CALL TO ORDER

DISCUSSION
A. Solar Subscription Plan
B. Chamber of Commerce Agreement
C. Traverse des Sioux Library Agreement
D. Others

ADJOURNMENT

Office of the City Administrator
Todd Prajke

TP/bal
TO: Honorable Mayor Zieman
       Members of the City Council

FROM: Todd Prafke
       City Administrator

RE: Renewal Energy Subscription Plan

ACTION/RECOMMENDATION

None needed. For your information and discussion.

BACKGROUND

Council has asked that we work towards meeting the solar (renewable) goals that have been discussed by the Council. Those goals are:

- No financial subsidies over the long term
- Ease City operations
- Reduce costs to customer and the City
- Positively impact cost of energy supply
- Community based opportunity
- Sustainability

From a staff perspective these goals are not prioritized and projects need not meet all goals, but meeting more goals is better than less and taking action that moves us forward on sustainable opportunities for our customers and the City is important and desirable.

Our timeline for moving this forward is:

- Look for full plan approval by Council sometime in March
- Goal is to start selling in cooperation with SMMPA and MC Power (Solar Garden developers) on May 1st.
- July implementation with first credits provided on the September bill (this is based on your billing cycle).

Production of power and other important numbers:

- It is expected that each solar panel, over a 20-year life expectancy period, will produce about 9,435 kWh (or 39.3125 kWh per month) in energy. Over a 25-year life expectancy period, production would be about 11,572 kWh (or 38.6 kWh per month).
- A panel with a 20 year subscription would cost $1,072.
• An average residential customer in Saint Peter uses 677 kWh per month based on a 12 month use average. Under the proposed rules, that means that average customer could buy 50% of their use or 338 kWh. Since the average panel will produce an estimated 39.31 kWh per month, a residential customer could buy 8.5 panels at a 2017 cost of $9,112.68 for a 20-year subscription. Shorter subscriptions should maybe be at a different sale price based on decline of solar production of panels over time, at least at the start of the program. A ten year subscription for one panel is estimated at $562 and a five year at about $290. Again, these need a bit of review but I think are in the ballpark.

• Assuming a panel produces 9,435 kWh, buying 8.5 panels produces 80,198 total kWh over 20-years. A 20-year subscription purchased in 2017 is $9,112.68. Therefore the cost of $9,112.68 divided by 80,198 kWh equals $0.11362 per kWh.

• So the credit on a customer’s bill, if they buy 8.5 panels, averaged over a year (different amounts of sun and production throughout the year) would be 338 kWh per month multiplied by $0.11362 which equals a credit of about $38.40 on average for the average customer who subscribes to 50% of their average yearly use.

• That $38.40 credit multiplied by 240 months (20 years times 12 months) equals $9,216.

• Your current residential rate is $.1154 per kWh

• The City will take the sales (cash) and set that aside as a restricted amount within your electric fund. It will be used to pay for the energy on a monthly basis over the term of the subscription. I think the easiest way to think of this is that subscribers are pre-paying for electricity at about $0.11362 and then will get credit based on production at the current rate. From a financial perspective, the subscriber is betting rates go up giving them more credit. We are betting that interest on the subscription dollars will roughly match the cost of energy increases.

• There is one last item that I think needs clarification. As your rates change so too will the credit provided. The credit today will be $0.1154 even though customers are subscribing at an estimated $0.11362. The credit will be based on whatever the rate for kWh’s is in the monthly bill cycle. In other words in 2020 if the City residential kWh rate is $0.12345 that is the credit subscribers will receive.

Other things that come with this program.

An opportunity exists to place a “Sample Solar Panel” that is about 9’ x 25’ at one or two locations in town. The goal of these panels is to let people see what they are subscribing to, promote the program and produce electricity for a specific property. Our goal is to install the panel someplace that is easy to drive by, needs the power and is appropriately placed on the system is the best. The list below shows locations that we hope to further investigate and we hope you will let us know if one or more of these locations are definitely out of the running. We have checked land use and all of these locations would be acceptable from a land use perspective.

Potential Sites:

• River’s Edge Hospital and Clinic (Dodd Avenue)
The solar program is meant to "check off" a number of the goals that you have discussed. It allows folks who are committed to buy in at a number of different levels (number of panels) over a number of different timelines. It almost locks in the cost of kWh at $0.11362.

This plan does not meet all of the expressed wishes of your customers because, frankly, they are too varied and in many cases mean a substantial redistribution of cost structures. This would not prohibit property owners from putting in their own equipment under the rules including electric, building and zoning codes.

It does provide a positive option for many who are not ideally situated for solar on their own property, don't want the maintenance of ownership, or maybe are interested in impacting the environment in a positive way.

Another thing to note, if at any point you change your electric rate structures we will have to rethink the pricing on this and how credits are provided including their value. That is doable; and lots of other utilities will be in a similar situation in our region and state. Since this is based on kWh, as long as they get credit for the kWh generated the value should be very similar even if the dollars are not.

We continue to work on the pricing structure for non-residential customers and will have a plan for that in March.

My goal for your meeting is to get your input on the general rules, explain how the money likely flows and moves. This is a draft. Please know that pricing may change a bit yet but I think this is very close.

Please feel free to contact me if you have any questions or concerns about this agenda item.

TP/bal
The City of Saint Peter is pleased to offer the following Renewable Energy (Solar) Subscription Plan to City utility customers.

It is expected that each solar panel, over a 25 year life expectancy period, will produce about 11,572 Kwh (or 39 Kwh per month) in energy.

As adopted by the City Council, the plan is as follows:

A. **Program Initiation** – The program will begin __________, 2017.

B. **Eligibility** – Eligible participants in the plan are those who are current City of Saint Peter electric utility customers. Should a plan participant no longer be an electric utility customer, their subscription will end. There will be no reimbursement to a customer who has subscribed and no longer is an electric utility customer.

