

CITY OF HERMANTOWN

AGENDA

**Pre-Agenda Meeting Monday, August 15, 2016 @ 5:00 p.m. –
Large Conference Room**

**City Council Continuation Meeting August 15, 2016 @ 6:30 p.m. – Council Chambers
City Administrative Services Building**

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **ANNOUNCEMENTS** *(Council Members may make announcements as needed)*

Wayne Boucher, Mayor
RE: Employee Recognition

Aron Bjonskaas	-	5 years
Jim Crace	-	5 years
Lisa Perich	-	10 years
5. **PUBLIC HEARING** – *(only when necessary. The rule adopted three minutes per person if necessary. Any action required after the public hearing will be taken immediately following the closing of the public hearing.)*
6. **COMMUNICATIONS**
7. **PRESENTATIONS** *(Department Heads may give reports if necessary)*
8. **PUBLIC DISCUSSION** *(This is the time for individuals to address the Council about any item.)
The time limit is three minutes per person.)*
9. **CONSENT AGENDA** *(All items on the Consent Agenda are items which are considered routine by the City Council and will be approved by one motion via voice vote. There will be no discussion of these items unless a Council member or citizen so requests, in which event the item will be removed from the Consent Agenda and considered at the end of the Consent Agenda.)*
 - A. **Minutes** – Approval or correction of the August 1, 2016 City Council Minutes
Minutes – Approve of August 9, 2016 Primary Election Canvass
 - B. **Accounts Payable** – Approve general city warrants from August 1, 2016 through August 15, 2016 in the amount of \$704,848.55

C. Resolutions

2016-100 Resolution Approving Pay Request Number 3 For Street Improvement District No. 524-N S.A.P. 202-103-009 Stebner Road To Ulland Brothers, Inc In The Amount Of \$385,992.43

(motion, roll call)

10. MOTIONS

11. ORDINANCES

A. 2016-52 An Ordinance Opting-Out Of The Requirements Of Minnesota Statutes Section 462.3593

Second Reading

(motion, roll call)

B. 2016-53 An Ordinance Amending Hermantown Zoning Ordinance Section 525 – C-1 Office/Light Industrial And C-1A, Office/Light Industrial/Adult Uses

Second Reading

(motion, roll call)

C. 2016-54

12. RESOLUTIONS *(Roll call will be taken only on items required by law and items requiring 4/5's votes, all others can be done by voice vote)*

A. 2016-89 Resolution Approving The Re-Location Of The Gate At Stebner Park

(motion, roll call)

B. 2016-101 Resolution Receiving Quotations And Awarding Contract For Reinke Road Culvert Replacement

(motion, roll call)

C. 2016-102 Resolution Receiving Quotations And Awarding Contract For Sealcoating And Striping At Hermantown Government Services Building To Sinnot Blacktopping, LLC In The Amount Of \$15,425

(motion, roll call)

- D. 2016-103** Resolution Providing For The Sale Of \$5,540,000 General
Obligation Capital Improvement Plan Bonds, Series 2016B

(motion, roll call)

13. RECESS

DATE: 2016

TO: CITY COUNCIL MEMBERS

FROM: JOHN MULDER, CITY ADMINISTRATOR

RE: CORRESPONDENCE

Enclosed in your packet is a correspondence summary log. This log briefly summarizes and assigns a log number for written correspondence received at City Hall. You are provided with the summary so that you may request a full copy of any correspondence article of interest to you. Debbie and I have copied only the correspondence that we believe to be of special interest.

John Mulder

CORRESPONDENCE

<u>DATE</u>	<u>LOG #</u>	<u>FROM</u>	<u>TO</u>	<u>REGARDING</u>	<u>FILED</u>
7/29/2016	16-181	Lara Nygaard, Maki & Overom	Applied Professional Services	Hermantown General Store Canopy	7/25/2016
7/29/2016	16-182	Mary Anderson, Land Use Manager, St. Louis County	St. Louis County Cities	Planning Commission Hearing	7/25/2016
8/1/2016	16-183	Laura Bennett, Fryberger, Buchanan, Smith & Frederick	Debbie Lund, City Clerk	General Obligation Refunding Bonds	7/27/2016
8/2/2016	16-184	CW Technology	City of Hermantown	Mail Filter User List 7/2016	8/1/2016
8/2/2016	16-185	Mediacom	City of Hermantown	Rental Pricing Effective 9/1/2016	8/1/2016
8/2/2016	16-186	Steve Overom, Maki & Overom	Robert Kanuit	Jackson Estates Fourth Addition	8/1/2016
8/3/2016	16-187	Steven Overom, Maki & Overom	Debbie Lund, City Clerk	Jackson Estates Fourth Addition	8/1/2016
8/3/2016	16-188	Mary Zanoni, Arrowhead Regional Development Commission	County Auditors & City Clerks	2017 Tax Levy	7/25/2016
8/9/2016	16-189	Michael Hulett, Greater MN Regional Parks & Trails Commission	Eric Johnson, Community Development Director	16-105D Proctor Hermantown Munger Trail Spur	8/2/2016

CITY OF HERMANTOWN
CITY COUNCIL MEETING
August 1, 2016
6:30 p.m.

Pledge of Allegiance

ROLL CALL: Councilors Koski, Nelson, Peterson, Mayor Boucher; John Mulder, City Administrator; Debbie Lund, City Clerk; Jim Crace, Chief of Police; Kevin Orme, Finance Director; Eric Johnson, Community Development Director; Steve Overom, City Attorney

ABSENT: Councilor Geissler

VISITORS: 4

COMMUNICATIONS

Communications 2016-166 through 2016-180 were read and placed on file.

Communication 2016-169 from Brandon Kohlts, WLSSD to Paul Senst, Public Works Director regarding Review of 2015-2016 Inflow & Infiltration FOG Program

Communication 2016-179 from Ryan Kern, President Duluth Airshow to Mayor Boucher regarding 2016 Duluth Air & Aviation Show

PRESENTATIONS

Kevin Orme, Finance Director - Kevin gave a brief review of the 2015 Fire Department's Audit which was performed by WIPFLI, LLP and was completed six months earlier than the 2014 audit. The Fire Department had over \$500k in cash at the end of 2015; had a surplus of \$111K on \$375 of income in 2015 and increased their cash by \$167K in 2015.

The quarterly investment report as of June 30, 2016 shows where our money is; how much money we have; where it's invested and how it is invested. The City had approximately \$14,000,000 and 4M, RBC Dain, Wells Fargo, Morgan Stanley and MBS hold the city's money which is invested in cash, short term investment (money market) and long term investments. There is also a graph which shows the breakdown of cash and investments from November/December 2015 and compares it to June 30, 2016.

The third presentation is the departmental and funds expenditure versus budget report for the first half of 2016. Our General Fund Expenditures is approximately \$134,000 less than budgeted for the first half of the year, in addition, Sales Tax Revenue is up 19% over last year's six months.

PUBLIC DISCUSSION

Myron Lindahl, 4698 Vaux Road -- I am here based on an article that appeared in last Thursday's Hermantown Star regarding the language for the sales tax referendum. As I understand the article says that the wording for the referendum question will be presented to the Council for the approval at this meeting. I am concerned about that language and exactly what it is going to say as I understand our state legislature and how they are working it is only if they do have this Special Session in August that there would be the need to have this appear on the ballot. I think that the language should be very specific

because we are so limited in the amount of public information and totally dependent on the Hermantown Star to tell the people in the City of Hermantown, so I think it is imperative that the wording is in detail for the general understanding of the public at the General Election.

CONSENT AGENDA

Motion made by Councilor Peterson, seconded by Councilor Koski to approve the Consent Agenda which includes the following items:

- A. Approval of July 18, 2016 and July 25, 2016 City Council Continuation Minutes
- B. Approve general city warrants from July 15, 2016 through July 31, 2016 in the amount of \$582,250.07
- C. Resolution 2016-92 – Approve Agreement for Professional Services with T.E.A.M. Consulting, LLC

Roll Call: Councilors Koski, Nelson, Peterson, Mayor Boucher, aye. Councilor Geissler absent. Motion carried.

ORDINANCES

2016-51 An Ordinance Amending Hermantown Code Of Ordinances Section 220 – City Administrator

The Second Reading was held on Ordinance 2016-51, An Ordinance Amending Hermantown Code Of Ordinances Section 220 – City Administrator.

Motion made by Councilor Nelson, seconded by Councilor Koski to adopt Ordinance 2016-51, An Ordinance Amending Hermantown Code Of Ordinances Section 220 – City Administrator. Roll Call: Councilors Koski, Nelson, Peterson, Mayor Boucher, aye. Councilor Geissler, absent. Motion carried.

2016-52 An Ordinance Opting-Out Of The Requirements Of Minnesota Statutes Section 462.3593

The First Reading was held on Ordinance 2016-52, An Ordinance Opting-Out Of The Requirements Of Minnesota Statutes Section 462.3593.

2016-53 An Ordinance Amending Hermantown Zoning Ordinance Section 525 C-1 Office/Light Industrial And 530 – C-1A Office/Light Industrial/Adult Uses

The First Reading was held on Ordinance 2016-53, An Ordinance Amending Hermantown Zoning Ordinance Section 525 – C-1 Office/Light Industrial And 530 – C-1A Office/Light Industrial/Adult Uses.

RESOLUTIONS

2016-93 Resolution Approving Quotation From Video Service America For Cable Television Equipment In The Amount Of \$13,825

Motion made by Councilor Nelson, seconded by Councilor Koski to adopt Resolution 2016-93, Resolution Approving Quotation From Video Service America For Cable Television Equipment In The Amount Of \$13,825. Roll Call: Councilors Koski, Nelson, Peterson, Mayor Boucher, aye. Councilor Geissler, absent. Motion carried.

2016-94 Resolution Adopting Availability Charges For Project 445 – Highway 53 Sewer

Motion made by Councilor Nelson, seconded by Councilor Koski to adopt Resolution 2016-94, Resolution Adopting Availability Charges For Project 445 – Highway 53 Sewer. Roll Call: Councilors Koski, Nelson, Peterson, Mayor Boucher, aye. Councilor Geissler, absent. Motion carried.

2016-95 Resolution Authorizing And Directing The Mayor And City Clerk To Enter Into A Non-Exclusive Banking Service Agreement With National Bank Of Commerce

Motion made by Councilor Peterson, seconded by Councilor Nelson to adopt Resolution 2016-95, Resolution Authorizing And Directing The Mayor And City Clerk To Enter Into A Non-Exclusive Banking Service Agreement With National Bank Of Commerce. Roll Call: Councilors Koski, Nelson, Peterson, Mayor Boucher, aye. Councilor Geissler, absent. Motion carried.

2016-96 Resolution Approving Question To Be Posed Regarding A Proposed Hermantown Sales Tax

Motion made by Councilor Peterson, seconded by Councilor Koski to adopt Resolution 2016-96, Resolution Approving Question To Be Posed Regarding A Proposed Hermantown Sales Tax. Roll Call: Councilors Koski, Nelson, Peterson, Mayor Boucher, aye. Councilor Geissler absent. Motion carried.

2016-97 Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver Agreement Between Hermantown Police Department And Hermantown Community Schools For Police/Liaison Officer

Motion made by Councilor Peterson, seconded by Councilor Nelson to adopt Resolution 2016-97, Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver Agreement Between Hermantown Police Department And Hermantown Community Schools For Police/Liaison Officer. Roll Call: Councilors Koski, Nelson, Peterson, Mayor Boucher, aye. Councilor Geissler, absent. Motion carried.

2016-98 Resolution Adopting Revised Capital Asset Policy

Motion made by Councilor Nelson, seconded by Councilor Peterson to adopt Resolution 2016-98, Resolution Adopting Revised Capital Asset Policy. Roll Call: Councilors Koski, Nelson, Peterson, Mayor Boucher, aye. Councilor Geissler, absent. Motion carried.

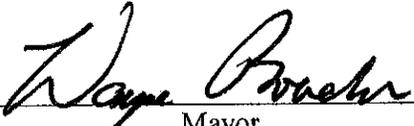
2016-99 Resolution Authorizing And Directing The Mayor And City Clerk To Execute And Deliver Development Agreement With Titan Premier, LLC Square 37 Development

Motion made by Councilor Peterson, seconded by Councilor Koski to adopt Resolution 2016-99, Resolution Authorizing And Directing The Mayor And City Clerk To Execute And Deliver Development Agreement With Titan Premier, LLC Square 37 Development. Roll Call: Councilors Koski, Nelson, Peterson, Mayor Boucher, aye. Councilor Geissler, absent. Motion carried.

Mayor Boucher thanked Xavier Witikko for running the video equipment.

