

**CITY OF HERMANTOWN**

**AGENDA**

**Preliminary Agenda Meeting Monday, October 3, 2016 @ 5:00 p.m. –  
Large Conference Room**

**City Council Meeting October 3, 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)*
- 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**
  - 2016-210** Jordan Urshan  
TO: City Council  
RE: Resignation from Park Board
  - 2016-212** S & P Global Ratings  
TO: City of Hermantown  
RE: General Obligation Capital Improvement Plan Bonds dated 9/22/2016
- 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 September 19, 2016 City Council Meeting
  - B. Accounts Payable** – Approve general city warrants from September 16, 2016 through September 30, 2016 in the amount of \$1,036,402.53

**C. Resolutions**

- 2016-118**     Resolution Appointing Election Judges For The General Election Of November 8, 2016
- 2016-119**     Resolution Directing Preparation Of Assessment Roll For Delinquent Water And Sewer Use, Hookup And Availability Charges And Water Contract Payments And Directing Notice Of Such Assessment Be Given
- 2016-125**     Resolution Approving Pay Request Number 1 For Street Improvement District No. 527-N Reinke Road Culvert To A Plus Landscaping In The Amount Of \$71,462.80
- 2016-126**     Resolution Approving Pay Request Number 1 For Street Improvement District No. 526-N Ugstad Road Culverts To KGM Contractors, Inc. In The Amount Of \$107,082.86

(motion, roll call)

**10. MOTIONS**

- A.**     Motion to approve water rate increase from \$8.08 to \$8.48 per 1,000 gallons (5% increase) and sewer rate from \$8.87 to \$9.64 per 1,000 gallons (8.6% increase) effective January 1, 2017.

(motion, roll call)

**11. ORDINANCES**

- A.     2016-56**     An Ordinance Amending Hermantown Zoning Regulations Chapter 10, Land Splits And Platting And Chapter 2, Definitions

Second Reading

(motion, roll call)

**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.     2016-120**     Resolution Authorizing The Issuance, Sale And Delivery Of \$5,540,000 General Obligation Capital Improvement Plan Bonds, Series 2016B

(motion, roll call)

- B.     2016-121**     Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver Agreement For The Use Of Hermantown Athletic Fields With University Of Wisconsin-Superior

(motion, roll call)

- C. 2016-122**      Resolution Calling Public Hearing On Closure Statement For The Williams Drive Mobile Home Park  
  
(motion, roll call)
- D. 2016-123**      Resolution Approving Payment To Hermantown School District For Re-Surfacing The Tennis Courts In The Amount Of \$10,400  
  
(motion, roll call)
- E. 2016-124**      Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver Agreement For The Use Of The Hermantown Athletic Fields With Hermantown School District No. 700  
  
(motion, roll call)
- F. 2016-127**      Resolution Authorizing The Publication Of A Summary Of An Ordinance Amending The Hermantown Zoning Regulations By Replacing Chapter 10, "Land Splits And Platting" And Amending Chapter 2, Definitions  
  
(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> |
|-------------|--------------|--|--|--|--------------|
| 8/30/2016   | 16-203       | Jim Rich, Building Official                  | Bryant & Michelle Annala                                       | Chimney Flashing   | 8/29/2016    |
| 8/31/2016   | 16-204       | Jim Rich, Building Official                  | Copy of Annala Letter (16-203) to Zierden Bldg, per the Annals | Chimney Flashing   | 8/29/2016    |
| 9/9/2016    | 16-205       | Jean C. McDonald                             | John Mulder, City Administrator                                | Tree Removal Parcel No 18 in 1991 Ugstad Rd Reconstruction Project   | 9/8/2016     |
| 9/13/2016   | 16-206       | Marianne Bohren, WLSSD                       | MN Pollution Control Agency                                    | Discharge Monitoring Report for August 2016                          | 9/12/2016    |
| 9/14/2016   | 16-207       | Eric Johnson, Community Development Director | Planning & Zoning Commission                                   | Special Use Permit within a Shoreland Overlay Zone                   | 9/14/2016    |
| 9/14/2016   | 16-208       | Josh Bergstad, City Planner                  | Planning & Zoning Commission                                   | CIDP for Auto Sales in a C-1 Office/Light Industrial Zoning District | 9/14/2016    |
| 9/19/2016   | 16-209       | Hermantown Utility Commission                | City Council   | Water and Sewer Rate Increase  | 9/16/2016    |
| 9/27/2016   | 16-210       | Jordan Urshan                                | City Council   | Resignation from the Hermantown Park Board                           | 9/20/2016    |
| 9/27/2016   | 16-211       | John Mulder, City Administrator              | Jean McDonald  | 1991 Ugstad Road Reconstruction Project                              | 9/26/2016    |
| 9/27/2016   | 16-212       | S&P Global Ratings                           | City of Hermantown   | General Obligation Capital Improvement Plan Bonds dated 9/22/2016    | 9/26/2016    |

rec'd  
4/20/16

To: City of Hermantown; City Council  
From: Jordan D. Urshan  
Date: September 20, 2016  
Re: Resignation from the Hermantown Park Board

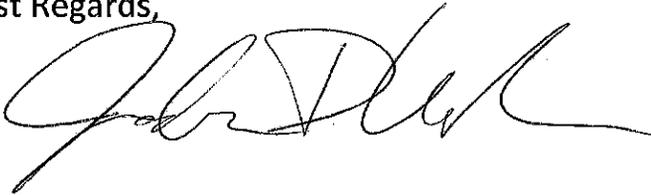
To Whom It May Concern,

After several months of consideration, it is with regret that I am writing to inform you of my decision to resign my position on the Hermantown Park Board after 4 years, effective immediately.

My other commitments have become too great for me to be able to fulfill this position to the extent in which it deserves. I feel it is best for me to make room for someone with the time necessary to devote to the position.

I look forward to being involved in future, whether be the Park Board or another commission. Thank you for the opportunity to serve, but at this time, please accept my resignation.

Best Regards,

A handwritten signature in black ink, appearing to read 'Jordan D. Urshan', written in a cursive style.

Jordan D. Urshan

rec'd  
9/27/16

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# S&P Global Ratings

130 East Randolph Street  
Suite 2900  
Chicago, IL 60601  
tel 312-233-7000  
reference no.: 1453551

September 26, 2016

City of Hermantown  
5105 Maple Grove Road  
Hermantown, MN 55811--3661  
Attention: Mr. John Mulder, City Administrator

Re: *US\$5,540,000 City of Hermantown, St. Louis County, Minnesota, General Obligation  
Capital Improvement Plan Bonds, Series 2016B, dated: September 22, 2016, due: February  
01, 2026*

Dear Mr. Mulder:

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AA". S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements) will become effective only after we have released the rating on [standardandpoors.com](http://standardandpoors.com). Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable.

To maintain the rating, S&P Global Ratings must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. Relevant financial and other information includes, but is not limited to, information about direct bank loans and debt and debt-like instruments issued to, or entered into with, financial institutions, insurance companies and/or other entities, whether or not disclosure of such information would be required under S.E.C. Rule 15c2-12. You understand that S&P Global Ratings relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: [pubfin\\_statelocalgovt@spglobal.com](mailto:pubfin_statelocalgovt@spglobal.com). If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

Please send hard copies to:  
S&P Global Ratings  
Public Finance Department

55 Water Street  
New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at [www.standardandpoors.com](http://www.standardandpoors.com). If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

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mc  
enclosures

cc: Mr. Jason Aarsvold  
Ms. Deb Peterson  
Ms. Jennifer Chapman  
Mr. Todd Hagen

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## Summary:

# Hermantown, Minnesota; General Obligation; Non-School State Programs

### Primary Credit Analyst:

Jessica Akey, Chicago 312-233-7068; [jessica.akey@spglobal.com](mailto:jessica.akey@spglobal.com)

### Secondary Contact:

Jennifer Boyd, Chicago (1) 312-233-7040; [jennifer.boyd@spglobal.com](mailto:jennifer.boyd@spglobal.com)

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Rationale

Outlook

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## Summary:

# Hermantown, Minnesota; General Obligation; Non-School State Programs

### Credit Profile

US\$5.54 mil GO cap imp plan bnds ser 2016B dtd 09/22/2016 due 02/01/2026

|   |              |          |
|---|--------------|----------|
| <i>Long Term Rating</i>                     | AA/Stable    | New      |
| Hermantown GO                               |              |          |
| <i>Long Term Rating</i>                     | AA/Stable    | Affirmed |
| Hermantown GO                               |              |          |
| <i>Long Term Rating</i>                     | AA+/Positive | Affirmed |
| <i>Underlying Rating for Credit Program</i> | AA/Stable    | Affirmed |

## Rationale

S&P Global Ratings assigned its 'AA' long-term rating to Hermantown, Minn.'s series 2016B general obligation (GO) capital improvement plan bonds. At the same time, S&P Global Ratings affirmed its 'AA' rating on the city's previously rated GO debt. The outlook is stable.

Hermantown's unlimited-tax GO pledge secures the bonds. Previously issued GO debt is secured by the unlimited-tax GO pledge and special assessments against benefitted properties for the payment of debt service. However, we rate to the city's GO pledge, which we view as the stronger pledge.

Bond proceeds will refund the series 2006A GO bonds for interest-cost savings.

The rating reflects our view of the following credit factors for Hermantown:

- Strong economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Strong management, with good financial policies and practices under our Financial Management Assessment methodology;
- Strong budgetary performance, with operating surpluses in the general fund and at the total governmental fund level in fiscal 2015;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2015 of 74% of operating expenditures;
- Very strong liquidity, with total government available cash at 2.2x total governmental fund expenditures and 7.6x governmental debt service, and access to external liquidity we consider strong;
- Weak debt and contingent liability position, with debt service carrying charges at 29.0% of expenditures and net direct debt that is 214.0% of total governmental fund revenue, but rapid amortization, with 80.9% of debt scheduled to be retired in 10 years; and
- Strong institutional framework score.

### Strong economy

We consider Hermantown's economy strong. The city, with an estimated population of 9,726, is located in St. Louis

County in the Duluth, Minn., MSA, which we consider to be broad and diverse. The city has a projected per capita effective buying income of 101.2% of the national level and per capita market value of \$106,521. Overall, the city's market value grew by 10.7% over the past year to \$1.0 billion in 2016. The county unemployment rate was 5.0% in 2015.

Hermantown is in northeast Minnesota, comprising an area of 34.5 square miles and adjacent to the Duluth MSA, which we consider a positive rating factor. Many residents commute to Duluth for work or work within the city in manufacturing or retail industries. Leading employers of the city include Walmart Stores Inc. (400 employees), Independent School District No. 700 (300), Sam's Club (220), and General Security Service Corp. (200).

The increase in assessed value this year is largely due to the county's reassessment of properties. Management expects that the tax base will continue increased due to growth in residential and commercial development; Hermantown recently approved two new residential subdivisions. A newly constructed hotel and Fleet Farm (a retail chain) will be coming on the tax rolls in 2017 and 2018, respectively. Residential homestead values represent 44% of total net tax capacity in 2016. Commercial and agriculture represent 30% and 1% of total net tax capacity, respectively.

### **Strong management**

We view the city's management as strong, with good financial policies and practices under our Financial Management Assessment methodology, indicating financial practices exist in most areas, but that governance officials might not formalize or monitor all of them regularly.

Hermantown performs a line-by-line approach for its budgetary process and uses at least three years of historical information. It can amend its budget if needed and the council receives a quarterly report that depicts budget-to-actual results. Hermantown does not have a long-term financial plan but does have an extensive financial management policy. The city has a five-year capital plan that it updates and presents to its council members each year. Hermantown has its own investment policy and reports at least semiannually to its council members on the holdings and performance. The city has a formal reserve policy to maintain 35%-50% of operating expenditures in reserves each year for cash flow purposes, which it is currently meeting.

### **Strong budgetary performance**

Hermantown's budgetary performance is strong in our opinion. The city had operating surpluses of 9.5% of expenditures in the general fund and of 6.5% across all governmental funds in fiscal 2015. Our assessment accounts for the fact that we expect budgetary results could deteriorate somewhat from 2015 results in the near term.

We adjusted general fund transfers to include recurring transfers in from the sales tax fund for related administrative costs (\$76,000). Because these transfers are routine, we view them as revenues and expenditures. We removed the discretionary transfers out for future capital needs (\$370,000).

Hermantown adopted a balanced budget in 2016 and anticipates a general fund operating surplus of \$50,000 or 1% of general fund expenditures. The city planned another transfer out for future capital needs (\$300,000); we would likely view this as discretionary and remove it from the city's transfers. The city expects total governmental funds performance to have a \$2 million surplus in 2016. Based on these anticipated results, we do not believe Hermantown's general fund fiscal 2016 surplus will be as large as that of the previous year.

According to the 2015 audit, revenues from property taxes represent 76% of the total general fund revenues while intergovernmental revenues and charges for services contributed 13% and 2%, respectively. We expect these revenue streams to remain stable over the next two fiscal years. Because of these factors, we expect budgetary performance to remain strong.

### **Very strong budgetary flexibility**

Hermantown's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2015 of 74% of operating expenditures, or \$3.3 million. We expect the available fund balance to remain above 30% of expenditures for the current and next fiscal years, which we view as a positive credit factor.

The city routinely transfers its general fund surplus each year to its capital improvement fund for future capital needs. Given this, we view these transfers as discretionary. Management indicates it has no plans to spend down reserves in the general fund in the near term. Because of this, we expect budgetary flexibility to remain very strong.

### **Very strong liquidity**

In our opinion, Hermantown's liquidity is very strong, with total government available cash at 2.2x total governmental fund expenditures and 7.6x governmental debt service in 2015.

In our view, the city has strong access to external liquidity if necessary, based on its frequent issuance of GO bonds in the past 20 years. We do not expect Hermantown's cash position to change much over the next two years with respect to total governmental expenditures and debt service. We do not consider its investments aggressive because the city primarily invests in certificates of deposit. Hermantown does not have any contingent liquidity risk that could come due in the near term and put pressure on its budget. As such, we expect the city's liquidity position to remain very strong.

### **Weak debt and contingent liability profile**

In our view, Hermantown's debt and contingent liability profile is weak. Total governmental fund debt service is 29.0% of total governmental fund expenditures, and net direct debt is 214.0% of total governmental fund revenue. Approximately 80.9% of the direct debt is scheduled to be repaid within 10 years, which is in our view a positive credit factor.

We understand that the city might issue \$1.6 million in bonds in the near term to finance a fire hall construction. It might also issue bonds to finance the construction of a wellness center. However, the issue amount hasn't been finalized. Hermantown has less than \$120,000 combined outstanding on two leases for a motor grader and lawn mower purchased in 2014 and 2013, respectively. The city does not have any direct purchase, variable-rate debt or any contingent liabilities that could pressure its budget in the near term. In our view, the debt profile could further weaken should future debt issuances cause the 10-year amortization schedule to fall below 65%.

Hermantown's combined required pension and actual other postemployment benefits (OPEB) contributions totaled 3.3% of total governmental fund expenditures in 2015. The city made 110% of its annual required pension contribution in 2015.

Hermantown provides pension benefits through cost-sharing, multiple-employer, defined-benefit retirement plans--the General Employees' Retirement Fund and the Public Employees' Police and Firemen Fund. The Minnesota Public

Employees' Retirement Assn. (PERA) administers the plans. The Public Employees Defined Contribution Plan (PEDCP), a multiemployer deferred compensation plan that the PERA administers, covers two city council members. In this plan, the elected officials contribute 5% of their salary, which their employer matches. Total employer contributions in 2015 were \$1,610. The city has only an implicit subsidy for its OPEB benefits and finances the plan on a pay-as-you-go basis.

For our calculations, we considered Hermantown's statutorily determined contribution as its required pension contribution. In accordance with Government Accounting Standards Board (GASB) 68, which the city implemented for its financial statements ended Dec. 31, 2015, employers with benefits administered through cost-sharing multiple-employer pension plans such as PERA, must report their proportionate share of the net pension liability. Hermantown's proportion of the net pension liability as of the most recent actuarial valuation was \$938,036. The funded ratio, which consists of the plan fiduciary net position as a proportion of the total pension liability, was 78.2%.

### Strong institutional framework

The institutional framework score for Minnesota cities with a population greater than 2,500 is strong.

## Outlook

The stable outlook reflects our view of Hermantown's very strong budgetary flexibility and liquidity, and strong budgetary performance. The city's participation in the Duluth MSA further supports the outlook. We do not anticipate raising or lowering the rating within the two-year outlook horizon.

### Upside scenario

If Hermantown's debt profile and economic indicators such as market value and effective buying income improved and sustained to a level commensurate with those of peers, we could raise the rating.

### Downside scenario

If the city's budgetary performance deteriorates and budgetary flexibility weakens to a level no longer commensurate with those of peers, we could lower the rating.

## Related Research

2015 Update Of Institutional Framework For U.S. Local Governments

### Ratings Detail (As Of September 26, 2016)

Hermantown GO rfdg bnds ser 2012A dtd 07/12/2012 due 02/01/2014-2026

*Long Term Rating*

AA/Stable

Affirmed

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.standardandpoors.com](http://www.standardandpoors.com) for further information. Complete ratings information is

*Summary: Hermantown, Minnesota; General Obligation; Non-School State Programs*

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CITY OF HERMANTOWN  
CITY COUNCIL MEETING  
September 19, 2016  
6:30 p.m.

**Pledge of Allegiance**

**ROLL CALL:** Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher; John Mulder, City Administrator; Debbie Lund, City Clerk; Jim Crace, Chief of Police; Kevin Orme, Finance Director; Jim Rich, Building Official; Eric Johnson, Community Development Director; Paul Senst, Public Works Director; Steve Overom, City Attorney

**VISITORS:** 7

**ANNOUNCEMENTS**

Councilor Peterson reported on the School Open House. I am happy to say it was a good attendance by the public it was nice to see folks come out with interest in the new facility. There was several speakers and thank you everybody for coming.

**PUBLIC HEARING ON AMENDING REGULATION OF SNOWMOBILES/ALL-TERRAIN VEHICLES**

NOTICE IS HEREBY GIVEN that the City Council of the City of Hermantown, Minnesota will meet at 6:30 p.m. (or as soon thereafter as the hearing may be called to order) on September 19, 2016 at City Hall, 5105 Maple Grove Road, Hermantown, Minnesota to conduct a hearing regarding Amendment to Chapter 8, regulation of snowmobiles and all-terrain vehicles removing the requirement for a City issued permit under the current Section 820 of the Hermantown City Code.

Such persons as desire to be heard with reference to the proposed changes will be heard at this meeting. Written or oral comments will be considered by the City Council.

The Public Hearing held Monday, September 19, 2016 regarding the amendment of an Ordinance Section 820 – Regulation of Snowmobiles and All-Terrain Vehicles, has been recorded, however, has not been transcribed. The following action was taken:

**Ordinance 2016-55**     An Ordinance Amending Chapter 8, By Amending Section 820 – Regulation Of Snowmobiles And All-Terrain Vehicles

The First Reading was held on Ordinance 2016-55, An Ordinance Amending Chapter 8, By Amending Section 820 – Regulation Of Snowmobiles And All-Terrain Vehicles. No one spoke with regard to the Public Hearing.

Public Hearing recessed at 6:40 p.m.

**COMMUNICATIONS**

Communications 2016-190 through and including 2016-205 were read and placed on file.

Communication 2016-199 from Cole Landgraf, Minnesota Pollution Control Agency to Mayor Wayne Boucher regarding 4/21/16 Notice of Violation/Completion of Corrective Action

## PRESENTATIONS

John Mulder, City Administrator – I am going to give you a brief presentation on the 2017 proposed budget. Before you tonight is resolution 2016-110 which sets the preliminary levy and taxes payable for 2017 and sets the Truth In Taxation Hearing for December 5, 2016. In the budget process per state law we can set the preliminary levy and you can always reduce the levy between now and December 5<sup>th</sup> but you cannot move the amount up. There are some challenges in the 2017 budget, right now the expenditures are up about 10% and there are some areas where additional cuts may be made. With the loss of approximately \$100,000 in Local Government Aid our tax levy is increasing by 16.9% The impact of that because of the growth in the tax base would be about a 12% effect on a typical homeowner.

## PUBLIC DISCUSSION

Steve Potter, 3018 Midway Road—I would like to talk about my recent experience in working to obtain a building permit from Hermantown. The parcel that I initially viewed June 2<sup>nd</sup> of this year, then I proceeded to spend the next two months performing due diligence on this property to determine to the best of my ability that it is a buildable parcel with no extraneous circumstances that would cause problems. I checked things from flood zones to zoning set back requirements, utility connections, we went so far as to perform a soil boring test and consult with structural engineers and excavation contractors and last but not least viewing all the wetland maps related to the property. I closed on the property the beginning of August, shortly after that I had a few meetings with Jim Rich to go over the plans I had and make sure that I had everything necessary to apply for a building permit and made application on August 16<sup>th</sup>. Around the end of August I inquired with Mr. Rich about the status of that permit and I was told at that time he was out the office until September 12<sup>th</sup>. Got in touch with Mr. Rich on September 13<sup>th</sup> and was told that the plan should be approved the next day. On September 14<sup>th</sup> I received an email from Mr. Rich telling me that there was wetland issues on the property that he was under the impression had been dealt with and needless to say I was quite surprised after the research that had been done. He supplied me with a copy of the wetland overlay map for the city which now showed the parcel as almost entirely wetlands, which was not the case in any other documentation I had been able to find up to that time. That same day I spoke with Eric Johnson about the situation and in that conversation with Mr. Johnson it was discovered that the wetland information that was showing on the map was part of the 2016 National Wetlands Inventory and it appears that information was entered into a GIS system sometime in the middle to the end of August, so after I had submitted my building permit application. Not only that but at this point in time this new data does not show on the US Fish & Wildlife National Wetlands Map online, which appears to be the defacto standard for where to find this information. I have been in contact with some agencies that provide wetland delineations and they were just as surprised as I was, they said they keep pretty close tract of this and they were unaware of any new information. I've now discovered at this point in time that the costs between the delineation, additional permit fees from the city will be a minimum of \$2,000 and the upper limits unknown until the delineation performed. Needless to say it was a frustrating process as I was trying hard to get construction project under way completed yet this year and at this point its unknown whether that will be able to happen. The address is 4848 Adrian Lane.

Mayor Boucher thanked Mr. Potter for the information and stated we will work with city staff and to try and take action on this and work through whatever difficulties you've had. I cannot promise the result of what we look into.

Mr. Potter asked if there was someone he could work with as a point of contact going forward with this?

Mayor Boucher told Mr. Potter to contact John Mulder, City Administrator.

### CONSENT AGENDA

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

- A. Approval of August 15, 2016 City Council Minutes
- B. Approve general city warrants from August 16, 2016 through August 31, 2016 in the amount of \$905,331.10 and general city warrants from September 1, 2016 through September 15, 2016 in the amount of \$278,965.45
- C. Approve appointment of Michael Boese to the Board of Appeals & Adjustment to December 31, 2016  
Approve appointment of Doug Kerfeld to the Utility Commission through December 31, 2018
- D. Resolution 2016-105 – Approving Pay Request No. 4 and Minor Work Order No. 2 for Street Improvement District No. 524-N Stebner Road to Ulland Brothers in the amount of \$647,029.57  
Resolution 2016-113 – Execute and Deliver the Master Subscriber Agreement for Minnesota Court Data Services And Request Form for Court Integration Services

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

### ORDINANCES

**2016-54**      An Ordinance Amending Section 730 – Firearms And Other Dangerous Weapons Of The Hermantown City Code

The First Reading was held on Ordinance 2016-54, An Ordinance Amending Section 730 – Firearms And Other Dangerous Weapons Of The Hermantown City Code.

**2016-56**      An Ordinance Amending Hermantown Zoning Regulations Chapter 10, Land Splits And Platting

The First Reading was held on Ordinance 2016-56, An Ordinance Amending Hermantown Zoning Regulations Chapter 10, Land Splits And Platting.

**2016-57**      An Ordinance Amending Hermantown Zoning Regulations Chapter 2, Definitions

The First Reading was held on Ordinance 2016-57, An Ordinance Amending Hermantown Zoning Regulations Chapter 2, Definitions.