C. **Membership** – to become a member of the program, Electric Utility Customers must complete an application form available in the Finance Department at City Hall (227 South Front Street) during regular business hours. The membership application must be signed by the utility account holder.

D. **Prices** – Due to degradation of the solar panels, the amount of energy produced will decrease over time. This will result in subscription sale prices changing on an annual basis. The subscription sale prices will be established on an annual basis by resolution of the City Council.

   1. Rates will be divided into two classes:
      a. Residential
      b. Non-residential

   2. Subscriptions can be for full and/or half panels.

   3. The maximum subscription amount will be capped at 50% of the Electric Utility customer’s last full calendar year’s average consumption. Should the utility customer not have a full calendar year history to use, the maximum amount shall be capped at 40% the applied for locations use. If new location or meter placement we will allow for 40% of the estimated use of a similarly situated customer.

   4. The cost of a full panel for 2017 is $1,072. Half-panel cost is $536.

E. **Billing** – Subscribers shall be credited monthly for the production of the subscribed to service. This will be calculated based on the total production of the Solar Garden divided
by the number of panels then multiplied by the subscribers number of panels. The credit will be shown as a separate line item on the monthly billing statement.

F. Subscription Periods — Subscriptions will be offered in five (5), ten (10), or twenty (20) year periods.

F. Tax Incentives — This program will not qualify subscribers for tax credits related to construction of renewable or solar energy. This is a production subscription program and the subscriber holds no interest in the ownership of the panels.

G. Transfer of Subscription — Subscribers will be eligible to sell, gift or transfer a current subscription to another City of Saint Peter electric utility customer for the remainder of the term. To facilitate such a transfer the original owner of the subscription will be required to provide a notarized authorization for the transfer and pay a transfer of subscription fee to be established by resolution of the City Council.
SMMPA/CMMPA
Community Solar Billboard System

4kW (DC) Ground Mount system that will be placed in participating communities near a qualifying facility. This system will be a grid tied behind the meter installation.

- Enough solar panels to equal 4,000 watts DC
- Generation of energy is expected to be approximately 5,400 kWh's annually with 30 deg tilt
- 12 Panels Total – 335w Canadian Solar Panels
- 3.8kW SMA Inverter
TO:    Honorable Mayor Zieman  
       Members of the City Council  

FROM:  Todd Prafke  
       City Administrator  

RE:    Tourism/Chamber Funding  

ACTION/RECOMMENDATION  

None needed. For your review and discussion only.  

BACKGROUND  

As members may know the Tourism and Visitor Bureau (Bureau) is administered by the Chamber of Commerce. This is an advisory committee of the City that has been administered by the Chamber for many, many years. For that work the Chamber has been allowed to retain a portion of the Lodging Tax that is remitted to the Bureau. That sum is currently $7,500. The Chamber Executive Board has asked that the sum be increased by $750 to $8,250. Lodging tax proceeds usually provide roughly $40,000 in yearly revenues.  

It has been many years since any increase in the allowance for Chamber administrative services was provided.  

At a previous workshop you discussed this issue and my goal for your meeting is to get you in a position to approve the agreement at an upcoming meeting.  

A copy of the draft agreement is attached and is based on your direction.  

A copy of the Ordinance covering this issue is provided for your use and as you see the Bureau has the authority to set the amount, however, in the past the City Council has also reviewed requests of this nature.  

The impact of this change is that fewer dollars will be available for grants and advertising on which a majority of the budget is spent. A copy of the Bureau’s expenditures is attached for your review to give you a sense of what the lodging dollars are spent on. The Chamber Executive Board wants to be proactive with maintaining stability in the Chamber’s overall finances. I believe that change is warranted based on the services provided and the number of years since any change was made.  

There is no property or lodging tax impact to this discussion as funding has been exclusively from the Lodging Tax and this is not a request to change the Lodging Tax amount. It is only a
discussion related to modification to the allowance for costs of administrative services the Chamber provides.

The Executive Director of the Chamber has reviewed this agreement and plans to be on hand if you have any questions.

Please feel free to contact me if you have any questions or concerns about this agenda item.

TP/bal
ARTICLE II. - LODGING TAX[1]

Footnotes:
--- (1) ---
State Law reference—Local lodging tax, M.S. § 469.190.

DIVISION 1. - GENERALLY

Sec. 46-19. - Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

**Director** means the Director of Finance.

**Lodger** means the person obtaining lodging from an operator.

**Lodging** means the furnishing for a consideration of lodging by a hotel, motel, campground, rooming or other lodging facilities except where such lodging shall be furnished to the same lodger for a continuous period of 30 days or more. The furnishing of rooms by religious, education or nonprofit organizations shall not constitute "lodging" for purposes of this Section in those cases where the use is directly associated with the primary purpose and functions of the sponsoring entity and utilized facility.

**Operator** means a person who provides lodging to others for a consideration.

**Rent** means the consideration charged for lodging whether paid in money or otherwise, but shall not include any charges for services rendered in connection with furnishing lodging other than the room charge.

(Ord. No. 230(2nd Ser.), § 1(subd. 1), 11-22-1993; Ord. No. 251(2nd Ser.), § 1(subd. 1), 10-23-1995)

Secs. 46-20—46-41. - Reserved.

DIVISION 2. - IMPOSITION AND COLLECTION

Sec. 46-42. - Imposition of tax.
Pursuant to M.S. § 469.190, a tax is hereby imposed on the rent charged by an operator for providing lodging. A tax of three percent shall be imposed commencing January 1, 1996. The tax collected by the operator shall be a debt owed by the operator to the City and shall be extinguished only by payment to the City. In no case shall the tax imposed by this section exceed the amount of tax that the operator is authorized and required by this chapter to collect from a lodger.

(Ord. No. 230(2nd Ser.), § 1(subd. 2), 11-22-1993; Ord. No. 251(2nd Ser.), § 1(subd. 2), 10-23-1995)

Sec. 46-43. - Collections.