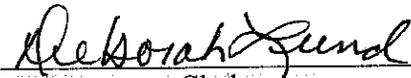
Councilor Peterson recognized Paul Senst, Public Works Director and the Public Works staff on all the good work they did to provide the cleanup and repair of all the damage that was done from the storm. Thank you for your hard work.

Motion made by Councilor Nelson, seconded by Councilor Peterson to recess at 7:02 p.m. to Friday, August 9, 2016 at 9:00 a.m. to canvass the Primary Election Results. Motion carried.



Mayor

ATTEST:



Clerk

TO: Mayor & City Council
FROM: John Mulder, City Administrator



DATE: August 15, 2016 **Meeting Date:** 08/15/2016
SUBJECT: Pay Request # 3 Stebner Road **Agenda Item:** Resolution 2016-100
9-C

REQUESTED ACTION

Adopt a resolution approving Pay Request #1 for Street Improvement District No. 524-N; S.A. P. 202-103-009 Stebner Road in the amount of \$385,992.43 to Ulland Brothers, INC.

BACKGROUND

This is the third pay request for the Stebner project between Maple Grove Road and Hwy 53. This pay requests is for work completed through August 10, 2016.

SOURCE OF FUNDS (if applicable)

This project is funded by Municipal State Aid. (Charged to 402-431150-550)

ATTACHMENTS

Resolution
Pay Request 3

Resolution No. 2016-100

**RESOLUTION APPROVING PAY REQUEST NUMBER 3 FOR
STREET IMPROVEMENT DISTRICT NO. 524-N S.A.P. 202-103-009 STEBNER ROAD TO
ULLAND BROTHERS, INC. IN THE AMOUNT OF \$385,992.43**

WHEREAS, the City of Hermantown has contracted with Ulland Brothers, Inc. for construction of Street Improvement District No. 524-N Stebner Road ("Project:"); and

WHEREAS, Ulland Brothers, Inc. has performed a portion of the agreed upon work in said Project; and

WHEREAS, Ulland Brothers, Inc. has submitted Pay Request No.3 in the amount of \$385,992.43; and

WHEREAS, Northland Consulting Engineers, LLP has approved such Pay Request No. 3 provided that 5% of the amount appearing on such Pay Request No. 3 be withheld pending final acceptance of the Project by the City of Hermantown.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Hermantown, Minnesota as follows:

1. Pay Request No.3 is hereby approved.
2. The City is hereby authorized and directed to pay to Ulland Brothers, Inc. the sum of \$385,992.43 which is the amount represented on Pay Request No. 3 less the required five-percent (5%) holdback.

Councilor _____ introduced the foregoing resolution and moved its adoption.

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

and the following voted in opposition thereto:

WHEREUPON, such resolution has been duly passed and adopted.



Eng. Project No.: HERMT 132480

Contractor: Ulland Brothers, Inc.

PO Box 340

Cleat, MN 56720

Contract for Hermtown Street Improvement District 524N - Stehner Rd (M.S.A.S. 103)

Application Date 8/10/16

Location: Hermtown, Minnesota

Contract Date: May 19, 2016

Contract Amount \$ 1,861,500.00

For Period Ending 8/10/16

Item No.	Unit	Item	Total Project			Roadway SP 202-105-009, STPF-8316(188)			Storm Sewer S.P. 202-103-009, STPF-8316(188)			100% City Non-Participating			
			Est. Quantity	Quantity to Date	Unit Price	Total Price	Est. Quantity	Quantity to Date	Unit Price	Total Price	Est. Quantity	Quantity to Date	Unit Price	Total Price	
2104.501	LS	MOBILIZATION	1.00	1.00	\$17,822.04	\$17,822.04	0.93	\$17,822.04	\$16,574.50	0.00	\$17,822.04	\$17,822.04	0.07	\$17,822.04	\$1,247.54
2104.511	LS	CLEARING & GRUBBING	1.00	0.65	6,000.00	\$3,900.00	0.35	6,000.00	6,000.00	0.00	6,000.00	6,000.00	0.65	6,000.00	\$3,900.00
2104.501	LIN FT	REMOVE PIPE CULVERTS	61.00	61.00	12.00	\$732.00	61.00	12.00	\$732.00	0.00	12.00	12.00	0.00	12.00	0.00
2104.501	LIN FT	REMOVE PIPE SEWERS (P)	2327.00	2082.00	13.00	\$27,066.00	81.00	13.00	\$27,066.00	2327.00	2082.00	\$27,066.00	0.00	13.00	0.00
2104.501	LIN FT	REMOVE CURB AND GUTTER	13190.00	10041.00	1.30	\$13,053.30	13190.00	1.30	\$13,053.30	13190.00	10041.00	\$13,053.30	0.00	1.30	0.00
2104.503	SQ.FT	REMOVE BITUMINOUS PAVEMENT (P)	208452.00	208452.00	0.30	\$61,835.60	208452.00	0.30	\$61,835.60	208452.00	208452.00	\$61,835.60	0.00	0.30	0.00
2104.503	SQ.FT	REMOVE BITUMINOUS DRIVEWAY PAVEMENT (P)	1988.00	358.00	0.65	\$232.70	1988.00	0.65	\$232.70	358.00	0.00	0.65	\$232.70	0.00	0.65
2104.503	SQ.FT	REMOVE CONCRETE WALK	24772.00	18740.00	\$0.40	\$7,496.00	24772.00	\$0.40	\$7,496.00	18740.00	0.00	\$0.40	\$7,496.00	0.00	\$0.40
2104.508	EACH	REMOVE MANHOLE OR CATCH BASIN	24.00	16.00	260.00	\$4,160.00	0.00	260.00	260.00	16.00	0.00	260.00	0.00	260.00	0.00
2104.508	EACH	REMOVE CASTING	11.00	9.00	\$300.00	\$2,700.00	8.00	\$300.00	\$2,400.00	3.00	5.00	\$300.00	0.00	\$300.00	0.00
2104.508	EACH	REMOVE SIGN	4.00	3.00	\$25.00	\$75.00	4.00	\$25.00	\$75.00	3.00	0.00	\$25.00	0.00	\$25.00	0.00
2104.511	LIN FT	SAVING CONCRETE PAVEMENT (FULL DEPTH)	59.00	4.00	3.25	\$13.00	59.00	3.25	\$13.00	4.00	0.00	3.25	0.00	3.25	0.00
2104.513	LIN FT	SAVING BITUMINOUS PAVEMENT (FULL DEPTH)	755.00	0.00	1.85	\$1,386.75	755.00	0.00	0.00	0.00	0.00	1.85	0.00	1.85	0.00
2104.523	EACH	ABANDON WALKER SERVICE	20.00	7.00	\$25.00	\$175.00	20.00	\$25.00	\$175.00	7.00	0.00	\$175.00	0.00	\$175.00	0.00
2104.501	CUYD	COMMON EXCAVATION (P)	12531.00	10327.00	\$11.70	\$120,825.90	10637.00	\$11.70	\$120,825.90	9327.00	0.00	\$11.70	\$109,125.90	1884.00	1000.00
2105.501	CUYD	SUBGRADE EXCAVATION (P)	3197.00	2654.00	\$12.50	\$33,175.00	3197.00	\$12.50	\$33,175.00	2654.00	0.00	\$12.50	\$33,175.00	0.00	\$12.50
2105.521	CUYD	GRANULAR BORROW (CV) (P)	474.00	0.00	\$22.00	\$10,428.00	474.00	\$22.00	\$10,428.00	0.00	0.00	\$22.00	0.00	\$22.00	0.00
2105.622	CUYD	SELECT GRANULAR BORROW MOD 7% (CV) (P)	5730.00	4972.00	14.50	\$72,094.00	5225.00	14.50	\$72,094.00	4972.00	0.00	14.50	\$72,094.00	505.00	0.00
2105.604	SQ.YD	GEOTEXTILE FABRIC TYPE V	18334.00	16177.00	\$2.10	\$38,511.80	16883.00	\$2.10	\$35,354.30	16177.00	0.00	\$2.10	\$34,170.70	1451.00	0.00
2112.501	STA	SUBGRADE PREPARATION 6"-12"	70.00	0.00	\$200.00	\$14,000.00	66.00	\$200.00	\$13,200.00	0.00	0.00	\$200.00	4.00	\$200.00	0.00
2123.61	HR	STREET SWEEPER (WITH PICKUP BROOM)	100.00	5.00	\$30.00	\$1,500.00	100.00	\$30.00	\$3,000.00	5.00	0.00	\$30.00	0.00	\$30.00	0.00
2131.502	GAL	CALCIUM CHLORIDE SOLUTION	8905.00	1377.00	\$1.05	\$1,445.85	6945.00	\$1.05	\$7,282.50	1377.00	0.00	\$1.05	\$1,445.85	360.00	0.00
2211.503	CUYD	AGGREGATE BASE (CV)	7895.00	3871.00	30.00	\$116,130.00	7424.00	30.00	\$222,720.00	3871.00	0.00	30.00	\$116,130.00	361.00	0.00
2360.501	TON	TYPE SP 9.5 WEARING COURSE MIXTURE (3.C)	4261.00	0.00	54.60	\$234,651.60	4261.00	54.60	\$234,651.60	0.00	0.00	54.60	\$234,651.60	0.00	54.60
2360.502	TON	TYPE SP 12.5 NON WEARING COURSE MIXTURE (3.B)	2657.00	0.00	42.00	\$111,798.00	2657.00	42.00	\$111,798.00	0.00	0.00	42.00	\$111,798.00	0.00	42.00
2451.501	CUYD	STRUCTURE EXCAVATION CLASS R	20.00	0.00	\$440.00	\$8,800.00	0.00	\$440.00	\$440.00	0.00	0.00	\$440.00	20.00	\$440.00	0.00
2501.511	LIN FT	15" CP PIPE CULVERT (SMOOTH)	107.00	60.00	\$23.00	\$2,361.00	60.00	\$23.00	\$1,380.00	58.00	0.00	\$23.00	\$1,360.00	49.00	0.00
2501.515	EACH	12" RC PIPE APRON	9.00	7.00	\$400.00	\$2,800.00	0.00	\$400.00	\$400.00	9.00	0.00	\$400.00	0.00	\$400.00	0.00
2501.515	EACH	15" CS PIPE APRON	6.00	2.00	\$300.00	\$600.00	0.00	\$300.00	\$300.00	4.00	0.00	\$300.00	0.00	\$300.00	0.00
2501.515	EACH	18" RC PIPE APRON	4.00	0.00	\$450.00	\$1,800.00	0.00	\$450.00	\$450.00	4.00	0.00	\$450.00	0.00	\$450.00	0.00
2501.515	EACH	21" RC PIPE APRON	1.00	1.00	\$500.00	\$500.00	0.00	\$500.00	\$500.00	1.00	0.00	\$500.00	0.00	\$500.00	0.00
2501.515	EACH	24" RC PIPE APRON	2.00	1.00	\$550.00	\$1,100.00	0.00	\$550.00	\$550.00	2.00	0.00	\$550.00	0.00	\$550.00	0.00
2501.515	EACH	36" SPAN RC PIPE APRON	1.00	1.00	\$800.00	\$800.00	0.00	\$800.00	\$800.00	1.00	0.00	\$800.00	0.00	\$800.00	0.00
2501.525	EACH	4" PRECAST CONCRETE HEADWALL	2.00	0.00	\$700.00	\$1,400.00	0.00	\$700.00	\$700.00	2.00	0.00	\$700.00	0.00	\$700.00	0.00
2502.501	EACH	4" PVC PIPE DRAIN	6.00	0.00	300.00	\$1,800.00	3.00	300.00	\$900.00	0.00	0.00	300.00	3.00	\$300.00	0.00
2502.521	LIN FT	4" PVC PIPE DRAIN	120.00	0.00	\$18.00	\$2,160.00	38.00	\$18.00	\$684.00	0.00	0.00	\$18.00	\$684.00	81.00	0.00
2502.541	LIN FT	4" PERF PVC PIPE DRAIN	6855.00	6324.00	\$10.00	\$68,550.00	6165.00	\$10.00	\$61,650.00	6324.00	0.00	\$10.00	\$63,240.00	660.00	0.00