## RESOLUTIONS

**2016-106**      Resolution Receiving Quotations And Awarding Contract For New Garage Foundation To Weets Brother Flatwork, Inc. In The Amount Of \$8,600

Motion made by Councilor Geissler, seconded by Councilor Nelson to adopt Resolution 2016-106, Resolution Receiving Quotations And Awarding Contract For New Garage Foundation To Weets Brother Flatwork, Inc. In The Amount Of \$8,600. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

**2016-107**      Resolution Receiving Quotations And Awarding Contract For Fascia And Soffits At Hermantown Government Services Building To Chad Offersen In The Amount Of \$21,900

Motion made by Councilor Koski, seconded by Councilor Nelson to adopt Resolution 2016-107, Resolution Receiving Quotations And Awarding Contract For Fascia And Soffits At Hermantown Government Services Building To Chad Offersen In The Amount Of \$21,900. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

**2016-108**      Resolution Approving The City Of Hermantown Minnesota Government Data Practices Act Police Department Procedures

Motion made by Councilor Koski, seconded by Councilor Peterson to adopt Resolution 2016-108, Resolution Approving The City Of Hermantown Minnesota Government Data Practices Act Police Department Procedures. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

**2016-109**      Resolution Approving State Of Minnesota Joint Powers Agreements With The City Of Hermantown On Behalf Of Its City Attorney And Police Department

Motion made by Councilor Peterson, seconded by Councilor Koski to adopt Resolution 2016-109, Resolution Approving State Of Minnesota Joint Powers Agreements With The City Of Hermantown On Behalf Of Its City Attorney And Police Department. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

**2016-110**      Resolution To Adopt The Proposed Property Tax And Proposed Budget For Taxes Payable In 2017 And Scheduling The Truth In Taxation Hearing

Motion made by Councilor Koski, seconded by Councilor Nelson to adopt Resolution 2016-110, Resolution To Adopt The Proposed Property Tax And Proposed Budget For Taxes Payable In 2017 And Scheduling The Truth In Taxation Hearing for Monday, December 5, 2016 at 6:30 p. m. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

**2016-111**      Resolution Approving An Amendment To A Planned Unit Development ("PUD") Of Heartwoods Addition And Imposing Conditions On The Approval Of The PUD Amendment

Motion made by Councilor Geissler, seconded by Councilor Koski to adopt Resolution 2016-111, Resolution Approving An Amendment To A Planned Unit Development ("PUD") Of Heartwoods Addition And Imposing Conditions On The Approval Of The PUD Amendment. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

**2016-112**      Resolution Revising Resolution 2016-87 Approving The Transfer Of \$41,944.23 From The General Fund (Fund 101) To The Police Program Fund (Fund 251)

Motion made by Councilor Geissler, seconded by Councilor Koski to adopt Resolution 2016-112, Resolution Revising Resolution 2016-87 Approving The Transfer Of \$41,944.23 From The General Fund (Fund 101) To The Police Program Fund (251). Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

**2016-114**      Resolution Supporting The Use Of The Hermantown Sales Tax For A Regional Multiuse Health And Wellness Center

Motion made by Councilor Peterson, seconded by Councilor Nelson to adopt Resolution 2016-114, Resolution Supporting The Use Of The Hermantown Sales Tax For A Regional Multiuse Health And Wellness Center. Roll Call: Councilor Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

**2016-115**      Resolution Authorizing The City Of Hermantown To Sponsor A Grant Funding Request Associated With The Munger Trail Spur Route Plan

Motion made by Councilor Geissler, seconded by Councilor Nelson to adopt Resolution 2016-115, Resolution Authorizing The City Of Hermantown To Sponsor A Grant Funding Request Associated With The Munger Trail Spur Route Plan. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

**2016-116**      Resolution Terminating Purchasing Card Policy And Adopting Credit Card Use Policy

Motion made by Councilor Peterson, seconded by Councilor Geissler to adopt Resolution 2016-116, Resolution Terminating Purchasing Card Policy And Adopting Credit Card Use Policy. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

**2016-117**      Resolution Approving The Proposed Amendments To The Bylaws Of The Hermantown Volunteer Fire Department Relief Association, Inc.

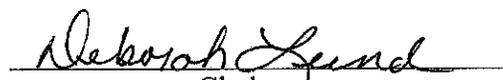
Motion made by Councilor Geissler, seconded by Councilor Peterson to adopt Resolution 2016-117, Resolution Approving The Proposed Amendments To The Bylaws Of The Hermantown Volunteer Fire Department Relief Association, Inc. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

Mayor Boucher thanked Xavier Witikko and Nathan Soumis for running the video equipment.

) Motion made by Councilor Nelson, seconded by Councilor Peterson to recess the meeting at 7:30 p.m.  
Motion carried.

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
Clerk

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CITY OF HERMANTOWN

CHECKS #60116 - 60189  
09/16/2016 - 09/30/2016

PAYROLL CHECKS

|  |           |
|--|-----------|
| Electronic Checks 9/16/16 - #77487 - 77525 | 74,937.75 |
| Electronic Checks 9/30/16 - #77438 - 77481 | 62,169.10 |
| Printed Checks 9/30/16 - # 60184 - 60185   | 92.34     |
| <u>LIABILITY CHECKS</u>                    |           |
| Electronic Checks 9/16/16- #77482 - 77486  | 49,532.46 |
| Printed Checks 9/16/16 - #60116 - 60121    | 48,735.17 |
| Electronic Checks 9/30/16- #77432 - 77437  | 46,416.86 |
| Printed Checks 9/30/16 - #60186 - 60188    | 5,856.68  |

**PAYROLL EXPENSE TOTAL**

**\$287,740.36**

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ACCOUNTS PAYABLE

Checks #60122 - 60183

Check #60189

**ACCOUNTS PAYABLE TOTAL**

**\$748,662.17**

**TOTAL**

**\$1,036,402.53**

| Fund | Account | Department                              | Vendor Name                    | Description                | Amount    |
|------|---------|---|--------------------------------|----------------------------|-----------|
| 101  | 134000  | Retiree Insurance/Telephone Reimb.      | MN LIFE                        | Life Ins. (Sharpe)         | 20.25     |
| 101  | 134000  | Retiree Insurance/Telephone Reimb.      | MN LIFE                        | Life Ins. (Tucker)         | 20.25     |
| 101  | 134000  | Retiree Insurance/Telephone Reimb.      | NORTHEAST SERVICE COOPERATIVE  | Hosp. (Inactives)          | 2,215.50  |
| 101  | 431100  | Street Department                       | 396-PRAXAIR DISTRIBUTION INC   | 5 Yr Cylinder Maint.       | 90.00     |
| 101  | 431100  | Street Department                       | 396-PRAXAIR DISTRIBUTION INC   | Saf. Env. Fee              | 22.50     |
| 101  | 431100  | Street Department                       | 396-PRAXAIR DISTRIBUTION INC   | Cylinder Rental            | 13.64     |
| 101  | 431100  | Street Department                       | 396-PRAXAIR DISTRIBUTION INC   | Saf. Env. Fee              | 9.95      |
| 101  | 431100  | Street Department                       | ACME TOOLS                     | Surveyors Pole             | 159.99    |
| 101  | 431100  | Street Department                       | ACME TOOLS                     | Air Filter                 | 26.82     |
| 601  | 494300  | Water Distribution                      | AMERIPRIDE LINEN & APPAREL INC | Coveralls                  | 9.56      |
| 101  | 419901  | City Hall & Police Building Maintenance | AMERIPRIDE LINEN & APPAREL INC | Coveralls                  | 2.40      |
| 602  | 494500  | Sewer Maintenance                       | AMERIPRIDE LINEN & APPAREL INC | Coveralls                  | 7.19      |
| 101  | 419901  | City Hall & Police Building Maintenance | AMERIPRIDE LINEN & APPAREL INC | Mats (CH)                  | 37.58     |
| 101  | 431901  | City Garage                             | AMERIPRIDE LINEN & APPAREL INC | Supplies                   | 143.35    |
| 101  | 431100  | Street Department                       | AMERIPRIDE LINEN & APPAREL INC | Coveralls                  | 14.34     |
| 101  | 419901  | City Hall & Police Building Maintenance | AMERIPRIDE LINEN & APPAREL INC | Mats (Pub. Saf.)           | 93.43     |
| 101  | 431100  | Street Department                       | AT&T MOBILITY                  | Cell Phones                | 170.32    |
| 101  | 419100  | Community Development                   | AT&T MOBILITY                  | Cell Phones                | 57.12     |
| 101  | 421100  | Police Administration                   | AT&T MOBILITY                  | Cell Phones (PD)           | 531.34    |
| 602  | 494900  | Sewer Administration and General        | AT&T MOBILITY                  | Cell Phones                | 71.29     |
| 101  | 415300  | Administration & Finance                | AT&T MOBILITY                  | Cell Phones                | 76.75     |
| 601  | 494400  | Water Administration and General        | AT&T MOBILITY                  | Cell Phones                | 106.95    |
| 101  | 415300  | Administration & Finance                | BLACK MOUNTAIN SOFTWARE INC    | Positive Pay Format Change | 300.00    |
| 601  | 494400  | Water Administration and General        | BLACK MOUNTAIN SOFTWARE INC    | Positive Pay Format Change | 100.00    |
| 602  | 494900  | Sewer Administration and General        | BLACK MOUNTAIN SOFTWARE INC    | Positive Pay Format Change | 100.00    |
| 402  | 431150  | Street Improvements                     | BRAUN INTERTEC CORPORATION     | Stebner Rd. Proj. 524      | 1,426.75  |
| 402  | 431150  | Street Improvements                     | BRAUN INTERTEC CORPORATION     | Stebner Rd. Proj. 524      | 13,378.00 |
| 101  | 422903  | Firehall #3 Midway Road                 | CENTURYLINK                    | Internet FH #3             | 79.82     |
| 101  | 431100  | Street Department                       | COMPASS MINERALS AMERICA       | Road Salt/Ticket 42458     | 689.36    |
| 101  | 431100  | Street Department                       | COMPASS MINERALS AMERICA       | Road Salt/Ticket 42540     | 684.88    |
| 101  | 431100  | Street Department                       | COMPASS MINERALS AMERICA       | Road Salt/Ticket 45457     | 675.92    |
| 101  | 431100  | Street Department                       | COMPASS MINERALS AMERICA       | Road Salt/Ticket 42451     | 674.24    |
| 101  | 431100  | Street Department                       | COMPASS MINERALS AMERICA       | Road Salt/Ticket 42464     | 676.48    |
| 101  | 431100  | Street Department                       | COMPASS MINERALS AMERICA       | Road Salt/Ticket 42545     | 650.16    |
| 101  | 431100  | Street Department                       | COMPASS MINERALS AMERICA       | Road Salt/Ticket 42454     | 666.96    |
| 101  | 431100  | Street Department                       | COMPASS MINERALS AMERICA       | Road Salt/Ticket 42486     | 678.72    |

9/27/2016

| Fund | Account | Department                               | Vendor Name                       | Description                   | Amount   |
|------|---------|--|-----------------------------------|-------------------------------|----------|
| 101  | 431100  | Street Department                        | COMPASS MINERALS AMERICA          | Road Salt/Ticket 42453        | 678.16   |
| 601  | 494400  | Water Administration and General         | CUSTOMER ELATION INC              | Sept. Answering               | 44.61    |
| 602  | 494900  | Sewer Administration and General         | CUSTOMER ELATION INC              | Sept. Answering               | 29.74    |
| 101  | 419901  | City Hall & Police Building Maintenance  | DALCO                             | Cleaning Supplies             | 15.26    |
| 101  | 419901  | City Hall & Police Building Maintenance  | DUROVEC, CHRISTOPHER              | Reimb/Safety Boots            | 100.00   |
| 321  | 471000  | Debt Service                             | EHLERS & ASSOCIATES INC           | 2016 Annual Disclosure Rptng  | 475.00   |
| 318  | 471000  | Debt Service                             | EHLERS & ASSOCIATES INC           | 2016 Annual Disclosure Rptng  | 475.00   |
| 319  | 471000  | Debt Service                             | EHLERS & ASSOCIATES INC           | 2016 Annual Disclosure Rptng  | 475.00   |
| 460  | 465100  | HEDA                                     | EHLERS & ASSOCIATES INC           | TIF Reporting                 | 967.50   |
| 317  | 471000  | Debt Service                             | EHLERS & ASSOCIATES INC           | 2016 Annual Disclosure Rptng  | 475.00   |
| 322  | 471000  | Debt Service                             | EHLERS & ASSOCIATES INC           | 2016 Annual Disclosure Rptng  | 475.00   |
| 316  | 471000  | Debt Service                             | EHLERS & ASSOCIATES INC           | 2016 Annual Disclosure Rptng  | 475.00   |
| 315  | 471000  | Debt Service                             | EHLERS & ASSOCIATES INC           | 2016 Annual Disclosure Rptng  | 475.00   |
| 320  | 471000  | Debt Service                             | EHLERS & ASSOCIATES INC           | 2016 Annual Disclosure Rptng  | 475.00   |
| 101  | 422100  | Fire Administration                      | ESSENTIA HEALTH                   | FD Tests/Lederer              | 525.00   |
| 601  | 494300  | Water Distribution                       | FERGUSON WATERWORKS #2516         | Hydrant Repair Parts          | 316.32   |
| 101  | 419901  | City Hall & Police Building Maintenance  | GOODIN COMPANY INC                | Boiler/Chiller Treatment      | 245.37   |
| 101  | 415300  | Administration & Finance                 | GOVT FINANCE OFFICERS ASSOCIATION | GFOA Membership/Middlemist    | 150.00   |
| 101  | 421100  | Police Administration                    | GREAT LAKES MOBIL LUBE EXPRESS    | Vehicle Maintenance           | 38.67    |
| 101  | 415300  | Administration & Finance                 | GREATAMERICA FINANCIAL SERVICES   | Copier Lease/Sharp            | 126.27   |
| 101  | 415300  | Administration & Finance                 | GREATAMERICA FINANCIAL SERVICES   | Copier Lease/Konica           | 164.58   |
| 101  | 431100  | Street Department                        | HANSEN'S WELDING TANK & TRUCK INC | Repairs/Hitch on H2           | 2,725.21 |
| 101  | 419100  | Community Development                    | HERMANTOWN STAR LLC               | PZ Site Insp/PH               | 90.75    |
| 101  | 411300  | Ordinance, Public Notice and Proceedings | HERMANTOWN STAR LLC               | CC Minutes/8-1-16 & 8-15-16   | 115.50   |
| 101  | 214000  | Security Deposits Payable                | HIUKKA, KEN                       | Driveway Ref/4956 Anderson    | 250.00   |
| 101  | 214000  | Security Deposits Payable                | HJELLE, DAVE                      | Driveway Ref/4310 Sugar Maple | 250.00   |
| 601  | 494300  | Water Distribution                       | HOLIDAY FLEET                     | Gasoline                      | 264.95   |
| 101  | 419901  | City Hall & Police Building Maintenance  | HOLIDAY FLEET                     | Gasoline                      | 47.23    |
| 602  | 494500  | Sewer Maintenance                        | HOLIDAY FLEET                     | Gasoline                      | 176.62   |
| 101  | 452100  | Parks                                    | HOLIDAY FLEET                     | Gasoline                      | 44.41    |
| 101  | 431100  | Street Department                        | HOLIDAY FLEET                     | Gasoline                      | 309.72   |
| 101  | 421100  | Police Administration                    | HOLIDAY FLEET                     | Gasoline                      | 3,075.05 |
| 101  | 421100  | Police Administration                    | INFOBUREAU SERVICES               | Credit Check/Resberg          | 15.00    |
| 101  | 214000  | Security Deposits Payable                | KEVIN VEGAR CONSTRUCTION          | Driveway Ref/5030 Red Cedar   | 250.00   |
| 101  | 214000  | Security Deposits Payable                | KLINT, ALLAN                      | Driveway Ref/4622 Lavaque     | 250.00   |
| 101  | 214000  | Security Deposits Payable                | KUETTEL, JASON                    | Driveway Ref/5149 Cedar Ridge | 250.00   |

9/27/2016

| Fund Account | Department                              | Vendor Name                         | Description                    | Amount |
|--------------|---|-------------------------------------|--------------------------------|--------|
| 101 452100   | Parks                                   | LAKEHEAD TRUCKING INC               | Lime/Fichtner Field            | 778.19 |
| 101 413100   | Mayor                                   | LEAGUE OF MINNESOTA CITIES          | LMC Reg Mig/Boucher            | 45.00  |
| 101 431100   | Street Department                       | MAVO CONCRETE SAWING SERVICES, INC. | Saw Cutting Asphalt/H2O Breaks | 446.00 |
| 101 431100   | Street Department                       | MEDIA/ACOM                          | Internet/4971 Lightning Dr.    | 24.52  |
| 602 494900   | Sewer Administration and General        | MEDIA/ACOM                          | Telephone/4971 Lightning Dr.   | 29.55  |
| 101 422901   | Firehall #1 Maple Grove Road            | MEDIA/ACOM                          | Internet/FH #1                 | 9.80   |
| 601 494400   | Water Administration and General        | MEDIA/ACOM                          | Internet/4971 Lightning Dr.    | 9.80   |
| 101 422901   | Firehall #1 Maple Grove Road            | MEDIA/ACOM                          | Telephone/FH #1                | 113.36 |
| 101 431100   | Street Department                       | MEDIA/ACOM                          | Telephone/4971 Lightning Dr.   | 49.32  |
| 101 452200   | Community Building                      | MEDIA/ACOM                          | Telephone/5255 Maple Grove Rd. | 48.59  |
| 101 452200   | Community Building                      | MEDIA/ACOM                          | Telephone/5255 Maple Grove Rd. | 99.00  |
| 602 494900   | Sewer Administration and General        | MEDIA/ACOM                          | Internet/4971 Lightning Dr.    | 14.70  |
| 101 419901   | City Hall & Police Building Maintenance | MEDIA/ACOM                          | Telephone/Gov't Services       | 452.89 |
| 601 494400   | Water Administration and General        | MEDIA/ACOM                          | Telephone/4971 Lightning Dr.   | 19.70  |
| 101 419901   | City Hall & Police Building Maintenance | MEDIA/ACOM                          | Internet/Gov't Services        | 39.20  |
| 101 431100   | Street Department                       | MENARD INC                          | Internet/Gov't Services        | 19.68  |
| 101 431901   | City Garage                             | MENARD INC                          | Bungee Cords                   | 19.97  |
| 601 494300   | Water Distribution                      | MENARD INC                          | AC Filter                      | 3.98   |
| 101 452200   | Community Building                      | MENARD INC                          | Test Kit Refills               | 32.87  |
| 101 419901   | City Hall & Police Building Maintenance | MENARD INC                          | Sealing Door/Comm Bldg         | 100.00 |
| 101 421100   | Police Administration                   | MILLER, ROBERT                      | Reimb/Safety Boots             | 375.00 |
| 101 421100   | Police Administration                   | MN BUREAU CRIMINAL APREHENSION      | Training/Enright               | 375.00 |
| 601 494300   | Water Distribution                      | MN DEPARTMENT OF HEALTH             | Training/Williams              | 23.00  |
| 101 431901   | City Garage                             | MN ENERGY RESOURCES CORP            | WSSO Renew Appl/Miller         | 7.91   |
| 101 422901   | Firehall #1 Maple Grove Road            | MN ENERGY RESOURCES CORP            | Natural Gas (Street)           | 383.14 |
| 101 431901   | City Garage                             | MN ENERGY RESOURCES CORP            | Natural Gas (FH#1)             | 36.92  |
| 101 452200   | Community Building                      | MN ENERGY RESOURCES CORP            | Natural Gas (Street)           | 71.19  |
| 101 419901   | City Hall & Police Building Maintenance | MN ENERGY RESOURCES CORP            | Natural Gas (Comm Bldg)        | 82.08  |
| 601 494400   | Water Administration and General        | MN ENERGY RESOURCES CORP            | Natural Gas (CH/PD)            | 37.20  |
| 101 419901   | City Hall & Police Building Maintenance | MN ENERGY RESOURCES CORP            | Natural Gas                    | 313.47 |
| 101 431901   | City Garage                             | MN ENERGY RESOURCES CORP            | Natural Gas (CH/PD)            | 32.55  |
| 602 494900   | Sewer Administration and General        | MN ENERGY RESOURCES CORP            | Natural Gas                    | 23.23  |
| 101 419100   | Community Development                   | MN GIS/LIS                          | Natural Gas                    | 275.00 |
| 601 494300   | Water Distribution                      | MN PIPE & EQUIPMENT INC             | GIS Conf/Anderson              | 150.00 |
| 101 422903   | Firehall #3 Midway Road                 | MN POWER                            | Valve Wrench                   | 159.49 |
| 605 431160   | Street Lighting                         | MN POWER                            | Electricity                    | 231.34 |
|              |   |                                     | Electricity                    |        |

9/27/2016

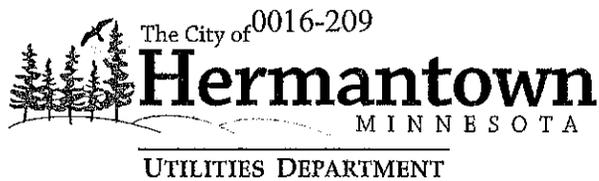
| Fund | Account | Department                              | Vendor Name                           | Description                    | Amount   |
|------|---------|---|---------------------------------------|--------------------------------|----------|
| 605  | 431160  | Street Lighting                         | MN POWER                              | Electricity                    | 512.63   |
| 602  | 494900  | Sewer Administration and General        | MN POWER                              | Electricity                    | 492.38   |
| 602  | 494900  | Sewer Administration and General        | MN POWER                              | Electricity                    | 82.96    |
| 605  | 431160  | Street Lighting                         | MN POWER                              | Electricity                    | 370.55   |
| 101  | 419901  | City Hall & Police Building Maintenance | MN POWER                              | Electricity                    | 2,826.91 |
| 101  | 431901  | City Garage                             | MN POWER                              | Electricity                    | 13.14    |
| 605  | 431160  | Street Lighting                         | MN POWER                              | Electricity                    | 734.05   |
| 101  | 431901  | City Garage                             | MN POWER                              | Electricity                    | 207.42   |
| 101  | 422902  | Firehall #2 Morris Thomas Road          | MN POWER                              | Electricity                    | 99.00    |
| 601  | 494400  | Water Administration and General        | MN POWER                              | Electricity                    | 124.46   |
| 101  | 452100  | Parks                                   | MN POWER                              | Electricity                    | 526.20   |
| 101  | 452200  | Community Building                      | MN POWER                              | Electricity                    | 526.56   |
| 101  | 452100  | Parks                                   | MN POWER                              | Electricity                    | 16.11    |
| 601  | 494400  | Water Administration and General        | MN POWER                              | Electricity                    | 89.47    |
| 101  | 422901  | Firehall #1 Maple Grove Road            | MN POWER                              | Electricity                    | 1,807.36 |
| 605  | 431160  | Street Lighting                         | MN POWER                              | Electricity                    | 329.28   |
| 605  | 431160  | Street Lighting                         | MN POWER                              | Electricity                    | 204.08   |
| 101  | 431100  | Street Department                       | MN POWER                              | Electricity                    | 4.28     |
| 101  | 431100  | Street Department                       | MN POWER                              | Electricity                    | 42.80    |
| 101  | 431100  | Street Department                       | MN POWER                              | Electricity                    | 2,182.50 |
| 101  | 419100  | Community Development                   | NORTHERN STATES SUPPLY INC            | Elect. Connectors              | 4.28     |
| 461  | 465100  | HEDA                                    | NORTHERN STATES SUPPLY INC            | Bolts                          | 42.80    |
| 101  | 431130  | City Engineer                           | NORTHLAND CONSULTING ENGINEERS L.L.P. | Jackson Estates 4th Addition   | 2,182.50 |
| 605  | 441100  | Storm Water                             | NORTHLAND CONSULTING ENGINEERS L.L.P. | Fleet Farm                     | 232.50   |
| 402  | 431150  | Street Improvements                     | NORTHLAND CONSULTING ENGINEERS L.L.P. | Square 37 Development          | 1,557.50 |
| 101  | 431130  | City Engineer                           | NORTHLAND CONSULTING ENGINEERS L.L.P. | Stormwater Update              | 2,687.50 |
| 401  | 431150  | Street Improvements                     | NORTHLAND CONSULTING ENGINEERS L.L.P. | Stebner Rd. Proj. 524          | 620.00   |
| 401  | 431130  | City Engineer                           | NORTHLAND CONSULTING ENGINEERS L.L.P. | Updated Construction Standards | 3,625.00 |
| 401  | 431150  | Street Improvements                     | NORTHLAND CONSULTING ENGINEERS L.L.P. | Ugstad Rd. Proj. 525           | 8,839.50 |
| 401  | 431130  | City Engineer                           | NORTHLAND CONSULTING ENGINEERS L.L.P. | Midway River Culvert/Reinke Rd | 5,588.25 |
| 101  | 431130  | City Engineer                           | NORTHLAND CONSULTING ENGINEERS L.L.P. | Engineering Services           | 2,280.00 |
| 101  | 431901  | City Garage                             | NORTHLAND FIRE & SAFETY INC           | Fire Ext. Maint.               | 165.00   |
| 101  | 431901  | City Garage                             | NORTHLAND FIRE & SAFETY INC           | Emerg. Lights Maint.           | 120.00   |
| 101  | 431901  | City Garage                             | NORTHLAND FIRE & SAFETY INC           | Battery                        | 24.50    |
| 602  | 494900  | Sewer Administration and General        | OFFICEMAX                             | CREDIT/Returned Headset        | -27.89   |
| 101  | 419100  | Community Development                   | OFFICEMAX                             | Office Supplies                | 7.61     |
| 101  | 424100  | Building Inspection                     | OFFICEMAX                             | Office Supplies                | 9.28     |
| 101  | 415300  | Administration & Finance                | OFFICEMAX                             | Office Supplies                | 50.44    |
| 602  | 494900  | Sewer Administration and General        | OFFICEMAX                             | Office Supplies                | 17.36    |

