 had a net decrease of \$83,747 (or 6.1 percent) from fiscal year 2010. The increase and decrease reflect net changes in trust activities.

Changes in Plan Net Position

The following comparative summary of the changes in net position reflects the activities of the Plan.

	2012	2011
Additions		
Contributions	\$ 70,438	\$ 79,697
Investment income (loss)	160,060	(35,363)
Total additions	<u>230,498</u>	<u>44,334</u>
Deductions		
Benefit payments, lump sum	54,529	120,612
Administrative expenses	8,896	7,469
Total deductions	<u>63,425</u>	<u>128,081</u>
Change in net position	167,073	(83,747)
Net position, January 1	<u>1,299,077</u>	<u>1,382,824</u>
Net position, December 31	<u>\$ 1,466,150</u>	<u>\$ 1,299,077</u>

The Association's funding policy provided for contributions from the State and the City in amounts sufficient to accumulate sufficient assets to pay benefits when due. The annual contributions are the sum of the normal cost, the State contribution payment and the provision for administrative expenses.

Plan Membership

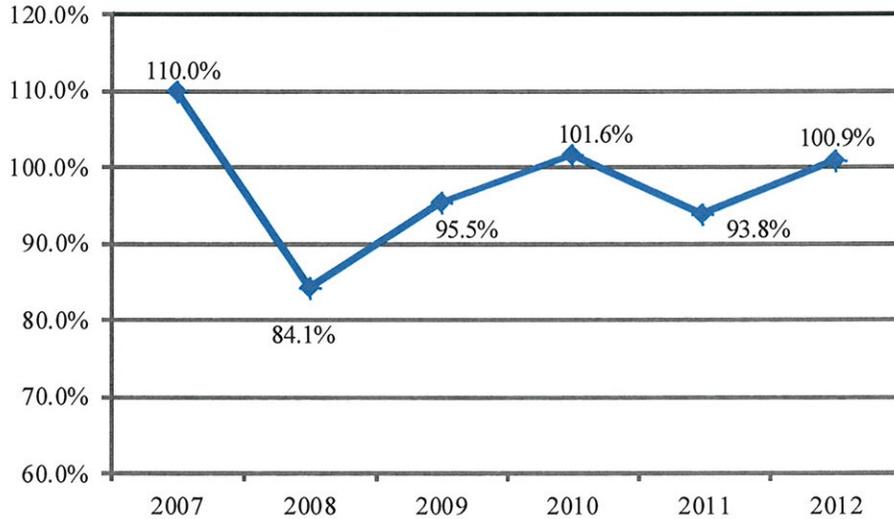
The following table reflects the Association’s Plan membership as of the beginning and end of the year:

	December 31	
	2012	2011
Active participants		
Vested	28	27
Nonvested	6	8
Retirees and beneficiaries	11	13
 Total Plan membership	<u>45</u>	<u>48</u>

Funding Status

The amount of the total accrued pension liability is based on a standardized measurement established by the Governmental Accounting Standards Board (GASB) that, with some exceptions, must be used by the relief associations for financial statement presentations. This standardized measurement is based on Minnesota statute 69.772. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of service years performed by the members of the Association. A standardized measure of the accrued pension liability was adopted by GASB to enable the readers of relief association financial statements to (a) assess the relief association’s funding status on a going-concern basis, (b) assess progress being made in accumulating sufficient assets to pay benefits when due, and (c) make comparisons among relief associations.