Each operator shall collect the tax imposed by this chapter at the time the lodger pays the rent. In computing the tax to be collected, amounts of tax less than $0.01 shall be considered an additional cent. The tax collection shall be deemed to be held in trust by the operator for the City. The amount of tax shall be separately stated from the rent charged for the lodging and those persons paying the tax shall receive a receipt of payment from the operator.

(Ord. No. 230(2nd Ser.), § 1(subd. 3), 11-22-1993; Ord. No. 251(2nd Ser.), § 1(subd. 3), 10-23-1995)

Sec. 46-44. - Exceptions; exemptions.

**Subd. 1. Exceptions.** No tax shall be imposed on rent for lodging paid by any officer or employee of a foreign government who is exempt by reason of express provisions of Federal law or international treaty.

**Subd. 2. Exemptions.** An exemption shall be granted to any person as to whom or whose occupancy it is beyond the power of the City to tax. No exemption shall be granted except upon a claim therefor made at the time the rent is collected and such a claim shall be made in writing and under penalty of perjury on forms provided by the City. All such claims shall be forwarded to the City when the returns and collections are submitted as required by this division.

(Ord. No. 230(2nd Ser.), § 1, 11-22-1993(subd. 4); Ord. No. 251(2nd Ser.), § 1(subd. 4), 10-23-1995)

Sec. 46-45. - Advertising no tax.
It shall be unlawful for any operator to advertise or hold out or state to the public or any customer, directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the operator, or that it will be added to the rent or that, if added, it or any part thereof will be refunded.

(Ord. No. 230(2nd Ser.), § 1(subd. 5), 11-22-1993; Ord. No. 251(2nd Ser.), § 1(subd. 5), 10-23-1995)

Sec. 46-46. - Payment and returns.

The taxes imposed by this division shall be paid by the operator to the City monthly not later than 25 days after the end of the month in which the taxes were collected. At the time of payment the operator shall submit a return upon such forms and containing such information as the Director may require.

(1) The return shall contain the following minimum information:

a. The total amount of rent collected for lodging during the period covered by the return;

b. The amount of tax required to be collected and due for the period;

c. The signature of the person filing the return or that of his agent duly authorized in writing;

d. The period covered by the return;

e. The amount of uncollectible rental charges subject to the lodging tax.

(2) The operator may offset against the taxes payable with respect to any reporting period, the amount of taxes imposed by this division previously paid as a result of any transaction the consideration for which became uncollectible during such reporting period, but only in proportion to the portion of such consideration which became uncollectible.

(Ord. No. 230(2nd Ser.), § 1(subd. 6), 11-22-1993; Ord. No. 251(2nd Ser.), § 1(subd. 6), 10-23-1995)

Sec. 46-47. - Records and examination of records.

Every operator shall keep books and records showing the rents charged and occupancies taxable under this division. The Director and those persons acting on behalf of the Director authorized in writing by the Director may examine the books, papers, and records of any operator in order to verify the accuracy of any return made, or if no return was made, to ascertain the tax
as provided in this division. Every such operator is directed and required to give to the said Director or to his duly authorized agent or employee the means, facilities and opportunity for such examinations and investigations as are hereby authorized.

(Ord. No. 230(2nd Ser.), § 1(subd. 7), 11-22-1993; Ord. No. 251(2nd Ser.), § 1(subd. 7), 10-23-1995)

Sec. 46-48. - Examination of return; adjustments; notices and demands.

The Director shall, after a return is filed, examine the same and make any investigation or examinations of the records and accounts of the person making the return deemed necessary for determining its correctness. The tax computed on the basis of such examination shall be the tax to be paid. If the tax due is found to be greater than that paid, such excess shall be paid to the City within ten days after receipt of a notice thereof given either personally or sent by registered mail to the address shown on the return. If the tax paid is greater than the tax found to be due, the excess shall be refunded to the person who paid the tax to the City within ten days after determination of such refund.

(Ord. No. 230(2nd Ser.), § 1(subd. 8), 11-22-1993; Ord. No. 251(2nd Ser.), § 1(subd. 8), 10-23-1995)

Sec. 46-49. - Refunds.

Any person may apply to the Director for a refund of taxes paid for a prescribed period in excess of the amount legally due for the period provided that no application for a refund shall be considered unless filed within one year after such tax was paid, or within one year from filing of the return, whichever period is longer. The Director shall examine the claim in whole or in part and shall mail a notice thereof by registered mail to such person at the address stated upon the return. If such claim is allowed in whole or in part, the Director shall credit the amount of the allowance against any taxes due under this division from the claimant and the balance of said allowance, if any, shall be paid by the Director to the claimant.

(Ord. No. 230(2nd Ser.), § 1(subd. 9), 11-22-1993; Ord. No. 251(2nd Ser.), § 1(subd. 9), 10-23-1995)

Sec. 46-50. - Failure to file a return.

If any operator required by this division to file a return shall fail to do so within the time prescribed, or shall make, willfully or otherwise, an incorrect, false or fraudulent return the operator shall, upon written notice and demand, file such return or corrected return within five days of receipt of such written notice and shall at the same time pay any tax due on the basis...
thereof. If such person shall fail to file such a return or corrected return, the Director shall make a return or corrected return, for such person from such knowledge and information as the Director can obtain, and assess a tax on the basis thereof, which tax (less any payments theretofore made on account of the tax for the period covered by such return) shall be paid within five days of the receipt of written notice and demand for such payment. Any such return or assessment made by the Director shall be prima facie correct and valid, and such person shall have the burden of establishing its incorrectness or invalidity in any action or proceeding in respect thereto.

(1) If any portion of a tax imposed by this division, including penalties thereon is not paid within 30 days after it is required to be paid, the City may institute such legal action as may be necessary to recover the amount due plus interest, penalties, and the costs of disbursements in any action.

(2) Upon a showing of good cause, the Director may grant an operator one 30-day extension of time within which to file a return and make payment of taxes as required by this section provided that interest during such period of extension shall be added to the taxes due at the rate of ten percent per annum.

