

CITY OF HERMANTOWN

AGENDA

**Preliminary Agenda Meeting Monday, October 17, 2016 @ 5:00 p.m. –
Large Conference Room**

**City Council Continuation Meeting October 17, 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.)*
 - A. **Mobile Home Park Closure**

2016-128 Resolution Regarding Closure Statement For Williams Drive Mobile Home Park

(motion, roll call)
6. **COMMUNICATIONS**
7. **PRESENTATIONS** *(Department Heads may give reports if necessary)*
 - A. 2017 Proposed Budget Cuts
 - B. Debt Service Budgets
 - C. Special Revenue Budgets
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 October 3, 2016 City Council Meeting

B. Accounts Payable – Approve general city warrants from October 1, 2016 through October 15, 2016 in the amount of \$593,666.88

C. Resolutions

2016-129 Resolution Approving Pay Request Number 5 For Street Improvement District No. 524-N S.A.P. 202-103-009 Stebner Road To Ulland Brothers, Inc. In The Amount Of \$256,776.57

(motion, roll call)

10. MOTIONS

11. ORDINANCES

A. 2016-57 An Ordinance Amending Section 730 – Firearms And Other Dangerous Weapons Of The Hermantown City Code

First Reading

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. 2016-130 Resolution Receiving Quotations And Awarding Contract For New Garage To Zierden Builders In The Amount Of \$23,930

(motion, roll call)

B. 2016-131 Resolution Receiving Quotations And Awarding Contract For Two New Overhead Garage Doors In The Amount Of \$3,755

(motion, roll call)

C. 2016-132 Resolution Re-Establishing A Five Year Priority List For Minnesota State Aid Construction

(motion, roll call)

D. 2016-133 Resolution Approving Request For Proposals (HEREIN "RFP") For Engineering Services For Street Improvement District No. 528-N Market Street And Loberg Road (Haines Road To Wal-Mart Entrance)

(motion, roll call)

E. 2016-134 Resolution Authorizing And Directing The Mayor And City Clerk To Execute And Deliver A First Amendment To Development Agreement With JLG Enterprises Of Hermantown, LLP

(motion, roll call)

- F. 2016-135** Resolution Authorizing And Directing The Mayor And City Clerk To Execute And Deliver A Separation Agreement And Release Of Claims And Re-Affirmation Agreement On Behalf Of The City Of Hermantown

(motion, roll call)

13. RECESS

CITY COUNCIL

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

Monday, October 17, 2016 – 6:30 p.m.

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

Public Notice

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

Resolution No. 2016-128

**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.

**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, _____

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

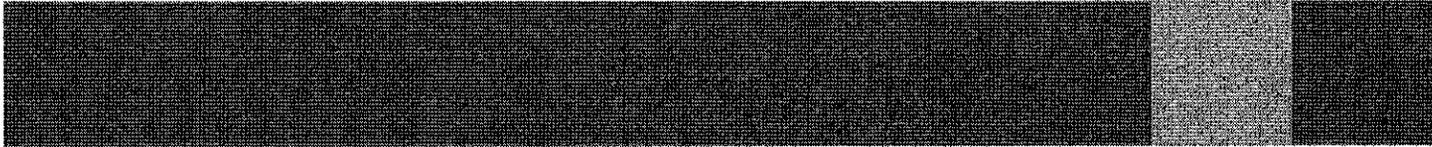
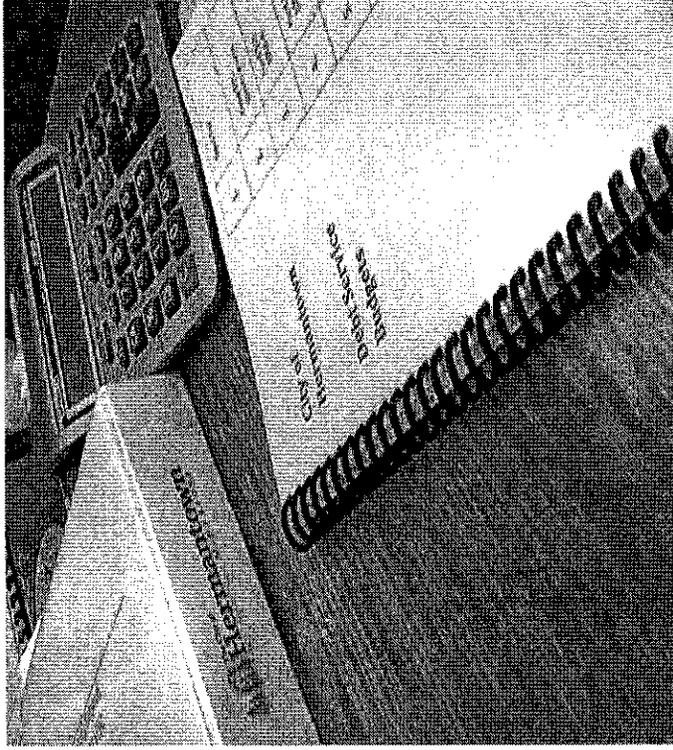
CORRESPONDENCE