| Fund Account | Department                              | Vendor Name                      | Description                     | Amount   |
|--------------|---|----------------------------------|---------------------------------|----------|
| 601 494400   | Water Administration and General        | OFFICEMAX                        | CREDIT/Returned Headset         | -27.88   |
| 101 419100   | Community Development                   | OFFICEMAX                        | Office Supplies                 | 0.57     |
| 601 494400   | Water Administration and General        | OFFICEMAX                        | Office Supplies                 | 17.36    |
| 101 415300   | Administration & Finance                | OFFICEMAX                        | Office Supplies                 | 24.73    |
| 101 431901   | City Garage                             | PHIL'S GARAGE DOOR SERVICE INC   | Repair Door/PW                  | 1,230.87 |
| 101 214000   | Security Deposits Payable               | PRAHL, JERID                     | Driveway Ref/4311 Sugar Maple   | 250.00   |
| 101 431100   | Street Department                       | SATHERS, LLC                     | Dump Fee/Ticket 18512           | 50.00    |
| 101 431100   | Street Department                       | SATHERS, LLC                     | Class 5/Ticket 17656            | 546.00   |
| 101 431100   | Street Department                       | SATHERS, LLC                     | Pit Run Sand/Ticket 17677       | 378.00   |
| 101 431100   | Street Department                       | SATHERS, LLC                     | Pit Run Sand/Ticket 17680       | 108.00   |
| 101 431100   | Street Department                       | SATHERS, LLC                     | Class 5/Ticket 17680            | 156.00   |
| 101 431100   | Street Department                       | SATHERS, LLC                     | Class 5/Ticket 17637            | 721.50   |
| 101 431100   | Street Department                       | SATHERS, LLC                     | Class 5/Ticket 18515            | 721.50   |
| 101 431100   | Street Department                       | SATHERS, LLC                     | Class 5/Ticket 17631            | 510.25   |
| 101 431100   | Street Department                       | SATHERS, LLC                     | Class 5/Ticket 17677            | 234.00   |
| 101 431100   | Street Department                       | SATHERS, LLC                     | Class 5/Ticket 17649            | 78.00    |
| 101 431100   | Street Department                       | SATHERS, LLC                     | Dump Fee/Ticket 17677           | 200.00   |
| 101 431100   | Street Department                       | SATHERS, LLC                     | Dump Fee/Ticket 18512           | 49.00    |
| 101 431100   | Street Department                       | SATHERS, LLC                     | Class 5/Ticket 18903            | 624.00   |
| 101 431100   | Street Department                       | SATHERS, LLC                     | Pit Run Sand/Ticket 17656       | 216.00   |
| 101 419901   | City Hall & Police Building Maintenance | SELECT ACCOUNT                   | Sept. Select Account Fees       | 2.11     |
| 101 419100   | Community Development                   | SELECT ACCOUNT                   | Sept. Select Account Fees       | 4.51     |
| 101 415300   | Administration & Finance                | SELECT ACCOUNT                   | Sept. Select Account Fees       | 8.13     |
| 101 421100   | Police Administration                   | SELECT ACCOUNT                   | Sept. Select Account Fees       | 22.28    |
| 101 431100   | Street Department                       | SELECT ACCOUNT                   | Sept. Select Account Fees       | 4.51     |
| 602 494900   | Sewer Administration and General        | SELECT ACCOUNT                   | Sept. Select Account Fees       | 2.35     |
| 601 494400   | Water Administration and General        | SELECT ACCOUNT                   | Sept. Select Account Fees       | 1.56     |
| 601 494400   | Water Administration and General        | SHORT ELLIOTT HENDRICKSON INC    | Verizon Tower Lease             | 895.16   |
| 605 441100   | Storm Water                             | SHORT ELLIOTT HENDRICKSON INC    | Stormwater Utility              | 6,977.15 |
| 101 214000   | Security Deposits Payable               | SKORCO, INC.                     | Driveway Ref/3998 Ugstad        | 250.00   |
| 602 494900   | Sewer Administration and General        | ST LOUIS COUNTY RECORDERS OFFICE | Avail. Charges/Bures/Mahai      | 92.00    |
| 101 419100   | Community Development                   | ST LOUIS COUNTY RECORDERS OFFICE | Kimpling/SUP                    | 46.00    |
| 101 431100   | Street Department                       | SUNBELT RENTALS, INC.            | Plate Tamper                    | 168.60   |
| 602 150000   | Prepaid Items                           | TRAVELERS                        | Umbrella/Excess 1-1-17-7-20-17  | 583.67   |
| 101 150000   | Prepaid Items                           | TRAVELERS                        | Umbrella/Excess 1-1-17-7-20-17  | 583.66   |
| 101 492200   | Insurance                               | TRAVELERS                        | Umbrella/Excess7-21-16-12-31-16 | 583.66   |

| Fund | Account | Department                       | Vendor Name           | Description                    | Amount     |
|------|---------|----------------------------------|-----------------------|--------------------------------|------------|
| 602  | 494900  | Sewer Administration and General | TRAVELERS             | UmbrellaExcess7-21-16-12-31-16 | 583.67     |
| 101  | 150000  | Prepaid Items                    | TRAVELERS             | Wokers Comp/1-1-17-7-20-17     | 60.50      |
| 601  | 494400  | Water Administration and General | TRAVELERS             | UmbrellaExcess7-21-16-12-31-16 | 583.67     |
| 601  | 150000  | Prepaid Items                    | TRAVELERS             | Umbrella/Excess 1-1-17-7-20-17 | 583.67     |
| 101  | 431100  | Street Department                | TRAVELERS             | Workers Comp/7-21-16 -12-31-16 | 60.50      |
| 101  | 421100  | Police Administration            | TROY'S BP AMOCO INC   | Vehicle Maintenance            | 25.00      |
| 402  | 431150  | Street Improvements              | ULLAND BROTHERS INC   | Stebner Rd Proj. 524           | 647,029.57 |
| 251  | 421100  | Police Administration            | USA TOWING & RECOVERY | Forfeiture/HD Sportster        | 65.00      |
| 251  | 421100  | Police Administration            | USA TOWING & RECOVERY | DWI Forf/Chev Malibu           | 65.00      |
| 101  | 421100  | Police Administration            | USA TOWING & RECOVERY | Tow/2008 Silverado             | 65.00      |
| 101  | 214000  | Security Deposits Payable        | WIESEN, ERICK         | Driveway Ref/Norway Pines PI   | 250.00     |
| 101  | 421100  | Police Administration            | WIMACTEL INC          | Police Payphone                | 60.00      |
| 260  | 456101  | Cable                            | WITIKKO, NEIL         | Cable TV Coordinator           | 625.00     |
| 602  | 494500  | Sewer Maintenance                | WLSDD                 | Lab Test (FOG)                 | 90.00      |
| 101  | 214000  | Security Deposits Payable        | ZIERDEN BUILDERS      | Driveway Ref/4928 Wildrose     | 250.00     |
| 101  | 362990  | Miscellaneous Revenue            | AFLAC                 | Payroll Liability              | 33.28      |

Totals: 196 records printed

748,662.17



5105 Maple Grove Road Hermantown, Minnesota 55811  
Phone: 218-729-3600 • Fax: 218-729-3620  
Web Site: [www.hermantownmn.com](http://www.hermantownmn.com)

September 16, 2016

TO: City Council  
FROM: Utility Commission  
RE: Water and Sewer Rate Increase

At the Utility Commission meeting held September 15, 2016, the Utility Commission is recommending the water rate be increased from \$8.08 to \$8.48 per 1,000 gallons (5% increase) and the sewer rate be increased from \$8.87 to \$9.64 per 1,000 gallons (8.6% increase), effective January 1, 2017. The proposed rate increases is due increased operating expenses, equipment purchases and include depreciation.

**TO:** Mayor & City Council

**FROM:** Josh Bergstad, Planner



**DATE:** September 27, 2016

**Meeting Date:** October 3, 2016

**SUBJECT:** Land Splits and Platting (Formerly  
Subdivision Regulations)

**Agenda Item:** Ordinance 2016-56  
11-A

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### **REQUESTED ACTION**

Hold first reading of revisions to the Hermantown Zoning Ordinance Chapter 10. Land Splits and Platting (formerly Subdivision Regulations) and Chapter 2. Definitions.

### **DESCRIPTION OF REQUEST**

In 2015, Community Development staff began working on an overhaul of the City's land subdivision regulations. The overhaul addresses the entire ordinance but focused on two issues: flag lots and revising how administrative lot splits are handled. The title was changed from Subdivision Regulations to Land Splits and Platting to reduce confusion over the common and technical uses of the term "subdivision" and refer to the two main processes for approving land divisions: land splits via certificate of survey or registered land surveys and those requiring platting.

Definitions specific to Land Splits and Platting are included in the new ordinance. Old definitions relating to the Subdivision Ordinance included in Chapter 2 of the Zoning Ordinance will be removed.

The proposed ordinance sets up three processes to divide land.

1. Administrative Land Splits: Boundary adjustments, twin home splits, parcel combinations and simple splits resulting in up to four lots can be administratively approved by the Zoning Officer provided no road, water, sewer, or other public improvements are involved. These splits can be enacted with certificate of survey maps or registered land surveys, resulting legal descriptions, proof of ownership, and apportionment of assessments amongst resulting lots. A plat is not needed.
2. Flag Lots: Flag lots can be created for residential uses in residential zoning districts. The Flag and resulting non-flag lot must meet zoning standards as well as requirements set in 1010.04.1-10 in the proposed ordinance. Flag lot applications will require submittal of the same information as Administrative Land Splits and will require a public hearing before the Planning and Zoning Commission and approval by the City Council. The

Police and Fire Departments will be notified of flag lot applications so they can comment.

The Pole portion of the flag lot shall not exceed 500 feet in length, must be at least 30 feet wide, and the driveway must be set back 10 feet from the neighboring property line that was not used to create the flag lot. Only one flag lot may be created from any property.

3. Plats: Platting will be required for lot splits that result in more than four lots and/or any land division that requires public improvements including roads, water, or sewer. The proposed preliminary and final plat process will remain similar to the current process. Most plats will not be carried out as a combined preliminary/final plat process. The recently enacted sign notice requirement will remain in effect.

**Park Dedication Fees:** The City will continue to require per lot park dedication fees in lieu of land dedication. The section was updated to reflect the latest State Statute language and the changes in administrative land splits and platting.

**Required Improvements:** A new section that addresses how, under the guidance of a development agreement and City Engineer, public improvements such as streets, water, sewer, and stormwater are to be completed.

**Development Agreement and Financial Security:** A new section outlining requirements for development agreements between the City and applicant and required financial security for public improvements. The ordinance sets 125% of estimated costs as the required financial security. This codifies the standard the City currently uses.

**Review Costs:** State statutes allow City's to recoup professional costs from reviewing and approving plats if it is included in the ordinance. The City currently has this policy in place for professional fees including legal, engineering, and planning. This section codifies the policy.

**SOURCE OF FUNDS (if applicable)**

N/A

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**ATTACHMENTS**

- Ordinance

**Ordinance No. 2016-56**

The City Council of the City of Hermantown does ordain:

**AN ORDINANCE AMENDING HERMANTOWN ZONING REGULATIONS CHAPTER 10, LAND SPLITS AND PLATTING AND CHAPTER 2, DEFINITIONS**

Section 1. Purpose and Intent. The purpose of this Ordinance is to delete Chapter 10, "Subdivision Regulations" in its entirety and replace it with a revised Chapter 10, "Land Splits and Platting" and amend Chapter 2, Definitions by deleting Sections 200.01.97 through 200.01.97.6.

Section 2. Chapter 10, "Subdivision Regulations", is hereby deleted in its entirety and replaced by a revised Chapter 10, "Land Splits and Platting", attached to this Ordinance as "Exhibit A".

Section 3. Chapter 2, "Definitions", is hereby amended by deleting Sections 200.01.97 through 200.01.97.6

Section 4. Added to Code. The terms and provisions of this Chapter 10, "Land Splits and Platting" ordinance shall be added in the appropriate place in 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 of a summary ordinance once in the official newspaper of the City of Hermantown and upon recording with the St. Louis County Recorder's Office.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Adopted: \_\_\_\_\_

Published: \_\_\_\_\_

Effective Date: \_\_\_\_\_

## Chapter 10. Land Splits and Platting

### Section 1000 – Purpose

### Section 1005 – Definitions

### Section 1010 – Approval Required

### Section 1015 – Procedures for Filing, Review, and Approval

### Section 1020 – Design Standards

### Section 1025 – Park Dedication Fees

### Section 1030 – Required Improvements

### Section 1035 – Financial Security

### Section 1040 – Review Costs

### Section 1045 – Variances

### Section 1050 – Violations and Enforcement

### Section 1000 – Purpose

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**1000.01 Purpose.** The purpose of this chapter is to administer all divisions and modifications to property boundaries in the City of Hermantown to protect and promote the public health, safety and general welfare; provide for the orderly, economical and safe development of land; promote the availability of housing affordable to persons and families of all income levels; and facilitate adequate provision for transportation, water, sewage, storm drainage, schools, parks, playgrounds and other public services and facilities.

### Section 1005 – Definitions

**1005.01** For the purpose of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning:

**1005.01.1** Applicant means any person commencing proceedings under the terms of this section to effect a division of land or plat of land hereunder for himself, herself, or for another.

**1005.01.2 Block** means an area of land within a plat that is entirely bounded by streets, or by streets and the entire boundaries of the plat, or a combination of such streets and plat boundaries with a river or lake, public park, railroad rights-of-way or municipal boundaries.

**1005.01.3 Cul-de-sac** means a street with a single means of ingress and egress and having a turnaround at its end for a safe and convenient reversal of traffic.

**1005.01.4 Easement** means an interest in land granted by a property owner that entitles the easement holder to a specified use of the land.

**1005.01.5 Flag Lot** means a lot containing an area shaped like a "flag" which is the portion of the lot where all structures are to be located and an area shaped like a "pole" which is the portion of the lot where the vehicular access between the flag and its adjoining road shall be located.

**1005.01.6 Lot** means a piece, parcel or plat of land occupied or capable of being occupied by one or more structures and intended as a unit for transfer of ownership.

**1005.01.7 Lot line adjustment** means where platted lots share common boundaries and the common boundaries are redrawn to create new legal description, but no additional lots or parcels are created.

**1005.01.8 Outlot** means a lot remnant or parcel of land, which is intended as open space, drainage or other use, for which no private development is immediately planned.

**1005.01.9 Plat** means the drawing or map of a subdivision prepared for filing of record pursuant to M.S.A. ch. 505 and containing all elements and requirements set forth in this chapter.

**1005.01.10 Plat, Final** means a drawing or map of a subdivision prepared in the manner required by MSA Ch. 505 and this Chapter, approved by the City Council and in such form as required by St. Louis County for the purpose of recording.

**1005.01.11 Plat, Preliminary** means a drawing or map of a subdivision and supporting information prepared in the manner required by MSA Ch. 505 and this Chapter.

**1005.01.12 Registered Land Survey** means the drawing or map of a plat prepared by a professional, licensed Land Surveyor for filing of record pursuant to Minnesota Statutes, Chapter 508.

**1005.01.13 Right-of-way** means a strip of land occupied or intended to be occupied by a street, trail, crosswalk, railroad, electric transmission line, oil or gas pipeline, water main, sanitary or storm sewer main, or for other special use.

**1005.01.14 Street** means the entire width between property lines of a right-of-way or place dedicated, acquired or intended for the purpose of public use for vehicular traffic or access other than an alley.

**1005.01.15 Subdivision** means the separation of an area, parcel or tract of land under single ownership into two or more parcels, tracts, lots, or long-term leasehold interests, where the creation of the leasehold interest necessitates the creation of streets, roads or alleys, for residential, commercial, industrial or other use, or any combination thereof, except those separations:

- a. Where all resulting parcels, tracts, lots, or interests will be 20 acres larger in size and 500 feet in width for residential uses;

- b. Where all resulting parcels, tracts, lots, or interests will be five acres or larger in size for commercial and industrial uses;
- c. Creating cemetery lots;
- d. Resulting from court orders. Any division of land so decreed which does not meet zoning chapter requirements for lot area, lot width, or which does not have the required frontage on a public right-of-way is not a buildable lot.

**1005.01.16 Tax parcel combination** means where two or more lots with separate tax or property identification number are combined under one tax or property identification number for the purpose of receiving a single-tax statement.

**1005.01.17 Tax parcel split** means where one or more lots that are combined under one tax or property identification number for the purpose of receiving a single-tax statement are assigned new tax or property identification numbers for two or more of the platted lots.

### **Section 1010 – Scope of Regulations**

**1010.01 Approval Required.** No person shall divide or split land, convey land, or obtain a building permit without first obtaining approval as required by these regulations.

**1010.02 Exceptions to Required Platting.** The foregoing provisions as referenced in Minnesota Statute 462.358 do not apply to a conveyance if the land described:

**1010.02.1** Was a separate parcel of record April 1, 1945 or the date of adoption of subdivision regulations under Laws 1945, Chapter 287, whichever is later.

**1010.02.2** Was the subject of a written agreement to convey entered into prior to such time, or

**1010.02.3** Was a separate parcel of not less than 2-1/2 acres in area and 150 feet in width on January 1, 1966, or

**1010.02.4** Was a separate parcel of not less than five acres in area and 300 feet in width on July 1, 1980, or

**1010.02.5** Is a single parcel of commercial or industrial land of not less than five acres and having a width of not less than 300 feet and its conveyance does not result in the division of the parcel into two or more lots or parcels, any one of which is less than five acres in area or 300 feet in width, or

**1010.02.6** Is a single parcel of residential or agricultural land of not less than 20 acres and having a width of not less than 500 feet and its conveyance does not result in the division of the parcel into two or more lots or parcels, any one of which is less than 20 acres in area or 500 feet in width.

**1010.03 Administrative Land Splits.** When in the best interest of the City the platting procedures of this Chapter may be waived by the Zoning Officer in accordance with the following:

**1010.03.1** The Zoning Officer may administratively approve a land split in the following instances provided that each parcel retains minimum lot size and building setbacks required by the zoning district in which the lots are located.

**1010.03.1.1** A boundary adjustment relocating a property line between adjoining parcels, provided the split does not create a new tax parcel.

**1010.03.1.2** A lotsplit of an existing platted lot to accommodate the separate ownership of each unit in a single-family attached dwelling.

**1010.03.1.3** A combination of two or more contiguous tax parcels into one parcel of record.

**1010.03.1.4** A single-family residential lot split, other than the division of a single-family attached dwelling that contains not more than three splits where public improvements are not required. This does not include lot splits creating flag lots.

**1010.03.2. Procedure for Filing, Review, and Approval of Administrative Land Splits.** An application to subdivide property must be submitted to the Zoning Officer on a form provided by the City accompanied by the following:

**1010.03.2.1** An application fee set by the City Council.

**1010.03.2.2** A certificate of survey map for abstract land or registered land survey for Torrens land.

**1010.02.2.3** A full legal description of the existing property and resulting parcels documented by all current land title records.

**1010.04 Flag Lots.** Flag lots may be allowed in the S-1, R-1, and R-3 Zoning Districts provided that:

**1010.04.1** The resulting lots do not violate any provision of the Hermantown Zoning Regulations, Comprehensive Plan, or any other local ordinance.

**1010.04.2** The width of the flag lot at the front yard setback line must meet the lot width requirements of the Hermantown Zoning Regulations.

**1010.04.3** The pole portion of a flag lot shall not exceed 500 feet.

**1010.04.4** The pole portion of a flag lot must have a minimum width of 30 feet, be of uniform width, be a platted part of the flag lot, and connect to a public street. The driveway shall be set back a minimum of 10 feet from the neighboring property that was not used to create the flag lot and five feet from the mother property.

**1010.04.5** The pole portion of the flag lot will not be included in calculate the minimum lot area.

**1010.04.6** Only one flag lot may be created from an existing/mother property.

**1010.04.7** Must be used exclusively for a single-family dwelling and accessory uses.

1010.04.8 The City must determine that the creation of the flag lot will not interfere with future development of roads or interior lands.

1010.04.9 The City must determine that the flag lot provides adequate accessibility of emergency responders.

1010.04.10 All flag lots must display an address at their closest point of access to a public street for emergency responders.

**1010.04.11. Procedure for Filing, Review, and Approval of Flag Lots.** An application to create a flag lot must be submitted to the Zoning Officer on a form provided by the City accompanied by the following:

**1010.04.11.1** An application fee set by the City Council.

**1010.04.11.2** A certificate of survey map for abstract land or registered land survey for Torrens land.

**1010.04.11.3** A full legal description of the existing property and resulting parcels documented by all current land title records.

1010.04.11.4 Upon receipt of a complete application the Zoning Officer will set a date for a public hearing before the Planning Commission. Not less than ten days before the public hearing, the City will publish a notice in the official newspaper and send notice by mail to the Applicant and to the owners of all property wholly or partially within 350 feet of the property to be subdivided. The Hermantown Police and Fire Departments will be notified at the same time.

1010.04.11.5 Following the hearing the Planning Commission must make a recommendation to the City Council. The Planning Commission may recommend that the City Council impose conditions on a preliminary plat approval in order to ensure compliance with this ordinance.

1010.04.11.6 After receipt of the recommendation of the Planning Commission, the City Council must consider the flag lot application and may hold whatever hearing it deems advisable. In evaluating the flag lot, the City Council must consider and adopt findings regarding compliance with this ordinance. The City Council may impose conditions on the flag lot approval. The City Council must make a decision within the time period specified in state law.

## **Section 1015 – Procedures for Filing, Review, and Approval of Plats**

**1015.01 Pre-application conference.** Except in the case of an Administrative Land Split or one of the Exceptions to Required Platting the Applicant shall confer with the Zoning Officer or her representative to obtain information and guidance before incurring expenses in the preparation of plans, surveys, and other data. The Applicant is encouraged to prepare a sketch plan to serve as the basis for discussion.

**1015.02 Preliminary Plat.**

**1015.02.1** An application to plat property must be submitted to the Zoning Officer on a form provided by the City accompanied by the following:

**1015.02.1.1** An application fee set by the City Council.

**1015.02.2.1.2** A full legal description of the existing property documented by all current land title records.

**1015.02.1.3** A statement of the proposed use of all portions of the land to be platted.

**1015.02.1.4** Owner's policy of title insurance or owner's encumbrance report. The City Attorney may require the Subdivider to also provide copies of recorded instruments that are referenced in the submitted title evidence.

**1015.02.1.5** A boundary and topographic survey of the parcel being subdivided and nearby lands including: lot dimensions, all platted and recorded easements, natural features (lakes, creeks, floodplain, and wetlands), all existing structures and dimensions to show size and location, structure setbacks from all property lines, location of existing driveways, streets, utilities, existing two-foot contours, grade elevations at lot and building corners and lowest floor elevations.

**1015.02.1.6** A preliminary plat that includes the proposed plat name, location and dimensions of existing and proposed easements, existing and proposed rights-of-way, and the following information for each lot proposed: lot dimension, lot area, buildable area, and driveways. The applicant shall submit three-22" x 34", one 11" x 17" and a digital copy.

**1015.02.1.7** A drainage, grading, and stormwater management plan that meets the requirements of the City of Hermantown stormwater ordinance, Section 1080, Control of Post-Construction Stormwater Runoff.

**1015.02.1.8** A street and utility plan that includes the proposed centerline grades of streets, street plans and profiles showing both existing and proposed grade lines, and detailed location and size of all utilities.

**1015.02.1.9** A wetland delineation is required if the property includes any wetland areas as determined by the Zoning Officer in consultation with the Technical Evaluation Panel (TEP). The delineation must be staked in the field for city staff and Hermantown TEP verification during the growing season.

**1015.02.1.10** In shoreland areas, a line or contour representing the ordinary high water level, the "toe" and the "top" of bluffs, and the minimum building setback distances from the top of the bluff and the lake river, or stream; and

**1015.02.1.11** A plan for soil erosion and sediment control both during construction and after development has been completed. The plan shall include gradients of waterways, design of velocity

and erosion control measures, design of sediment control measures, and landscaping of the erosion and sediment control system.

**1015.02.13** Wetlands and wetland fill areas shall be shown on the preliminary and final plat.

**1015.02.14** Other documents or items as may be required by Zoning Officer.

**1015.02.2 Undeveloped Outlots.** An Applicant may identify portions of the land to be platted which the Applicant intends to reserve for future development as an undeveloped outlot, rather than showing planned development.

**1015.02.3** Upon receipt of a complete application the Zoning Officer will provide a copy of the preliminary plat to the following as appropriate: City Engineer, Superintendent of Schools for Hermantown, Public Utilities Commission of Hermantown, St. Louis County Health Department, St. Louis County Surveyor, St. Louis County Highway Department, Minnesota Department of Transportation, Minnesota Power, gas, telephone and cable company, Hermantown Police Department, Hermantown Fire Department, and Hermantown Technical Evaluation Panel, and the Commissioner of the Department of Natural Resources if the property is located in a Shoreland Overlay Zone.