(Ord. No. 230(2nd Ser.), § 1(subd. 10), 11-22-1993; Ord. No. 251(2nd Ser.), § 1(subd. 10), 10-23-1995)

Sec. 46-51. - Tax penalties.

Subd. 1. If any tax imposed by this division is not paid within the time herein specified for the payment, or any extension thereof, there shall be added thereto a penalty equal to ten percent of the amount remaining unpaid.

Subd. 2. In case of any failure to file a return within the time prescribed by this section, there shall be added to the tax in addition to the ten percent penalty provided in subdivision 1 of this section, an additional five percent for each additional 30 days or fraction thereof during which such failure continues, not exceeding 25 percent in the aggregate. If the penalty as computed does not exceed $10.00, a minimum penalty of $10.00 shall be assessed.

Subd. 3. If any person willfully fails to file any return or make any payment required by this article, or willfully files a false or fraudulent return or willfully attempts in any manner to evade or defeat any such a tax or payment thereof, there shall also be imposed as a penalty an amount equal to 50 percent of any tax (less any amounts paid on the basis of such
false or fraudulent return) found due for the period of which such return related. The penalty imposed by this subdivision shall be collected as a part of the tax, and shall be in addition to any other penalties provided by this division.

Subd. 4. All payments received shall be credited first to penalties, next to interest, and then to the tax due.

Subd. 5. The amount of tax not timely paid, together with any penalty provided by this division shall bear interest at the rate of eight percent per annum from the time such tax should have been paid. Any interest and penalty shall be added to the tax and be collected as a part thereof.

(Ord. No. 230(2nd Ser.), § 1(subd. 11), 11-22-1993; Ord. No. 251(2nd Ser.), § 1(subd. 11), 10-23-1995)

Secs. 46-52—46-75. - Reserved.

DIVISION 3. - ADMINISTRATION

Sec. 46-76. - Administration of tax.

The Director shall administer and enforce the assessment and collection of the taxes imposed by this article. The Director shall cause to be prepared blank forms for the returns and other documents as required by this article and shall distribute the same throughout the City and furnish them on application, but failure to receive or secure them shall not relieve any person from any obligation required of him under this article.

(Ord. No. 230(2nd Ser.), § 1(subd. 12), 11-22-1993; Ord. No. 251(2nd Ser.), § 1(subd. 12), 10-23-1995)

Sec. 46-77. - Use of proceeds.

Ninety-five percent of the proceeds obtained from the collection of taxes pursuant to this section shall be used in accordance with M.S. § 469.190 as the same may be amended from time to time. Any recipient of proceeds shall submit to the Council a quarterly financial report and annual budget detailing the expenditures of tax funds allocated by the City.

(Ord. No. 230(2nd Ser.), § 1(subd. 13), 11-22-1993; Ord. No. 251(2nd Ser.), § 1(subd. 13), 10-23-1995)
Sec. 46-78. - Appeals.

Subd. 1. Any operator aggrieved by any notice, order or determination made by the Director under this article may file a petition for review of such notice, order or determination detailing the operator's reasons for contesting the notice, order or determination. The petition shall contain the name of the petitioner, the petitioner's address and the location of the lodging subject to the order, notice or determination.

Subd. 2. The petition for review shall be filed with the City Clerk-Administrator within ten days after the notice, order or determination for which review is sought has been mailed or served upon the person requesting the review.

Subd. 3. Upon receipt of the petition the City Clerk-Administrator or his designee shall set a date for a hearing and give the petitioner at least five days prior written notice of the date, time and place of the hearing which hearing shall be within 14 days of receipt of the petition.

Subd. 4. At the hearing, the petitioner shall be given an opportunity to show cause why the notice, order, or determination should be modified or withdrawn. The petitioner may be represented by counsel of petitioner's choosing at the petitioner's own expense.

Subd. 5. The hearing shall be conducted by the City Clerk-Administrator or his designee, provided only that the person conducting the hearing shall not have participated in the drafting of the order, notice or determination for which review is sought.

Subd. 6. The person conducting the hearing shall make written findings of fact and conclusions based upon the applicable provisions of this section and the evidence presented within 14 days of the hearing. The person conducting the hearing may affirm, reverse or modify the notice, order or determination for which review is sought.

Subd. 7. Any decision rendered by the City Clerk-Administrator or his designee pursuant to this section may be appealed to the City Council. A petitioner seeking to appeal a decision must file a written notice of appeal with the City Clerk-Administrator within ten days after the decision has been mailed to the petitioner. The matter will thereupon be placed on the Council agenda as soon as is practical. The Council shall then review the findings of fact and conclusions to determine whether they were correct. Upon a determination by the Council that findings and conclusions were incorrect, the Council may modify, reverse or affirm the decision of the City Clerk-Administrator or his designee upon the same standards as set forth in subdivision 6 of this section.

CONTRACT FOR ADMINISTRATION OF TOURISM AND VISITORS BUREAU SERVICES BY
AND BETWEEN
THE CITY OF SAINT PETER
AND
SAINT PETER AREA CHAMBER OF COMMERCE

I. GENERAL DESCRIPTION. The work to be performed consists of serving as staff for the City of Saint Peter's Tourism and Visitor's Bureau including conducting meetings of the Bureau and financial administration of the Lodging Tax proceeds as distributed to the Chamber by the City and as outlined in the Saint Peter City Code.

II. DEFINITION OF TERMS. As used in the contract, the following terms shall have the following meanings:

A. "Administration Fee" means the fee established by the Saint Peter City Council to be provided to Chamber for its' service as staff to Bureau.

B. "Bureau" means the City of Saint Peter's Tourism and Visitor's Bureau, the members of which shall be appointed by the Saint Peter City Council.