Item No.	Item	Unit	Total Project			Roadway SP 202-103-009, STPF-8916(186)			Storm Sewer S.P. 202-103-009, STPF-8916(186)			100% City Non-Participating			
			Est. Quantity	Quantity to Date	Unit Price	Total Price	Est. Quantity	Quantity to Date	Unit Price	Total Price	Est. Quantity	Quantity to Date	Unit Price	Total Price	
2503.521	36" SPAN RC PIPE-ARCH CULV CL IIA	LIN FT	48.00	0.00	105.00			105.00		48.00	0.00	105.00		0.00	105.00
2503.511	15" CS PIPE SEWER	LIN FT	6.00	0.00	\$130.00			\$130.00		6.00	0.00	\$130.00		0.00	\$130.00
2503.541	17" RC PIPE SEWER DESIGN 3008 CLASS III	LIN FT	1343.00	1394.00	45.00	\$62,730.00		45.00		1343.00	1394.00	\$62,730.00		0.00	45.00
2503.541	15" RC PIPE SEWER DESIGN 3006 CLASS III	LIN FT	591.00	591.00	38.00	\$22,468.00		38.00		591.00	591.00	\$22,468.00		0.00	38.00
2503.541	18" RC PIPE SEWER DESIGN 3006 CLASS III	LIN FT	341.00	228.00	42.00	\$9,576.00		42.00		341.00	228.00	\$9,576.00		0.00	42.00
2503.541	21" RC PIPE SEWER DESIGN 3008 CLASS III	LIN FT	39.00	39.00	61.00	\$2,379.00		61.00		39.00	39.00	\$2,379.00		0.00	61.00
2503.541	24" RC PIPE SEWER DESIGN 3009 CLASS III	LIN FT	223.00	180.00	49.00	\$8,820.00		49.00		223.00	180.00	\$8,820.00		0.00	49.00
2503.541	36" RC PIPE SEWER DESIGN 3008 CLASS III	LIN FT	13.00	13.00	89.00	\$1,157.00		89.00		13.00	13.00	\$1,157.00		0.00	89.00
2503.602	8"X8" PVC WYE	EACH	1.00	0.00	\$500.00			\$500.00		1.00	0.00	\$500.00		0.00	\$500.00
2503.602	CONNECT TO EXISTING STORM SEWER	EACH	17.00	16.00	500.00	\$8,000.00		500.00		17.00	16.00	\$8,000.00		0.00	500.00
2503.602	CONNECT TO EXISTING MANHOLE (SAN)	EACH	1.00	1.00	1,500.00	\$1,500.00		1,500.00		1.00	1.00	1,500.00		0.00	1,500.00
2503.603	8" PVC SEWER SERVICE PIPE	LIN FT	45.00	0.00	\$57.00	\$2,566.50		\$57.00		45.00	0.00	\$2,566.50		0.00	\$2,566.50
2503.603	8" PVC PIPE SEWER SDR 35	LIN FT	404.00	0.00	\$39.00	\$15,756.00		\$39.00		404.00	0.00	\$15,756.00		0.00	\$15,756.00
2504.602	2" CURB STOP AND BOX	EACH	1.00	1.00	\$900.00	\$900.00		\$900.00		1.00	1.00	\$900.00		0.00	\$900.00
2504.602	CONNECT TO EXISTING WATER MAIN	EACH	1.00	0.00	2,500.00			2,500.00		1.00	0.00	2,500.00		0.00	2,500.00
2504.602	CONNECT TO EXISTING WATER SERVICE	EACH	1.00	1.00	400.00	\$400.00		400.00		1.00	1.00	400.00		0.00	400.00
2504.602	HYDRANT ASSEMBLY	EACH	1.00	0.00	\$4,300.00			\$4,300.00		1.00	0.00	\$4,300.00		0.00	\$4,300.00
2504.602	ADJUST VALVE BOX	EACH	21.00	2.00	\$200.00	\$4,200.00		\$200.00		21.00	2.00	\$4,200.00		0.00	\$200.00
2504.602	6" GATE VALVE AND BOX	EACH	2.00	0.00	\$2,200.00			\$2,200.00		2.00	0.00	\$2,200.00		0.00	\$2,200.00
2504.602	10" GATE VALVE AND BOX	EACH	2.00	0.00	\$3,200.00			\$3,200.00		2.00	0.00	\$3,200.00		0.00	\$3,200.00
2504.603	2" TYPE K COPPER PIPE	LIN FT	54.00	60.00	\$51.00	\$2,754.00		\$51.00		54.00	60.00	\$2,754.00		0.00	\$51.00
2504.603	6" WATERMAIN DUCTILE IRON CL 52	LIN FT	82.00	0.00	\$45.00	\$3,690.00		\$45.00		82.00	0.00	\$3,690.00		0.00	\$3,690.00
2504.603	10" WATERMAIN DUCTILE IRON CL 52	LIN FT	385.00	0.00	65.00	\$25,125.00		65.00		385.00	0.00	\$25,125.00		0.00	\$25,125.00
2504.604	3" POLYSTYRENE INSULATION	SQ YD	85.00	12.00	\$30.00	\$2,550.00		\$30.00		85.00	12.00	\$2,550.00		0.00	\$30.00
2504.608	WATERMAIN FITTINGS	LBS	600.00	0.00	\$3.60	\$2,160.00		\$3.60		600.00	0.00	\$2,160.00		0.00	\$3.60
2506.501	CONSTRUCT DRAINAGE STRUCTURE DESIGN 4007	LIN FT	8.00	0.00	280.00			280.00		8.00	0.00	280.00		0.00	280.00
2506.501	CONSTRUCT DRAINAGE STRUCTURE DESIGN 60-4020	LIN FT	28.00	20.34	450.00	\$8,153.00		450.00		28.00	20.34	\$8,153.00		0.00	450.00
2506.501	CONSTRUCT DRAINAGE STRUCTURE DESIGN 84-4020	LIN FT	6.00	6.00	680.00	\$4,080.00		680.00		6.00	6.00	\$4,080.00		0.00	680.00
2506.501	CONSTRUCT DRAINAGE STRUCTURE DESIGN A OR F	LIN FT	33.00	22.81	310.00	\$7,071.10		310.00		33.00	22.81	\$7,071.10		0.00	310.00
2506.502	CONSTRUCT DRAINAGE STRUCTURE DESIGN C OR G	EACH	27.00	23.00	1,600.00	\$36,800.00		1,600.00		27.00	23.00	\$36,800.00		0.00	1,600.00
2506.516	CASTING ASSEMBLY	EACH	27.00	2.00	\$700.00	\$18,900.00		\$700.00		27.00	2.00	\$18,900.00		0.00	\$700.00
2506.502	ADJUST FRAME AND RING CASTING	EACH	12.00	0.00	\$280.00			\$280.00		12.00	0.00	\$280.00		0.00	\$280.00
2506.602	STRUCTURE	EACH	4.00	3.00	\$1,200.00	\$3,600.00		\$1,200.00		4.00	3.00	\$3,600.00		0.00	\$1,200.00
2511.501	RANDOM RIPRAP GLASS III	CU YD	187.00	67.10	\$55.00	\$10,297.50		\$55.00		187.00	67.10	\$10,297.50		0.00	\$55.00
2521.501	4" CONCRETE WALK	SQ FT	28760.00	5915.00	\$2.85	\$82,164.00		\$2.85		28760.00	5915.00	\$82,164.00		0.00	\$2.85
2521.501	7" CONCRETE WALK	SQ FT	1224.00	1224.00	\$5.00	\$6,120.00		\$5.00		1224.00	1224.00	\$6,120.00		0.00	\$5.00
2531.501	CONCRETE CURB & GUTTER DESIGN 5524	LIN FT	13048.00	6481.00	11.50	\$74,301.50		11.50		13048.00	6481.00	\$74,301.50		0.00	11.50
2531.507	7" CONCRETE DRIVEWAY PAVEMENT	SQ YD	287.00	0.00	37.50	\$10,762.50		37.50		287.00	0.00	\$10,762.50		0.00	37.50
2531.618	TRUNCATED DOMES	SQ FT	136.00	0.00	\$30.10	\$4,093.20		\$30.10		136.00	0.00	\$4,093.20		0.00	\$30.10
2540.602	CONSTRUCT SURVEY MONUMENT	EACH	2.00	0.00	\$1,200.00			\$1,200.00		2.00	0.00	\$1,200.00		0.00	\$1,200.00
2540.602	MAIL BOX SUPPORT	EACH	14.00	0.00	\$100.00			\$100.00		14.00	0.00	\$1,400.00		0.00	\$100.00
2553.601	TRAFFIC CONTROL	LS	1.00	1.00	\$6,400.00	\$6,400.00		\$6,400.00		1.00	1.00	\$6,400.00		0.07	\$6,400.00
2584.531	SIGN PANELS TYPE C	SQ FT	52.00	0.00	\$34.50	\$1,794.00		\$34.50		52.00	0.00	\$1,794.00		0.00	\$34.50
2584.536	INSTALL SIGN PANEL TYPE C	EACH	20.00	0.00	\$100.00	\$2,000.00		\$100.00		20.00	0.00	\$2,000.00		0.00	\$100.00
2573.502	SILT FENCE TYPE MS	LIN FT	13708.00	12448.00	\$2.00	\$27,416.00		\$2.00		13708.00	12448.00	\$27,416.00		593.00	\$2.00
2573.53	STORM DRAIN INLET PROTECTION	EACH	43.00	42.00	\$200.00	\$8,600.00		\$200.00		43.00	42.00	\$8,600.00		0.00	\$200.00

Item No.	Item	Unit	Total Project			Roadway SP 202-103-009, STPF-6916(188)			Storm Sewer S.P. 202-103-009, STPF-6916(186)			100% City Non-Participating		
			Est. Quantity	Quantity to Date	Unit Price	Total Price	Est. Quantity	Quantity to Date	Unit Price	Total Price	Est. Quantity	Quantity to Date	Unit Price	Total Price
2573-533	SEDIMENT CONTROL LOG TYPE STRAW	LIN FT	320.00	0.00	4.50		210.00	0.00	4.50		0.00	4.50	4.50	
2573-533	SEDIMENT CONTROL LOG TYPE ROCK	LIN FT	180.00	12.00	6.00	\$72.00	170.00	12.00	6.00	\$72.00	0.00	6.00	6.00	
2573-535	STABILIZED CONSTRUCTION EXIT	LS	1.00	0.00	\$1,500.00	\$72.00	0.93	0.00	\$1,500.00	\$1,500.00	0.00	\$1,500.00	\$1,500.00	
2574-508	FERTILIZER TYPE 3	LBS	811.00	0.00	\$1.00		687.00	0.00	\$1.00		0.00	\$1.00	\$1.00	
2575-501	SEEDING (P)	ACRE	2.10	0.00	\$300.00		1.70	0.00	\$300.00		0.00	\$300.00	\$300.00	
2575-502	SEED MIXTURE 25-131	LBS	469.00	0.00	\$8.00		372.00	0.00	\$8.00		0.00	\$8.00	\$8.00	
2575-505	SOODING TYPE LAWN	SQ YD	1603.00	0.00	\$5.25		1603.00	0.00	\$5.25		0.00	\$5.25	\$5.25	
2575-523	EROSION CONTROL BLANKET CATEGORY 3	SQ YD	687.00	0.00	1.50		313.00	0.00	1.50		0.00	1.50	1.50	
2575-558	HYDRAULIC BONDED FIBER MATRIX	LBS	7131.00	0.00	\$1.50		5871.00	0.00	\$1.50		0.00	\$1.50	\$1.50	
2582-501	PAVEMENT MESSAGE EPOXY - GROUND IN	SQ FT	60.00	0.00	16.90		60.00	0.00	16.90		0.00	16.90	16.90	
2582-502	4" DOUBLE SOLID LINE EPOXY	LIN FT	5962.00	0.00	\$0.52		5862.00	0.00	\$0.52		0.00	\$0.52	\$0.52	
2582-502	4" SOLID LINE PAINT	LIN FT	11924.00	0.00	\$0.15		11924.00	0.00	\$0.15		0.00	\$0.15	\$0.15	
2582-502	4" SOLID LINE EPOXY	LIN FT	12527.00	0.00	\$0.26		12527.00	0.00	\$0.26		0.00	\$0.26	\$0.26	
2582-502	6" SOLID LINE EPOXY GROUND IN	LIN FT	627.00	0.00	\$5.00		627.00	0.00	\$5.00		0.00	\$5.00	\$5.00	
2582-502	2/4" SOLID LINE EPOXY - GROUND IN	LIN FT	144.00	0.00	\$9.80		144.00	0.00	\$9.80		0.00	\$9.80	\$9.80	
	WORK ORDER NO. 1 - SIGNAGE/TRAFFIC CONTROL	LS	0.00	1.00	\$2,730.00	\$2,730.00								
	WORK ORDER NO. 1 - CONNECT EXISTING STORM SEWER	LS	0.00	1.00	\$935.00	\$935.00								
Totals						\$913,365.94				\$216,720.10			\$935.00	
						\$668,330.30				\$216,720.10			\$935.00	
													\$28,316.54	

TO: Mayor & City Council

FROM: Josh Bergstad, Planner



DATE: July 22, 2016
SUBJECT: Ordinance Opting out of State
Temporary Family Healthcare
Dwellings Statute

Meeting Date: August 15, 2016
Agenda Item: 11-A

REQUESTED ACTION

Council to hold the second reading to approve an Ordinance amending Section 145 of the Hermantown Zoning Ordinance opting out of Minn. Stat. Sec. 462.3593 which defines and regulates Temporary Family Healthcare Dwellings.