**1015.2.4** Upon receipt of a complete application the Zoning Officer will set a date for a public hearing before the Planning Commission. Not less than ten days before the public hearing, the City will publish a notice in the official newspaper and send notice by mail to the Applicant and to the owners of all property wholly or partially within 350 feet of the property to be subdivided.

**1015.2.5 Sign Notice.** Sign notice postings shall be required for all platting applications. The creation and posting of the signs shall be the responsibility of the applicant.

**1015.2.5.1** Sign notice means a sign with a minimum dimensions of 24 in. by 30 in. posted as close as reasonably possible to each street frontage on the applicant's property with the text between 3 ft. and 5 ft. above grade level, with a title line reading 'Planning and Zoning Commission Notice' in letters at least 3 in. tall and with the remainder of the text in letters at least ½ in. tall. Each sign must be posted at least two weeks before the date of the public hearing and must remain in place and legible through the date of the public hearing as shown on the sign. If the sign will not be legible at the stated height due to snow accumulations it may be placed higher, but at the lowest elevation that will be legible to the public. If snow obscures the sign during the posting period, the snow shall be removed and/or the sign shall be relocated so as to be legible within 24 hours after snowfall ends. Evidence produced at or before the public hearing that one or more of the required signs were not in place or legible throughout that period shall be grounds for postponement of the public hearing and a requirement to repost the property. Required signs may not be posted in any portion of the public right-of-way.

**1015.2.5.2 Content of notice.** Each required notice shall include the following information:

**1015.2.5.2.1** The name of the applicant;

**1015.2.5.2.2** The address of the property;

**1015.2.5.2.3** A narrative description of the project including the proposed land uses, size (in square feet) and height (in feet and stories) of any proposed buildings or building expansions;

**1015.2.5.2.4** The type of permit or approval being sought;

**1015.2.5.2.5** Contact information where additional information can be obtained from the applicant (which may be an address, telephone number, web site, or e-mail address or other electronic site or method);

**1015.2.5.2.6** Contact information for the assigned City staff member;

**1015.2.5.2.7** The date, time and place of the public hearing.

**1015.2.6** Following the hearing the Planning Commission must make a recommendation to the City Council. The Planning Commission may recommend that the City Council impose conditions on a preliminary plat approval in order to ensure compliance with this ordinance.

**1015.2.7** After receipt of the recommendation of the Planning Commission, the City Council must consider the preliminary plat application and may hold whatever hearing it deems advisable. In evaluating the plat, the City Council must consider and adopt findings regarding compliance with this ordinance. The City Council may impose conditions on the preliminary plat approval. The City Council must make a decision within the time period specified in state law.

**1015.2.8** Preliminary plat approval will be void if: (1) a final plat application is not received and approved within one calendar year of preliminary plat approval; and (2) the City Council has not received and approved a written application for a time extension within the one calendar year period.

### **1015.03 Final Plat.**

**1015.03.1** A final plat application must be submitted to the Zoning Officer on a form provided by the city accompanied by an application fee set by the City Council and shall include the following:

**1015.03.1.1** Final plat drawing prepared and certified by a land surveyor who is licensed in the state and presented in accordance with appropriate provisions of state statute and St. Louis County regulations. The applicant shall submit three-22" x 34", one 11" x 17" and a digital copy.

**1015.03.1.1.1** Scale not less than one inch to one hundred feet (1"=100') of plat for large scale copies, twenty-two inches by thirty-four inches (22"x34"), the scale to be shown graphically on a bar scale, date, and north arrow.

**1015.03.1.2** The name of the subdivision, which must not duplicate or too closely approximate the name of any existing plat recorded in St. Louis County.

**1015.03.1.3** Location by section, township, range, county and state, and including descriptive boundaries of the plat, based on an accurate transverse, giving angular and linear divisions.

**1015.03.1.4** The location of monuments must be shown and described on the final plat. Locations of such monuments must be shown in reference to existing official monuments on the nearest established street lines, including true angles and distances to such reference points or monuments.

**1015.03.1.5** Location of lots, outlots, street rights-of-way, public highways, alleys, and parks, trails and other features, with accurate dimensions in feet and decimals of feet, with the length of radii and/or arcs of all curves, and with all other information necessary to reproduce the plat on the ground must be shown. Dimensions must be shown from all angle points of curve to lot lines.

**1015.03.1.6** Lots must be numbered clearly, blocks are to be numbered, with number shown clearly in the center of the block.

**1015.03.1.7** Total square footage per lot, acreage per block and total acres in plat, to be submitted separately from the plat.

**1015.03.1.8** The exact locations, widths and names of all streets to be dedicated.

**1015.03.1.9** Location, purpose and width of all easements to be dedicated.

**1015.03.1.10** An executed copy of restrictive covenants to be submitted separately from the plat.

**1015.03.1.11** Statement dedicating all easements as follows: "Easements for installation and maintenance of utilities and drainage facilities are reserved over, under and along the designated areas marked 'utility and drainage easements'."

**1015.03.1.13** Statement dedicating all streets, alleys and other public areas not previously dedicated as follows: "Streets, alleys and other public areas shown on this plat and not heretofore dedicated to public use hereby so dedicated."

**1015.03.1.14** Such other information that may be required by the City.

**1015.03.2** Upon receipt of the final plat the Zoning Officer will provide a copy of the final plat to the following as appropriate: City Engineer, Superintendent of Schools for Hermantown, Public Utilities Commission of Hermantown, St. Louis County Health Department, St. Louis County Surveyor, St. Louis County Highway Department, Minnesota Department of Transportation, Minnesota Power, gas, telephone and cable company, and the Commissioner of the Department of Natural Resources if the property is located in a Shoreland Overlay Zone.

**1015.03.3** Upon receipt of a complete application the City shall set a date for consideration by the City Council. In evaluating the final plat, the City Council must consider and adopt findings regarding compliance with the preliminary plat approval and with this ordinance. The City Council may impose conditions on the final plat approval, which may include a development agreement. The City Council must make a decision within the time period specified in state law.

**1015.03.4** Final plat approval will be void if: (1) a final plat is not recorded with St. Louis County within one calendar year of preliminary plat approval; and (2) the City has not received and approved a written request for a time extension within one calendar year of final plat approval.

## **Section 1020 – Design Standards of Plats**

### **1020.01 Conformity with Comprehensive Plan and Zoning Regulations.**

**1020.01.1** The plat must be consistent with the Hermantown Comprehensive Plan.

**1020.01.2** The land to be platted shall be suited to the purpose for which it is to be platted.

**1020.01.4** The use of land proposed to be platted and proposed structures shall be consistent with the Hermantown Zoning Regulations.

### **1020.02 Lots and Blocks.**

**1020.02.1 Area.** The minimum lot area, width and depth shall not be less than that established by the Hermantown Zoning Regulations in effect at the time of adoption of the final plat.

**1020.02.2 Frontage.** The entire required frontage of each lot must abut on a street that has been officially accepted by the City of Hermantown or other governmental body with jurisdiction over such street, except as provided for flag lots and cul-de-sacs.

**1020.02.3 Side Lot Lines.** Side lot lines should be at right angles to street lines, radial to curved street lines or radial to accommodate site specific topographic conditions.

**1020.02.4 Double Frontage.** Lots with double frontage shall not be allowed except where lots back on arterial streets or highways, or where topographic conditions render plats otherwise unreasonable.

**1020.02.6 Water courses.** Lots abutting upon a water course, drainage way, channel or stream in a DNR designate Shoreland Zone shall be required to abide by the regulations of the Shoreland Overlay Zone provisions of the Hermantown Zoning Regulations.

**1020.02.7 Natural features.** In the platting of any land, due regard shall be shown for all natural features such as tree growth, water courses, historic spots or similar conditions which, if preserved, will add attractiveness, stability, and sustainability to the proposed development.

**1020.02.8 Lot remnants.** All remnants of lots below minimum size left over after subdividing of a larger tract must be added to adjacent lots, rather than allowed to remain as unusable parcels.

**1020.02.9** In residential areas, blocks shall be generally not less than 600 feet nor more than 1,400 feet in length measured along the greatest dimension of the enclosed block area unless minor variations are necessitated by topography or to conform to an adjoining plat.

**1020.02.10** Blocks shall be generally wide enough to allow two tiers of lots except where adjoining a lake, stream, railroad or thoroughfare or where one tier of lots is necessary because of topographic conditions.

**1020.02.11** Blocks for commercial and industrial areas may vary from the provisions of this section if the nature of the use requires other treatment.

**1020.03 Streets.**

**1020.03.1** The plat must take into consideration access to existing streets and future extension of streets where appropriate.

**1020.03.2** Streets must be designed and located with consideration to existing and planned streets, reasonable circulation patterns, topographical conditions, stormwater runoff, public conveyance and safety.

**1020.03.2.1** If required by the City Engineer, a traffic study for the plat shall be completed by a qualified professional and shall include traffic generation, traffic distribution of the existing capacity of existing streets, and resulting level of service of existing streets at the plat build out.

**1020.03.3** Streets must be designed in accordance with standards and specifications as required by the City Engineer.

**1020.3.3.1** Minimum right-of-way widths for each type of public street or road shall be as follows:

| <b>Type of Street</b>  | <b>Right-of-Way Width</b> |
|------------------------|---------------------------|
| Alley                  | 20 feet                   |
| Collector Street       | 80 feet                   |
| Cul-de-sac             | 120 feet (60-foot radius) |
| Marginal Access Street | 66 feet                   |
| Minor Street           | 66 feet                   |
| Thoroughfare           | 100 feet                  |

**1020.3.3.2** The minimum required driving lane width for various types of development shall conform with current City of Hermantown construction standards as provided by the City Engineer.

**1020.03.4** Street intersections must be at right angles wherever possible.

**1020.03.5** Street jogs with centerline off-sets must be at least 125 feet in length wherever possible.

**1020.03.6** Where adjoining areas are not platted, but in the future may be platted, the arrangement of streets in a new plat should make provision for the proper projection of streets into adjoining areas

by carrying the new streets to the boundaries of the new plat at appropriate locations. A temporary turn around facility may be required at the closed end, in conformance with standards will be established by the City Engineer.

**1020.03.7** Where a plat is to be built in phases, the street shall be extended at least 100 feet past the furthest lot in the each phase where a platted road is to connect through to the next phase. A temporary turn around facility may be required at the closed end, in conformance with standards will be established by the City Engineer.

**1020.03.8** When a tract is subdivided into larger than normal building lots or parcels which have the potential for further plat, such lots or parcels should be so arranged as to permit the logical location and openings of future streets and appropriate resubdivision, with provision for adequate utility connections for such resubdivision.

**1020.03.9** Dead end streets are prohibited, except as stubs to permit future street extension or when designed as cul-de-sacs.

#### **1020.04 Cul-de-sacs.**

**1020.04.1** Permanent cul-de-sacs shall not exceed a length of 500 feet.

**1020.04.2** Each cul-de-sac must have a closed end terminus of nearly circular shape with a right-of-way diameter of at least 130 feet.

**1020.04.3** When a lot completely abuts a cul-de-sac the required frontage may be measured at the building setback line provided that the frontage at the street line is at least 75% of the required frontage.

#### **1020.05 Sidewalks.**

**1020.05.1** Sidewalks a boulevard shall be provided in conformance with current City of Hermantown construction standards as provided by the City Engineer.

#### **1020.06 Water Supply.**

**1020.06.1** When a plat is located within 1,000 feet of a City water main the plat design shall include water mains not less than eight inches in diameter that are accessible to all lots and tracts in the plat and include shutoff valves and fire hydrants to be installed throughout the entire plat at intervals of no more than 600 feet. The water main shall be designed and constructed in accordance with the requirement for design and construction of public waterlines imposed by all applicable governmental bodies and the City Engineer.

**1020.06.2** When a plat is located more than 1,000 feet from a City waterline, consideration should be given by the Applicant to providing a private water supply system within the private.

#### **1020.07 Storm Drainage.**

**1020.07.1** Surface water drainage shall be provided by storm sewers or drainage courses adequate to drain surface water from the plat and protect roadway surfaces. Storm drainage facilities shall be designed to provide positive drainage away from onsite sewage disposal systems. In designing storm drainage facilities, special consideration shall be given to protect against erosion, against siltation of surface waters and against excess runoff to adjacent properties.

**1020.07.2** Where storm water from adjacent areas naturally passes through a plat, adequate provision shall be included in the plat for facilities to route the storm water through the plat to its natural outlet to maintain or replace the natural watercourse.

**1020.07.3** All development shall comply with all applicable regulations governing stormwater management, and shall employ best management practices to minimize off-site stormwater runoff, maximize overland flow and flow distances over surfaces covered with vegetation, increase on-site filtration, replicate predevelopment hydrologic conditions as nearly as possible, minimize off-site discharge of pollutants to ground and surface water, and encourage natural filtration function.

**1020.08 Sewage Disposal.**

**1020.07.1** When a plat is located within 1,000 feet of a City sewer main the plat design shall include sanitary sewer mains that are accessible to all lots and tracts in the plat. The sewer main shall be designed and constructed in accordance with the requirements for design and construction of public sewer mains imposed by all applicable governmental bodies and the specifications of the City Engineer.

**1020.07.2** Storm water drainage shall not be permitted to combine with sanitary sewers nor shall sanitary sewage be permitted in storm water sewers.

**1020.07.3.** When a plat is located more than 1,000 feet from a City sewer main, provision must be made for sanitary sewage facilities, consisting of a central treatment plant or individual sewage treatment systems for each lot, with any and all proposed sewage facilities being subject to any regulations then currently in force.

**1020.07.4** With respect to any plat or lot not provided with public sewer, soil and percolation tests shall be made by the Applicant to determine whether or not the proposed lot size will meet minimum standards of health and sanitation. Such tests shall be made under the direction of, and subject to approval by the St. Louis County Health Department.

**1020.07.5** All proposed sewage disposal systems shall comply with all applicable codes and ordinances.

**1020.08 Easements.**

**1020.08.1** If required by the City Engineer, utility easements shall be shown on the preliminary and final plat or registered land survey. Where no alleys are provided, utility easements required by the City Engineer shall be not less than five (5) feet on side lot lines and not less than ten (10) feet on rear lot

lines or based upon a utility plan approved by the City Engineer for use in erecting, construction and maintaining poles, wires, conduits, storm sewers, sanitary sewers, surface drainage, water mains, electrical lines and other public utilities reasonably required. Such easements shall be placed along rear lot lines whenever possible.

**1020.08.2** If required by the City Engineer, drainage easements shall be not less than five (5) feet on side lot lines and not less than ten (10) feet on rear lot lines and at least 10 feet wide adjacent to public rights-of-way or based upon a drainage plan approved by the City Engineer. The easements must have continuity of alignment from block to block and lot to lot and at deflection points.

**1020.08.2.1** Drainage easements must be provided over designated floodplain and wetland areas.

**1020.08.2.2** Drainage easements must be provided over existing or proposed infrastructure for storm sewer. Such easements must be at least 10 feet in width or twice the depth of the infrastructure, whichever is greater.

**1020.08.2.3** Where a plat is traversed by a water course, drainage easements must be provided over the water course and such additional area as will be adequate for the drainage of the area.

**1020.08.2.4** If required, wetland and other conservation easements all be shown on the preliminary and final plat or registered land survey.

**1020.08.2.4.1** Permanent boundary markers shall be placed to mark preserved wetland boundaries within in the plat and GIS coordinates shall be provided to the City.

#### **1020.09 Solar Access.**

**1020.09.1** The plat shall be designed to give appropriate consideration to protecting and assuring access to direct sunlight for solar energy systems to all lots in the plat.

#### **1020.10 Floodplain District.**

**1020.10.1** All lots in a plat, any part of which is in a Floodplain District, shall contain a building site at or above the regulatory flood protection elevation.

**1020.10.2** All public utilities and facilities such as gas, electrical and water supply systems in a plat, any part of which is in a Floodplain District, shall be flood proofed in accordance with the Hermantown Building Code or elevated to above the regulatory flood protection elevation. In addition, such plats and lots shall have road access to the plat and to the individual building sites no lower than two feet below the regulatory flood protection elevation.

#### **Section 1025 – Park Dedication Fees**

**1025.01 Findings.** The City hereby determines that there is an essential nexus between each new parcel created by a land split or plator for each new commercial or industrial development and the City's need to maintain quality of life and a community value through public parks, recreational facilities, playgrounds, trails, or open spaces. Each new lot increases the need for public parks, recreational facilities, playgrounds, trails, wetlands or open spaces as a result of the increased number of residents additional lots add to the City, and each new commercial or industrial development increases the

density of development within the City and visitors to the City, which in turn leads to an increased need for public parks, recreational facilities, playgrounds, trails or open spaces.

**1025.02** Pursuant to Minn. Stat. § 462.358, Subd. 2b(c) the City may accept a cash fee as set by ordinance from the applicant for some or all of the new lots created.

**1025.03** The City has determined that requiring an applicant to pay a fee for creating an increased number of residents to the City and those residents' need for public parks and recreational facilities is necessary, proper and fair. Likewise, requiring an applicant to pay a fee for the increased density and/or visitors to the City that a commercial or industrial development may add to the City to be used for public parks, recreational facilities, playgrounds, trails and open space is necessary, proper and fair.

**1025.04** Park dedication fees shall be placed in a dedicated fund. The fund may only be used for the acquisition and development or improvement of parks, recreational facilities, playgrounds, trails, wetlands or open space based on the approved park systems plan. Cash payments must not be used for ongoing operation or maintenance of parks, recreational facilities, playgrounds, trails, wetlands or open space.

**1025.05** Park dedication fee payments shall be due at the time of final plat or lots split or flag lot approval or at a later time under terms agreed upon in the development agreement.

**1025.06** Park dedication fees shall be set from time to time by the city and shall be incorporated in the annual city fee schedule.

### **Section 1030 – Required Improvements**

**1030.01** The Subdivider shall be required to design and install the following improvements per a schedule included in a development agreement that must be agreed to by the City and applicant prior the approval of the final plat by the City. The City may enforce these requirements through a development agreement or the requirement of financial security for the required improvements as described in Section 1035 – Financial Security.

**1030.01.1** All streets, sidewalks, and trails located within the boundaries of the tract being platted or replatted shall be graded to established grade and surfaced with an approved material, in accordance with standards of the City Engineer;

**1030.01.2** Storm sewers shall be constructed of sufficient capacity to drain the area in accordance with standards of the City Engineer;

**1030.01.3** Culverts or bridges shall be built at points on watercourses crossed by streets;

**1030.01.4** All improvements to streets or public utilities shall be made in accordance with City construction design standards and specifications, and shall be subject to the inspection by and approval of the City Engineer.

**1030.02** All plat boundary corners, block corners, street intersection corners, and a point of tangency and curvature shall be marked with survey monuments consisting of galvanized pipes with caps (minimum 1-1/2 inch diameter) or minimum one inch deformed steel rods 36 inches in length. Lot

corners shall be marked with survey monuments consisting of iron pipes, iron rods or other metal markers. All U.S., state, county, and township and other official benchmarks, monuments or triangulation stations in or adjacent to the property shall be preserved in precise position.

### **Section 1035 – Development Agreement and Financial Security**

**1035.01** Prior to installation of any required improvements and prior to approval of the final plat, the Applicant shall enter into a development agreement with the City requiring the Applicant to furnish and construct the improvements at his or her sole cost and in accordance with plans and specifications and usual contract conditions approved by the City.

**1035.02** Prior to installation of any required improvements and prior to approval of the final plat, the Applicant must deposit with the City a letter of credit, cash escrow, or other financial guarantee acceptable to the City Attorney in an amount equal to 125% of an actual bid cost or estimate approved by the City Engineer for constructing the required improvements.

**1035.03** The Applicant will have the time period agreed to in a development agreement to complete the required improvements in such a manner as to allow the City to accept the for maintenance. If said construction is not completed in the time allotted, the City may use the full value of the financial guarantee to complete the remaining construction to City standards and specifications. If the amount of funds recovered is insufficient to cover the cost of actual construction, the Council may assess the remaining cost to the properties within the plat or take other actions per terms of the development agreement.

**1035.04** Any violation or non-conformance with the specifications for required improvements will be grounds for the City to issue a stop-work order on the site. In that event, no further operation with regard to the construction of required improvements within the affected plat will be allowed until the original violation or non-conformance is corrected.

**1035.05** After having completed all of the required construction to the satisfaction of the City Engineer in accordance with the City's standards and specifications, the Applicant must submit the following to the city: a record of all improvements as built in the format designated by the City Engineer, the appropriate inspection fee and all required agreements and documents. After those items have been submitted to the City, the Applicant may request final acceptance of the streets and appurtenances by the City for maintenance. Final acceptance must be evidenced in writing by the City Engineer.

**1035.06** All of the required improvements must be inspected during the course of their construction by the City Engineer or designee. All of the inspection costs must be paid by the Applicant.

### **Section 1040 – Review Costs**

**1040.01** Each person, by filing or submitting an application for approval by the City of a proposed plat or lot split shall have agreed to pay all administrative expenses and attorneys' fees, with interest and costs as provided in this ordinance, incurred by the City in connection with or as a result of reviewing and acting on such application. If more than one person signs an application, all signers shall be jointly

and severally liable for such expenses and fees, with interest and costs as provided. The expenses and fees to be paid to the City pursuant to this ordinance shall be payable upon demand made by the City, and if not paid within five days after the demand is made, shall bear interest from the date of demand until paid at a rate equal to the lesser of the highest interest rate allowed by law or two percentage points in excess of the reference rate. The applicants shall also pay all costs, including attorneys' fees, incurred by the City in collecting the expenses, fees and interest, with interest on such costs of collection from the dates incurred until paid, at the same interest rate as is payable on the expenses and fees.

#### **Section 1045– Variances**

**1045.01** Application for variances from the specific provisions of this chapter for any plat or lot split or flag lot shall be made in accordance with and subject to the provisions of Chapter 6 of the Hermantown Zoning Regulations.

#### **Section 1050 – Violations and Enforcement**

**1050.01** Any person who conveys a lot or parcel without the approval required by this ordinance must forfeit and pay to the City a penalty of not less than \$1000 for each lot or parcel conveyed.

**1050.02** No certificate of occupancy, building permit or other city approval will be issued for any land in a plat or lot split or flag lot that is in violation of this ordinance, until the violation has been corrected and appropriate fines and penalties have been paid.

**1050.03** A person who violates this ordinance is guilty of a misdemeanor.

**1050.04** The City may commence proceedings at law or in equity to prevent any violation of this section, to prevent unlawful construction, to recover damages, to restrain, correct or abate a violation, or to prevent illegal occupancy of a building, structure or premises. Nothing in this section prevents the City from taking other actions permitted by law, and the penalties and remedies provided here and under law are cumulative.

EXHIBIT B.

*Chapter 2. Definitions to be deleted.*

**200.01.97.** “Subdivision” shall mean the division of a tract of land into two or more parcels, tracts, lots or long-term leasehold interests for the purpose of transfer of ownership or building development; provided that the following shall not be deemed a “subdivision:”

**200.01.97.1.** In any S-1 Zone District, the division of a tract of land is not a “subdivision” if:

**200.01.97.1.1.** All resulting parcels are five acres or more with a minimum lot width at the roadway of 300 feet;

**200.01.97.1.2.** All resulting parcels have uniform size and dimension (rectangular); no flag-shaped parcels or gerrymandered parcels are allowed except with a variance. The decision as to what constitutes a flag-shaped lot shall be made by the Zoning Official, subject to appeal to the Board of Appeals and Adjustments pursuant to the provisions of Section 350 of this code;

**200.01.97.1.3.** All resulting parcels are surveyed by a registered land surveyor;

**200.01.97.1.4.** The entire frontage of all the resulting parcels abut on a street that has been officially accepted by the City of Hermantown or other governmental body with a jurisdiction over such street;

**200.01.97.1.5.** The legal descriptions of all resulting parcels are approved by the City Engineer’s office;

**200.01.97.1.6.** All of the resulting parcels meet the minimum area and width requirements and all other applicable zoning regulations and no non-conforming lots or parcels are created by or result from split;

**200.01.97.1.7.** If more than one split is foreseeable or more than ten acres are in the tract to be subdivided, the party requesting the division provides a master development plan. If a need exists, platting can be required if determined to be appropriate by the Zoning Official;

**200.01.97.1.8.** The City, by and through the Zoning Official, as a condition to approving the division of the tract of land pursuant to this 200.01.93.1. may require a public road easement as follows:

**200.01.97.1.8.1.** If a dedicated half-street exists adjacent to the tract desired to be subdivided, the other half of the street shall be dedicated within such tract.

**200.01.97.1.8.2** A temporary easement may be required when any of the resulting parcels abut a dead-end street for the purpose of a turn-around until the street is extended so that it intersects with another street.

**200.01.97.1.8.3.** The easement is necessary in the relation to existing streets in surrounding areas or in order to prevent interior property from being landlocked.