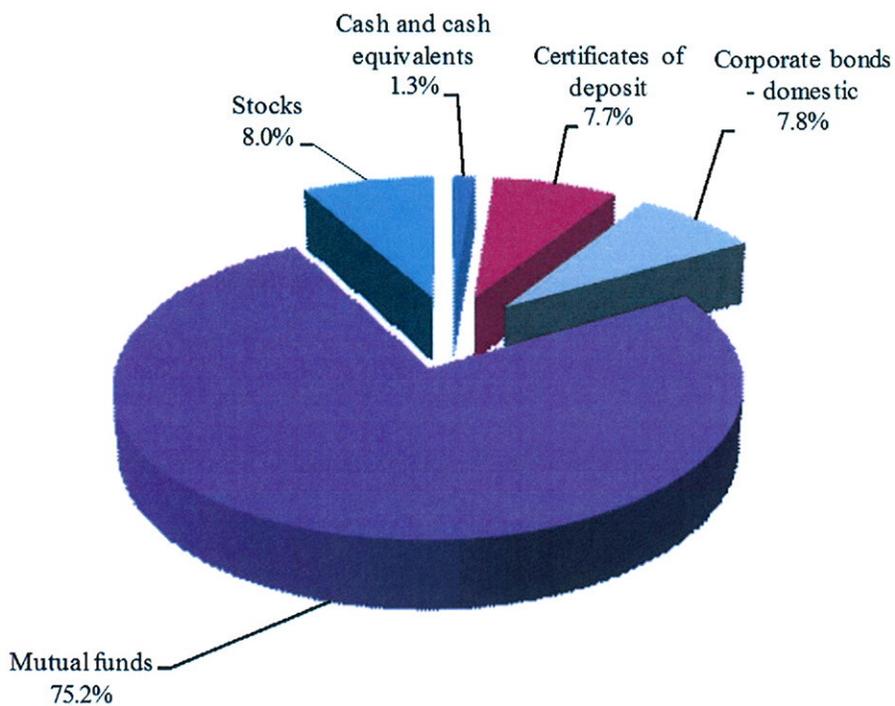
Because the standardized measure is used only for disclosure purposes by the Association, the measurement is independent of an actuarial computation made to determine contributions to the Association. The following graph represents the percentage funded trend for the last six years.



Asset Allocation

The following table and graph indicates the asset allocation for December 31, 2012 and 2011:

	December 31			
	2012		2011	
Cash and cash equivalents	\$ 19,240	1.3 %	\$ 31,365	2.5 %
Certificates of deposit	112,648	7.7	122,686	9.6
Corporate bonds - domestic	113,610	7.8	194,126	15.2
Mutual funds	1,100,893	75.2	843,396	66.0
Stocks	116,625	8.0	85,542	6.7
Total cash and investments	\$ 1,463,016	100.0 %	\$ 1,277,115	100.0 %



General Fund

The Association's General fund promotes fire prevention awareness and social activities through operations from fundraising activities.

Changes in Fund Balance for General Fund

The following is a comparative summary of the changes in fund balance of the General fund.

	<u>2012</u>	<u>2011</u>
Revenues		
Membership dues	\$ -	\$ 234
Investment income	1,341	998
Appreciation (depreciation) in fair value of investments	4,319	(3,127)
Fundraising income	<u>80,317</u>	<u>96,191</u>
Total revenues	<u>85,977</u>	<u>94,296</u>
Expenditures		
Salaries	599	599
Conventions and meetings	3,504	3,580
Dues	238	245
Training	121	100
Food and beverages	4,497	5,136
Office expenses	152	998
Equipment	47,264	7,197
Donations	1,600	5,424
Fundraising expense	50,156	45,779
Retirement party	-	644
Parade candy	678	701
Fire prevention	-	2,536
Holiday events	4,630	3,722
Station expenses	371	610
Miscellaneous	<u>465</u>	<u>-</u>
Total expenditures	<u>114,275</u>	<u>77,271</u>
Net change in fund balances	(28,298)	17,025
Fund balances, January 1	<u>134,250</u>	<u>117,225</u>
Fund balances, December 31	<u>\$ 105,952</u>	<u>\$ 134,250</u>

Investment Activities

Investment income is vital to the Plan's current and continued financial stability. Therefore, the Board of Trustees has a fiduciary responsibility to act prudently and discretely when making Plan investment decisions. To assist the Board of Trustees in this area, a comprehensive formal investment policy is updated periodically. The investment policy statement was last amended in 2011 to incorporate changes or clearly address statutory requirements adopted by the Minnesota State Legislature.

Portfolio performance is reviewed quarterly by the Board of Trustees and its consultant. Performance is evaluated individually by money manager style, collectively by investment type and for the aggregate portfolio. Investment types include both domestic and international equities, fixed income and real estate.