DESCRIPTION OF REQUEST

On May 12, 2016, Governor Dayton signed, into law, a bill creating a new process for landowners to place mobile residential dwellings on their property to serve as a temporary family health care dwelling. Community desire to provide transitional housing for those with mental or physical impairments and the increased need for short term care for aging family members served as the catalysts behind the legislature taking on this initiative. The resulting legislation sets forth a short term care alternative for a “mentally or physically impaired person”, by allowing them to stay in a “temporary dwelling” on a relative’s or caregiver’s property.

The law allows cities to pass an ordinance opting out of the law. The effective date of the law is September 16, 2016 so an ordinance opting out needs to be passed by that date.

The new law overrides the city’s zoning authority to allow temporary family health care dwellings. The City’s setback requirements do apply, however. The City does have the ability to implement its own local rules regulating temporary family healthcare dwellings but first must opt out of the state ordinance as the language of the statute does not allow a partial opt out or alteration of the law.

The Planning and Zoning Commission held a public hearing on July 19, 2016 to consider the proposed amendment to the Zoning Ordinance. After receiving no public comments the Planning and Zoning Commission unanimously recommended the attached ordinance changes to the City Council.

SOURCE OF FUNDS (if applicable)

N/A

ATTACHMENTS

- Ordinance

Ordinance No. 2016-52

The City Council of the City of Hermantown does ordain:

**AN ORDINANCE OPTING-OUT OF THE REQUIREMENTS OF MINNESOTA
STATUTES, SECTION 462.3593**

Section 1. Addition of Section. Section 145 – Opting out of Minnesota Statutes, Section 462.3593 is added as follows:

145.01 Pursuant to authority granted by Minnesota Statutes, Section 462.3593, subdivision 9, the City of Hermantown opts-out of the requirements of Minnesota Statutes Sec. 462.3593, which defines and regulates Temporary Health Care Dwellings.

Section 3. Added to Code. The terms and provisions of this ordinance shall be added in the appropriate place in Title 1 of the Hermantown Zoning Ordinance after adoption and becoming effective.

Section 4. Effective Date. The provisions of this Ordinance shall be effective after adoption immediately upon publication once in the official newspaper of the City of Hermantown.

Dated: _____

Mayor

Attest:

City Clerk

Adopted: _____

Published: _____

Effective Date: _____

TO: Mayor & City Council

FROM: Josh Bergstad, Planner



DATE: July 20, 2016

Meeting Date: August 15, 2016

SUBJECT: C-1 & C-1A Zoning District Text
Amendment

Agenda Item: 11-B

REQUESTED ACTION

Council to hold the second reading to approve an Ordinance amending Section 525 – C-1, Office/Light industrial and Section 530- C-1A, Office/Light Industrial/Adult uses to allow auto or truck sales, repair, parts or supplies.

DESCRIPTION OF REQUEST

Currently, the City of Hermantown does not allow for auto or truck sales, repair, parts or supplies in the City’s C-1, Office/Light Industrial zoning district but does allow it in the C-Commercial district. The City has received inquiries in the past regarding auto or truck sales in this district.

After discussion at a staff level as well as with the Planning and Zoning Commission in a work session, there appeared to be support for adding language to the C-1 and C-1A zoning districts to allow for auto or truck sales, repair, parts or supplies.

City staff views the Highway 53 corridor as a commercial/office related node and by allowing for auto or truck sales, repair, parts or supplies throughout the entirety of this corridor it provides for another potential use in the otherwise more restrictive C-1 and C-1A zoning districts. Currently, about 350 acres of land is zoned C-1 and C-1A all within a 1.5 mile stretch of Highway 53 between Ugstad and Vaux Road.

The C-1 and C-1A zoning districts are specifically intended for larger lot sizes and not slated for public utilities to achieve a lower density development than the C zoning district. The addition of the auto and trucks sales, services, repairs, parts, or supplies should not alter that general character. Auto or truck sales, repair, parts, or supplies is similar to equipment sales and services which is already allowed in the C-1 and C-1A zoning districts.

The Planning and Zoning Commission held a public hearing on July 19, 2016 to consider the changes. After receiving no comments the Planning and Zoning Commission unanimously recommended the zoning ordinance amendment.

FINDING OF FACTS

1. The proposed allowbale use is compatible with existing allowed uses and occurring uses in the C-1 and C-1A zoning districts specifically equipment sales and services.
2. The proposed change to the zoning ordinance is consistent with the Hermantown Comprehensive Plan Concept #5 to “Develop new commercial uses in areas with similar

uses, adequate public infrastrucutre, including fire, police and emergency services, highway and arterial road access and without adverse visual or environmental impacts on existing, established residential, public, recreational or commercial development”.

SOURCE OF FUNDS (if applicable)

N/A

ATTACHMENTS

- Ordinance

Ordinance No. 2016-XX

The City Council of the City of Hermantown does ordain:

**AN ORDINANCE AMENDING HERMANTOWN ZONING ORDINANCE SECTION 525
- C-1, Office/Light Industrial AND 530 – C1A, Office/Light Industrial/Adult Uses**

Section 1. Amendment of Section 525 – C-1, Office/Light Industrial. Section 525.02.8 and Section 530 C1A, Office/Light Industrial/Adult Uses, Section 530.02.8 shall be added as follows:

525.02.8. Auto or truck sales, repair, parts or supplies.

530.02.8 . Auto or truck sales, repair, parts or supplies.

Section 2. Added to Code. The terms and provisions of this ordinance shall be added in the appropriate place in Title 5 of the Hermantown Zoning Ordinance after adoption and becoming effective.

Section 3. Effective Date. The provisions of this Ordinance shall be effective after adoption immediately upon publication once in the official newspaper of the City of Hermantown.

Dated: _____

Mayor

Attest:

City Clerk

Adopted: _____

Published: _____

Effective Date: _____

TO: Mayor & City Council
FROM: John Mulder, City Administrator
DATE: August 4, 2016
SUBJECT: Gates at Stebner Park



Meeting Date: 8/15/16
Agenda Item: Resolution 2016-89
12-A

REQUESTED ACTION

Approve re-locating the gates at Stebner Park

BACKGROUND

For over a year, the Park Board has discussed the location of the gate at Stebner Park and considered the possibility of either removing it or re-locating it to allow greater access to park for the general public. One of the issues raised during the discussion last year, was the possibility of damage to the field by vehicles if the gate were removed/left open. To significantly reduce this possibility, the City acquired large rocks from the Fleet Farm construction project and has placed them around the perimeter of the front parking lot so that vehicles could not drive on to the fields.

At the May 17th Park Board, the Board discussed this issue at length. The major concern on the part of the Soccer Association was the potential damage by usage of the fields by other soccer groups/teams.

It is proposed that the current gate not be removed but locked open at this time and a second gate be installed at the end of the driveway to the back fields. (see attached picture).

The existing gate would be left in place and allow the City to use this summer as a trial period and lock the gates if there was a need during the year or at the end of the season. It would be locked open, to prevent someone from locking the gate closed or from moving and potentially damaging traffic on the driveway.

A second gate would be installed at the end of the driveway to the back parking lot. This would allow the Police Dept to drive back to the parking lot as part of their patrol but keep the public from damaging the back fields (which do not have rocks preventing vehicles onto the field).

On June 21st the Park Board unanimously recommended this proposal to the City Council. If approved the work would be completed by the Public Works Department.

Additional Info

On July 18m the City Council tabled the matter pending further discussions with the Hermantown Youth Soccer Association (HYSA). A meeting was held on August 2. At that meeting it was explained that the interest of the City was to open the park to allow all taxpayers the opportunity to use the park and enjoy the benefit of the taxpayer investment. The representatives from HYSA were concerned that opening the

front gate would cause too many people to use the fields and would therefore damage the fields for soccer. The City pointed out that the current gates would remain and the policy of locking them could be changed if the fields would be damaged. The City further offered to put up signs saying that practices and games by groups other than HYSA required prior approval. The City also suggested that areas of the fields that were under repair could be "taped" off as "ground under repair."

No consensus was reached. HYSA did suggest that the gates at the football field at Fichtner Park be removed (and we agreed that should be done) and to open up the fence to make it easier for pedestrians to go through the gate. HYSA appears to want to maintain very strict control over the fields by maintaining the current gate.

We have set a date to meet again on August 11 at 4:00

SOURCE OF FUNDS (if applicable)

Park Budget

ATTACHMENTS

Picture of Proposed Gate Location

Resolution No. 2016-89

RESOLUTION APPROVING THE RE-LOCATION OF THE GATE AT STEBNER PARK

WHEREAS, the City has committed considerable public money in creating the soccer fields at Stebner Park.

WHEREAS, the Hermantown Youth Soccer Association has a nonexclusive user agreement to use the Stebner Park,

WHEREAS, the Park Board has recommended that the gates be relocated in order to provide better public access to the park when not in use by the Soccer Association.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Hermantown, Minnesota, as follows:

1. The Public Works Director is hereby directed to install a second gate at the entrance to the back parking lot and keep the front gate open for the greater access to the Park.

Councilor _____ introduced the foregoing resolution and moved its adoption.

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

and the following voted in opposition thereto:

WHEREUPON, such resolution was declared duly passed and adopted.

TO: Mayor & City Council
FROM: John Mulder, City Administrator
DATE: August 10, 2016
SUBJECT: Award Reinke Road Box
Culvert Replacement Contract



Meeting Date: August 15, 2016
Agenda Item: 12-B

REQUESTED ACTION

Award Contract to A Plus Landscaping for Reinke Road Box Culvert on Midway River

BACKGROUND

A Plus Landscaping of Duluth, MN has submitted a responsible bid in the amount of **\$76,775.00** in accordance with the bidding documents. Northland Consulting Engineers L.L.P., has reviewed the bids for completeness.

SOURCE OF FUNDS (if applicable)