**200.01.97.8.1.4.** The development of the resulting parcels will preclude development of interior parcels of land.

**200.01.97.1.9.** The lot acreage for determining whether any of the resulting parcels satisfies the area requirements of the Zoning Code will include unplatted road right-of-way, except for any roadway easements provided pursuant to 200.01.93.1.8 hereof.

**200.01.97.2.** In any R-1 Zone District, the division of a tract of land is not a “subdivision” if:

**200.01.97.2.1.** All of the resulting parcels have uniform size and dimensions (rectangular); no flag-shaped parcels or gerrymandered parcels are allowed except with a variance. The decision as to what constitutes a flag-shaped lot shall be made by the Zoning Official, subject to appeals to the Board of Appeals and Adjustments pursuant to Section 350 of these Zoning Regulations of the Hermantown City Council;

**200.01.97.2.2.** All the resulting parcels are surveyed by a registered land surveyor;

**200.01.97.2.3.** The entire frontage of all of the resulting parcels abuts on a street that has been officially accepted by the City of Hermantown or other governmental body with a jurisdiction over such streets;

**200.01.97.2.4.** The legal descriptions of all of the resulting parcels are approved by the City Engineer’s office;

**200.01.97.2.5.** All the resulting parcels meet the minimum area and width requirements and all other zoning regulations applicable and no non-conforming lots or parcels are created by or result from such split;

**200.01.97.2.6.** If more than one split is foreseeable or the tract involved contains more than five acres, the party requesting the approval of the division provides a master development plan. If a need exists, platting can be required, if determined appropriate by the Zoning Official;

**200.01.97.2.7.** The City, by and through the Zoning Official, as a condition to approving the division of a tract of land pursuant to this 200.01.93.2., may require a public road easement be provided if:

**200.01.97.2.7.1** A dedicated half-street exists adjacent to the tract desired to be subdivided, the other half of the street shall be dedicated within such tract;

**200.01.97.2.7.2.** A temporary easement may be required when any of the resulting parcels abuts a dead-end street for the purpose of a turn-around until such street is extended so that it intersects with another street;

**200.01.97.2.7.3.** The easement is necessary in the relation to existing streets in surrounding areas or in order to prevent interior property from being landlocked; and/or

**200.01.97.2.7.4.** The development of any of the resulting parcels to be split will preclude development of interior parcels of land.

**200.01.97.2.8.** The lot acreage for determining whether any of resulting parcels satisfies the area requirements of the Zoning Code will include unplatted road right-of-way, except for any roadway easements provided pursuant to 200.01.93.2.7.

**200.01.97.3.** In any R-3 Zone District, the division of a tract of land is not a “subdivision” if:

**200.01.97.3.1.** All of the resulting parcels abut on a street or road duly accepted by the City of Hermantown or other governmental body with jurisdiction over such street or road;

**200.01.97.3.2.** All of the resulting legal descriptions are approved by the City Engineer’s office;

**200.01.97.3.3.** All of the resulting parcels are of uniform size and dimensions (rectangular). No flag-shape parcels or gerrymandered parcels are allowed except with a variance;

**200.01.97.3.4.** A survey of all of the resulting parcels by a registered land surveyor is required;

**200.01.97.3.5.** If more than one division is foreseeable or the original tract contains more than two acres, the party requesting approval of the division must provide a master development plan. If need exists, platting can be required if determined appropriate by the Zoning Official;

**200.01.97.3.6.** The City, by and through the Zoning Official, as a condition to approving the division of a tract of land pursuant to this 200.01.93.3. of a lot or lots, may require a public road easement as follows:

**200.01.97.3.6.1.** If a dedicated half-street exists adjacent to the tract desired to be subdivided, the other half of the street shall be dedicated within such tract.

**200.01.97.3.6.2.** A temporary easement may be required when any of the resulting parcels abut a dead-end street for the purpose of a turn-around until such street is extended so that it intersects with another street.

**200.01.97.3.6.3.** When the easement is necessary in relation to existing streets in the surrounding areas or in order to prevent interior property from being landlocked.

**200.01.97.3.6.4.** The development of any of the resulting parcels will preclude development of interior parcels of land.

**200.01.97.3.7.** Lot acreage for determining whether the resulting lot satisfies the area requirements of the Zoning Code does not include road right-of-way.

**200.01.97.3.8.** All of the resulting parcels meet the minimum area and width requirements and all other applicable zoning regulations and no non-conforming lots or parcels are created by or result from such split.

**200.01.97.4.** The division of land in a C, C-1, M-1 or M-2 Zone District shall be a subdivision and platting may be required as a condition to any Commercial Industrial Development Permit if factors described in 200.01.93.1., 200.01.93.2. and 200.01.93.3. of this definition of “Subdivision” for other zone districts would result in a plat being beneficial or required by the Zoning Official or Planning and Zoning Commission.

**200.01.97.5.** The division of a tract of land for the purpose of adding land to an adjoining parcel of property for all purposes and the parcel conveyed is assigned the same CVT-Plat-Parcel real estate tax number as the property to which the conveyed property is added.

**200.01.97.6.** For purposes of this definition of “Subdivision,” “Master Development Plan” shall mean a plat sketch drawn to scale that shows the entire original parcel, any anticipated future parcel splits, any wetlands, waterways or creeks on the entire original parcel, any road or utility easements or rights-of-way on or adjoining the original parcel and the planned access to all of the parcel splits for roadway (minimum 66 foot right-of-way) and utilities (minimum 20 foot easement). Such plat sketch shall be signed by the person preparing it and dated as of the date of preparation. Although not required, developers are encouraged to obtain the assistance of the land surveyor that surveys the parcels of property in preparing the Master Development Plan.

**TO:** Mayor & City Council  
**FROM:** Debbie Lund, City Clerk  
**DATE:** September 26, 2016  
**SUBJECT:** Election Judges



**Meeting Date:** 10/03/2016  
**Agenda Item:** Resolution 2016-118  
9-C

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**REQUESTED ACTION**

**Approve Appointment of Election Judges**

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**BACKGROUND**

Approve Election Judges for the General Election of November 8, 2016 with substitutions as necessary for Precinct 1, Precinct 2 and Precinct 3.

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**SOURCE OF FUNDS (if applicable)**

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**ATTACHMENTS**

**Resolution**

**Resolution No. 2016-118**

**RESOLUTION APPOINTING ELECTION JUDGES FOR  
THE GENERAL ELECTION OF NOVEMBER 8, 2016**

BE IT RESOLVED by the City Council of the City of Hermantown as follows:

The persons named below are hereby appointed judges for the General Election to be held in the City of Hermantown, County of St. Louis, State of Minnesota, on Tuesday, November 8, 2016.

The following judges are appointed with substitutions as necessary:

Roger Aanonsen  
Marie Chapinski  
Robin Johnson  
Bonnie Frey  
Donald Harries  
Joanne Johnson  
Robert Lund, Jr.  
Patricia Merrier  
Saundra Monson  
Yvonne Sabyan  
Patricia Shogren  
William Pagel  
Carol Klotz

Beverly Allison  
Thomas Donaldson  
Sharon Erola  
Judy Hane  
Sandra Jennisch  
Robert Lund, Sr.  
David Marquard  
Carol Misiak  
Gary Page  
Liz Shannon  
Joanie Tanski  
Laurel Pagel  
Darlene Hill

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:** September 27, 2016  
**SUBJECT:** Delinquent Utilities



**Meeting Date:** 10/03/2016  
**Agenda Item:** Resolution 2016-119  
9- C

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**REQUESTED ACTION**

**Approve Resolution**

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**BACKGROUND**

Once a year delinquent water and sewer use, hookup and availability charges and water contract payments are reviewed and all delinquent parties are sent a letter stating they can pay in full by November 21, 2016 or they can request a hearing by the Utility Commission before October 20<sup>th</sup>. If they choose not to have a hearing the delinquent amounts will be certified to the St. Louis County Auditor with real estate taxes payable in 2017.

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**SOURCE OF FUNDS (if applicable)**

N/A

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**ATTACHMENTS**

Resolution  
Preliminary Delinquent List

**Resolution No. 2016-119**

**RESOLUTION DIRECTING PREPARATION OF ASSESSMENT ROLL  
FOR DELINQUENT WATER AND SEWER USE, HOOKUP  
AND AVAILABILITY CHARGES AND WATER CONTRACT  
PAYMENTS AND DIRECTING NOTICE OF SUCH ASSESSMENT  
BE GIVEN**

WHEREAS, the City of Hermantown City Code Section 930.08 requires delinquent water charges to be certified to the County Auditor each year; and

WHEREAS, City of Hermantown City Code Section 910.03.3 and 920.09.4 allows delinquent sewer charges to be certified to the County Auditor each year; and

WHEREAS, the City of Hermantown imposes water availability charges, sewer availability charges, sewer hookup charges and water hookup charges as a condition(s) to individuals making connections to the Hermantown waterlines or Hermantown sewer lines; and

WHEREAS, certain individuals and businesses have made connections to the city waterline and/or sewerline without paying the required water availability charge, sewer availability charge, water hookup charge or sewer hookup charge; and

WHEREAS, such charges constitute delinquent water and sewer charges; and

WHEREAS, the City of Hermantown has utilized a water assessment contract whereby individuals are allowed to pay water availability charge in installments over a period of ten (10) years; and

WHEREAS, such contracts allow delinquent installments under such contracts to be certified to the County Auditor; and

WHEREAS, there are individuals and businesses in the City of Hermantown with delinquent water charges, delinquent sewer charges, unpaid and due water availability charges, unpaid and due water hookup charges, unpaid and due sewer availability charges, unpaid and due sewer hookup charges and/or delinquent installments under water contracts as of the date of this resolution.

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

1. The City Clerk, with the assistance of the Utility Department Bookkeeper, shall prepare an assessment roll covering all delinquent water use hookup and availability charges, delinquent sewer use hookup and availability charges and delinquent water contracts by October 3, 2016.

2. Upon completion of such assessment roll the City Clerk shall notify the individuals and businesses affected by such assessment roll that the City Council of the City of Hermantown will meet on November 21, 2016 at 6:30 p.m. in the Hermantown Administration Building, 5105 Maple Grove Road, to consider the proposed assessment roll.

3. Such notice shall be in substantially the following form:

NOTICE OF ASSESSMENT FOR DELINQUENT  
WATER USE, HOOKUP OR AVAILABILITY  
CHARGES, SEWER USE HOOKUP PERMIT OR  
AVAILABILITY CHARGES AND/OR WATER/SEWER  
CONTRACT INSTALLMENTS AND/OR MISCELLANEOUS  
CHARGES DUE THE UTILITY DEPARTMENT

Dear \_\_\_\_\_:

You are hereby advised that you are delinquent in the payment of the following obligations to the Utility Department of the City of Hermantown:

|                                |    |
|--------------------------------|----|
| Water Use Charges              | \$ |
| Sewer Use Charges              | \$ |
| Water Contract Installments    | \$ |
| Sewer Contract Installments    | \$ |
| Water Availability Charges     | \$ |
| Sewer Availability Charges     | \$ |
| Water Hookup Charges           | \$ |
| Sewer Hookup Charges           | \$ |
| Sewer Permit Fees              | \$ |
| Reimbursement of Attorney Fees | \$ |

You are further advised that unless the total amount of such delinquency is paid by November 21, 2016, the City Council of the City of Hermantown will certify such amount along with an administrative fee to the St. Louis County Auditor on an assessment roll. Such amount will then be collected with your real estate taxes that are payable in 2017.

You are further notified that you may request a hearing be held before such charges are certified to the County Auditor. Any request for a hearing must be made in writing and received by the City Clerk prior to November 9, 2016.

If a hearing is requested, it will be held on November 17, 2016 by the Hermantown Utility Commission at Hermantown Administration Building, 5105 Maple Grove Road, Hermantown, MN 55811, at 5:30 p.m. or as soon thereafter on such date as the Utility Commission may conduct such hearing.

City of Hermantown

//s/ Deborah Lund  
City Clerk

4. Such notice shall be sent first class mail to the owner (including in the case of property sold under a contract for deed, both the contract for deed vendors and contract for deed vendee) of the premises, which were served by such utility service, and to the user of such of such service. Such notice shall be sent to the address of such owner as determined from the records of the St. Louis County Auditor, and to the last known address of the user of such services. After mailing an Affidavit of Mailing shall be prepared by the person mailing such notices.

5. The Hermantown Utility Commission will conduct hearings on any requests for hearings on November 17, 2016 at such times to be selected by the Commission and, following such hearing(s) the Utility Commission shall make its report and recommendation to the City Council prior to November 21, 2016.

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.

| <u>ASSESSMENT<br/>ROLL NUMBER</u> | <u>OWNER/SERVICE ADDRESS</u>  | <u>ANNUAL AMOUNT<br/>&amp; ADMIN FEES</u> | <u>CVT</u> | <u>PLAT</u> | <u>PARCEL</u> |
|-----------------------------------|---|---|------------|-------------|---------------|
| DEL-100                           | TIM ANDERSON<br>3762 JOHNSON RD<br>HERMANTOWN, MN 55811   | 613.73<br>75.00                           | 395        | 220         | 580           |
| DEL-37905                         | JACKLYN VAN VALKENBURG<br>4016 W ARROWHEAD RD<br>HERMANTOWN, MN 55811<br>FOR: 5167 W ARROWHEAD RD ® | 230.33<br>50.00                           | 395        | 10          | 2893          |
| DEL-57403                         | RHONDA ZACHER<br>4212 UGSTAD RD<br>HERMANTOWN, MN 55811<br>FOR: PREVIOUS OWNER                      | 205.69<br>50.00                           | 395        | 70          | 670           |
| DEL-138503                        | KANIZ TAAJWAR<br>5265 FALCON DR<br>HERMANTOWN, MN 55811<br>FOR: COREY O'HANLON ®                    | 29.73<br>50.00                            | 395        | 85          | 170           |
| DEL-1619                          | SUE BEIERS<br>5552 HWY 194<br>HERMANTOWN, MN 55811  | 23.48<br>50.00                            | 395        | 10          | 1211          |
| DEL-107007                        | DAVID GRANNIS<br>5147 MILLER TRUNK HWY<br>HERMANTOWN, MN 55811<br>FOR: 5131 MILLER TRUNK HWY ®      | 27.83<br>50.00                            | 395        | 10          | 625           |
| DEL-205004                        | MATTHEW JUDNICK<br>6512 BERGSTROM RD<br>SAGINAW, MN 55779<br>FOR: 4693 MIDWAY RD ®                  | 184.19<br>50.00                           | 395        | 10          | 1265          |
| DEL-470                           | CRAIG & TRISTA SWANSON<br>3748 LAVAQUE RD<br>HERMANTOWN, MN 55811                                   | 445.29<br>50.00                           | 395        | 10          | 7922          |
| DEL-213902                        | PPT LLC - JOE PETERSON<br>4240 WASHINGTON DR<br>HERMANTOWN, MN 55811<br>FOR: BURGER KING ®          | 470.91<br>50.00                           | 395        | 134         | 620           |

**TOTAL:** \$2,231.18  
**ADMIN FEES:** \$ 475.00

NOTE: ® = RENTAL

**TO:** Mayor & City Council  
**FROM:** John Mulder, City Administrator  
**DATE:** September 27, 2016  
**SUBJECT:** Refunding Bonds 2006A and CIP  
Plan



**Meeting Date:** 10/3/16  
**Agenda Item:** Resolution 2016-120  
12-A

**REQUESTED ACTION**

Adopt resolution authorizing the issuance, sale and delivery of \$5,540,000 general obligation capital improvement plan bonds, series 2016b

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**BACKGROUND**

This is the final action in the process to re-finance the City's 2006A bonds which are the bonds for the City Hall.

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. This sale is actually for \$5.54 million, the additional potential bonding amount would be for the fire halls if the Council chooses to move forward at a later date.

On August 15, 2016, the City Council adopted Resolution 2016-103 which approved the sale of 2016B series bond. The City received an AA rating from Standard & Poor's for this series, and the report is included in the correspondence. The final sale will be on morning of October 3<sup>rd</sup>. And we will report the results of the sale and have a recommendation for the City Council.

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**SOURCE OF FUNDS (if applicable)**

The savings in interest rates will bring future interest savings to the City and cover the bond issuance expense.

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**ATTACHMENTS**

**Resolution**

**RESOLUTION NO. 2016-120**

**RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND  
DELIVERY OF \$5,540,000 GENERAL OBLIGATION CAPITAL  
IMPROVEMENT PLAN BONDS, SERIES 2016B**

BE IT RESOLVED, by the City Council (the "Council") of the City of Hermantown, St. Louis County, Minnesota (the "Issuer"), as follows:

Section 1. Bond Purpose, Authorization and Award.

1.01 Statutory Authority. Under and pursuant to the provisions of Minnesota Statutes, Section 475.521 and Chapter 475, (together, the "Act"), the Issuer is authorized to issue and sell obligations for capital improvements pursuant to a capital improvement plan approved by a vote of at least two-thirds of the Council following a public hearing.

1.02 Prior Bonds; Project. The Hermantown Economic Development Authority (the "EDA") previously issued its \$9,630,000 Public Project Revenue Bonds, Series 2006A (the "Prior Bonds"), dated December 5, 2006, of which \$5,995,000 in principal is outstanding (the "Refunded Bonds") and subject to redemption and prepayment on February 1, 2017 (the "Redemption Date").

B. The Prior Bonds were issued for the purpose of financing the construction and equipping of an administrative services addition to the existing police and fire station building (the "Project").

C. The Issuer and the EDA entered into a Lease Agreement dated December 5, 2006 pursuant to which the Issuer leased the Project from the EDA pursuant to Minnesota Statutes Sections 465.71 and 469.041, as amended (the "Lease").

1.03 Findings.

A. On June 20, 2016, the Council held a public hearing on its *2016 through 2020 Five-year Capital Improvement Plan for the City of Hermantown, Minnesota* (the "Plan") and on the intent of the Issuer to issue general obligation bonds in an amount not to exceed \$7,500,000 (the "Bonds") to finance capital improvements identified in the Plan consisting of the acquisition of the Project.

B. After the public hearing the Council unanimously adopted Resolution No. 2016-75 approving the Plan and authorizing the issuance of the Bonds.

C. With the passing of 30 days during which no petition requesting a vote on the issuance of the Bonds was submitted to the Clerk, all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed precedent to the issuance of the Bonds having been done, having happened and having been performed in regular and due form, time and manner as required by law, it is necessary for the

Issuer to establish the form and terms of the Bonds, to provide for the security thereof, and to provide for the issuance of the Bonds forthwith.

D. The Council determines that it is necessary, expedient and in the best interest of the Issuer's residents in order to reduce debt service costs to the Issuer, that the Issuer issue, sell and deliver its \$5,540,000 General Obligation Capital Improvement Plan Bonds, Series 2016B (the "Bonds"), for the purpose of financing improvements identified in the plan referred to below, including but not limited to acquisition of the Project by prepaying the outstanding amount due on the Lease and for payment of part of the interest costs and part of the issuance costs of the Bonds.

E. The principal of and interest on the Bonds shall be paid primarily from ad valorem taxes hereinafter levied (the "Taxes").

1.04 Independent Financial Advisor. The Issuer has retained the services of Ehlers & Associates, Inc. as its independent financial advisor.

1.05 Award of Sale. The Issuer has received an offer from \_\_\_\_\_, of \_\_\_\_\_, \_\_\_\_\_ (the "Purchaser"), to purchase the Bonds at a cash price of \$ \_\_\_\_\_ plus accrued interest on the total principal amount from November 9, 2016, to the date of delivery of the Bonds (the "Accrued Interest") and upon condition that the Bonds mature and bear interest at the times and annual rates set forth in Section 2. The Issuer, after due consideration, finds such offer reasonable and proper and the offer of the Purchaser is hereby accepted. The actions of the Mayor and the Clerk taken with respect to execution on the part of the Issuer of a contract for the sale of the Bonds in accordance with the Purchaser's proposal are hereby ratified and approved.

Section 2. Terms of the Bonds.

2.01 Date and Maturities. A. The Bonds shall be (i) issued as fully-registered bonds, (ii) designated "\$5,540,000 General Obligation Capital Improvement Plan Bonds, Series 2016B," (iii) dated November 9, 2016, as the date of original issue, (iv) issued in the denomination of \$5,000, or any integral multiple thereof, (v) issued in fully registered form, and (vi) lettered and numbered R-1 and upward.

B. The Bonds shall mature on February 1 in the years and amounts stated below and shall bear interest from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue until paid at the rates per annum set forth below opposite such years and amounts:

| Year | Principal | Interest Rate |
|------|-----------|---------------|
|      |           |               |
|      |           |               |
|      |           |               |
|      |           |               |

|  |  |  |
|--|--|--|
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|  |  |  |

C. The maturities of the Bonds, together with the maturities of all other outstanding general obligation bonds of the Issuer, meet the requirements of Minnesota Statutes, Section 475.54.

2.02 Interest Payment Dates; Record Date.

A. The Bonds shall bear interest at the annual rates stated therefor in Section 2.01. The interest shall be payable semiannually on February 1 and August 1 in each year (each referred to herein as an "Interest Payment Date") commencing on February 1, 2017. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

B. The Bond Registrar designated below shall make all interest payments with respect to the Bonds by check or draft mailed to the person in whose name each Bond is registered (the "Holder") and in each case at the address shown on the bond registration records maintained by the Bond Registrar at the close of business on the 15th day (whether or not on a business day) of the calendar month next preceding the Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date fixed for the payment of such defaulted interest (the "Special Record Date"). The Special Record Date shall be fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest and notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten (10) days prior thereto. The term "Holder" shall also include those lawfully entitled to take actions on behalf of the beneficial owners of the Bonds for purposes of any consent or approvals given by Holders.

C. If the date for payment of the principal of, premium, if any, or interest on the Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

2.03 Redemption. A. The Bonds shall not be subject to redemption and prepayment before maturity.

B. In the event any of the Bonds are called for redemption, notice thereof identifying the Bonds to be redeemed will be given by the Bond Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) not more than 60 and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed

at the address shown on the registration books kept by the Bond Registrar and by publishing the notice of redemption, if required by law, in the manner required by Minnesota Statutes, Section 475.54, Subdivision 4; provided, however, that so long as the Bonds are registered in the name of Cede & Co., notice of redemption shall be given in accordance with the terms of the Representation Letter. Failure to give notice by mail to any registered owner, or any defect therein, will not affect the validity of any proceeding for the redemption of Bonds not affected by such defect or failure. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

C. If less than all the Bonds of a maturity are called for redemption while the Bonds are registered in the name of Cede & Co., the Issuer or the Bond Registrar designated below will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed. If less than all the Bonds of a maturity are called for redemption and the Bonds are not registered in the name of Cede & Co., the Bond Registrar will determine by lot or other manner deemed fair, the amount of each maturity to be redeemed. All prepayments shall be at a price equal to the principal amount thereof plus accrued interest.

D. The Bonds maturing on February 1 in the years \_\_, \_\_, \_\_ and \_\_ shall be subject to mandatory redemption prior to maturity pursuant to the requirements of this Section 2.03D at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Bond Registrar, as designated below, shall select for redemption, by lot or other manner deemed fair, on February 1 in each of the following years the following stated principal amounts:

For Bonds maturing on February 1, 20\_\_:

| Year | Amount |
|------|--------|
|      |        |
|      |        |
|      |        |

For Bonds maturing on February 1, 20\_\_:

| Year | Amount |
|------|--------|
|      |        |
|      |        |
|      |        |

For Bonds maturing on February 1, 20\_\_:

| Year | Amount |
|------|--------|
|      |        |

|  |  |
|--|--|
|  |  |
|  |  |

For Bonds maturing on February 1, 20\_\_ :

| Year | Amount |
|------|--------|
|      |        |
|      |        |
|      |        |

Section 3. Registration; Global Book Entry System.

3.01 Designation of Bond Registrar. The Council appoints Bond Trust Services Corporation, Roseville, Minnesota, as registrar, authenticating agent and transfer agent for the Bonds (such bank or its successors is herein referred to as the "Bond Registrar"), and shall do so until a successor Bond Registrar is duly appointed, all pursuant to a contract which the Issuer and the Bond Registrar shall execute which is consistent herewith and which the Mayor and Clerk are authorized to execute and deliver. A successor Bond Registrar shall be a bank or trust company eligible for designation as bond registrar pursuant to the Act. The terms of the appointment of the successor Bond Registrar and its duties shall be specified in a contract between the Issuer and such successor Bond Registrar that is consistent herewith and that the Mayor and Clerk are authorized to execute and deliver. The Bond Registrar, which may act through an agent, shall also serve as paying agent until and unless a successor paying agent is duly appointed. The Bond Registrar shall pay principal and interest on the Bonds to the registered Holders (or record Holders) of the Bonds in the manner set forth herein. The Issuer agrees to pay the reasonable and customary charges for the services of such Bond Registrar.

3.02 Designation of Depository. DTC, a Securities and Exchange Commission designated depository, a limited purpose New York trust company, a member of the Federal Reserve System, and a "clearing corporation" within the meaning of the New York Uniform Commercial Code, is designated as the depository (the "Depository") with respect to the Bonds.