C. "Chamber" shall mean St. Peter Area Chamber of Commerce.

D. "City" shall mean the City of Saint Peter, Minnesota.

III. CHAMBER RESPONSIBILITIES: Chamber shall provide for the following actions:

1. Hold meetings on a regularly established date, time and location under the rules outlined in Minnesota Law.

2. Prepare a Tourism and Visitors Bureau meeting agenda and packet for distribution to members, the City Administrator's Office and the public no later than 72 hours prior to the scheduled, special, or emergency meeting as required by the Minnesota Open Meeting Law.

3. By December 31 of each year, develop an annual budget for the following year for the Tourism and Visitors Bureau activities and provide a copy to the City Council as required by the City Code.

4. As outlined in the City Code, provide the City Council a quarterly financial report detailing all expenditures of the Lodging Tax Proceeds allocated by the City.

5. Develop grant application forms for distribution to applicants. The forms shall require detailed information in a manner sufficient for Bureau members to review and verify the applicant's request. Require grant recipients to provide a report on their use of funds including copies of documentation that verifies expenditures for the intended purpose.

6. Distribute grant funds to applicants for the sole purpose of marketing and promoting the City of Saint Peter as a tourist or convention center as authorized by State Statute M.S. 469.190.
7. Keep detailed minutes of all meetings of the Bureau in a manner prescribed by the City Administrator's Office and State law.

A. Approve all meeting minutes at the next regularly scheduled Bureau meeting.

B. A permanent copy of the minutes shall be printed and signed by the Bureau Chairperson and Chamber Executive Director as a permanent record of the Bureau's activity as required by City's record retention schedule and State Statute. A copy of approved minutes shall be placed on the Chamber's Web site or provided to the City in such a manner that will allow for placement on the City's Website.

8. Retain all documentation related to the activities of the Bureau as required by the City's Record Retention Schedule and State Statute.

9. Distribute grant funds in a manner as prescribed by the City of Saint Peter's Finance Director.

10. Keep detailed and accurate financial records of all Bureau actions and expenditures in such a manner that the records are accessible for public review and accepted by the City's auditors.

IV. CITY RESPONSIBILITIES: City shall provide for the following actions:

1. The City Council shall appoint members to the Tourism and Visitors Bureau and provide the member's contact information to the Chamber.

2. Distribute 95% of the lodging tax proceeds to Chamber for Tourism and Visitors Bureau use on a monthly basis.

3. Pay Chamber a fee of $8,750 for administration of the BUREAU's duties on a yearly basis.

V. EMPLOYEES. All workers employed by CHAMBER shall be competent and skilled in the performance of tourism promotion work. CHAMBER shall be responsible for hiring, training, discipline, discharge, compensation and scheduling of its employees. All employees of CHAMBER shall be required to maintain confidentiality as needed and required under the Minnesota Data Practices Act. All employees of CHAMBER shall be required to follow the City's record retention schedule for all actions related to BUREAU.

VI. INSURANCE:

A. Liability Insurance. The Contractor shall provide and maintain in full force and effect during the entire term of this contract, public liability insurance naming the City as an additional insured. Existence of the insurance required herein shall be established by furnishing certificates of insurance issued by the insurers duly licensed in the State of Minnesota, in force on the date of commencement of any performance under this contract, and continuing for a policy period of at least one year and providing the following coverages: public liability insurance, including general liability, and automobile liability.
1. Bodily injury liability in the amount of at least XXXX for injury or death of any one person in any one occurrence.

2. Bodily injury liability in the amount of at least xxxxxxxxx for injuries or death arising out of any one occurrence.

3. Property damage liability in the amount of at least xxxxxxxx for any one occurrence.

Such general liability and automobile liability insurance policy or policies shall provide contractual liability insurance, specifically referring to and covering the obligation of CHAMBER to defend, indemnify, and save harmless the City, its officers, agents, and employees from alleged claims or causes of action of bodily injury or property damage for liability because of this contract.

Said policy of insurance shall contain a stipulation certifying that the insurance coverage herein required will not be cancelled, nor any material change effected without giving 30 days written notice to the City. Contractor shall, on each anniversary date of this agreement, furnish the City with proper evidence of the continuance of such insurance, signed by an authorized representative of the insurance carrier. Prior to the effective date of this contract, the Contractor shall file a copy of such policies with the City Administrator.

B. Worker’s Compensation. Contractor shall provide worker’s compensation insurance covering all his employees pursuant to Minnesota Statutes. The contractor may be required to produce evidence of compliance.

VII. ADDITIONAL SERVICES AND CONDITIONS

A. Office. The contractor shall be required to maintain an office and telephone with a Saint Peter telephone number or toll free number and such attendance as may be necessary to address the business of BUREAU during regular business hours, Monday through Friday (except holidays).

B. Public Information. CHAMBER shall reply to requests for public information related to BUREAU activities in a prompt manner and inform the City Administrator’s Office of any Data Practices requests.

C. Default. For the purpose of this agreement the contractor shall not be deemed to be in default where its inability to perform any or all of the agreement is a result of conditions beyond the control of the contractor, including but not limited to civil disorders, acts of God, inclement weather severe enough that collection is excused by the City, provided, however, the contractor shall notify the City and exhaust every possible remedy to correct the conditions resulting in its non-performance.

D. Remedy. The exercise by the City of any of the rights contained herein shall not restrict the City from pursuing other remedies, either legal or equitable, available to it. The reservation by the City of any rights expressed in this agreement shall
E. **Severance.** It is understood and agreed that this agreement is governed in all respects by the laws of the State of Minnesota.

F. **Term.** – Either party may terminate this agreement upon ninety (90) days written notice to the other party. Upon termination of the agreement, any and all materials and funds associated with the Bureau shall be immediately turned over to City.

G. **Notice.** All notices to be given with respect to this Agreement shall be in writing at the following addresses.

City of Saint Peter  
City Administrator’s Office  
227 South Front Street  
Saint Peter, MN 56082

Saint Peter Area Chamber of Commerce  
Attn: President  
101 South Front Street  
Saint Peter MN 56082

In witness whereof, the parties have hereunto set their hands this _______ day of __________, 2017.