The total fund investment performance for fiscal year 2012 on a relative basis to benchmarks was favorable, and the real positive return of 12.3 percent was well above the long-term net 5.0 percent target for the year. This higher return is viewed, at this time, to be cyclical and the 5.0 percent assumption is still deemed reasonable in the long-term. However, as with all assumptions, it is monitored annually.

Economic Factors

The primary function of the pension trust is to (a) appropriately award and pay benefits and (b) manage investments. The opportunity available considering various investment choices is invaluable in the asset allocation and money manager oversight.

Contacting the Plan's Financial Management

The financial report is designed to provide citizens, taxpayers, Plan participants and the marketplace's credit analysis with an overview of the Plan's finances and the prudent exercise of the Board's oversight. If you have any questions regarding this report or need additional financial information, please contact the North Mankato Firefighters Relief Association, 1001 Belgrade Avenue, North Mankato, Minnesota 56003.

BASIC FINANCIAL STATEMENTS

NORTH MANKATO FIREFIGHTERS RELIEF ASSOCIATION
NORTH MANKATO, MINNESOTA

YEAR ENDED
DECEMBER 31, 2012

NORTH MANKATO FIREFIGHTERS RELIEF ASSOCIATION
NORTH MANKATO, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUND - GENERAL FUND
DECEMBER 31, 2012

ASSETS

Cash and cash equivalents
Investments

\$ 73,263
32,689

TOTAL ASSETS

\$ 105,952

FUND BALANCE

Unassigned

\$ 105,952

The notes to the financial statements are an integral part of this statement.

NORTH MANKATO FIREFIGHTERS RELIEF ASSOCIATION
 NORTH MANKATO, MINNESOTA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUND - GENERAL FUND
 YEAR ENDED DECEMBER 31, 2012

REVENUES	
Fundraising income	<u>\$ 80,317</u>
Investment income	
Investment income	1,341
Appreciation in fair value of investments	<u>4,319</u>
Total investment income	<u>5,660</u>
TOTAL REVENUES	<u>85,977</u>
EXPENDITURES	
Salaries	599
Conventions and meetings	3,504
Dues	238
Training	121
Food and beverages	4,497
Office expenses	152
Equipment	47,264
Donations	1,600
Fundraising expense	50,156
Parade candy	678
Holiday events	4,630
Station expenses	371
Miscellaneous	<u>465</u>
TOTAL EXPENDITURES	<u>114,275</u>
NET CHANGE IN FUND BALANCE	(28,298)
FUND BALANCE, JANUARY 1	<u>134,250</u>
FUND BALANCE, DECEMBER 31	<u><u>\$ 105,952</u></u>

The notes to the financial statements are an integral part of this statement.

NORTH MANKATO FIREFIGHTERS RELIEF ASSOCIATION
NORTH MANKATO, MINNESOTA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND - SPECIAL PENSION TRUST FUND
DECEMBER 31, 2012

ASSETS

Cash and cash equivalents	\$ 19,240
Investments	1,443,776
Interest receivable	1,178
Due from other governments	<u>1,956</u>

NET POSITION

Held in trust for pension benefits	<u>\$ 1,466,150</u>
------------------------------------	---------------------

The notes to the financial statements are an integral part of this statement.

NORTH MANKATO FIREFIGHTERS RELIEF ASSOCIATION
 NORTH MANKATO, MINNESOTA
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUND - SPECIAL PENSION TRUST FUND
 YEAR ENDED DECEMBER 31, 2012

ADDITIONS

Contributions

State of Minnesota

2 percent insurance premium tax

\$ 45,742

10 percent supplemental reimbursement

1,956

City of North Mankato

22,740

Total additions

70,438

Investment income

Interest and dividends

40,912

Appreciation in fair value of investments

119,148

Total investment income

160,060

TOTAL ADDITIONS

230,498

DEDUCTIONS

Benefits

Pension benefits

54,529

Administrative expenses

Salaries

1,797

Professional fees

7,003

Office supplies

96

TOTAL DEDUCTIONS

63,425

CHANGE IN NET POSITION

167,073

NET POSITION, JANUARY 1

1,299,077

NET POSITION, DECEMBER 31

\$ 1,466,150

The notes to the financial statements are an integral part of this statement.