3.03 Authentication of Bonds. No Bond shall be valid or obligatory for any purpose unless or until either (i) the Bond Registrar's authentication certificate on such Bond, substantially set forth in Section 4.01 hereof, shall have been duly executed by an authorized representative of the Bond Registrar or (ii) the Bonds have been manually executed by at least one officer of the Council. Authentication certificates on different Bonds need not be signed by the same representative. The Bond Registrar shall authenticate each Bond by execution of the Certificate of Authentication on the Bond and shall date each Bond in the space provided as of the date on which the Bond is registered. For purposes of delivering the original Bonds, the Bond Registrar shall insert as the date of registration the date of original issue. The executed Authentication Certificate or the manual signature of at least one officer of the Council on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution.

### 3.04 Bond Register; Transfer; Exchange.

A. The Issuer shall cause to be kept by the Bond Registrar at its principal office, a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Issuer shall provide for the registration of the Bonds and the registration of transfers of the Bonds entitled to be registered or transferred as herein provided. In the event of the resignation or removal of the Bond Registrar or its incapability of acting as such, the bond registration records shall be maintained at the office of the successor Bond Registrar as may be appointed by the Council.

B. Upon surrender for transfer of any Bond at the principal corporate office of the Bond Registrar, the Issuer shall execute, if required by law or this Resolution, and the Bond Registrar shall authenticate, if required by law or this Resolution, date (in the space designated Date of Registration) and deliver, in the name(s) of the designated transferee or transferees, one or more new Bonds of the like aggregate principal amount having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation. Transfer of a Bond may be made on the Issuer's books by the registered owner in person or by the registered owner's attorney duly authorized in writing. Transfers shall be subject to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates. The Issuer and the Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption or to make any such exchange or transfer of the Bonds during the 15 days next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of the Bonds.

C. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the registered owner thereof, with signature guaranteed, or by the registered Holder's attorney duly authorized in writing, and shall include written instructions as to the details of the transfer of the Bond. When any Bond is presented to the Bond Registrar for transfer, the Bond Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Bond Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

D. At the option of the Holder, replacement Bonds may be exchanged for Bonds of any authorized denomination or denominations of a like aggregate principal amount and stated maturity, upon surrender of the Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute (if required by law or this Resolution), and the Bond Registrar shall authenticate (if required by law or this Resolution), date (in the space designated Date of Registration) and deliver the replacement Bonds which the Holder making the exchange is entitled to receive. Bonds registered in the name of Cede & Co. may not be exchanged for Bonds of smaller denominations.

E. All Bonds surrendered upon any exchange or transfer provided for in this Resolution shall be promptly canceled by the Bond Registrar and thereafter disposed of as directed by the Issuer.

F. Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all of the rights to interest, accrued and unpaid and to accrue, which are carried by such other Bond. All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the Issuer evidencing the same debt, shall be entitled to the same benefits under this Resolution as the Bonds surrendered for such exchange or transfer, and shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bonds.

G. The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of any Bond and any legal or unusual costs regarding transfers and lost bonds.

H. Bonds registered in the name of Cede & Co. may not after their original delivery, be transferred or exchanged except in accordance with the terms and conditions of the Representation Letter and:

(i) upon exchange of a Bond after a partial redemption, if provided in Section 2.03 of this Resolution;

(ii) to any successor of the Depository (or its nominee) or any substitute depository (a "Substitute Depository") designated pursuant to clause (iii) below; provided that any successor of the Depository or any Substitute Depository must be both a "clearing corporation" as defined in the Minnesota Uniform Commercial Code, Minnesota Statutes, Section 336.8-102, and a qualified and registered "clearing agency" as provided in Section 17A of the Securities Exchange Act of 1934, as amended;

(iii) to a Substitute Depository designated by and acceptable to the Issuer upon (a) the determination by the Depository that the Bonds shall no longer be eligible for its depository services or (b) a determination by the Issuer that the Depository is no longer able to carry out its functions; provided that any Substitute Depository must be qualified to act as such, as provided in subclause (ii) above; or

(iv) in the event that (a) the Depository shall resign or discontinue its services for the Bonds or be declared no longer able to carry out its functions and the Issuer is unable to locate a Substitute Depository within two months following the resignation or discontinuance or determination of noneligibility, or (b) the Issuer determines in its sole discretion that (1) the continuation of the book-entry system described herein might adversely affect the interests of the beneficial owners of the Bonds, or (2) it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, then the Issuer shall notify the Holders of its determination and of the availability of replacement Bonds to Holders. The Issuer, the Bond Registrar and the Depository shall cooperate in providing Replacement Bonds to Holders requesting the same and the

registration, transfer and exchange of such Bonds shall thereafter be conducted as provided in Section 3 of this Resolution.

I. In the event of the designation of a Substitute Depository as authorized by clause H., the Bond Registrar, upon presentation of a Bond, shall register their transfer to the Substitute Depository, and the Substitute Depository shall be treated as the Depository for all purposes and functions under this Resolution. The Representation Letter shall not apply to the Substitute Depository unless the Issuer and the Substitute Depository so agree, and the execution of a similar agreement is authorized.

### 3.05 Persons Deemed Owners; Payment.

A. The Issuer and the Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in Section 2.02 above), on such Bond and for all other purposes whatsoever, whether or not such Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

B. For the purposes of all actions, consents and other matters affecting Holders of Bonds issued under this Resolution as from time to time supplemented, other than payments, redemptions, and purchases, the Issuer may (but shall not be obligated to) treat as the Holder of a Bond the beneficial owner of the Bond instead of the person in whose name the Bond is registered. For that purpose, the Issuer may ascertain the identity of the beneficial owner of the Bond by such means as the Bond Registrar in its sole discretion deems appropriate, including but not limited to a certificate from the Depository or other person in whose name the Bond is registered identifying such beneficial owner.

C. The principal of and interest on the Bonds shall be payable by the Bond Registrar in such funds as are legal tender for the payment of debts due the United States of America. The Issuer shall pay the reasonable and customary charges of the Bond Registrar for the disbursement of principal and interest.

### 3.06 Use of Global Book-Entry System.

A. There has been previously submitted to this Council a form of Blanket Issuer Letter of Representations (the "Letter of Representations") between the Issuer and the Depository setting forth various matters relating to the Depository and its role with respect to the Bonds. The terms and conditions of the Letter of Representations are ratified.

B. So long as DTC is the Depository or it or its nominee is the Holder of any Bonds, the Issuer shall comply with the provisions of the Letter of Representations, as it may be amended or supplemented from time to time.

C. Additional matters with respect to, among other things, notices, consents and approvals by Holders and payments on the Bonds are set forth in the Letter of Representations.

D. The provisions in the Letter of Representations are incorporated herein by reference and made a part of this Resolution, and if and to the extent any such provisions are inconsistent with the other provisions of this Resolution, the provisions in the Letter of Representations shall control.

3.07 Mutilated, Stolen or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen, or lost, the Bond Registrar will deliver a new Bond of like amount, number, maturity date, and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen, or lost, upon the payment of the reasonable expenses and charges of the Bond Registrar and the Issuer in connection therewith, including the cost of printing new Bonds; and, in the case of a Bond destroyed, stolen, or lost, upon filing with the Bond Registrar and the Issuer of evidence satisfactory to it and the Issuer that the Bond was destroyed, stolen, or lost, and of the ownership thereof, and upon furnishing to the Bond Registrar of an appropriate bond or indemnity in form, substance, and amount satisfactory to it and the Issuer and as provided by law, in which both the Issuer and the Bond Registrar must be named as obliges ds. Bonds so surrendered to the Bond Registrar will be canceled by the Bond Registrar and evidence of such cancellation must be given to the Issuer. If the mutilated, destroyed, stolen, or lost Bond has already matured or been called for redemption in accordance with its terms, it is not necessary to issue a new Bond prior to payment.

Section 4. Form of the Bonds.

4.01 The Bonds shall be printed or typewritten in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF ST. LOUIS

CITY OF HERMANTOWN  
GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BOND,  
SERIES 2016B

R-\_\_\_\_\_ \$ \_\_\_\_\_

|             |                      |                               |              |
|-------------|----------------------|-------------------------------|--------------|
| <u>Rate</u> | <u>Maturity Date</u> | <u>Date of Original Issue</u> | <u>CUSIP</u> |
| _____%      | February 1, 20__     | November __, 2016             |              |

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The City of Hermantown, St. Louis County, Minnesota (the "Issuer"), certifies that it is indebted and for value received, promises to pay to the registered owner specified above or on the Registration Certificate attached hereto, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, and to pay interest thereon semiannually on February 1 and August 1 of each year (each referred to

herein as an "Interest Payment Date") commencing on February 1, 2017, at the rate per annum specified above, calculated on the basis of a 360-day year of twelve 30-day months, until the principal amount is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue hereof set forth above.

**Payment.** The principal of and premium, if any, on this Bond are payable by wire transfer (or other agreed means of payment) on each payment date no later than 12:00 noon (New York, New York time) upon presentation and surrender hereof at the office of Bond Trust Services Corporation, Roseville, Minnesota, as registrar, paying agent, authenticating agent and transfer agent (the "Bond Registrar"), or at the office of such successor bond registrar as may be designated by the Issuer. Interest on this Bond will be paid on each Interest Payment Date (by 12:00 noon, New York, New York time) by wire transfer (or other agreed means of payment) to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date fixed for the payment of the defaulted interest, and notice of the special record date shall be given by the Bond Registrar to the Holders not less than ten (10) days prior thereto. The Bond Registrar shall make all payments with respect to this Bond without, except for payment of principal on the Bond, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the Issuer to the extent of the payments so made. The principal of, premium, if any, and interest on this Bond are payable in lawful money of the United States of America. For the prompt and full payment of such principal and interest as they become due, the full faith and credit of the Issuer are irrevocably pledged.

**Date of Payment Not Business Day.** If the date for payment of the principal of, premium, if any, or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

**Redemption.** The Bonds shall not be subject to redemption and prepayment before maturity.

**Mandatory Redemption.** The Bonds maturing in the years \_\_\_\_, \_\_\_\_, \_\_\_\_ and \_\_\_\_ shall be subject to mandatory redemption prior to maturity pursuant to the requirements of the Resolution at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium.

**Issuance; Purpose.** This Bond is one of a series issued by the Issuer in the total aggregate amount of \$5,540,000, all of like original issue date and tenor, except as to number, maturity date, redemption privilege, denomination and interest rate, pursuant to: (i) the authority contained in Minnesota Statutes, Chapter 475; (ii) an Issuer-approved Capital Improvement Plan for the years 2016 through 2020 (the "Plan") and all other laws thereunto enabling; and (iii) an authorizing resolution adopted by the governing body of the Issuer on October 3, 2016 (the "Resolution"). The Bonds are issued for the purpose of providing funds to finance capital improvements identified in the Plan, a portion of the costs of issuing the Bonds and for the payment of part of the interest cost of the Bonds. The Issuer has levied a direct, annual ad valorem tax upon all taxable property within the Issuer which shall be extended upon the tax rolls for the years and in the amounts sufficient to produce sums not less than five percent in excess of the amounts of principal and interest on the Bonds, as such principal and interest respectively come due. Reference is made to the Resolution for a full statement of rights and powers thereby conferred.

**General Obligation.** This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of the principal and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are irrevocably pledged.

**Denominations; Exchange.** The Bonds of this series are issued as fully registered bonds without coupons, in the denomination of \$5,000 or any integral multiple thereof. The Issuer will, at the request of the registered owner, issue one or more new fully registered Bonds in the name of the registered owner in the aggregate principal amount equal to the unpaid principal balance of this Bond, and of like tenor except as to number and principal amount at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution and the Letter of Representations. Reference is made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

**Registration; Transfer.** This Bond shall be registered in the name of the payee on the books of the Issuer by presenting this Bond for registration to the Bond Registrar, whose representative will endorse his or her name and note the date of registration opposite the name of the payee in the Registration Certificate attached hereto. Thereafter this Bond may be transferred by delivery with an assignment duly executed by the Holder or the Holder's legal representative, and the Issuer and Bond Registrar may treat the Holder as the person exclusively entitled to exercise all the rights and powers of an owner until this Bond is

presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted hereon by the Bond Registrar, all subject to the terms and conditions provided in the Resolution and the Letter of Representations and to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar. Thereupon the Issuer shall execute (if required by law or the Resolution) and the Bond Registrar shall authenticate (if required by law or the Resolution) and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee, of an authorized denomination, in an aggregate principal amount equal to the principal amount of this Bond, of the same maturity, and bearing interest at the same rate.

**Fees Upon Transfer to Loss.** The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds. No service charge shall be made by the Issuer for any transfer or exchange hereinbefore referred to but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

**Treatment of Registered Owner.** The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes whatsoever, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

**Authentication.** This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until either (i) the Bond Registrar's Authentication Certificate hereon shall have been executed by the Bond Registrar by one of its authorized representatives or (ii) the Bond has been manually executed by at least one officer of the governing body of the Issuer.

**Qualified Tax Exempt Obligations.** The Bonds of this issue have been designated by the Issuer as "qualified tax exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the deduction of interest expenses allocable to the Bonds by financial institutions.

IT IS CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the Issuer enforceable in accordance with its terms, have been done, have happened and have been performed in regular and due form, time and manner as so required; that, if necessary for payment of principal of and interest on the Bonds of this issue, ad valorem taxes may be levied upon all taxable property in

the Issuer without limitation as to rate or amount; and that the issuance of this Bond on the date of original issue hereof and the date of its actual original issuance and delivery, does not exceed any constitutional, charter or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Hermantown, St. Louis County, Minnesota, by its governing body, has caused this Bond to be executed in its name by the facsimile or manual signature of the Mayor and attested by the facsimile or manual signature of the Clerk, the Issuer having no seal or said seal having been intentionally omitted as permitted by law.

ATTEST:

*(form-no signature needed)*  
Clerk \_\_\_\_\_

*(form-no signature needed)*  
Mayor \_\_\_\_\_

Date of Authentication: \_\_\_\_\_

BOND REGISTRAR'S AUTHENTICATION CERTIFICATE

The Bond Registrar confirms that the books reflect the ownership of the Bond registered in the name of the owner named above in the principal amount and maturity date stated above and this Bond is one of the Bonds of the series issued pursuant to the Resolution hereinabove described.

BOND TRUST SERVICES CORPORATION  
Roseville, Minnesota  
Bond Registrar

By \_\_\_\_\_  
Authorized Representative

REGISTRATION CERTIFICATE

This Bond must be registered as to both principal and interest in the name of the owner on the books to be kept by Bond Trust Services Corporation of Roseville, Minnesota, as Bond Registrar. No transfer of this Bond shall be valid unless made on said books by the registered owner or the owner's attorney thereunto duly authorized and similarly noted on the registration books. The ownership of the unpaid principal balance of this Bond and the interest accruing thereon is registered on the books of the Bond Registrar, in the name of the registered owner last noted below.

| <u>Date</u> | <u>Registered Owner</u>  | <u>Signature of Bond Registrar</u> |
|-------------|--|------------------------------------|
| 11/09/16    | Cede & Co.<br>c/o The Depository Trust Company<br>570 Washington Blvd. | _____                              |

Jersey City, NJ 07310  
Federal Taxpayer I.D. No.: 13-  
2555119

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers  
unto \_\_\_\_\_

\_\_\_\_\_  
(Name and Address of Assignee)

\_\_\_\_\_  
Social Security or Other  
Identifying Number of Assignee

the within Certificate and all rights thereunder and does irrevocably constitute  
and appoint \_\_\_\_\_ attorney to  
transfer the said Certificate on the books kept for registration thereof with full  
power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
NOTICE: The signature to this assignment  
must correspond with the name of the  
registered owner as it appears upon the face  
of the within Certificate in every particular,  
without alteration or enlargement or any  
change whatsoever.

Signature Guaranteed:

\_\_\_\_\_  
(Bank, Trust Company, member of  
National Securities Exchange)

*Unless this Certificate is presented by an authorized representative of The  
Depository Trust Company, a New York corporation ("DTC"), to the Issuer or  
its agent for registration of transfer, exchange, or payment, and any bond issued  
is registered in the name of Cede & Co. or in such other name as is requested by  
an authorized representative of DTC (and any payment is made to Cede & Co. or  
to such other entity as is requested by an authorized representative of DTC), ANY  
TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR  
OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as the  
registered owner hereof, Cede & Co., has an interest herein.*

4.02 Preparation and Execution. The Bonds shall be prepared for execution in accordance with the approved form and shall be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the Clerk. The legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A. shall be appended to each Bond. The corporate seal of the Issuer may be omitted from the Bonds as permitted by law. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be an officer before delivery of the Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

4.03 Delivery of the Bonds. Delivery of the Bonds and payment of the purchase price shall be made at a place mutually satisfactory to the Issuer and the Purchaser. Printed or typewritten, and executed Bonds shall be furnished by the Issuer without cost to the Purchaser. The Bonds, when prepared in accordance with this Resolution and executed, shall be delivered by or under the direction of the Clerk to the Purchaser upon receipt of the purchase price plus accrued interest.

Section 5. Covenants, Funds, Accounts and Representations.

5.01 General Obligation. The full faith and credit and taxing power of the Issuer are irrevocably pledged for the prompt and full payment of the Bonds and the interest thereon, in accordance with the terms set forth in this Resolution.

5.02 The Fund. There is created a special fund to be designated the "2016A General Obligation Capital Improvement Bonds Fund" (the "Fund") to be administered and maintained by the Finance Director as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the Issuer. The Fund shall be maintained in the manner herein specified until all of the Bonds and the interest thereon have been fully paid. There shall be maintained in the Fund three separate accounts, to be designated the "Costs of Issuance Account," "Debt Service Account" and "Refunding Account," respectively:

(1) **Costs of Issuance Account.**

(a) On receipt of the purchase price of the Bonds, the Issuer shall credit proceeds from the sale of the Bonds and less amounts used to pay part of the interest cost of the Bonds as allowed by Section 475.56 of the Act (the "Additional Interest"); less amounts allocated to accrued interest paid by the Purchaser upon closing and delivery of the Bonds (the "Accrued Interest"); and less the amounts necessary to fund the Refunding Account, to the Costs of Issuance Account.

(b) From the Costs of Issuance Account there shall be paid all costs and expenses of issuing the Bonds and the moneys in said account shall be used for no other purpose except as otherwise provided by law.

(c) To the extent funds on deposit in the Costs of Issuance Account are insufficient to pay the costs of issuance of the Bonds, the Issuer covenants and agrees to pay such difference from its available funds.

(d) Upon payment in full of the costs of issuance of the Bonds, any excess on deposit in the Costs of Issuance Account shall be transferred to the Debt Service Account, to the extent such balance is comprised of the sale or investment proceeds of the Bonds. To the extent such excess represents general funds of the Issuer, such funds shall be returned to the general fund of the Issuer.

**(2) Refunding Account.**

(a) On receipt of the purchase price of the Bonds, the Issuer shall credit proceeds from the sale of the Bonds, less the Accrued Interest and Additional Interest, and less any amounts allocated to the Costs of Issuance Account and the Debt Service Account, to the Refunding Account.

(b) There are pledged and appropriated to the Refunding Account moneys on deposit in (i) the Construction Fund created in the Mortgage Security Agreement and Trust Indenture dated December 5, 2006 (the "Indenture") between the EDA and U.S. Bank National Association (the "Prior Construction Account") and the Issuer's Resolution adopted November 6, 2006 (the "Prior Resolution") and (ii) the Bond Fund created in the Indenture (the "Prior Bond Fund") (The Prior Construction Account and the Prior Bond Fund are collectively referred to as the "Prior Accounts").

(c) Proceeds on deposit in the Refunding Account, along with monies on deposit therein and other monies available therefor, must be used to redeem and prepay the Refunded Bonds in full on the Redemption Date.

(d) Upon redemption of the Refunded Bonds on the Redemption Date, the Prior Accounts shall be terminated, and all monies remaining therein not required to refund the Refunded Bonds shall be transferred to the Debt Service Account. All ad valorem taxes levied under the Prior Resolution and collected after the Redemption Date shall be deposited in the Debt Service Account.

**(3) Debt Service Account.**

(a) To the Debt Service Account are pledged and appropriated: (i) the Taxes; (ii) the Additional Interest, if any; (iii) the Accrued Interest, if any; (iv) all funds remaining in the Prior Construction Account to the extent not required to fund the Refunding Account; (v) any balance remaining in the Prior Bond Fund created in the Indenture and Prior Resolution to the extent not required to fund the Refunding Account; (vi) any and all other moneys which are properly available and are appropriated by the governing body of the Issuer to the Debt Service Account; and (vii) investment earnings on the moneys identified in the foregoing clauses (i) through (vi). The proceeds of the Bonds described in clauses (ii) and (iii) of the preceding sentence shall be used for payment of interest on the Bonds.

(b) The money in such account shall be used for no purpose other than the payment of principal and interest on the Bonds and any other general obligation bonds of the Issuer hereafter issued by the Issuer and made payable from said account as provided

by law; provided, however, that if any payment of principal or interest on the Bonds shall become due when there is not sufficient money in the Debt Service Account, the Finance Director shall pay the same from any other fund of the Issuer, which fund shall be reimbursed from the Debt Service Account when the balance therein is sufficient.

(c) The Debt Service Account shall be maintained in the manner herein specified until all of the Bonds and interest thereon have been fully paid.

(d) The amount of any surplus remaining in the Debt Service Account when the Bonds and interest thereon are paid shall be used as provided in Section 475.61, Subdivision 4 of the Act.

5.02 Tax Levy. A. For the prompt and full payment of the principal and interest on the Bonds there is levied a direct annual ad valorem tax upon all taxable property in the Issuer which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the Issuer. Said levies are for the years and in the amounts set forth in ATTACHMENT A hereto, which is incorporated by reference as though fully set forth herein.

B. The tax levies are such that if collected in full, they together with investment earnings thereon, will produce at least 5% in excess of the amount needed to meet when due the principal and interest payments on the Bonds.

C. The tax levies shall be irrevocable so long as any amount of the Bonds is outstanding and unpaid; provided, however, that on November 30 of each year, while Bonds remain outstanding, the Council shall reduce or cancel the above levies to the extent of funds available in the Debt Service Account to pay principal and interest due during the ensuing year on the Bonds, and shall direct the County Auditor to reduce the levy for such calendar year by that amount.

5.03 General Obligations. It is recognized that the Issuer's liability on the Bonds is not limited to the tax levies and earnings thereon so pledged, and the Council covenants and agrees that in the event of any current or anticipated deficiency in the tax levies, it will levy upon all taxable property within the Issuer and cause to be extended, assessed, and collected, any additional taxes found necessary for full payment of the principal of and interest on the Bonds, without limitation as to rate or amount.

5.04 Investments. Monies on deposit in the Debt Service Account may, at the discretion of the Clerk, be invested in securities permitted by Minnesota Statutes, Chapter 118A, that any such investments shall mature at such times and in such amounts as will permit for payment of project costs and/or payment of the principal and interest on the Bonds when due.

## Section 6. Refunding; Findings; Redemption of Refunded Bonds.

6.01 Findings. It is hereby found and determined that:

A. based upon information presently available from the Issuer's municipal advisers, the issuance of the Bonds will result in the reduction of debt service cost to the Issuer;

B. the proceeds of the Bonds and other available funds of the Issuer are sufficient, without reinvestment, to pay all of the principal and interest of the Refunded Bonds on the Redemption Date; and

C. the proceeds of the Refunded Bonds have been fully expended to finance the project for which the Refunded Bonds was issued and said project is complete.

6.02 Redemption. The Refunded Bonds shall be redeemed and prepaid in accordance with: (i) their terms and (ii) with the terms and conditions set forth in the form of Notice of Call for Redemption attached hereto as Exhibit B, all of which terms and conditions are hereby approved and incorporated herein by reference.

#### Section 7. Certificate of Proceedings.

7.01 Filing of Resolution; County Auditor Certificate. The Clerk or the designee thereof is directed to file a certified copy of this Resolution in the office of the County Auditor of St. Louis County, along with such other information as the County Auditor may require, and to obtain from the County Auditor a certificate stating that the Bonds herein authorized have been duly entered on the Auditor's register and that the tax required by law for the payment of said Bonds has been levied.

7.02 Authentication of Transcript. The officers of the Issuer are authorized and directed to prepare and furnish to the Purchaser and to Bond Counsel certified copies of all proceedings and records of the Issuer relating to the authorization and issuance of the Bonds and to the financial condition and affairs of the Issuer and other affidavits and certificates as may reasonably be requested to show the facts relating to the legality and marketability of the Bonds as such facts appear from the official books and records of the officers' custody or otherwise known to them. All of such certified copies, certificates and affidavits, including any heretofore furnished, constitute representations of the Issuer as to the correctness of facts recited therein and the actions stated therein to have been taken.

7.03 Offering Materials. The Mayor and the Clerk are authorized and directed to certify that they have examined the offering materials prepared and circulated in connection with the reoffering of the Bonds by the Purchaser and that to the best of their knowledge and belief the offering materials are a complete and accurate representation of the facts and representations made therein as of the date of the offering materials.