ATTACHMENTS

Reinke Road Box Culvert – BID ABSTRACT

Resolution 2016-

Reinke Road - Midway River Culvert Replacement BID ABSTRACT

Date: 08/10/2016

Spec. No.	Item Description	Unit of Measure	Est Quantities	Alliance Steel		KTM		USA		Northland		Illand		A+	
				Bid Unit Price	Bid Price	Bid Unit Price	Bid Price	Bid Unit Price	Bid Price	Bid Unit Price	Bid Price	Bid Unit Price	Bid Price	Bid Unit Price	Bid Price
2021.501	MOBILIZATION	LS	1	\$10,000.00	\$10,000.00	\$10,410.00	\$10,410.00	\$10,410.00	\$10,410.00	\$10,410.00	\$10,410.00	\$10,410.00	\$10,410.00	\$10,410.00	\$10,410.00
2104.501	REMOVE METAL CULVERT	L.F.	65	\$10.00	\$650.00	\$12.90	\$838.50	\$9.00	\$585.00	\$10.90	\$708.50	\$10.00	\$650.00	\$10.00	\$650.00
2105.501	COMMON EXCAVATION	CY	400	\$10.00	\$4,000.00	\$23.10	\$9,240.00	\$22.00	\$8,800.00	\$14.00	\$5,600.00	\$14.00	\$5,600.00	\$14.00	\$5,600.00
2105.522	SELECT GRANULAR BORROW MOD 7% (CV)	CY	55	\$29.00	\$1,595.00	\$25.70	\$1,413.50	\$38.00	\$2,090.00	\$16.00	\$880.00	\$16.00	\$880.00	\$16.00	\$880.00
2105.601	DEWATERING	LS	1	\$2,200.00	\$2,200.00	\$6,390.00	\$6,390.00	\$5,400.00	\$5,400.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00
2118.501	AGGREGATE SURFACING (CV) CLASS 5	CY	80	\$25.00	\$2,000.00	\$33.50	\$2,680.00	\$35.00	\$2,800.00	\$35.00	\$2,800.00	\$35.00	\$2,800.00	\$35.00	\$2,800.00
2211.521	GRANULAR BACKFILL (CV)	CY	280	\$16.00	\$4,480.00	\$16.20	\$4,536.00	\$14.00	\$3,920.00	\$14.00	\$3,920.00	\$14.00	\$3,920.00	\$14.00	\$3,920.00
2212.511	6 X 4 PRECAST CONCRETE BOX CULVERT	L.F.	95	\$700.00	\$66,500.00	\$65.00	\$6,175.00	\$60.00	\$5,700.00	\$60.00	\$5,700.00	\$60.00	\$5,700.00	\$60.00	\$5,700.00
2212.512	8 X 4 PRECAST CONCRETE BOX CULVERT END SECTION (MODIFIED)	EACH	2	\$7,000.00	\$14,000.00	\$3,640.00	\$7,280.00	\$4,800.00	\$9,600.00	\$4,800.00	\$9,600.00	\$4,800.00	\$9,600.00	\$4,800.00	\$9,600.00
2457.511	COARSE FILTER AGGREGATE (CV)	CY	50	\$25.00	\$1,250.00	\$43.10	\$2,155.00	\$58.00	\$2,900.00	\$58.00	\$2,900.00	\$58.00	\$2,900.00	\$58.00	\$2,900.00
2501.511	8" RC PIPE CULVERT	L.F.	26	\$150.00	\$3,900.00	\$125.00	\$3,250.00	\$145.00	\$3,770.00	\$305.00	\$7,930.00	\$154.78	\$4,024.28	\$97.50	\$2,550.00
2501.515	8" RC PIPE APPROX	EACH	2	\$2,000.00	\$4,000.00	\$1,510.00	\$3,020.00	\$1,700.00	\$3,400.00	\$1,800.00	\$3,600.00	\$1,451.60	\$2,903.20	\$2,000.00	\$4,000.00
2511.501	RANDOM RIPRAP CLASS III	CY	25	\$75.00	\$1,875.00	\$100.00	\$2,500.00	\$50.00	\$1,250.00	\$50.00	\$1,250.00	\$50.00	\$1,250.00	\$50.00	\$1,250.00
2573.502	SILT FENCE TYPE II	L.F.	400	\$2.50	\$1,000.00	\$3.70	\$1,480.00	\$3.50	\$1,400.00	\$4.25	\$1,700.00	\$4.42	\$1,768.00	\$3.50	\$1,400.00
2573.505	TURP ESTABLISHMENT	LS	1	\$500.00	\$500.00	\$2,100.00	\$2,100.00	\$1,600.00	\$1,600.00	\$2,500.00	\$2,500.00	\$1,657.89	\$1,657.89	\$1,675.00	\$1,675.00
2573.571	RAPID STABILIZATION METHOD 3	MGAL	0.1	\$2,000.00	\$200.00	\$5,250.00	\$525.00	\$2,000.00	\$200.00	\$2,000.00	\$200.00	\$854.41	\$854.41	\$900.00	\$900.00
Total Bid Price				\$76,775.00	\$79,714.00	\$83,150.00	\$94,185.50	\$99,536.75	\$119,417.50						

Resolution No. 2016-101

**RESOLUTION RECEIVING QUOTATIONS AND AWARDING
CONTRACT FOR REINKE ROAD CULVERT REPLACEMENT**

WHEREAS, the culvert crossing Reinke Road (“Reinke Road Culvert”) in the City of Hermantown was slated for replacement in 2017; and

WHEREAS, a recent torrential rain storm damaged the culvert and Reinke Road so that it is now impassible; and

WHEREAS, the City Engineer has received the consent and approval of the DNR to replace the Reinke Road Culvert at the earliest possible time; and

WHEREAS, the City Engineer prepared a plan and specification for the Reinke Road Culvert replacement and estimated that the cost of the replacement would be under \$100,000.00; and

WHEREAS, due to the urgent need to replace the Reinke Road Culvert and the estimate of the replacement cost City Administration has determined to proceed to solicit quotes for the Reinke Road Culvert replacement; and

WHEREAS, the City Engineer duly sought quotes for the Reinke Road Culvert replacement (“Project”); and

WHEREAS, a summary of the quotes received are attached hereto as Exhibit A; and

WHEREAS, the City Engineer reviewed the quote of the lowest quoter and found it to be technically responsive to the specifications and also investigated the experience, past record of performance and capacity of the low quoter to perform the work contracted to be performed within the stated time period; and

WHEREAS, on the basis of such review, the City Engineer has recommended that the lowest quoter A Plus Landscaping, LLC (“Contractor”) be awarded the contract for the Project; and

WHEREAS, after fully considering this matter, the City Council believes that it is in the best interests of the City of Hermantown to award the contract for the construction of the Project to Contractor; and

WHEREAS, the City Council has determined to proceed with the Project at this time.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Hermantown, Minnesota, as follows:

1. Contractor is hereby found, determined and declared to be the lowest responsible quoter for the Project.

2. The quote of Contractor in the amount of \$76,775 for the Project is in accordance with the plans and specifications and advertisement for quotes shall and hereby is accepted.

3. The City Council hereby elects to proceed with the Project at this time.

4. The City Attorney with the assistance of the City Engineer is hereby directed to prepare a contract consistent with this Resolution between the City of Hermantown and Contractor as soon as possible and submit it to Contractor for execution by it.

5. Upon execution of such contract by Contractor and its submission of a performance bond, payment bond and certificate of insurance, acceptable to the City Administrator and City Attorney, the Mayor and City Clerk are hereby authorized and directed to execute such contract for and on behalf of the City of Hermantown.

6. The City Clerk is hereby authorized and directed to return forthwith to all quoters, the deposits (bid bonds) made with their quotes, except that the deposit (bid bonds) of the successful quoter and the next lowest quoter shall not be returned until a contract has been executed.

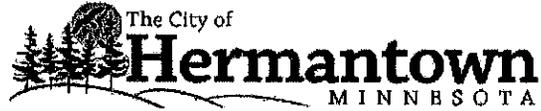
Councilor _____ introduced the foregoing resolution and moved its adoption.

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

and the following voted in opposition thereto:

WHEREUPON, such resolution was declared duly passed and adopted.

TO: Mayor & City Council
FROM: John Mulder, City Administrator



DATE: August 4, 2016

Meeting Date: 8/15/16

SUBJECT: Sealcoating black top at
Governmental Services
Building

Agenda Item: Resolution 2016-102
12-C

REQUESTED ACTION

Approve quote from Sinnot Blacktop LLC to seal coat and stripe the parking lot around the Governmental Services Building.

BACKGROUND

Included in the Capital Improvement Plan for 2016, was sealing coating and re-striping the black top around the Governmental Services Building at a estimated cost of \$15,000. The City obtained three quotes for the project

Sinnot Blacktopping LLC	\$15,425
KTM	\$24,000
Asphalt of Duluth	\$27,000

SOURCE OF FUNDS (if applicable)

Budgeted \$15,000 in the Municipal Building Reserve (Fund 409)

ATTACHMENTS

Resolution No. 2016-102

**RESOLUTION RECEIVING QUOTATIONS AND AWARDING
CONTRACT FOR SEALCOATING AND STRIPING AT HERMANTOWN
GOVERNMENT SERVICES BUILDING TO SINNOT BLACKTOPPING, LLC IN THE
AMOUNT OF \$15,425**

WHEREAS, the City of Hermantown duly sought quotes for sealcoating and re-striping the blacktop at Hermantown Governmental Services Building ("Project"); and

WHEREAS, a summary of the quotes received are attached hereto; and

WHEREAS, Jim Rich, the City's Building Official reviewed the quote of the lowest bidder and found it to be technically responsive to the specifications and also investigated the experience, past record of performance and capacity of the low bidder to perform the work contracted to be performed within the stated time period; and

WHEREAS, on the basis of such review, Jim Rich has recommended that the lowest bidder, Sinnot Blacktop, LLC ("Contractor") be awarded the contract for the Project; and

WHEREAS, after fully considering this matter, the City Council believes that it is in the best interests of the City of Hermantown to award the contract for the construction of such improvements to Contractor; and

WHEREAS, the City Council has determined to proceed with the Project at this time.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Hermantown, Minnesota, as follows:

1. Contractor is hereby found, determined and declared to be the lowest responsible bidder for the Project.
2. The bid of Contractor in the amount of \$15,425 for the Project is in accordance with the plans and specifications and advertisement for quotes shall and hereby is accepted.
3. The City Council hereby elects to proceed with the Project at this time.
4. The City Attorney with the assistance of the City Building Official is hereby directed to prepare a contract consistent with this Resolution between the City of Hermantown and Contractor as soon as possible and submit it to Contractor for execution by it.
5. Upon execution of such contract by Contractor and its submission of a performance bond, payment bond and certificate of insurance, acceptable to the City Attorney,

the Mayor and City Clerk are hereby authorized and directed to execute such contract for and on behalf of the City of Hermantown.

Councilor _____ introduced the foregoing resolution and moved its adoption.

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

and the following voted in opposition thereto:

WHEREUPON, such resolution was declared duly passed and adopted.



PO Box 16205
 Duluth MN 55816
 Office: 218-626-1822
 Toll Free: 1-866-626-1822
 Fax: 218-740-3465
 www.Sinnottblacktop.com

QUOTATION

Date: June 22, 2016
To: City of Hermantown
Attn: Paul Senst

Project Name: City of Hermantown
Project Number:

Bids will be received on the above referenced project upon which we are pleased to offer the following Quotation.

<u>DESCRIPTION</u>	<u>UNIT</u>	<u>EST QTY</u>	<u>UNIT PRICE</u>	<u>AMOUNT</u>
Router cracks 1/4" or greater/ Clean all loose dirt and debris	LS	1	\$1,600.00	\$1,600.00
Crack fill joint adhesive (Hot Applied)	LnFt	5,000	\$0.50	\$2,495.00
Asphalt Sealer (extends pavement life, resists petroleum spills)	SqFt	147,000	\$0.07	\$10,290.00
Striping (high durability Latex marking paint)	LnFt	4,000	\$0.21	\$840.00
HDCP Stalls	Ea	8	\$25.00	\$200.00
			Total:	\$15,425.00

All overruns to be paid at the unit price above.
 Payment due 10 days upon receipt of invoice. Should retention be required, retention will be paid 30 days from completion of Sinnott Blacktop, LLC work.
 Sinnott Blacktop, LLC proposal shall become an integral document to any subcontract agreement.
 This quote is effective for 2016 Season only if signed and returned to our office within fifteen days after Quote Date.

Very Truly Yours,

Kevin Smalley
 218-391-1050

Accepted For: _____
By: _____ Date: _____



5513 US Highway-2 Hermantown, Minnesota 55810
Phone: (218) 729-1446 Fax: (218) 729-9125

6/9/16

City of Hermantown
Attn: Paul Senst
Re: Sealcoating

Thank you for receiving our proposal for sealcoating the parking lot at the Hermantown City Hall. **Our price for this work is \$24,000.00 and includes the following:**

Sweep Lot
Hot Crack fill
Sealcoat
Restripe same as existing

Work to be done during normal business hours

See attached drawing for area to be done

If you have any questions please feel free to call me at 218-348-8782. Thank you again for this opportunity.

Sincerely,
KTM Paving

A handwritten signature in black ink, appearing to read 'T Maki', written over a horizontal line.

Tim Maki - President

TO: Mayor & City Council
FROM: Kevin Orme, Finance Director
DATE: August 11, 2016
SUBJECT: CIP and 2016B bonds



Meeting Date: 8/15/16
Agenda Item: 12-D **Resolution 2016-103**

REQUESTED ACTION

Review attached Pre-Sale Report and approve sale of 2016B bonds on Oct 3, 2016

BACKGROUND

On May 16, 2016, the City Council adopted Resolution 2016-68 which authorized the City and its Municipal Bond Advisor, Ehlers & Associates, Inc, to move forward with preparing a 5 year Capital Improvement Plan, conducting a public hearing on the issuance of bonds and the CIP, and approving the 2016B Bonds in an amount not to exceed \$7,500,000 and approving the Capital Improvement Plan. By doing this the City will reduce interest expense by taking advantage of favorable interest rates and finance two new Fire Halls. No public input was received from our public hearing. The above requested action is the next step in this process as delineated on the timeline on May 16th.

SOURCE OF FUNDS (if applicable)

ATTACHMENTS

Resolution
Pre-Sale Report

Resolution No. 2016-103

Council Member _____ introduced the following resolution and moved its adoption:

**Resolution Providing for the Sale of
\$5,540,000 General Obligation Capital Improvement Plan Bonds, Series 2016B**

- A. WHEREAS, the City Council of the City of Hermantown, Minnesota has heretofore determined that it is necessary and expedient to issue the City's \$5,540,000 General Obligation Capital Improvement Plan Bonds, Series 2016B (the "Bonds"), to current refund the HEDA Public Project Revenue Bonds, Series 2006A for an interest cost savings; and
- B. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent financial advisor for the Bonds in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9);

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hermantown, Minnesota, as follows:

- 1. Authorization; Findings. The City Council hereby authorizes Ehlers to assist the City for the sale of the Bonds.
- 2. Meeting; Proposal Opening. The City Council shall meet at 6:30 p.m. on October 3, 2016, for the purpose of considering proposals for and awarding the sale of the Bonds.
- 3. Official Statement. In connection with said sale, the officers or employees of the City are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

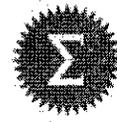
The motion for the adoption of the foregoing resolution was duly seconded by City Council Member _____ and, after full discussion thereof and upon a vote being taken thereon, the following City Council Members voted in favor thereof:

and the following voted against the same:

WHEREUPON, said resolution was declared duly passed and adopted.