**CITY OF SAINT PETER**  
Charles Zieman  
Mayor

**ST. PETER AREA CHAMBER OF COMMERCE**  
Ed Lee  
Chamber President

Todd Prafke  
City Administrator

Signed before me this ______ day of __________, 2007 by Mayor Charles Zieman and City Administrator Todd Prafke

Signed before me this ______ day of __________, 2007 by Chamber President Ed Lee and __________.

Notary Public  
Notary Public
<table>
<thead>
<tr>
<th>Expense Description</th>
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<tr>
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<tr>
<td>Senior Center - Boomers Expo Grant 80%</td>
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Account Balance 12/31/16: $22,266.60
TO: Honorable Mayor Zieman  
    Members of the City Council  
FROM: Todd Prafke  
    City Administrator  
RE: TdS Library Contract  

ACTION/RECOMMENDATION  
None needed. For Council review and discussion only.  

BACKGROUND  
As Councilmembers may recall, the City is part of a regional system that provides library services for Libraries. Those services include online cataloging, data integration, some computer access services, book preparations, interlibrary loans, courier services and access to other library systems. Those services are described as Package 3 of the contract.  

Enclosed please find a copy of the contract for services in the 2017 year. The contract is substantially similar to contracts from previous recent years and as you may note, we are selecting the same level of services we have used in the past (Package 3).  

The services we purchase are in integral part of the services we in turn provide to our patrons.  

The cost for these services is $23,797.05. This is an expected increase of $693.12 over the 2016 amount of $23,103.93.  

Last year there was a concern expressed by the Council on the turnaround time on cataloging. The turnaround time has been reduced significantly. The system has a new Director and our team is excited about the work moving forward. Your staff has great confidence in the TDS staff.  

Please feel free to contact me if you have any questions or concerns about this agenda item.  

TP/bal
Whereas Regional Libraries exist to serve the needs of the participating member libraries and all citizens of a region, and

Whereas public libraries can provide cost effective services for their citizens by sharing services that may be made more efficient through cooperative efforts, and

Whereas TdS uses the Regional Library Basic System Support funding from the State of Minnesota to support basic system services, and

Whereas TdS desires to provide opportunities for member libraries to contract for services unable to be fully funded by Regional Library Basic System Support, and

TdS offers this contract of service options for member libraries.

Article I: General

1. The Traverse des Sioux Library Cooperative (hereafter known as TdS) and the ___________________________, a TdS member library (hereafter known as the Member Library) enter into this agreement for the purpose of contracting for services.

2. This agreement is effective for the 2017 calendar year.

Article II: Definitions

For the purpose of this agreement:

1. Traverse des Sioux Library Cooperative, also referred to as TdS, is a federated regional library system designated by the Minnesota State Board of Education to strengthen, improve and promote public library services in southcentral Minnesota, organized under the provision of Minnesota Statute 134.

2. Member Library is a public library established under Minnesota Statute 134 that provides free access to all residents of a city or county without discrimination and receives at least
half its financial support from public funds. Member Library is a library in the region with or without branches. Headquarters libraries will sign for all branch libraries, but branch libraries will receive the same services.

3. Advisory Council of Member Library Directors is a group made up of member library directors, or assigned representatives, who meet monthly to share information, recommend regional policies and procedures, and determine best practices to better serve library users in the region. Recommendations from the Advisory Council are approved by a simple majority vote and referred to the TdS Board of Directors for discussion and appropriate action.

4. Delivery means transport of materials and information, to, from, and among member libraries in the regional delivery system, other MnLINK libraries, and OCLC libraries with statewide delivery.

5. Interlibrary Loan, also referred to as ILL, is a service that allows a library card holder of one library system to borrow materials, which are not owned or available within their own system, from another library system. This is made possible because of cooperative agreements that allow libraries to share materials for the benefit of library users.

6. Automation includes the regional shared integrated online catalog and enhancements, circulation, reporting, cataloging, serials control, acquisitions and fund accounting, shared bibliographic and patron databases, training, and technical support.

7. Vendor means company or individual to which TdS contracts for goods or services.

**Article III: Services offered by TdS and elected by __________________________ Library**

It is mutually agreed that TdS shall provide packaged services as detailed in Appendix A for Package 1, Appendix B for Package 2 and Appendix C for Package 3, which are attached and incorporated herein in their entirety. Member Library agrees to compensate TdS for such services as detailed in the respective Appendices. Member library has elected the package indicated below.

- **Package 1**  
  Delivery
- **Package 2**  
  Delivery and Interlibrary Loan
- **Package 3**  
  Delivery and Interlibrary Loan and Automation

**Article IV: Traverse des Sioux Library Cooperative Responsibilities**

In performing all services under all of these packages, it is mutually agreed that TdS shall:

1. Work with the Advisory Council of Member Library Directors to make recommendations on policy, procedure, budget, and problem resolution. The TdS Board of Directors will provide final approval and authority on such policies, procedures, budgets, and problem resolutions that affect the region as a whole.
2. Pay all vendor invoices in a timely manner so as not to incur late payment charges. If a late payment charge occurs, TdS shall be responsible for that payment.

3. Bill and collect from each Member Library its fees as elected by the Member Library in Article III above and described in the appendices attached.

4. In the event the agreement between any vendor and TdS is canceled for any reason, outstanding liabilities shall be paid. Any remaining funds collected under this paragraph shall be returned to the Member Libraries on the same prorated basis upon which they were collected.

5. Work with vendors to make all possible efforts to minimize the number of times in which any service is unavailable for normal operations.

6. Remain a member in good standing with MINITEX.

7. Not be liable or responsible for losses caused by interruption of service due to causes beyond its control, including, but not limited to, acts of God, equipment failure, power outages, inclement weather, and/or sabotage to the system. TdS will work with vendor and Member Library to resolve any incidents related to the above. TdS will contract with the contracted products vendor(s) to provide a secure site with a regularly scheduled, complete backup of the database and all means necessary to recover the contracted products in the event of a disaster.