7.04 Absent or Disabled Officers. In the event of the absence or disability of the Mayor, the Clerk and the Treasurer, such officers or members of the Council as in the opinion of the Issuer's attorney, may act in their behalf, shall without further act or authorization, execute and deliver the Bonds, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

7.05 Defeasance. When all Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Bonds shall, to the extent permitted by law, cease. The Issuer may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The Issuer may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given. The Issuer may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Chapter 118A bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

Section 8. Tax Covenants.

8.01 General.

A. The Issuer covenants and agrees with the holders of the Bonds that the Issuer will (i) take all action on its part necessary to cause the interest on the Bonds to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bonds and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Bonds to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the Bonds and investment earnings thereon on certain specified purposes.

B. No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued. To this effect, any proceeds of the Bonds and any sums from time to time held in the Debt Service Account (or any other Issuer account which will be used to pay principal and interest to become due on the Bonds) in excess of amounts which under the applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by the arbitrage regulations on such investments after taking into account any applicable temporary periods or minor portion made available under the federal arbitrage regulations.

C. The proceeds of the Bonds and money in the Debt Service Account shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or

any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

D. The Issuer hereby covenants not to use the proceeds of the Bonds, or to cause or permit them to be used, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

8.02. Bank Qualification. In order to qualify the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the Issuer makes the following factual statements and representations:

A. the Bonds are not "private activity bonds" as defined in Section 141 of the Code;

B. the Issuer designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;

C. the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the Issuer (and all entities whose obligations will be aggregated with those of the Issuer) during the calendar year in which the Bonds are being issued will not exceed \$10,000,000; and

D. not more than \$10,000,000 of obligations issued by the Issuer during the calendar year in which the Bonds are being issued have been designated for purposes of Section 265(b)(3) of the Code.

8.03 Arbitrage Certification. The Mayor and the Clerk, being the officers of the Issuer charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser an arbitrage certification in order to satisfy the provisions of the Code and the regulations promulgated thereunder.

8.04 Opinion of Counsel. Notwithstanding any other provision of this Section 8, any requirement imposed hereunder or under Section 5 hereof may be deemed inapplicable and of no force or effect if an opinion of counsel is rendered to the Issuer by nationally recognized Bond Counsel to the effect that the failure to impose such requirement will not adversely effect the tax exempt status of interest on the Bonds.

Section 9. Continuing Disclosure. The Council acknowledges that the Bonds are subject to the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the "Rule"). The Rule governs the obligations of certain underwriters to require that issuers of municipal bonds enter into agreements for the benefit of the Holders to provide continuing disclosure with respect to the Bonds. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit underwriters of the Bonds to comply with the Rule, which will enhance the marketability of the Bonds, the Mayor

and the Clerk are authorized and directed to execute a Continuing Disclosure Certificate substantially in the form of the Certificate currently on file in the office of the Issuer.

Section 10. Post-Issuance Tax Compliance. The Council has previously approved a Post-Issuance Debt Compliance Policy and Post-Issuance Debt Compliance Procedures which applies to qualifying obligations to provide for compliance with all applicable federal regulations for tax-exempt obligations or tax-advantaged obligations (collectively, the “Policy and Procedures”). The Council hereby approves the Policy and Procedures for the Bonds. The Finance Director continues to be designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

*(remainder of page intentionally left blank)*

Adopted: October 3, 2016.

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Mayor

ATTEST:

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Clerk

M:\DOCS\09115\000064\ROL\14Z\1641.DOCX

**ATTACHMENT A**

**General Obligation Capital Improvement Plan Bonds, Series 2016B  
City of Hermantown, Minnesota**

| <b>Levy Year</b> | <b>Collection Year</b> | <b>Tax Levy</b> |
|------------------|------------------------|-----------------|
| 2016             | 2017                   |                 |
| 2017             | 2018                   |                 |
| 2018             | 2019                   |                 |
| 2019             | 2020                   |                 |
| 2020             | 2021                   |                 |
| 2021             | 2022                   |                 |
| 2022             | 2023                   |                 |
| 2023             | 2024                   |                 |
| 2024             | 2025                   |                 |

**EXHIBIT C**  
**NOTICE OF CALL FOR REDEMPTION**  
**\$9,630,000 PUBLIC PROJECT REVENUE BONDS, SERIES 2006A**  
**HERMANTOWN, MINNESOTA**

NOTICE IS HEREBY GIVEN that, by order of the City Council of the City of Hermantown, Minnesota (the "Issuer"), there have been called for redemption and prepayment on February 1, 2017 (the "Redemption Date"), all outstanding bonds of the Issuer designated as \$9,630,000 Public Project Revenue Bonds, Series 2006A, dated December 5, 2006, having stated maturity dates of February 1 in the years 2019, 2021, 2022, 2023, 2024, 2025, 2026 and 2027, totaling \$5,995,000 in outstanding principal amount, and with the following CUSIP numbers:

| Bond Number | Maturity | Principal Amount | Interest Rate | CUSIP*     |
|-------------|----------|------------------|---------------|------------|
| R-12        | 2019     | \$1,010,000      | 4.00%         | 42750P AM0 |
| R-13        | 2021     | \$1,095,000      | 4.00%         | 42750P AP3 |
| R-14        | 2022     | \$585,000        | 4.05%         | 42750P AQ1 |
| R-15        | 2023     | \$605,000        | 4.05%         | 42750P AR9 |
| R-16        | 2024     | \$625,000        | 4.10%         | 42750P AS7 |
| R-17        | 2025     | \$650,000        | 4.10%         | 42750P AT5 |
| R-18        | 2026     | \$695,000        | 4.15%         | 42750P AU2 |
| R-19        | 2027     | \$730,000        | 4.15%         | 42750P AV0 |

The Bonds are being called at a price of par plus accrued interest to the Redemption Date, on which date all interest on said Bonds will cease to accrue. Holders of the Bonds hereby called for redemption are requested to present their Bonds for payment at the office of U.S. Bank National Association, EP-MN-WS3C, 60 Livingston Avenue, St. Paul, MN 55107 on or before the Redemption Date.

Payment of the redemption price on the above Bonds will become due and payable on the Redemption Date, upon presentation and surrender thereof. Interest on the principal amount designated to be redeemed shall cease to accrue on and after the redemption date. Under the Interest and Dividend Compliance Act of 1983, 31% will be withheld if tax identification number is not properly certified.

The Issuer shall not be responsible for the selection or use of the CUSIP Numbers, nor is any representation made as to the correctness thereof as indicated in this redemption notice. CUSIP Numbers are included solely for the convenience of the holders.

Publication Date: \_\_\_\_\_

BY ORDER OF THE CITY COUNCIL OF THE CITY OF  
HERMANTOWN, MINNESOTA

**Important Notice:** In compliance with the Economic Growth and Tax Relief Reconciliation Act of 2001, federal backup withholding tax will be withheld at the applicable backup withholding rate in effect at the time the payment by the redeeming institutions if they are not provided with your social security number or federal employer identification number, properly certified. This requirement is fulfilled by submitting a W-9 Form, which may be obtained at a bank or other financial institution.

\* Neither the Issuer nor the Fiscal Agent/Paying Agent shall be responsible for the selection of or use of the CUSIP number, and no representation is made as to its correctness indicated in the Notice of Call for Redemption. CUSIP numbers are included solely for the convenience of the Holders.

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF ST. LOUIS    )

I, the undersigned, the duly qualified and acting Clerk of the City of Hermantown, Minnesota (the "Issuer"), do certify that I am the official custodian of the records of the Issuer, and that I have compared the attached copy with the original records of the Issuer, and that it is a true and correct transcript taken from the records of a meeting of the City Council, held at the City of Hermantown in said State, on October 3, 2016.

IN WITNESS WHEREOF, I have hereunto set my hand as Clerk of the Issuer on October 3, 2016.

\_\_\_\_\_  
Clerk

EXTRACT OF MINUTES OF A REGULAR MEETING OF THE  
CITY COUNCIL OF THE  
CITY OF HERMANTOWN, MINNESOTA

Held: October 3, 2016

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Hermantown, St. Louis County, Minnesota, was duly called and held at the City Hall on October 3, 2016, at \_\_\_\_\_ P.M.

The following members were present:

and the following members were absent:

MOTION: Member \_\_\_\_\_ moved to adopt a resolution entitled "Resolution Authorizing the Issuance, Sale and Delivery of \$5,540,000 General Obligation Capital Improvement Plan Bonds, Series 2016B," the reading of which was dispensed with by unanimous consent.

SECOND: Member \_\_\_\_\_

RESULT: On a roll call vote the motion was carried.

Ayes: \_\_\_\_\_  
Nays: \_\_\_\_\_  
Not Voting: \_\_\_\_\_  
Absent: \_\_\_\_\_

**TO:** Mayor & City Council  
**FROM:** John Mulder, City Administrator  
**DATE:** September 26, 2016  
**SUBJECT:** Park User Agreement – UWS



**Meeting Date:** 10/3/16  
**Agenda Item:** Resolution 2016-121  
12-D

---

**REQUESTED ACTION**

**Approve a park user agreement with the University of Wisconsin- Superior for the use of Field 1 at Fichtner Park for baseball in Sept and October**

---

**BACKGROUND**

On September 15, 2016, a representative of the University of Wisconsin – Superior (UWS) requested to use Field 1 for the University’s baseball club. They were requesting to use the fields for Tuesdays and Thursdays from Sept 20<sup>th</sup> through October 27<sup>th</sup>. They were requesting to use the fields for practice between 5:00 and 6:00 p.m. They were told it would require approval by the Park Board, a user agreement, and a fee of \$50 per day of use.

An e-mail was sent to Youth Baseball (Ted Kiefert) and the School District (Activities Director Beth Clark) to let them know and to ensure there were no conflicts. I never heard back from either. The Park Board was notified and on Tuesday September 20<sup>th</sup>, they recommended approval of the user agreement.

The User Agreement is consistent with the agreement with the College of St. Scholastica in 2014.

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**SOURCE OF FUNDS (if applicable)**

n/a

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**ATTACHMENTS**

**Resolution and User Agreement**

**Resolution No. 2016-121**

**RESOLUTION AUTHORIZING AND DIRECTING MAYOR AND  
CITY CLERK TO EXECUTE AND DELIVER AGREEMENT FOR  
THE USE OF THE CITY OF HERMANTOWN ATHLETIC FIELDS WITH  
UNIVERSITY OF WISCONSIN –SUPERIOR**

WHEREAS, the City of Hermantown owns certain athletic fields; and

WHEREAS, the University of Wisconsin – Superior desires to utilize Fichtner Field for Baseball; and

WHEREAS, the City requires that any party using a City athletic field enters into an agreement governing such use; and

WHEREAS, the University of Wisconsin – Superior desires to enter into the required agreement with the City.

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

1. An Agreement with the University of Wisconsin – Superior and Hermantown is hereby approved.
2. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such agreement on behalf of the City.

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:** September 28, 2016  
**SUBJECT:** Billman Mobile Park



**Meeting Date:** October 3, 2016  
**Agenda Item:** Resolution 2016-122  
12-C

---

**REQUESTED ACTION**  
**Set Public Hearing**

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**BACKGROUND**

The landowner has notified the City of its intent to close the mobile home park on Ugstad Road (near Twin Pines) (see attached letter).

The City's role in this process is to create the forum for the closing and potentially appointment of a neutral party to resolve the dispute between the private parties.

The proposed resolution establishes the public hearing and requires the "park" owner to pay all city costs related to this process. Following the public hearing the Council will be asked to either accept an agreed upon neutral party or appoint one. (attached is a draft resolution)

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**SOURCE OF FUNDS (if applicable)**

Mobile Park Owner

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**ATTACHMENTS**

- Resolution**
- Letter re: Billman Mobil Park Closure**
- Public Hearing Notice**

**HANFT FRIDE**  
A PROFESSIONAL ASSOCIATION

DULUTH OFFICE:  
1000 U.S. BANK PLACE  
130 WEST SUPERIOR STREET  
DULUTH, MINNESOTA 55802-2094  
TELEPHONE: 218/722-4766  
FAX: 218/529-2401

CLOQUET OFFICE:  
1219-14TH STREET  
CLOQUET, MINNESOTA 55720  
TELEPHONE: 218/879-3333  
FAX: 218/879-3201

REPLY TO CLOQUET OFFICE

WWW.HANFTLAW.COM  
DIRECT DIAL: 218/529-2410  
EMAIL: BWM@HANFTLAW.COM

July 27, 2016

GILBERT W. HARRIS\*  
WILLIAM M. BURNS  
JOHN D. KELLY\*  
FREDERICK A. DUDDERAR, JR.  
TIM A. STROM\*  
R. THOMAS TORGERSON\*  
CHERYL M. PRINCE\*  
ROBIN C. MERRITT\*  
JENNIFER L. CAREY\*  
MARK D. PILON\*  
JACOB J. BAKER\*  
SCOTT A. WITTY\*  
LEAH L. FISHER  
HOLLY LABOONE-HALLER  
BRENT W. MALVICK

RICHARD R. BURNS\*, OF COUNSEL  
CHARLES H. ANDRESEN, OF COUNSEL  
DAVID C. LINGREN, OF COUNSEL

\*ALSO ADMITTED IN WISCONSIN

Hermantown Planning and Zoning  
5105 Maple Grove Road  
Hermantown, MN 55811

Re: Billman Mobile Park  
Our File No. 32175.000

Dear Sir/Madam:

In accordance with Minnesota Statutes §327C.095, you are being provided with the enclosed Closure Statement noting the intent to close a mobile home park.

Please contact me with any questions you may have.

Very truly yours,



Brent W. Malvick

BWM:/tlr  
Enclosure

c: Mark and Cheryl Billman

## **MOBILE HOME PARK CLOSURE STATEMENT**

**July 26, 2016**

TO: Current Resident

This notice is being provided to you in accordance with Minnesota Statutes § 327C.095. The manufactured home park you are currently a resident of, which is located on Williams Drive in Hermantown, MN 55811, will be closing as of May 1, 2017, and will no longer be used as a manufacture home park. The manufactured home park is owned and operated by MCB Development, LLC, a Minnesota limited liability company.

Attached is a list of potential manufactured home parks located in the area that you may wish to relocate to. In addition, the costs of relocation will be approximately \$2600 for a twenty mile trip. The costs incurred will vary depending on the size of the manufactured home, the distance that must be traveled, whether utilities will need to be disconnected and reconnected, whether the manufactured home will need to be unblocked and re-blocked, and whether the size of the manufactured home requires a certified escort per Minnesota Department of Transportation regulations. The \$2,600 estimate is for an 80' long 16' wide manufactured home, which would require a certified escort, and also includes blocking and unblocking, and a twenty mile trip.

**YOU MAY BE ENTITLED TO COMPENSATION FROM THE MINNESOTA MANUFACTURED HOME RELOCATION TRUST FUND ADMINISTERED BY THE MINNESOTA HOUSING FINANCE AGENCY.**

Pursuant to Minnesota statutes, a public hearing will be convened by the City of Hermantown with respect to the park closure and its impact on displaced residents. That hearing will advise affected residents regarding the process for resolving questions or disputes regarding payments by the park owner to, and to residents from, the trust fund described above. You will receive a notice of the hearing at least ten days in advance.

## POTENTIAL MANUFACTURED HOME REPLACEMENT HOUSING

**Zenith Terrace Mobile Home Park**  
**2 Foxtail Avenue**  
**Duluth MN 55810**  
**(218) 628-2259**  
**Approximately \$395/month for a lot**

**Bel-Air Mobile Manor**  
**4442 Lavaque Road**  
**Hermantown MN 55811**  
**(218) 729-9477**

**Rainbow Mobile Home Park**  
**Todd Drive**  
**Duluth, MN 55811**

**Mobile Village**  
**4921 Eddy Avenue**  
**Hermantown MN 55811**  
**(218) 729-7311**  
**Approximately \$300/month for a lot**

**Vintage Acres**  
**501 West Stowe Street**  
**Duluth MN 55808**  
**(218) 626-3282**  
**Approximately \$370 - \$405/month for a lot**

**Pleasant View Mobile Home Park**  
**9428 Grand Avenue**  
**Duluth MN 55808**  
**(218) 626-1873**  
**Approximately \$326/month for a lot**

AFFIDAVIT OF SERVICE

STATE OF MINNESOTA )  
 )  
COUNTY OF ST. LOUIS ) ss.

I, Kelsie Karna, being first duly sworn, depose and state that on July 28, 2016 I served a true and correct copy of the attached:

- 1. Mobile Home Park Closure Statement; and
- 2. Potential Manufactured Home Replacement Housing.

enclosed in a properly addressed envelope, by depositing same, postage prepaid, in the United States mail, at Duluth, Minnesota, addressed as follows:

Donald and Kathy Eckstrom  
4686 Midway Road  
Duluth, MN 55811

Current Resident  
5323 Williams Drive  
Hermantown, MN 55811

Current Resident  
5314 Williams Drive  
Hermantown, MN 55811

Hermantown Planning and Zoning  
5105 Maple Grove Road  
Hermantown, MN 55811

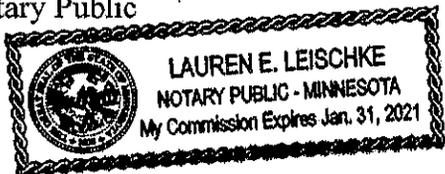
Minnesota Department of Health  
Commissioner's Office  
P.O. Box 64998  
St. Paul, MN 55164-0998

Minnesota Housing Finance  
Agency  
Commissioner's Office  
400 Sibley Street, Suite 300  
St. Paul, MN 55101-1998

*Kelsie Karna*  
\_\_\_\_\_  
Kelsie Karna

Subscribed and sworn to before me on July 28, 2016.

*Lauren E. Leischke*  
\_\_\_\_\_  
Notary Public



**Resolution No. 2016-122**

**RESOLUTION CALLING PUBLIC HEARING ON  
CLOSURE STATEMENT FOR THE WILLIAMS DRIVE MOBILE HOME PARK**

WHEREAS, MCB Development, LLC ("Park Owner") by and through the Hanft Fride Law Firm submitted a Closure Statement for Williams Drive Mobile Home Park to the Hermantown Planning Commission on July 27, 2016; and

WHEREAS, the Planning Commission referred the Closure Statement to the City Council and requested that the City Council hold a public hearing on the Closure Statement; and

WHEREAS, the City Council is willing to accommodate the request by the Planning Commission that the City Council hold a public hearing on the Closure Statement.

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

1. The City Council hereby calls a public hearing on the Closure Statement for the Williams Drive Mobile Home Park on October 17, 2016.

2. Notice of the public hearing shall be in substantially the form of the one attached hereto and shall be mailed to a resident of each home in Williams Drive Mobile Home Park at least ten (10) days before the hearing. The residents shall be as shown on the list provided by the Park Owner to the City with its Closure Statement.

3. The City Council is proceeding pursuant to the provisions of Minnesota Statutes § 327C.095.

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.

**NOTICE OF PUBLIC HEARING TO REVIEW THE CLOSURE STATEMENT  
PROVIDED BY WILLIAMS DRIVE MOBILE HOME PARK  
PURSUANT TO MINNESOTA STATUTES § 327C.095**

Notice is hereby given, that the City Council of the City of Hermantown will hold a public hearing on Monday, October 17, 2016, at 6:30 p.m. in the Hermantown City Council Chambers, 5105 Maple Grove Road, Hermantown, Minnesota, to review the Closure Statement provided by Williams Drive Mobile Home Park and any impact that the park closing may have on the displaced residents and the park owner.

DISPLACED RESIDENTS ARE HEREBY INFORMED THAT THEY MAY BE ELIGIBLE FOR PAYMENTS FROM THE MINNESOTA MANUFACTURED HOME RELOCATION TRUST FUND UNDER MINNESOTA STATUTES SECTION 462A.35 AS COMPENSATION FOR REASONABLE RELOCATION COSTS UNDER MINNESOTA STATUTES SECTION 327C.095, SUBDIVISION 13, PARAGRAPHS (a) AND (e).

All persons desiring to be heard on these issues will be given an opportunity to do so at the hearing.

Written or oral comments will be considered.

This notice is ordered and authorized by the City Council pursuant to Minnesota Statutes § 327C.095.

Authorized by the City Council.

Deborah Lund, City Clerk  
City of Hermantown

**WILLIAMS DRIVE MOBILE HOME PARK  
CLOSURE STATEMENT**

**TIMELINE**

- October 3, 2016** Resolution Calling Hearing on Closure Statement For Williams Drive Mobile Home Park
- October 5, 2016** Deadline for Notice of Hearing to be mailed certified mail, return receipt requested and regular U.S. Mail
- October 17, 2016**
1. Public Hearing
  2. Resolution Appointing Neutral Third Party

**CONSENT TO APPOINTMENT OF  
NEUTRAL THIRD PARTY  
FOR WILLIAMS DRIVE MOBILE HOME PARK  
PURSUANT TO MINNESOTA STATUTES § 327C.095**

The undersigned, the owner of Williams Drive Mobile Home Park, hereby consents to the appointment \_\_\_\_\_ as the neutral third party required to be appointed by the City of Hermantown pursuant to Minnesota Statutes § 327C.095.

**MCB Development, LLC**

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

Dated: \_\_\_\_\_

\_\_\_\_\_  
**Donald Eckstrom**

Dated: \_\_\_\_\_

\_\_\_\_\_  
**Kathy Eckstrom**

Dated: \_\_\_\_\_

\_\_\_\_\_  
**5323 Resident,** \_\_\_\_\_

Dated: \_\_\_\_\_

\_\_\_\_\_  
**5323 Resident,** \_\_\_\_\_

**RESOLUTION REGARDING CLOSURE  
STATEMENT FOR WILLIAMS DRIVE MOBILE HOME PARK**

WHEREAS, pursuant to Minnesota Statutes §327C.095, the Hermantown City Council held a public hearing on October 17, 2016 at 6:30 p.m. to review the Closure Statement dated July 26, 2016 for the Williams Drive Mobile Home Park and any impact that the park closing may have on displaced residents and the park owner.; and

WHEREAS, all persons desiring to be heard on the Closure Statement were provided an opportunity to be heard at the hearing; and

WHEREAS, written and oral comments were allowed; and

WHEREAS, the attached Consent to Appointment of Neutral Third Party was provided to the City at or prior to the hearing and

~~alternate clause~~

~~WHEREAS, the park owner advised the City that the park owner and the manufactured home owners were unable to agree on a neutral third party; and~~

WHEREAS, the City Council duly considered the matters presented at the public hearing and is hereby resolved as follows:

1. \_\_\_\_\_ is hereby appointed as a neutral third party pursuant to and subject to the provisions of Minnesota Statutes § 327C.095.
2. The City shall have no obligation to pay the neutral third party nor make any payments to the manufactured home owners or the Minnesota Manufactured Home Relocation Trust Fund.
3. The City Administrator shall notify the neutral third party of his/her appointment by providing him/her a copy of this Resolution.
4. The park owner shall reimburse the City for the costs and expenses, including reasonable attorneys' fees, incurred by it in connection with the consideration of the Closure Statement.

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:** September 26, 2016  
**SUBJECT:** Tennis Court Contributions



**Meeting Date:** 10/3/16  
**Agenda Item:** 12-D

---

**REQUESTED ACTION**

**Approval of payment of half of the improvements to the tennis courts to the Hermantown School District**

---

**BACKGROUND**

The Hermantown School District has requested that the City pay half of the costs to resurface half of the tennis courts (\$10,400).

The City contributed \$8,000 in 2006 towards the maintenance of the tennis courts.

This amount was not planned for in the 2016 budget, and will cause the Park Maintenance expenses to exceed the budget. We are adjusting some other repair work to minimize effect on the budget.

On September 20, 2016, the Park Board recommended approval of the request.

---

**SOURCE OF FUNDS (if applicable)**

General Fund Park Maintenance budget (101-452100-402)

---

**ATTACHMENTS**

**Correspondence 16-95 from Hermantown School District**



16-195  
**HERMANTOWN**  
COMMUNITY SCHOOLS

REV D 8-8-16

August 3, 2016

Mr. John Mulder, Administrator  
City of Hermantown  
Maple Grove Road  
Hermantown MN 55811

John,

Attached is the invoice from the tennis court repair that I had talked to you about last spring and am still wondering if the City would partner with us by paying for half of the cost (\$10,400)

Thank you for your consideration.

Respectfully,

Kerry Juntunen, Superintendent  
Hermantown Community Schools

"All will learn well and succeed"

8/1/2016

Int'l QuickBooks

Surface Pro LLC  
3731 Thurston Ave  
Suite 101  
Anoka, MN 55303  
(812) 245-0750  
mike@surfacepromn.com  
http://www.Surfacepromn.com



## INVOICE

**BILL TO**  
ISD 700  
Hermantown High School  
335 Hawk Circle Dr  
Hermantown, MN 55303

**INVOICE #** 1709  
**DATE** 07/29/2016  
**DUE DATE** 07/28/2016  
**TERMS** Due on receipt

| ACTIVITY   | AMOUNT    |
|--|-----------|
| Services<br>Resurfaced 4 Tennis courts as per contract dated 7/25/2016 | 20,800.00 |

**BALANCE DUE** **\$20,800.00**

A handwritten signature in black ink, appearing to read "Mike [Last Name]", is written over the bottom portion of the invoice.