Dated this 15th day of August, 2016.

City Clerk



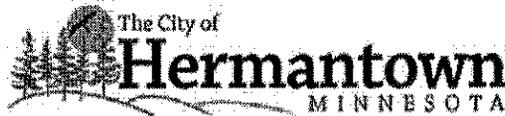
EHLERS
LEADERS IN PUBLIC FINANCE

August 15, 2016

Pre-Sale Report for

City of Hermantown, Minnesota

\$5,540,000 General Obligation Capital Improvement Plan
Bonds, Series 2016B



Prepared by:

Todd Hagen, CIPMA
VP/Senior Municipal Advisor

And

Jason Aarsvold, CIPMA
Municipal Advisor



Executive Summary of Proposed Debt

Proposed Issue:	\$5,540,000 General Obligation Capital Improvement Plan Bonds, Series 2016B
Introduction:	<p>The City is considering refunding the 2006A HEDA Lease Revenue Bonds on their scheduled February 1, 2017 call date to lock-in today's low rates.</p> <p>State law allows cities to refund non-GO bonds like these with GO capital improvement plan (CIP) bonds for public safety and city hall facilities within certain limitations. The City would essentially be acquiring the facility from HEDA under state law and current refunding the HEDA bonds under federal law. The CIP process requires a public hearing and a 30-day reverse referendum period to allow for the issuance of bonds and to approve the CIP. The existing reserve requirement is not necessary for the GO bond and will be applied to lower the new borrowing amount and shorten the term by one year.</p>
Purpose:	<p>Proposed current refunding of the HEDA Public Project Lease Revenue Bonds, Series 2006A to reduce interest costs. Debt service will be paid from a property tax levy. However, the City anticipates substituting the tax levy with sales tax revenues authorized for use in financing specific capital projects such as this.</p> <p>Interest rates on the obligations proposed to be refunded are 4.00% to 4.15%. The refunding is expected to reduce interest expense by approximately \$933,406 over the next 10 years. The Net Present Value Benefit of the refunding is estimated to be \$877,407, equal to 13.561% of the refunded principal.</p> <p>This refunding is considered a "current refunding" as the obligations being refunded are either callable (pre-payable) now, or will be within 90 days of the date of issue of the new Bonds.</p>
Authority:	<p>The Bonds are being issued pursuant to Minnesota Statutes, Chapter 475.</p> <p>CIP debt is limited to .16% of annual market value.</p> <p>The Bonds count against the City's General Obligation Debt Capacity Limit of 3% of market value.</p> <p>The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.</p>
Term/Call Feature:	<p>The Bonds are being issued for a 10 year term. Principal on the Bonds will be due on February 1 in the years 2017 through 2026. Interest is payable every six months beginning February 1, 2017.</p> <p>The Bonds will not be subject to prepayment prior to their maturity.</p>



<p>Bank Qualification:</p>	<p>Because the City is issuing less than \$10,000,000 in the calendar year, the City will be able to designate the Bonds as “bank qualified” obligations.</p> <p>Bank qualified status broadens the market for the Bonds, which can result in lower interest rates.</p>
<p>Rating:</p>	<p>The City’s most recent bond issues were rated “AA” by Standard & Poor’s. The City will request a new rating for the Bonds.</p> <p>If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the City’s bond rating in the event that the bond rating of the insurer is higher than that of the City.</p>
<p>Method of Sale/Placement:</p>	<p>In order to obtain the lowest interest cost to the City, we will solicit competitive bids for purchase of the Bonds from local banks in your area and regional underwriters.</p> <p>We have included an allowance for discount bidding equal to 1.00% of the principal amount of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.</p> <p>If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to lower your borrowing amount.</p> <p>Premium Bids: You have the choice to limit the amount of premium in the bid specifications. This may result in fewer bids, but it may also eliminate large adjustments on the day of sale and other uncertainties. Under current market conditions, most investors in municipal bonds prefer “premium” pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered “reoffering premium.”</p> <p>The amount of the premium varies, but it is not uncommon to see premiums for new issues in the range of 2.00% to 10.00% of the face amount of the issue. This means that an issuer with a \$2,000,000 offering may receive bids that result in proceeds of \$2,040,000 to \$2,200,000.</p> <p>For this issue of Bonds we have been directed to use the premium to reduce the size of the issue. The adjustments may slightly change the true interest cost of the original bid, either up or down.</p>
<p>Basis for Recommendation:</p>	<p>Based on our knowledge of your situation, your objectives communicated to us, our advisory relationship as well as characteristics of various municipal financing options, we are recommending the issuance of general obligation bonds as a suitable financing option because the City’s policy and past practice has been to refinance outstanding bonds with this type of debt issue, and there are limited other options available to finance these types of bonds.</p>



Review of Existing Debt:	<p>We have reviewed all outstanding indebtedness for the City and find that, other than the obligations proposed to be refunded by the Bonds, there are no other refunding opportunities at this time.</p> <p>We will continue to monitor the market and the call dates for the City's outstanding debt and will alert you to any future refunding opportunities.</p>
Continuing Disclosure:	<p>Because the City has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually as well as providing notices of the occurrence of certain "material events" to the Municipal Securities Rulemaking Board (the "MSRB"), as required by rules of the Securities and Exchange Commission (SEC).</p> <p>The City is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.</p>
Arbitrage Monitoring:	<p>Because the Bonds are tax-exempt securities/tax credit securities, the City must ensure compliance with certain Internal Revenue Service (IRS) rules throughout the life of the issue. These rules apply to all gross proceeds of the issue, including initial bond proceeds and investment earnings in construction, escrow, debt service, and any reserve funds. How issuers spend bond proceeds and how they track interest earnings on funds (arbitrage/yield restriction compliance) are common subjects of IRS inquiries. Your specific responsibilities will be detailed in the Officers' Certificate prepared by your Bond Attorney and provided at closing.</p> <p>You have retained Ehlers to assist you with compliance with these rules.</p>
Risk Factors:	<p>Current Refunding: The Bonds are being issued for the purpose of current refunding prior City debt obligations. Those prior debt obligations are "callable" now and can therefore be paid off within 90 days or less. The new Bonds will not be pre-payable.</p> <p>This refunding is being undertaken based in part on an assumption that the City does not expect to have future revenues to pay off this debt and that market conditions warrant the refinancing at this time.</p>
Other Service Providers:	<p>This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, so their final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like</p>



	<p>to use a different service provider for any of the listed services please contact us.</p> <p>Bond Attorney: Fryberger Buchanan</p> <p>Paying Agent: Bond Trust Services</p> <p>Rating Agency: Standard & Poor's</p>
<p>Summary:</p>	<p>The decisions to be made by the Council are as follows:</p> <ul style="list-style-type: none"> • Accept or modify the finance assumptions described in this report. • Adopt the resolution attached to this report.

This presale report summarizes our understanding of the City's objectives for the structure and terms of this financing as of this date. As additional facts become known or capital markets conditions change, we may need to modify the structure and/or terms of this financing to achieve results consistent with the City's objectives.



Proposed Debt Issuance Schedule

Pre-Sale Review by City Council	August 15, 2016
Distribute Official Statement:	Week of September 12, 2016
Conference with Rating Agency:	Week of September 19, 2016
City Council Meeting to Award Sale of the Bonds:	October 3, 2016
Estimated Closing Date:	November 7, 2016
Redemption Date for Prior Bonds	February 1, 2017

Attachments

Sources and Uses of Funds
Proposed Debt Service Schedule
Bond Buyer Index
Refunding Savings Analysis
Resolution Authorizing Ehlers to Proceed with Bond Sale

Ehlers Contacts

Financial Advisors:	Todd Hagen	(651) 697-8508
	Jason Aarsvold	(651) 697-8516
Disclosure Coordinator:	Jen Chapman	(651) 697-8566
Financial Analyst:	Alicia Gage	(651) 697-8551

The Official Statement for this financing will be mailed to the City Council at their home address or e-mailed for review prior to the sale date.



Hermantown, Minnesota

\$5,540,000 General Obligation Capital Improvement Plan Bonds, Series 2016B

Issue Summary

Assuming Current GO BQ "AA" Market Rates

Total Issue Sources And Uses

Dated 11/05/2016 | Delivered 11/05/2016

	Current Refunding of Series 06A City Hall Portion	Current Refunding of Series 06A Refunding Portion	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$3,405,000.00	\$2,135,000.00	\$5,540,000.00
Transfers from Prior Issue Debt Service Funds	223,861.25	198,090.63	421,951.88
Transfers from Prior Issue DSR Funds	462,405.07	297,889.93	760,295.00
Total Sources	\$4,091,266.32	\$2,630,980.56	\$6,722,246.88
Uses Of Funds			
Total Underwriter's Discount (1.000%)	34,050.00	21,350.00	55,400.00
Costs of Issuance	37,491.87	23,508.13	61,000.00
Deposit to Current Refunding Fund	4,015,222.50	2,586,181.25	6,601,403.75
Rounding Amount	4,501.95	(58.82)	4,443.13
Total Uses	\$4,091,266.32	\$2,630,980.56	\$6,722,246.88



Hermantown, Minnesota

\$5,540,000 General Obligation Capital Improvement Plan Bonds, Series 2016B

Issue Summary

Assuming Current GO BQ "AA" Market Rates

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/05/2016	-	-	-	-	-
02/01/2017	165,000.00	0.700%	15,721.28	180,721.28	180,721.28
08/01/2017	-	-	32,327.50	32,327.50	-
02/01/2018	565,000.00	0.800%	32,327.50	597,327.50	629,655.00
08/01/2018	-	-	30,067.50	30,067.50	-
02/01/2019	570,000.00	0.900%	30,067.50	600,067.50	630,135.00
08/01/2019	-	-	27,502.50	27,502.50	-
02/01/2020	575,000.00	0.950%	27,502.50	602,502.50	630,005.00
08/01/2020	-	-	24,771.25	24,771.25	-
02/01/2021	575,000.00	1.050%	24,771.25	599,771.25	624,542.50
08/01/2021	-	-	21,752.50	21,752.50	-
02/01/2022	590,000.00	1.200%	21,752.50	611,752.50	633,505.00
08/01/2022	-	-	18,212.50	18,212.50	-
02/01/2023	590,000.00	1.300%	18,212.50	608,212.50	626,425.00
08/01/2023	-	-	14,377.50	14,377.50	-
02/01/2024	600,000.00	1.400%	14,377.50	614,377.50	628,755.00
08/01/2024	-	-	10,177.50	10,177.50	-
02/01/2025	605,000.00	1.500%	10,177.50	615,177.50	625,355.00
08/01/2025	-	-	5,640.00	5,640.00	-
02/01/2026	705,000.00	1.600%	5,640.00	710,640.00	716,280.00
Total	\$5,540,000.00	-	\$385,378.78	\$5,925,378.78	-

Yield Statistics

Bond Year Dollars	\$28,928.44
Average Life	5.222 Years
Average Coupon	1.3321794%
Net Interest Cost (NIC)	1.5236864%
True Interest Cost (TIC)	1.5303779%
Bond Yield for Arbitrage Purposes	1.3287966%
All Inclusive Cost (AIC)	1.7556451%

IRS Form 8038

Net Interest Cost	1.3321794%
Weighted Average Maturity	5.222 Years



Hermantown, Minnesota

\$5,540,000 General Obligation Capital Improvement Plan Bonds, Series 2016B

Issue Summary

Assuming Current GO BQ "AA" Market Rates

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
02/01/2017	180,721.28	176,278.15	184,451.87	8,173.72
02/01/2018	629,655.00	629,655.00	738,807.50	109,152.50
02/01/2019	630,135.00	630,135.00	739,007.50	108,872.50
02/01/2020	630,005.00	630,005.00	743,407.50	113,402.50
02/01/2021	624,542.50	624,542.50	736,807.50	112,265.00
02/01/2022	633,505.00	633,505.00	744,607.50	111,102.50
02/01/2023	626,425.00	626,425.00	740,915.00	114,490.00
02/01/2024	628,755.00	628,755.00	736,412.50	107,657.50
02/01/2025	625,355.00	625,355.00	735,787.50	110,432.50
02/01/2026	716,280.00	716,280.00	754,137.50	37,857.50
Total	\$5,925,378.78	\$5,920,935.65	\$6,854,341.87	\$933,406.22