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NORTH MANKATO FIREFIGHTERS RELIEF ASSOCIATION
 NORTH MANKATO, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2012

Note 1: PLAN DESCRIPTION

A. The financial reporting entity

Firefighters of the City of North Mankato, Minnesota (the City) are members of the North Mankato Firefighters Relief Association (the Association), which was incorporated July 21, 1965. The Association is the administrator of a single-employer Defined Benefit Pension Plan (the Plan) available to firefighters. The Plan was established August 11, 1960, and the Association operates under the provisions of Minnesota Laws 1965, chapter 446, as amended and Minnesota statute, chapters 69 and 424. It is governed by a Board of Trustees made up of six members elected by the members of the Association for three-year terms. The Mayor, Finance Director, and Fire Chief are ex officio voting members of the Board of Trustees.

For financial reporting purposes, the Association's financial statements are not included with the City's financial statements because the Association is not a component unit of the City.

B. Membership information

As of December 31, 2012, membership data related to the Association was:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	11
Active plan participants	
Vested	28
Nonvested	6
	6
Total	45

NORTH MANKATO FIREFIGHTERS RELIEF ASSOCIATION
 NORTH MANKATO, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2012

Note 1: PLAN DESCRIPTION - CONTINUED

C. Pension benefits

Retirement benefits:

According to the bylaws of the Association and pursuant to Minnesota statute 424 A.02, subdivisions 2 and 4, the Association pays to each member who has served as an active firefighter in the North Mankato Fire Department (the Department) for a period of 20 years or more prior to his or her resignation, and who has reached the age of 50 years or more, \$3,000 per year of service in a lump sum. A member who has served in the Department for at least 20 years, but has not reached the age of 50 years may retire and be placed on the deferred pension roll until he or she reaches the age of 50. Members who retire with less than 20 years of service and have reached the age of 50 years and have completed at least 5 years of active membership are entitled to a reduced service pension not to exceed the amount calculated by multiplying the member's service pension for the completed years of service times the applicable non-forfeitable percentage of pension as follows:

Completed Years of Service	Nonforfeitable Percentage of Pension Amount
5	40 %
6	44
7	48
8	52
9	56
10	60
11	64
12	68
13	72
14	76
15	80
16	84
17	88
18	92
19	96
20 and thereafter	100

Disability benefits:

If a member of this Association becomes totally disabled, mentally and/or physically, to the extent that a physician or surgeon, acceptable to the Board of Trustees, certifies that such disability will permanently prevent that member from performing his duties in the Department, the Association pays to that member the sum of \$3,000 for each year that he or she has served as an active member of the Department. A year of service is defined as a period of twelve (12) full months of active duty, beginning on the date when the member became an active Department member. If a member's period of active service is not continuous, parts of year may be added together to compute full years.

Survivor benefit:

Upon the death of any member of the Association who is in good standing at the time of their death, the Association shall pay to the surviving spouse, if any and if there is no surviving spouse, to the surviving child or children, if any and if no child or children survive, to the estate of such deceased member or the sum of \$3,000 lump sum payment for each year that they have served.

NORTH MANKATO FIREFIGHTERS RELIEF ASSOCIATION
NORTH MANKATO, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS

Measurement focus, basis of accounting and basis of presentation

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues susceptible to accrual include contributions from the State and the City and investment revenue, including interest on deposits and dividends. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Description of funds

The resources of the Association are accounted for in two funds. Each fund is accounted for as an independent entity. Descriptions of the funds included in this report are:

Major Governmental Fund:

The **General fund** is a governmental fund which accounts for the resources not accounted for in other funds. It is used for the good and benefit of the Association as determined by Association bylaws. Its resources consist of fundraising proceeds, investment earnings, and miscellaneous sources.

Additionally, the Association reports the following fund type:

The **Fiduciary fund** accounts for assets held by the Association in a trustee capacity for its members.

The **Special Pension Trust fund** is a fiduciary fund for the accumulation of resources to be used for retirement, dependency and disability annuity payments of appropriate amounts and at appropriate times in the future. Resources are contributed by the City at amounts determined by law (taxes), and from the two-percent insurance premium tax and amortization aid from the State.

Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the Association is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Nonspendable – Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

Restricted – Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

NORTH MANKATO FIREFIGHTERS RELIEF ASSOCIATION
NORTH MANKATO, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS - CONTINUED

Committed – Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the Board of Directors (the Board), which is the Association’s highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Board modifies or rescinds the commitment by resolution.

Assigned – Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General fund, assigned fund balance represents all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by the Board itself or by an official to which the governing body delegates the authority.

Unassigned – The residual classification for the General fund and also negative residual amounts in other funds.

The Association considers restricted amounts to be spent first when both restricted and unassigned fund balance is available. Additionally, the Association would first use committed, then assigned, and lastly unassigned amounts of fund balance when expenditures are made.

Note 3: DETAILED NOTES ON ACCOUNTS

Deposits and investments

The Association’s cash and cash equivalents are considered to be demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the Association’s deposits and investments may not be returned or the Association will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the Board, the Association maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

Minnesota statutes require that all Association deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rate “A” or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated “AA” or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank’s public debt is rated “AA” or better by Moody’s Investors Service, Inc., or Standard & Poor’s Corporation; and
- Time deposits that are fully insured by any federal agency.

NORTH MANKATO FIREFIGHTERS RELIEF ASSOCIATION
 NORTH MANKATO, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2012

Note 3: DETAILED NOTES ON ACCOUNTS - CONTINUED

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the Association.

Following is a summary of the deposits covered by insurance or collateral at December 31, 2012:

	Book	Bank
Insured with FDIC	\$ 197,687	\$ 197,949

Investments

As of December 31, 2012, the Association had the following investments that are insured or registered, or securities held by the Association or its agent in the Association's name:

Types of Investments	Fair Value and Carrying Amount	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)
Pooled investments:			
Broker Money Market	\$ 7,464	N/A	less than 6 months
Mutual Funds	1,133,582	N/A	N/A
Total pooled investments	1,141,046		
Non-pooled investments:			
Domestic stocks			
Ishares TR	116,625	N/A	N/A
Corporate bonds			
Lexmark Int'l Inc.	10,157	BBB-	less than 2 years
Wells Fargo & Col	16,826	A	more than 2 years
Sprint Nextel Corp	26,100	B+	more than 2 years
Transocean Inc.	60,527	BBB-	less than 2 years
Total corporate bonds	113,610		
Total non-pooled investments	230,235		
Total investments	\$ 1,371,281		

(1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk. N/A indicates not applicable or available.

(2) Interest rate risk is disclosed using the segmented time distribution method.

The Association invests funds of the Association in conformance with Minnesota State Statutes 356A.06.

NORTH MANKATO FIREFIGHTERS RELIEF ASSOCIATION
 NORTH MANKATO, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2012

Note 3: DETAILED NOTES ON ACCOUNTS - CONTINUED

A reconciliation of cash and investments follows:

	General	Special Pension Trust	Total
Carrying amount of deposits	\$ 72,710	\$ 124,977	\$ 197,687
Carrying amount of investments	33,242	1,338,039	1,371,281
Total	<u>\$ 105,952</u>	<u>\$ 1,463,016</u>	<u>\$ 1,568,968</u>
Cash and cash equivalents	\$ 73,263	\$ 19,240	\$ 92,503
Investments	32,689	1,443,776	1,476,465
Total	<u>\$ 105,952</u>	<u>\$ 1,463,016</u>	<u>\$ 1,568,968</u>

The investments of the Association are subject to the following risks:

- *Credit Risk.* Is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes, section 11A.24, contains a specific list of asset classes available for investment, including common stocks, bonds, short term securities, real estate, private equity, and resource funds. The Association's investment policy does not address credit risk.
- *Custodial Credit Risk.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Association's investment policy does not address custodial credit risk but typically limits its exposure by purchasing insured or registered investments.
- *Concentration of Credit Risk.* Is the risk of loss attributed to the magnitude of a government's investment in a single issuer. There is no one issuer (other than U.S. Treasury securities, mutual funds and external investment pools) that represents 5 percent or more of the total Associations investments.
- *Interest Rate Risk.* Is the risk that changes in interest rates will adversely affect the fair value of an investment. Minnesota statutes prescribe the maximum percentage of fund assets that may be invested in various asset classes and contain specific restrictions to ensure the quality of the investments. The Association's investment policy states that the investment specific objectives shall be to achieve near-stock-market-level returns with less risk and more consistent returns. The objective is a balance between long-term growth and stability of capital. The primary objective is growth and income. The Association requires more than 5 percent of income from this portfolio within one to five years. The primary goal is retirement benefits. These investment goals are expected to be achieved over a time period of five to ten years.