**Resolution No. 2016-123**

**RESOLUTION APPROVING PAYMENT TO HERMANTOWN  
SCHOOL DISTRICT FOR RE-SURFACING THE TENNIS COURTS  
IN THE AMOUNT OF \$10,400**

WHEREAS, the Hermantown School District owns and maintains tennis courts; and

WHEREAS, the tennis courts are available for the general public to use; and

WHEREAS, the City has shared maintenance costs in the past; and

WHEREAS, the Park Board recommended the payment of \$10,400 to the Hermantown School.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Hermantown hereby approves the payment to the Hermantown School District for re-surfacing the tennis courts in the amount of \$10,400.

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:** September 27, 2016  
**SUBJECT:** Park User Agreement-  
Hermantown School District



**Meeting Date:** 10/3/16  
**Agenda Item:** 12-E  
**Resolution** 2016-124

---

**REQUESTED ACTION**

**Approval of park user agreements with the Hermantown School District**

---

**BACKGROUND**

The City has entered into user agreement with the School District for a number of years for the use of the fields at Fichtner Park. This is just one area where the City and the School District partner together for the greater community.

The only change from past agreements is that this covers three school years as opposed to just one.

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**SOURCE OF FUNDS (if applicable)**

N/A

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**ATTACHMENTS**

**Resolution & User Agreement**

**Resolution No. 2016-124**

**RESOLUTION AUTHORIZING AND DIRECTING MAYOR AND CITY CLERK TO EXECUTE AND DELIVER AGREEMENT FOR THE USE OF THE CITY OF HERMANTOWN ATHLETIC FIELDS WITH HERMANTOWN INDEPENDENT SCHOOL DISTRICT NO. 700**

WHEREAS, the City of Hermantown owns certain athletic fields; and

WHEREAS, the Hermantown Independent School District No. 700 desires to utilize fields applicable to its sport; and

WHEREAS, the City requires that any party using a City athletic field enters into an agreement governing such use; and

WHEREAS, the Hermantown Independent School District No. 700 desires to enter into the Agreement for a three year term expiring on December 31, 2018 with the City.

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

1. A three year Agreement with the Hermantown Independent School District No. 700 and Hermantown is hereby approved.
2. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such agreement on behalf of the City.

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.

**AGREEMENT FOR THE USE OF THE  
CITY OF HERMANTOWN ATHLETIC FIELDS**

THIS AGREEMENT is made between the CITY OF HERMANTOWN ("City") and INDEPENDENT SCHOOL DISTRICT NO. 700 ("School") serving the Hermantown area, in order to fix the respective rights and duties of the City and the School with regard to the use of the City Athletic Fields

City at considerable expense has allocated land belonging to the City for use as athletic fields ("City Athletic Fields"). In order that this facility be a properly developed site for athletic events including baseball, softball and related sports, City has caused the area to be graded and has installed proper fields with markers, fencing, lights, and appropriate facilities for the staging of such events.

City and School are each a governmental unit responsible for the proper discharge of its duties and functions. It is necessary, therefore, that some record be made allocating rights and duties with respect to the maintenance and use of the City Athletic Fields. Accordingly, the parties do agree as follows:

1. City hereby grants to School a license to use the City Athletic Fields at such times, scheduled a reasonable period in advance, as School may require the use of these facilities for practice or for the staging of school events, which Legion or VFW shall not be considered a school event. This license of usage includes the right to use the Fichtner Field-noted as field #1, the baseball field-noted as field #2, softball-noted as field #3, lights, parking area and all other facilities appurtenant to the City Athletic Fields. The City Superintendent shall be the sole judge with respect to the "usability" of the field.
2. School hereby agrees it will give reasonable advance notice of the scheduling of athletic practice and athletic events requiring the use of the City Athletic Fields, and does further agree that such usage, as it will make under this Agreement, will be done in a reasonable manner.

In consideration of this license for Five Thousand Dollars (\$5,000.00) and Four Thousand Six Hundred Dollars (\$4,600.00) for park maintenance, School agrees to pay the City the sum of Nine Thousand Six Hundred Dollars (\$9,600.00) for the 2016-2019 years, payable on or before November 30, of each year (2016-2017) 2017-2018) (2018-2019).

3. City reserves the right to grant a license for the use of the City Athletic Fields, subject to the limitations (a) when a license is granted for use of the City athletic fields, the Park Board will inspect the area prior to and after such use (b) that other users shall be required to restore the City Athletic Fields to the same condition which existed prior to their usage, (c) parties other than School shall not be given license for use at any time while School is in session when School has scheduled usage of the City Athletic Fields and when the use of the City Athletic Fields by such other party will conflict with the usage scheduled by the School of the City Athletic Fields and (d) reasonable advance notice of the request of others to use the City Athletic Fields shall be given by City to School while School is in session.
4. Property installed by City on the City Athletic Fields shall be and remain the property of the City.
5. Except as School is permitted under law to make a grant or gift of the same, property installed by School for use in connection with City Athletic Fields shall be and remain the property of School including the maintenance thereof.
6. Maintenance of the City Athletic Fields shall be the responsibility of the City, however the School also agrees to certain duties and functions in relationship to the use of the athletic fields. Listed below are the agreed responsibilities:

**CITY MAINTENANCE ITEMS:**

- I. FICHTNER FIELD COMPLEX: Fields 1, 2 & 3
  - (1) mowing;
  - (2) necessary watering;
  - (3) fertilization, as needed;
  - (4) seeding, filling and grooming, when necessary;
  - (5) weed control;
  - (6) other routine maintenance items, which excludes dragging infields and chalking lines for games

**SCHOOL DUTIES AND RESPONSIBILITIES:**

- (1) Prepare field for school events and school games
- (2) Provide custodial services in order to maintain all of the buildings during and following school events;
- (3) Remove trash following school events.

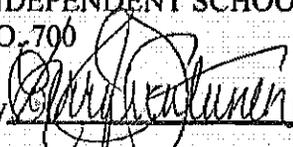
7. Structural maintenance and structural repair of the facilities of the City Athletic Fields shall be the responsibility of the City. Such structural maintenance and structural repair shall include the following:
  - (1) major repair and maintenance of fields 1, 2, & 3
  - (2) repair and maintenance of backstops, fences and dugouts
  - (3) repair and maintenance of all scoreboards.
  
8. All of the athletic facilities at the City Athletic Fields shall be inspected by representatives of City and School semi-annually in April and in August. Following such inspection, the representatives conducting the inspection shall make recommendations to City and School as to any improvements or repairs that should be made to the athletic facilities at the City Athletic Fields.
  
9. The School cannot sublease, or grant use of the facilities, with the exception of Minnesota State High School League activities, without prior request and approval of the Park Board.
  
10. School shall, during the term of this Agreement, maintain comprehensive property damage and liability insurance that names City as an additional insured and has a combined single limit of coverage of at least One Million Dollars Two Hundred Thousand (\$1,200,000). School shall provide City with a certificate evidencing that insurance is in force and effect with such certificate indicating that the insurance evidenced by such certificate shall not be canceled, materially altered or not renewed without thirty (30) days prior written notice of such cancellation, material alteration or non-renewal being given to City.
  
11. All receipts and disbursements in connection with athletic events sponsored by or performed pursuant to authority granted by School shall be for the account of School. All other receipts shall be for the account of City.
  
12. The cost of facilities and expenses, other than those, which School has agreed to assume, shall be for the account of City.

IN WITNESS WHEREOF, City and School have each authorized the ratification of this Agreement and have caused the same to be executed by their appropriate officers this 21<sup>TH</sup> day of SEPTEMBER, 2016.

CITY OF HERMANTOWN

By \_\_\_\_\_  
 Its Mayor

INDEPENDENT SCHOOL DISTRICT

NO. 700  
 By   
 Its SUPERINTENDENT

**TO:** Mayor & City Council  
**FROM:** John Mulder, City Administrator  
**DATE:** September 28, 2016  
**SUBJECT:** Pay Request # 1 Reinke Road



**Meeting Date:** 10/03/2016  
**Agenda Item:** Resolution 2016-125  
9-C

---

**REQUESTED ACTION**

Adopt a resolution approving Pay Request #1 for Street Improvement District No. 527-N; Reinke Road Culvert in the amount of \$71,462.80 to A Plus Landscaping, LLC

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**BACKGROUND**

This is the first pay request for the Reinke Road Culvert project

**SOURCE OF FUNDS (if applicable)**

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**ATTACHMENTS**

Resolution  
Pay Estimate



Structural, Civil and Forensic Engineering

Pay Estimate #1 - 9/28/2016  
REINKE ROAD MIDWAY RIVER CULVERT REPLACEMENT

| Item # | Note No. | Spec. No. | Item Description  | Unit of Measure | Unit Price   | Contract         |                  | Completed    |            | % Complete |
|--------|----------|-----------|---|-----------------|--------------|------------------|------------------|--------------|------------|------------|
|        |          |           |   |                 |              | Total Quantities | Total Quantities | Total Cost   | Total Cost |            |
| 1      |          | 2021.501  | MOBILIZATION  | LS              | \$ 10,000.00 | 1.00             | 1.00             | \$ 10,000.00 |            | 100%       |
| 2      | 1        | 2104.501  | REMOVE METAL CULVERT                                      | L F             | \$ 10.00     | 65.00            | 65.00            | \$ 650.00    |            | 100%       |
| 3      | 2        | 2105.501  | COMMON EXCAVATION   | C Y             | \$ 10.00     | 400.00           | 398.00           | \$ 3,980.00  |            | 100%       |
| 4      |          | 2105.522  | SELECT GRANULAR BORROW MOD 7% (CV)                        | C Y             | \$ 28.00     | 55.00            | -                | \$ -         |            | 0%         |
| 5      |          | 2105.601  | DEWATERING  | LS              | \$ 2,500.00  | 1.00             | 1.00             | \$ 2,500.00  |            | 100%       |
| 6      | 3        | 2118.501  | AGGREGATE SURFACING (CV) CLASS 5                          | C Y             | \$ 25.00     | 80.00            |                  | \$ -         |            | 0%         |
| 7      | 4        | 2411.521  | GRANULAR BACKFILL (CV)                                    | C Y             | \$ 16.00     | 280.00           | 259.00           | \$ 4,144.00  |            | 100%       |
| 8      | 2        | 2412.511  | 6 X 4 PRECAST CONCRETE BOX CULVERT                        | L F             | \$ 700.00    | 36.00            | 36.00            | \$ 25,200.00 |            | 100%       |
| 9      | 5        | 2412.512  | 6 X 4 PRECAST CONCRETE BOX CULVERT END SECTION (MODIFIED) | EACH            | \$ 7,000.00  | 2.00             | 2.00             | \$ 14,000.00 |            | 100%       |
| 10     | 6        | 2451.511  | COARSE FILTER AGGREGATE (CV)                              | C Y             | \$ 25.00     | 50.00            | 34.00            | \$ 850.00    |            | 68%        |
| 11     | 2        | 2501.511  | 36" RC PIPE CULVERT                                       | L F             | \$ 150.00    | 26.00            | 26.00            | \$ 3,900.00  |            | 100%       |
| 12     |          | 2501.515  | 36" RC PIPE APPON   | EACH            | \$ 2,000.00  | 2.00             | 2.00             | \$ 4,000.00  |            | 240%       |
| 13     |          | 2511.501  | RANDOM RIPRAP CLASS III                                   | C Y             | \$ 75.00     | 25.00            | 60.00            | \$ 4,500.00  |            | 240%       |
| 14     |          | 2573.502  | SILT FENCE TYPE HI  | L F             | \$ 2.50      | 400.00           | 400.00           | \$ 1,000.00  |            | 100%       |
| 15     | 7        | 2575.555  | TURF ESTABLISHMENT  | LS              | \$ 500.00    | 1.00             | 1.00             | \$ 500.00    |            | 100%       |
| 16     | 8        | 2575.571  | RAPID STABILIZATION METHOD 3                              | M GAL           | \$ 2,000.00  | 0.10             | -                | \$ -         |            |            |

This is to certify that the items of work shown in this estimate have been actually furnished and completed for this project in accordance with the plans and specifications.

|               |              |
|---------------|--------------|
| AMOUNT EARNED | \$ 75,224.00 |
| 5% RETAINAGE  | \$ 3,761.20  |
| PAYMENT #1    | \$ 71,462.80 |

|   |      |
|---|------|
| Approved  | Date |
| Project Engineer - Thomas P. DesMarais, P.E. Northland Consulting Engineers LLP   | Date |
| Approved  | Date |
| Herrington City Engineer - David G. Boff, P.E. Northland Consulting Engineers LLP | Date |
| Accepted  | Date |
| A-1 Landscaping LLC   | Date |

**Resolution No. 2016-125**

**RESOLUTION APPROVING PAY REQUEST NUMBER 1 FOR STREET IMPROVEMENT DISTRICT NO. 527-N REINKE ROAD CULVERT TO A PLUS LANDSCAPING, LLC IN THE AMOUNT OF \$71,462.80**

WHEREAS, the City of Hermantown has contracted with A Plus Landscaping, LLC for construction of Street Improvement District No. 527-N Reinke Road Culvert ("Project:"); and

WHEREAS, A Plus Landscaping, LLC has performed a portion of the agreed upon work in said Project; and

WHEREAS, A Plus Landscaping, LLC has submitted Pay Request No.1 in the amount of \$71,462.80; and

WHEREAS, Northland Consulting Engineers, LLP has approved such Pay Request No. 1 provided that 5% of the amount appearing on such Pay Request No. 1 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. 1 is hereby approved.
2. The City is hereby authorized and directed to pay to A Plus Landscaping, LLC the sum of \$71,462.80 which is the amount represented on Pay Request No. 1 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.

**TO:** Mayor & City Council  
**FROM:** John Mulder, City Administrator  
**DATE:** September 28, 2016  
**SUBJECT:** Pay Request # 1 Ugstad Road



**Meeting Date:** 10/03/2016  
**Agenda Item:** Resolution 2016-126  
9-C

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**REQUESTED ACTION**

Adopt a resolution approving Pay Request #1 for Street Improvement District No. 526-N; Ugstad Road Culvert in the amount of \$107,082.86 to KGM Contractors, Inc.

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**BACKGROUND**

This is the first pay request for the Ugstad Road Culvert project

**SOURCE OF FUNDS (if applicable)**

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**ATTACHMENTS**

Resolution  
Pay Estimate



Subaru, Central Forestry Engineering

Pay Estimate #1 - 9/28/2016  
UGSTAD ROAD BRIDGE 69K49 CONSTRUCTION

| Item # | Note No. | Spec. No. | Item Description   | Unit of Measure | Unit Price   | Contract Total Quantities | Completed Total Quantities | Completed Total Cost | % Complete |
|--------|----------|-----------|--|-----------------|--------------|---------------------------|----------------------------|----------------------|------------|
| 1      |          | 2021.501  | MOBILIZATION   | LS              | \$ 14,000.00 | 1.00                      | 1.00                       | \$ 14,000.00         | 100%       |
| 2      |          | 2104.501  | REMOVE METAL CULVERT                                       | LF              | \$ 16.00     | 80.00                     | 80.00                      | \$ 1,280.00          | 100%       |
| 3      |          | 2104.505  | REMOVE BITUMINOUS PAVEMENT                                 | SY              | \$ 3.25      | 690.00                    | 690.00                     | \$ 2,242.50          | 100%       |
| 4      |          | 2104.513  | SAVING BITUMINOUS PAVEMENT (FULL DEPTH)                    | LF              | \$ 3.10      | 48.00                     | 48.00                      | \$ 148.80            | 100%       |
| 5      |          | 2104.523  | SALVAGE SIGN   | EACH            | \$ 59.00     | 4.00                      | 4.00                       | \$ 236.00            | 100%       |
| 6      |          | 2105.501  | COMMON EXCAVATION  | CY              | \$ 14.00     | 175.00                    |                            | \$ -                 | 0%         |
| 7      |          | 2105.522  | SELECT GRANULAR BORROW MOD 7% (CV)                         | CY              | \$ 17.20     | 150.00                    |                            | \$ -                 | 0%         |
| 8      |          | 2105.601  | DEWATERING   | LS              | \$ 2,750.00  | 1.00                      | 1.00                       | \$ 2,750.00          | 100%       |
| 9      |          | 2105.601  | TEMPORARY STREAM DIVERSION SYSTEM                          | LS              | \$ 4,000.00  | 1.00                      | 1.00                       | \$ 4,000.00          | 100%       |
| 10     |          | 2105.804  | GEOTEXTILE FABRIC TYPE V                                   | SY              | \$ 3.00      | 625.00                    | 345.00                     | \$ 1,035.00          | 55%        |
| 11     |          | 2211.503  | AGGREGATE BASE (CV) CLASS 5                                | CY              | \$ 25.00     | 120.00                    |                            | \$ -                 | 0%         |
| 12     |          | 2221.503  | SHOULDER BASE AGGREGATE (CV) CLASS 5                       | CY              | \$ 40.00     | 60.00                     |                            | \$ -                 | 0%         |
| 13     |          | 2360.501  | TYPE SP 9.5 WEARING COURSE MIXTURE (3.C)                   | TON             | \$ 90.00     | 90.00                     | 86.00                      | \$ 7,740.00          | 96%        |
| 14     |          | 2360.502  | TYPE SP 12.5 NON WEARING COURSE MIXTURE (3.B)              | TON             | \$ 90.00     | 90.00                     | 86.00                      | \$ 7,740.00          | 96%        |
| 15     |          | 2411.521  | GRANULAR BACKFILL (CV)                                     | CY              | \$ 15.00     | 835.00                    |                            | \$ -                 | 0%         |
| 16     |          | 2412.511  | 12 X 7 PRECAST CONCRETE BOX CULVERT                        | LF              | \$ 935.00    | 40.00                     | 40.00                      | \$ 37,400.00         | 100%       |
| 17     |          | 2412.512  | 12 X 7 PRECAST CONCRETE BOX CULVERT END SECTION (MODIFIED) | EACH            | \$ 9,600.00  | 2.00                      | 2.00                       | \$ 19,200.00         | 100%       |
| 18     |          | 2451.511  | COARSE FILTER AGGREGATE (CV)                               | CY              | \$ 35.00     | 110.00                    |                            | \$ -                 | 0%         |
| 19     |          | 2501.501  | CULVERT EXCAVATION CLASS U                                 | CY              | \$ 10.50     | 640.00                    | 530.00                     | \$ 6,615.00          | 98%        |
| 20     |          | 2511.501  | RANDOM RIPRAP CLASS III                                    | CY              | \$ 52.00     | 30.00                     | 30.00                      | \$ 1,560.00          | 100%       |
| 21     |          | 2563.601  | TRAFFIC CONTROL  | LS              | \$ 2,000.00  | 1.00                      | 1.00                       | \$ 2,000.00          | 100%       |
| 22     |          | 2564.602  | INSTALL SIGN   | EACH            | \$ 59.00     | 4.00                      | 2.00                       | \$ 118.00            | 50%        |
| 23     |          | 2573.502  | SILT FENCE TYPE HI   | LF              | \$ 4.25      | 570.00                    | 506.00                     | \$ 2,150.50          | 89%        |
| 24     |          | 2575.555  | TURF ESTABLISHMENT   | LS              | \$ 2,200.00  | 1.00                      | 1.00                       | \$ 2,200.00          | 100%       |
| 25     |          | 2575.571  | RAPID STABILIZATION METHOD 3                               | MGAL            | \$ 1,280.00  | 1.00                      | -                          | \$ -                 | 0%         |
| 26     |          | 2582.502  | 4" DOUBLE SOLID LINE PAINT (YELLOW)                        | LF              | \$ 2.10      | 270.00                    | -                          | \$ -                 | 0%         |
| 27     |          | 2582.502  | 4" SOLID LINE PAINT (WHITE)                                | LF              | \$ 1.05      | 540.00                    | -                          | \$ -                 | 0%         |

This is to certify that the items of work shown in this estimate have been actually furnished and completed for this project in accordance with the plans and specifications.

Approved

Project Engineer: Tom Deslauris, P.E. Northland Consulting Engineers LLP

Date

Approved

Hammett, City Engineer: David Bell, P.E. Northland Consulting Engineers LLP

Date

Accepted

KGM Contractors Inc.

Date

|               |               |
|---------------|---------------|
| AMOUNT EARNED | \$ 112,718.80 |
| 5% RETAINAGE  | \$ 5,635.94   |
| PAYMENT #1    | \$ 107,082.86 |

**Resolution No. 2016-126**

**RESOLUTION APPROVING PAY REQUEST NUMBER 1 FOR STREET IMPROVEMENT DISTRICT NO. 526-N UGSTAD ROAD CULVERTS TO KGM CONTRACTORS, INC. IN THE AMOUNT OF \$107,082.86**

WHEREAS, the City of Hermantown has contracted with KGM Contractors, Inc. for construction of Street Improvement District No. 526-N Ugstad Road Culvert ("Project:"); and

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

WHEREAS, KGM Contractors, Inc. has submitted Pay Request No.1 in the amount of \$107,082.86; and

WHEREAS, Northland Consulting Engineers, LLP has approved such Pay Request No. 1 provided that 5% of the amount appearing on such Pay Request No. 1 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. 1 is hereby approved.
2. The City is hereby authorized and directed to pay to KGM Contracts, Inc. the sum of \$107,082.86 which is the amount represented on Pay Request No. 1 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.

**Resolution No. 2016-127**

**RESOLUTION AUTHORIZING THE PUBLICATION OF A SUMMARY  
OF AN ORDINANCE AMENDING THE HERMANTOWN ZONING REGULATIONS BY  
REPLACING CHAPTER 10, "LAND SPLITS AND PLATTING" AND AMENDING CHAPTER  
2, DEFINITIONS**

WHEREAS, the City Council has adopted Ordinance No. 2016-56, an Ordinance amending the Hermantown Zoning Regulations by deleting Chapter 10 Subdivision Regulations in its entirety and replace it with a revised Chapter 10. "Land Splits and Platting" and amend Chapter 2, Definitions by deleting Sections 200.01.97 through 200.01.97.6 pertaining to definitions for subdivisions; and

WHEREAS, Minnesota Statutes Section 412.191, Subd. 4 (2009) authorizes the City Council to publish a summary of lengthy ordinances upon a four-fifths vote of its members; and

WHEREAS, the Ordinance is quite lengthy and detailed; and

WHEREAS, the City Council desires to publish a summary of the Ordinance; and

WHEREAS, a summary of the Ordinance has been prepared and attached hereto as Exhibit A;  
and

WHEREAS, a copy of the full text of the Ordinance is available for review at the Hermantown City Offices, 5105 Maple Grove Road, Hermantown, MN 55811 during regular business hours.

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

1. That a summary attached hereto as Exhibit A of the Ordinance be published in lieu of the publication of the entire Ordinance; and
2. The City Council hereby authorizes and directs the City Administrator to publish the summary attached hereto as Exhibit A once in the Hermantown Star.

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.

**EXHIBIT "A"**

**SUMMARY OF ORDINANCE NO. 2016-56, AN ORDINANCE AMENDING THE  
HERMANTOWN ZONING REGULATIONS BY REPLACING CHAPTER 10, "LAND SPLITS  
AND PLATTING" AND AMENDING CHAPTER 2, DEFINITIONS**

The City Council of Hermantown, Minnesota has approved Ordinance No. 2016-56, and an ordinance amending Hermantown Zoning Regulations Chapter 10, "Land Splits and Platting" and Chapter 2, Definitions

**Section 1000.** Establishes the purpose of Chapter 10, "Land Splits and Platting".

**Section 1005.** Establishes definitions for terms used in Chapter 10.

**Section 1010.** Establishes processes and requirements for administrative land splits, creation of flag lots, and platting.

**Section 1015.** Establishes procedures for filing, review, and approval of plats.

**Section 1020.** Establishes design standards for plats.

**Section 1025.** Establishes the collection of park dedication fees in lieu of land dedication.

**Section 1030.** Establishes required public improvements to be installed with plats.

**Section 1035.** Establishes requirements for development agreements and financial security.

**Section 1040.** Establishes a requirement that applicants pay certain city costs to review plats.

**Section 1045.** . Establishes process and requirements for variances.

**Section 1050.** Establishes violations and enforcement procedures

Ordinance No. 2016-XX also amends Chapter 2, Definitions by deleting Sections 200.01.97 through 200.01.97.6 pertaining to definitions for subdivisions

The foregoing is a summary of a lengthy and detailed Ordinance. The full text of the Ordinance is on file in the office of the City Clerk of the City of Hermantown, 5105 Maple Grove Road, Hermantown, MN 55811, during regular business hours.

If there are any inconsistencies between this summary and the full text of the Ordinance, the terms of the full Ordinance shall govern.

The Ordinance is effective as of the date of publication of this summary.