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	1,958,796.89
Effects of changes in DSR investments.....	(663,880.71)
Net PV Cashflow Savings @ 1.329%(Bond Yield).....	1,294,916.18
Transfers from Prior Issue Debt Service Fund.....	(421,951.88)
Contingency or Rounding Amount.....	4,443.13
Net Present Value Benefit	\$877,407.43
Net PV Benefit / \$7,498,796.89 PV Refunded Debt Service	11.701%
Net PV Benefit / \$6,470,000 Refunded Principal...	13.561%
Net PV Benefit / \$5,540,000 Refunding Principal..	15.838%

Refunding Bond Information

Refunding Dated Date	11/05/2016
Refunding Delivery Date	11/05/2016

Hermantown, Minnesota

\$5,540,000 General Obligation Capital Improvement Plan Bonds, Series 2016B

Issue Summary

Assuming Current GO BQ "AA" Market Rates

Current Refunding Escrow

Date	Principal	Rate	Receipts	Disbursements	Cash Balance
11/05/2016	-	-	-	-	-
02/01/2017	6,601,403.75	-	6,601,403.75	6,601,403.75	-
Total	\$6,601,403.75	-	\$6,601,403.75	\$6,601,403.75	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	GIC
Default investment yield target	Unrestricted
Cost of Investments Purchased with Bond Proceeds	6,601,403.75
Total Cost of Investments	\$6,601,403.75
Target Cost of Investments at bond yield	\$6,580,550.91
Yield to Receipt	-1.92E-11
Yield for Arbitrage Purposes	1.3287966%
State and Local Government Series (SLGS) rates for	5/09/2016



Hermantown, Minnesota

\$3,405,000 General Obligation Capital Improvement Plan Bonds, Series 2016B

Current Refunding of Series 06A City Hall Portion

Assuming Current GO BQ "AA" Market Rates

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/05/2016	-	-	-	-	-
02/01/2017	90,000.00	0.700%	9,942.56	99,942.56	99,942.56
08/01/2017	-	-	20,495.00	20,495.00	-
02/01/2018	320,000.00	0.800%	20,495.00	340,495.00	360,990.00
08/01/2018	-	-	19,215.00	19,215.00	-
02/01/2019	330,000.00	0.900%	19,215.00	349,215.00	368,430.00
08/01/2019	-	-	17,730.00	17,730.00	-
02/01/2020	330,000.00	0.950%	17,730.00	347,730.00	365,460.00
08/01/2020	-	-	16,162.50	16,162.50	-
02/01/2021	320,000.00	1.050%	16,162.50	336,162.50	352,325.00
08/01/2021	-	-	14,482.50	14,482.50	-
02/01/2022	330,000.00	1.200%	14,482.50	344,482.50	358,965.00
08/01/2022	-	-	12,502.50	12,502.50	-
02/01/2023	325,000.00	1.300%	12,502.50	337,502.50	350,005.00
08/01/2023	-	-	10,390.00	10,390.00	-
02/01/2024	325,000.00	1.400%	10,390.00	335,390.00	345,780.00
08/01/2024	-	-	8,115.00	8,115.00	-
02/01/2025	330,000.00	1.500%	8,115.00	338,115.00	346,230.00
08/01/2025	-	-	5,640.00	5,640.00	-
02/01/2026	705,000.00	1.600%	5,640.00	710,640.00	716,280.00
Total	\$3,405,000.00	-	\$259,407.56	\$3,664,407.56	-

Yield Statistics

Bond Year Dollars	\$18,923.42
Average Life	5.558 Years
Average Coupon	1.3708283%
Net Interest Cost (NIC)	1.5507641%
True Interest Cost (TIC)	1.5573237%
Bond Yield for Arbitrage Purposes	1.3287966%
All Inclusive Cost (AIC)	1.7697365%

IRS Form 8038

Net Interest Cost	1.3708283%
Weighted Average Maturity	5.558 Years

Hermantown, Minnesota

\$3,405,000 General Obligation Capital Improvement Plan Bonds, Series 2016B
 Current Refunding of Series 06A City Hall Portion
 Assuming Current GO BQ "AA" Market Rates

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
02/01/2017	99,942.56	95,440.61	101,361.25	5,920.64
02/01/2018	360,990.00	360,990.00	400,645.00	39,655.00
02/01/2019	368,430.00	368,430.00	405,645.00	37,215.00
02/01/2020	365,460.00	365,460.00	405,045.00	39,585.00
02/01/2021	352,325.00	352,325.00	394,045.00	41,720.00
02/01/2022	358,965.00	358,965.00	398,045.00	39,080.00
02/01/2023	350,005.00	350,005.00	391,300.00	41,295.00
02/01/2024	345,780.00	345,780.00	384,352.50	38,572.50
02/01/2025	346,230.00	346,230.00	387,052.50	40,822.50
02/01/2026	716,280.00	716,280.00	754,137.50	37,857.50
02/01/2027	-	-	297,889.93	297,889.93
Total	\$3,664,407.56	\$3,659,905.61	\$4,319,518.68	\$659,613.07

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	1,222,889.48
Effects of changes in DSR investments.....	(403,766.71)
Net PV Cashflow Savings @ 1.329%(Bond Yield)....	819,122.77
Transfers from Prior Issue Debt Service Fund.....	(223,861.25)
Contingency or Rounding Amount.....	4,501.95
Net Present Value Benefit	\$599,763.47
Net PV Benefit / \$4,634,829.37 PV Refunded Debt Service	12.940%
Net PV Benefit / \$3,935,000 Refunded Principal...	15.242%
Net PV Benefit / \$3,405,000 Refunding Principal..	17.614%

Refunding Bond Information

Refunding Dated Date	11/05/2016
Refunding Delivery Date	11/05/2016

Hermantown, Minnesota

\$3,405,000 General Obligation Capital Improvement Plan Bonds, Series 2016B
Current Refunding of Series 06A City Hall Portion
Assuming Current GO BQ "AA" Market Rates

Current Refunding Escrow

Date	Principal	Rate	Receipts	Disbursements	Cash Balance
11/05/2016	-	-	-	-	-
02/01/2017	4,015,222.50	-	4,015,222.50	4,015,222.50	-
Total	\$4,015,222.50	-	\$4,015,222.50	\$4,015,222.50	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	GIC
Default investment yield target	Unrestricted
Cost of Investments Purchased with Bond Proceeds	4,015,222.50
Total Cost of Investments	\$4,015,222.50
Target Cost of Investments at bond yield	\$4,002,539.02
Yield to Receipt	-1.94E-11
Yield for Arbitrage Purposes	1.3287966%



Hermantown, Minnesota

\$3,935,000 Public Project Revenue Bonds, Series 2006A

City Hall Project

Prior Original Debt Service

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/01/2016	-	-	-	-	-
02/01/2017	245,000.00	4.000%	80,222.50	325,222.50	325,222.50
08/01/2017	-	-	75,322.50	75,322.50	-
02/01/2018	250,000.00	4.000%	75,322.50	325,322.50	400,645.00
08/01/2018	-	-	70,322.50	70,322.50	-
02/01/2019	265,000.00	4.000%	70,322.50	335,322.50	405,645.00
08/01/2019	-	-	65,022.50	65,022.50	-
02/01/2020	275,000.00	4.000%	65,022.50	340,022.50	405,045.00
08/01/2020	-	-	59,522.50	59,522.50	-
02/01/2021	275,000.00	4.000%	59,522.50	334,522.50	394,045.00
08/01/2021	-	-	54,022.50	54,022.50	-
02/01/2022	290,000.00	4.050%	54,022.50	344,022.50	398,045.00
08/01/2022	-	-	48,150.00	48,150.00	-
02/01/2023	295,000.00	4.050%	48,150.00	343,150.00	391,300.00
08/01/2023	-	-	42,176.25	42,176.25	-
02/01/2024	300,000.00	4.100%	42,176.25	342,176.25	384,352.50
08/01/2024	-	-	36,026.25	36,026.25	-
02/01/2025	315,000.00	4.100%	36,026.25	351,026.25	387,052.50
08/01/2025	-	-	29,568.75	29,568.75	-
02/01/2026	695,000.00	4.150%	29,568.75	724,568.75	754,137.50
08/01/2026	-	-	15,147.50	15,147.50	-
02/01/2027	730,000.00	4.150%	15,147.50	745,147.50	760,295.00
Total	\$3,935,000.00	-	\$1,070,785.00	\$5,005,785.00	-

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	11/05/2016
Average Life	6.363 Years
Average Coupon	4.1089852%
Weighted Average Maturity (Par Basis)	6.363 Years

Refunding Bond Information

Refunding Dated Date	11/05/2016
Refunding Delivery Date	11/05/2016

Hermantown, Minnesota

\$3,935,000 Public Project Revenue Bonds, Series 2006A

City Hall Project

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
11/05/2016	-	-	-	-	-	-	-
02/01/2017	3,935,000.00	80,222.50	4,015,222.50	245,000.00	4.000%	80,222.50	325,222.50
08/01/2017	-	-	-	-	-	75,322.50	75,322.50
02/01/2018	-	-	-	250,000.00	4.000%	75,322.50	325,322.50
08/01/2018	-	-	-	-	-	70,322.50	70,322.50
02/01/2019	-	-	-	265,000.00	4.000%	70,322.50	335,322.50
08/01/2019	-	-	-	-	-	65,022.50	65,022.50
02/01/2020	-	-	-	275,000.00	4.000%	65,022.50	340,022.50
08/01/2020	-	-	-	-	-	59,522.50	59,522.50
02/01/2021	-	-	-	275,000.00	4.000%	59,522.50	334,522.50
08/01/2021	-	-	-	-	-	54,022.50	54,022.50
02/01/2022	-	-	-	290,000.00	4.050%	54,022.50	344,022.50
08/01/2022	-	-	-	-	-	48,150.00	48,150.00
02/01/2023	-	-	-	295,000.00	4.050%	48,150.00	343,150.00
08/01/2023	-	-	-	-	-	42,176.25	42,176.25
02/01/2024	-	-	-	300,000.00	4.100%	42,176.25	342,176.25
08/01/2024	-	-	-	-	-	36,026.25	36,026.25
02/01/2025	-	-	-	315,000.00	4.100%	36,026.25	351,026.25
08/01/2025	-	-	-	-	-	29,568.75	29,568.75
02/01/2026	-	-	-	695,000.00	4.150%	29,568.75	724,568.75
08/01/2026	-	-	-	-	-	15,147.50	15,147.50
02/01/2027	-	-	-	730,000.00	4.150%	15,147.50	745,147.50
Total	\$3,935,000.00	\$80,222.50	\$4,015,222.50	\$3,935,000.00	-	\$1,070,785.00	\$5,005,785.00

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	11/05/2016
Average Life	6.363 Years
Average Coupon	4.1089852%
Weighted Average Maturity (Par Basis)	6.363 Years

Refunding Bond Information

Refunding Dated Date	11/05/2016
Refunding Delivery Date	11/05/2016

Hermantown, Minnesota

\$2,135,000 General Obligation Capital Improvement Plan Bonds, Series 2016B

Current Refunding of Series 06A Refunding Portion

Assuming Current GO BQ "AA" Market Rates

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/05/2016	-	-	-	-	-
02/01/2017	75,000.00	0.700%	5,778.72	80,778.72	80,778.72
08/01/2017	-	-	11,832.50	11,832.50	-
02/01/2018	245,000.00	0.800%	11,832.50	256,832.50	268,665.00
08/01/2018	-	-	10,852.50	10,852.50	-
02/01/2019	240,000.00	0.900%	10,852.50	250,852.50	261,705.00
08/01/2019	-	-	9,772.50	9,772.50	-
02/01/2020	245,000.00	0.950%	9,772.50	254,772.50	264,545.00
08/01/2020	-	-	8,608.75	8,608.75	-
02/01/2021	255,000.00	1.050%	8,608.75	263,608.75	272,217.50
08/01/2021	-	-	7,270.00	7,270.00	-
02/01/2022	260,000.00	1.200%	7,270.00	267,270.00	274,540.00
08/01/2022	-	-	5,710.00	5,710.00	-
02/01/2023	265,000.00	1.300%	5,710.00	270,710.00	276,420.00
08/01/2023	-	-	3,987.50	3,987.50	-
02/01/2024	275,000.00	1.400%	3,987.50	278,987.50	282,975.00
08/01/2024	-	-	2,062.50	2,062.50	-
02/01/2025	275,000.00	1.500%	2,062.50	277,062.50	279,125.00
Total	\$2,135,000.00	-	\$125,971.22	\$2,260,971.22	-