8. Maintain a philosophy of cooperation in decision-making and professional interactions.

Article V: Member Library Responsibilities

In order to receive said services, Member Library agrees that it shall:

1. Pay invoices for services within 60 days of receipt of a TdS invoice, unless otherwise mutually agreed in writing. Failure by the Member Library to pay invoice amount promptly shall be a breach of this agreement and cause for immediate termination of this agreement as provided in Article VI below.

2. Be responsible for preliminary troubleshooting, maintenance, and repair of all equipment, in order to expedite the process when calling TdS for assistance.

3. Send a representative to appropriate TdS meetings and/or training sessions.

4. Comply with standards and procedures agreed upon by the Advisory Council of Member Library Directors and approved by the TdS Board of Directors.

5. Comply with state and federal laws regarding the privacy of and access to library records.
6. Refrain from any activity which dilutes the value of the services provided by TdS to the Member Library or to others, shifts costs from users of services provided by TdS to non-users, or results in libraries obtaining services without payment.

7. Maintain a philosophy of cooperation in decision-making and professional interactions.

Article VI: Termination

1. This agreement shall be in effect during the full calendar year from January 1 to December 31, 2017, unless terminated as provided below.

2. Time of delivery of services is of the essence. The failure of TdS to deliver services in a commercially reasonable manner shall constitute a material breach of this contract, which shall entitle the Member Library to terminate the contract by delivery of 60-days written notice to TdS.

3. This agreement may be terminated by TdS with 60 days written notice for Member Library violations of any of the provisions in Article V.

4. In the event of a breach of this agreement by TdS, the Member Library shall inform TdS of the breach in writing. The Member Library may withhold payment for that service resulting in the breach until the breach is cured. TdS must cure the breach within 60 days. If the breach is not so cured, the Member Library may terminate this agreement.

5. In the event that Member Library or TdS would otherwise be unable to meet its financial obligations, said party may terminate this agreement during the course of the contract by providing the other party with 120 days written notice of its intent to terminate.

Article VII: Other

1. All provisions of this agreement shall be interpreted according to Minnesota Law.

2. This agreement may only be amended by mutual written agreement.

3. This agreement replaces and supersedes all previous agreements unless otherwise mutually agreed to with respect to services.

4. Should any part of this agreement become inconsistent with any state or federal law, such law shall take precedence over that part of this agreement, while the balance of this agreement shall remain in full force and effect.

5. TdS and Member Library have a responsibility to monitor compliance of both parties with TdS agreements, bylaws, policies and procedures. Any non-compliance with agreements, bylaws, policies, or procedures will be brought to the TdS and Member Library Boards to determine appropriate action.
6. This agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

For Traverse des Sioux Library Cooperative:  

________________________
Director

________________________
Board President

________________________
Date

For Member Library:

________________________
Director

________________________
Board President

________________________
Date
Appendix A  
(Sign Only the Appendix Which Provides the Services You Choose)

Package 1: Delivery

TdS shall provide Delivery Services and Member Library shall pay for said services as follows.

Payment for Delivery Services shall be equal to the percentage of responsibility for said services under the 2017 Fee Structure agreed to and paid by Member Libraries. The fee structure is attached hereto as Schedule 1 and incorporated by reference.

In addition to those services detailed in Article IV of the agreement, in performing Delivery Services, TdS shall:

1. Be the contracting authority with delivery services vendor.
2. Be responsible for management of regional delivery, scheduling, and problem solving.
3. Provide space and access to Delivery vendor for picking up and dropping off library materials.
4. Provide adequate storage tubs for transporting materials.
5. Remain a member in good standing of MINITEX.

In addition to those services detailed in Article V of the agreement, in performing their obligations under Delivery Services, Member Library shall:

1. Adhere to delivery policies and conditions of the delivery vendor contract.
2. Properly and securely package and label all outgoing materials.
3. Provide building access and an open, accessible area for pickup and delivery.

For Traverse des Sioux Library Cooperative:  
For Member Library:

_____________________________  
Director

_____________________________  
Board President

_____________________________  
Date
Appendix B
(Sign Only the Appendix Which Provides the Services You Choose)

Package 2: Interlibrary Loan and Delivery

TdS shall provide Interlibrary Loan (ILL) and Delivery Services, and Member Library shall pay for said services follows.

Payment for ILL and Delivery Services shall be equal to the percentage of responsibility for said services under the 2017 Fee Structure agreed to and paid by TdS Member Libraries. The fee structure is attached hereto as Schedule 1 and incorporated by reference.

In addition to those services detailed in Article IV of the agreement, in performing ILL and Delivery Services, TdS shall:

1. Be the contracting authority with delivery services vendor.
2. Be responsible for management of regional delivery, scheduling, and problem solving.
3. Provide space and access to Delivery vendor for picking up and dropping of library materials.
4. Provide adequate storage tubs for transporting materials.
5. Provide access and proper sorting and packaging for state-wide delivery vendor.
6. Remain a member in good standing in MINITEX and MnLINK.
7. TdS will meet all of the MnLINK Gateway Server site requirements.
8. TdS agrees to handle interlibrary loan requests through VDX for the Member Library.
9. TdS will follow and keep current with all policies, procedures, and standards required by the American Library Association and MnLINK.
10. Assess an additional 25% in fees to partially compensate TdS for additional steps in handling and mediating ILL requests outside of the normal workflow. Workflow measures and consultant studies show additional work is required to accomplish ILL services to libraries who are non-participants in the TdS automation system.