Investment management of Plan assets shall be in accordance with the following asset allocation guidelines:

<u>Asset Class</u>	<u>Allocation</u>
Cash and Cash Equivalents	0 - 5%
Fixed Income Securities	25 - 40%
Small and Mid Cap Equities	5 - 20%
Large Cap Equities	25 - 45%
International Assets	5 - 15%

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Note 4: FUNDING STATUS AND PROGRESS

The amount of the total accrued pension liability is based on a standardized measurement established by the Governmental Accounting Standards Board (GASB) that, with some exceptions, must be used by the relief associations for financial statement presentation. This standardized measurement is based on Minnesota statute 69.772. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of service years performed by the members of the Association. A standardized measure of the accrued pension liability was adopted by GASB to enable the readers of relief association financial statements to (a) assess the relief association's funding status on a going-concern basis, (b) assess progress being made in accumulating sufficient assets to pay benefits when due, and (c) make comparisons among relief associations.

Because the standardized measure is used only for disclosure purposes by the Association, the measurement is independent of an actuarial computation made to determine contributions to the Association.

Note 5: CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE

The Association's funding policy provided for contributions from the State and the City in amounts sufficient to accumulate sufficient assets to pay benefits when due. The annual contribution is the sum of the normal cost, the State contribution payment and the provision for administrative expenses.

The Department is comprised of volunteers; therefore, there are no payroll expenditures or covered payroll percentage calculations.

Required contributions of \$70,438 were made by the City and the State (including supplemental benefit reimbursement of \$1,956) in accordance with Minnesota statute requirements for the year ended December 31, 2012.

Note 6: RISK MANAGEMENT

The Association is exposed to various risks of loss related to theft of assets for which the Association carried commercial insurance policies. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any part of the past three fiscal years. The Association invests in mutual funds that are subject to market value fluctuations.

Note 7: ACCOUNTING CHANGE

Governmental Accounting Standard Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, will improve financial reporting by the presentation of deferred outflows of resources and deferred inflows of resources and their effects on the Association's net position. GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, will improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The Association implemented these standards for the fiscal year ended December 31, 2012.

The Association enters into transactions that result in the consumption or acquisition of assets in one period that are applicable to future periods. These consumptions or acquisitions are *deferred outflows of resources and deferred inflows of resources* and are distinguished from assets and liabilities. Net position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The Statement of Net Position (renamed from the Statement of Net Assets) is presented in a format that shows *assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position*.

Note 8: EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 24, 2013, the date which the financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION

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A. Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Assets in Excess of (Unfunded) Accrued Liability	Funded Rate	Benefit per Year of Service
12/31/12	\$ 1,466,150	\$ 1,453,753	\$ 12,397	100.9 %	\$ 3,000
12/31/11	1,299,077	1,385,092	(86,015)	93.8	3,000
12/31/10	1,382,824	1,361,262	21,562	101.6	3,000
12/31/09	1,240,881	1,299,490	(58,609)	95.5	3,000
12/31/08	1,070,194	1,272,538	(202,344)	84.1	3,000
12/31/07	1,332,866	1,211,564	121,302	110.0	2,900

B. Schedule of Employer Contribution

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed
12/31/12	\$ 70,438	100.0 %
12/31/11	79,497	100.0
12/31/10	70,340	100.0
12/31/09	55,780	100.0
12/31/08	60,888	100.0
12/31/07	67,932	100.0

C. Notes to Required Supplementary Information

Valuation date	12/31/12
Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Remaining amortization period	
Normal cost	20 years
Prior service cost	10 years
Asset valuation method	Market
Actuarial assumptions	
Investment rate of return	5%
Projected salary increases	N/A
Inflation rate	N/A
Cost of living adjustments	None

COMPLIANCE SECTION

NORTH MANKATO FIREFIGHTERS RELIEF ASSOCIATION
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