Yield Statistics

Bond Year Dollars	\$10,005.03
Average Life	4.686 Years
Average Coupon	1.2590792%
Net Interest Cost (NIC)	1.4724719%
True Interest Cost (TIC)	1.4797882%
Bond Yield for Arbitrage Purposes	1.3287966%
All Inclusive Cost (AIC)	1.7292176%

IRS Form 8038

Net Interest Cost	1.2590792%
Weighted Average Maturity	4.686 Years

Hermantown, Minnesota

\$2,135,000 General Obligation Capital Improvement Plan Bonds, Series 2016B
 Current Refunding of Series 06A Refunding Portion
 Assuming Current GO BQ "AA" Market Rates

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
02/01/2017	80,778.72	80,837.54	83,090.62	2,253.08
02/01/2018	268,665.00	268,665.00	338,162.50	69,497.50
02/01/2019	261,705.00	261,705.00	333,362.50	71,657.50
02/01/2020	264,545.00	264,545.00	338,362.50	73,817.50
02/01/2021	272,217.50	272,217.50	342,762.50	70,545.00
02/01/2022	274,540.00	274,540.00	346,562.50	72,022.50
02/01/2023	276,420.00	276,420.00	349,615.00	73,195.00
02/01/2024	282,975.00	282,975.00	352,060.00	69,085.00
02/01/2025	279,125.00	279,125.00	348,735.00	69,610.00
02/01/2026	-	-	-	-
02/01/2027	-	-	(297,889.93)	(297,889.93)
Total	\$2,260,971.22	\$2,261,030.04	\$2,534,823.19	\$273,793.15

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	735,907.41
Effects of changes in DSR investments.....	(260,114.01)
Net PV Cashflow Savings @ 1.329%(Bond Yield)....	475,793.40
Transfers from Prior Issue Debt Service Fund.....	(198,090.63)
Contingency or Rounding Amount.....	(58.82)
Net Present Value Benefit	\$277,643.95
Net PV Benefit / \$2,863,967.53 PV Refunded Debt Service	9.694%
Net PV Benefit / \$2,535,000 Refunded Principal..	10.952%
Net PV Benefit / \$2,135,000 Refunding Principal..	13.004%

Refunding Bond Information

Refunding Dated Date	11/05/2016
Refunding Delivery Date	11/05/2016



Hermantown, Minnesota

\$2,135,000 General Obligation Capital Improvement Plan Bonds, Series 2016B

Current Refunding of Series 06A Refunding Portion

Assuming Current GO BQ "AA" Market Rates

Current Refunding Escrow

Date	Principal	Rate	Receipts	Disbursements	Cash Balance
11/05/2016	-	-	-	-	-
02/01/2017	2,586,181.25	-	2,586,181.25	2,586,181.25	-
Total	\$2,586,181.25	-	\$2,586,181.25	\$2,586,181.25	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	GIC
Default investment yield target	Unrestricted
Cost of Investments Purchased with Bond Proceeds	2,586,181.25
Total Cost of Investments	\$2,586,181.25
Target Cost of Investments at bond yield	\$2,578,011.89
Yield to Receipt	-1.93E-11
Yield for Arbitrage Purposes	1.3287966%



Hermantown, Minnesota

\$2,535,000 Public Project Revenue Bonds, Series 2006A

Net Cash Refunding of Series 1998

Prior Original Debt Service

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/01/2016	-	-	-	-	-
02/01/2017	230,000.00	4.000%	51,181.25	281,181.25	281,181.25
08/01/2017	-	-	46,581.25	46,581.25	-
02/01/2018	245,000.00	4.000%	46,581.25	291,581.25	338,162.50
08/01/2018	-	-	41,681.25	41,681.25	-
02/01/2019	250,000.00	4.000%	41,681.25	291,681.25	333,362.50
08/01/2019	-	-	36,681.25	36,681.25	-
02/01/2020	265,000.00	4.000%	36,681.25	301,681.25	338,362.50
08/01/2020	-	-	31,381.25	31,381.25	-
02/01/2021	280,000.00	4.000%	31,381.25	311,381.25	342,762.50
08/01/2021	-	-	25,781.25	25,781.25	-
02/01/2022	295,000.00	4.050%	25,781.25	320,781.25	346,562.50
08/01/2022	-	-	19,807.50	19,807.50	-
02/01/2023	310,000.00	4.050%	19,807.50	329,807.50	349,615.00
08/01/2023	-	-	13,530.00	13,530.00	-
02/01/2024	325,000.00	4.100%	13,530.00	338,530.00	352,060.00
08/01/2024	-	-	6,867.50	6,867.50	-
02/01/2025	335,000.00	4.100%	6,867.50	341,867.50	348,735.00
Total	\$2,535,000.00	-	\$495,803.75	\$3,030,803.75	-

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	11/05/2016
Average Life	4.558 Years
Average Coupon	4.0592997%
Weighted Average Maturity (Par Basis)	4.558 Years

Refunding Bond Information

Refunding Dated Date	11/05/2016
Refunding Delivery Date	11/05/2016



Hermantown, Minnesota

\$2,535,000 Public Project Revenue Bonds, Series 2006A

Net Cash Refunding of Series 1998

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
11/05/2016	-	-	-	-	-	-	-
02/01/2017	2,535,000.00	51,181.25	2,586,181.25	230,000.00	4.000%	51,181.25	281,181.25
08/01/2017	-	-	-	-	-	46,581.25	46,581.25
02/01/2018	-	-	-	245,000.00	4.000%	46,581.25	291,581.25
08/01/2018	-	-	-	-	-	41,681.25	41,681.25
02/01/2019	-	-	-	250,000.00	4.000%	41,681.25	291,681.25
08/01/2019	-	-	-	-	-	36,681.25	36,681.25
02/01/2020	-	-	-	265,000.00	4.000%	36,681.25	301,681.25
08/01/2020	-	-	-	-	-	31,381.25	31,381.25
02/01/2021	-	-	-	280,000.00	4.000%	31,381.25	311,381.25
08/01/2021	-	-	-	-	-	25,781.25	25,781.25
02/01/2022	-	-	-	295,000.00	4.050%	25,781.25	320,781.25
08/01/2022	-	-	-	-	-	19,807.50	19,807.50
02/01/2023	-	-	-	310,000.00	4.050%	19,807.50	329,807.50
08/01/2023	-	-	-	-	-	13,530.00	13,530.00
02/01/2024	-	-	-	325,000.00	4.100%	13,530.00	338,530.00
08/01/2024	-	-	-	-	-	6,867.50	6,867.50
02/01/2025	-	-	-	335,000.00	4.100%	6,867.50	341,867.50
Total	\$2,535,000.00	\$51,181.25	\$2,586,181.25	\$2,535,000.00	-	\$495,803.75	\$3,030,803.75

Yield Statistics

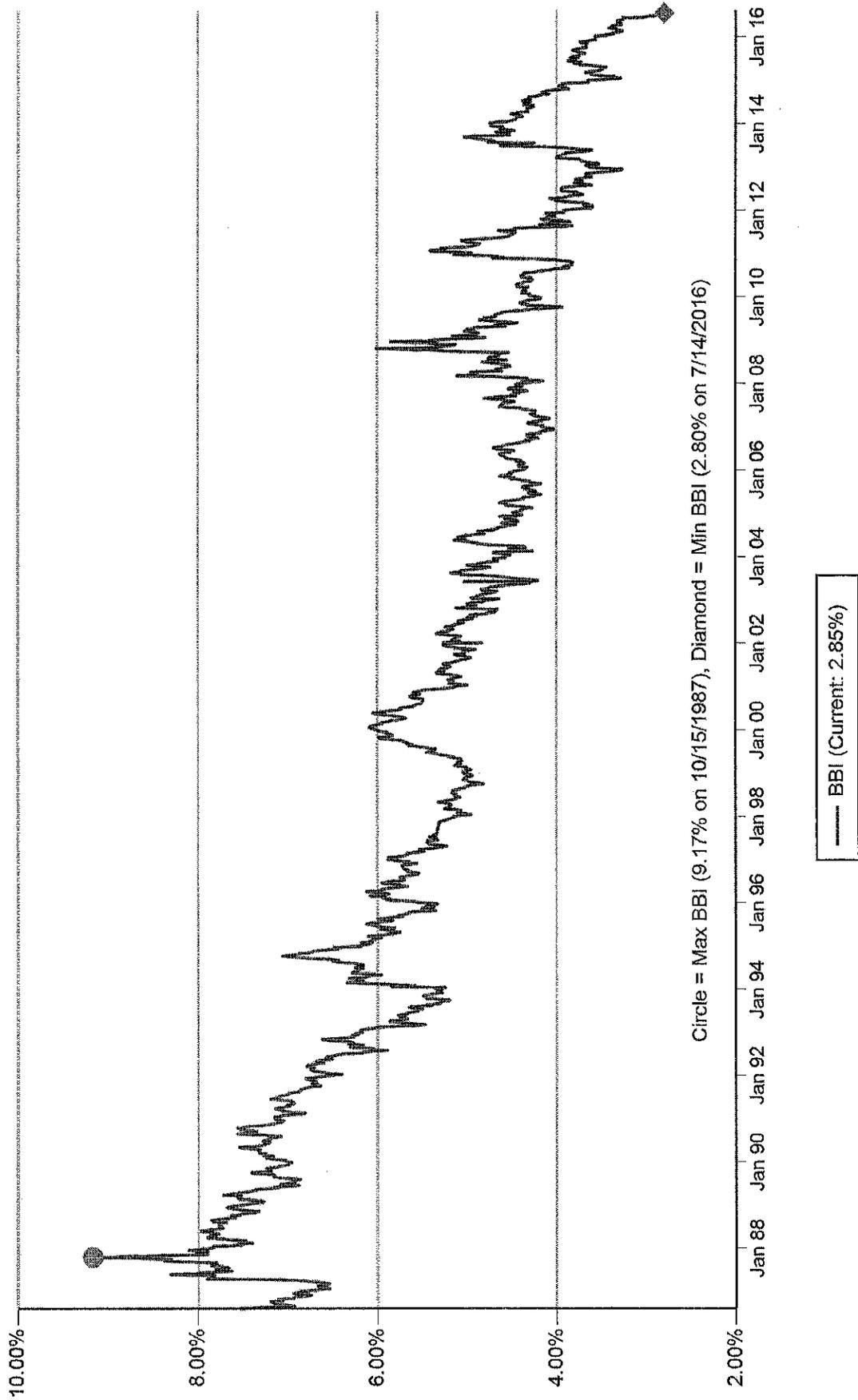
Base date for Avg. Life & Avg. Coupon Calculation	11/05/2016
Average Life	4.558 Years
Average Coupon	4.0592997%
Weighted Average Maturity (Par Basis)	4.558 Years

Refunding Bond Information

Refunding Dated Date	11/05/2016
Refunding Delivery Date	11/05/2016

30 YEAR TREND IN MUNICIPAL BOND INDICES

Weekly Rates August, 1986 - August, 2016



The Bond Buyer "20 Bond Index" (BBI) shows average yields on a group of municipal bonds that mature in 20 years and have an average rating equivalent to Moody's Aa2 and S&P's AA.

Source: The Bond Buyer



EHLERS
LEADERS IN PUBLIC FINANCE

Resolution No. _____

Council Member _____ introduced the following resolution and moved its adoption:

**Resolution Providing for the Sale of
\$5,540,000 General Obligation Capital Improvement Plan Bonds, Series 2016B**

- A. WHEREAS, the City Council of the City of Hermantown, Minnesota has heretofore determined that it is necessary and expedient to issue the City's \$5,540,000 General Obligation Capital Improvement Plan Bonds, Series 2016B (the "Bonds"), to current refund the HEDA Public Project Revenue Bonds, Series 2006A for an interest cost savings; and
- B. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent financial advisor for the Bonds in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9);

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hermantown, Minnesota, as follows:

1. Authorization; Findings. The City Council hereby authorizes Ehlers to assist the City for the sale of the Bonds.
2. Meeting; Proposal Opening. The City Council shall meet at 6:30 p.m. on October 3, 2016, for the purpose of considering proposals for and awarding the sale of the Bonds.
3. Official Statement. In connection with said sale, the officers or employees of the City are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

The motion for the adoption of the foregoing resolution was duly seconded by City Council Member _____ and, after full discussion thereof and upon a vote being taken thereon, the following City Council Members voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Dated this 15th day of August, 2016.

City Clerk