In addition to those services detailed in Article V of the agreement, in performing their obligations under ILL and Delivery Services, Member Library shall:

1. Adhere to delivery policies and conditions of the delivery vendor contract.
2. Properly and securely package and label all outgoing materials.
3. Provide building access and an open, accessible area for pickup and delivery.
4. Agree to have cataloged and barcoded all current materials promptly.
5. Agree to lend circulating materials in accordance with TdS and MnLINK guidelines, and in accordance with the Minnesota Reciprocal Borrowing Compact.
6. Agree to pay an additional 25% in fees to partially compensate TdS for additional steps in handling and mediating ILL requests outside of the normal workflow. Workflow measures and consultant studies show additional work is required to accomplish ILL services to libraries who are non-participants in the TdS automation system.
Appendix C
(Sign Only the Appendix Which Provides the Services You Choose)

Package 3: Automation, Interlibrary Loan and Delivery

TdS shall provide Automation, Interlibrary Loan (ILL), and Delivery Services; and Member Library shall pay for said services as follows.

Payment for Automation, ILL, and Delivery Services shall be equal to the percentage of responsibility for said services under the 2017 Fee Structure agreed to and paid by TdS Member Libraries. The fee structure is attached hereto as Schedule I and incorporated by reference.

In addition to those services detailed in Article IV of the agreement, in performing Automation, ILL, and Delivery Services, TdS shall:

1. Be the contracting authority with delivery services vendor.
2. Be responsible for management of regional delivery, scheduling and problem solving.
3. Provide space and access to delivery vendor for picking up and dropping off library materials.
4. Provide adequate storage tubs for transporting materials.
5. Provide access and proper sorting and packaging for state-wide delivery vendor.
6. Remain a good standing member of MINITEX and MnLINK.
7. TdS will meet all of the MnLINK Gateway Server site requirements.
8. TdS agrees to handle interlibrary loan requests through VDX for Member Library.
9. TdS will follow and keep current with all policies, procedures, and standards required by the American Library Association and MnLINK.
10. Assess an additional 25% in fees to partially compensate TdS for additional steps in handling and mediating ILL requests outside of the normal workflow. Workflow measures and consultant studies show additional work is required to accomplish ILL services to libraries who are non-participants in the TdS automation system.
11. Provide overall administration, management and problem solving for regional automation services.
12. Offer regional training opportunities.
13. Administration of regional telecommunications network and provision of internet services to Member Libraries, including cost abatement, and e-rate applications.
14. Provide hardware, software and network support.
15. Participate in the automated state-wide resource sharing network through the ILL Department
16. Provide an ongoing, updated list of minimum requirements for public and patron PCs and peripheral equipment, such as barcode readers, receipt printers, etc., to Member Libraries.
17. Acquire appropriate products for automation system operation from vendors as requested by Member Library and deliver and install according to a mutually-agreed-upon schedule.
18. Work with Member Library to develop an efficient, effective, and equitable method for cataloging new materials and adding records to the automation system’s database.
19. Ensure that all bibliographic data entered into the automation system complies with national standards for machine-readable cataloging and form of entry.
20. Regularly investigate the feasibility of adding new subsystems and/or products or services to Member Libraries.
21. Contract with automation vendor to provide daily backup of data, with one copy of all data stored off-site each week.
22. Contract with automation vendor to make all possible efforts to minimize the amount of time during which the automation system is unavailable for normal operations.
23. Comply with state and federal laws regarding privacy and access to library records.
24. Offer cooperative purchasing of hardware and software for best pricing.

In addition to those services detailed in Article V of the agreement, in performing their obligations under Automation, ILL, and Delivery Services, Member Library shall:

1. Adhere to delivery policies and conditions of the delivery vendor contract.
2. Properly and securely package and label all outgoing materials.
3. Provide building access and an open, accessible area for pickup and delivery.
4. Agree to have cataloged and barcoded all current materials promptly.
5. Agree to lend circulating materials in accordance with TdS and MNLINK guidelines and in accordance with the Minnesota Reciprocal Borrowing Compact.
6. Agree to pay an additional 25% in fees to partially compensate TdS for additional steps in handling and mediating ILL requests outside of the normal workflow. Workflow measures and consultant studies show additional work is required to accomplish ILL services to libraries who are non-participants in the TdS automation system.
7. Maintain compliance with the requirements of the Children’s Internet Protection Act. Have on file with TdS an Internet Acceptable Use Policy, approved by Member Library Board.
8. Contribute to the shared bibliographic database by submitting materials for cataloging to TdS or by adding holdings to existing bibliographic records already in the database.
9. Comply with state and federal laws regarding privacy and access to library records.
10. Make prompt payments of all invoices for equipment and peripherals ordered through TdS.
11. Member Library agrees to pay vendor service charges and penalties if late payments occur.
12. Install only devices or peripheral equipment to system and/or network that have been approved by TdS, so as not to harm or degrade the automation system in any way.
13. Be responsible for preliminary local troubleshooting, maintenance, and repair of all local equipment, in order to expedite the process when calling TdS if automation system and/or network problems continue.
14. Be responsible for the maintenance of record holdings information, item, and patron records held in the shared automation system.
15. Agree to share machine-readable bibliographic records with other Member Libraries.

For Traverse des Sioux Library Cooperative: ____________________________  For Member Library: ____________________________
Director  Director
__________________________________________  ____________________________
Board President  Board President
__________________________________________  ____________________________
Date  Date
### Schedule 1

**Traverse des Sioux Library Cooperative Fee Structure 2017**

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<th>Library Name</th>
<th>Total 2017</th>
<th>Total 2017</th>
<th>Total 2017</th>
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<td>Cataloging Fees</td>
<td>I.L. Base Fee*</td>
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*Presumes participation in Automation. Non-participating members will be charged an additional fee.*
## Traverse des Sioux Library Cooperative Fee Structure - 2017 Final

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<th>Library</th>
<th>Delivery Fees</th>
<th>Automation Fees</th>
<th>Cataloging Fees</th>
<th>ILL Fee*</th>
<th>Non-Participation Fee</th>
<th>Total 2017 Fee</th>
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* Presumes participation in Automation System. Non-participating members will be charged an additional fee.

RB 19 Oct 2016