<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
10/4/2016	16-213	Minnesota Energy Resources	City of Hermantown	Winter Construction & Frost Charges	9/29/2016
10/5/2016	16-214	Paul Senst, Public Works Director	Chris Skorseth	Future Utility Hookups	10/5/2016
10/5/2016	16-215	Deb Putney, St. Louis County Land & Minerals Dept.	City of Hermantown	Free Conveyance, City of Hermantown, W 418.91 ft of Lot 1, Blk 16, Duluth Homesteads Subdivision Plat Hermantown	10/4/2016

CORRESPONDENCE

<u>DATE</u>	<u>LOG #</u>	<u>FROM</u>	<u>TO</u>	<u>REGARDING</u>	<u>FILED</u>
10/12/2016	16-216	WLSSD	Minneosta Pollution Control Agency	Discharge Monitoring Report	10/12/2016
10/12/2016	16-217	WLSSD	John Mulder, City Administrator	2017 Budget	10/4/2016

City of Hermantown 2017 Debt Service Budgets Talking Points



Overall

- City has just under \$20 million in bond debt
- Debt expires between 2021 and 2034
- Annually the City pays \$2.2 million
- Sales Tax covers \$1.48 million or 67%
- Tax Levy covers only 3% of bond expense
- City refunded two bonds in 2016 for a total interest savings of approx \$1.3 million
- Debt Study prepared by Ehlers in 2016 indicates City is in good position with paying off current debt

Sales Tax (Fund 240)

- Technically, this is not a Debt Service Fund, but is included because its primary use is to fund Debt payments
- More than enough revenue to close this gap if allowed.

Fund 315

- Covered by Sales Tax
- Steady as it goes
- No transfers needed
- Was Series 2006A now 2016B
- Refunded in 2016 and will save almost a million in interest

Fund 316-322

- Five bonds
- Refunded 2007A and 2007B (Funds 316 & 317) with a new bond 2014A (Fund 322)
- Refunded 2009A...now 2016A (Fund 318) in 2016 with a savings of approx \$300,000

Fund 350

Special Deficiency Fund

- Assessment Projects without Bonds
- Not a long term solution without some additional income or transfers from other sources

Going Forward

- Tax levy
- Maximize investments of City Funds
- Continue to monitor
- Continued review by Ehler's

**City of Hermantown
Debt Service budgets
October 2016**

Included in this booklet are the budget sheets for each of the debt services funds. (Funds numbered in the 300's).

Sales Tax Budget (Fund 240) technically, is not a debt service budget, but a Special Revenue Fund, but is included in this budget booklet because the revenue is used primarily for debt service through transfers out of this fund to the various debt service funds as allowed per the statutes regarding the use of the sales tax revenue. Per the statutes, "The proceeds of the tax imposed under this section must be used to meet the costs of: (1) extending a sewer interceptor line; (2) construction of a booster pump station, reservoirs, and related improvements to the water system; and (3) construction of a building containing a police and fire station and an administrative services facility.

Fund 301 is used to account for the City's certificates of indebtedness used to finance equipment purchases.

The City currently has 6 bonds outstanding. (Funds 315 – 322). The bonds in Funds 316 and 317 were refinanced and combined into Fund 322 at the end of 2014. In 2016, the bonds in fund 315 were refunded. The first payment on the new 2016B bonds will be Feb 1, 2017. The new true interest rate is 1.353%. In addition, an advance refunding was done on the bonds in fund 318 in 2016. Those bonds will be called Feb 1, 2018. The new interest rate will be 1.5594%. For Funds 315-322, each fund represents a bond issued by the City for various projects.

Table 1.

Fund	Cert of Indebt	Original Principal	Interest Rate	Expires	Optional Call Date
301				2018	
315	2006A	6,895,000	4.04	2027	2/1/2017 Called
318	2009A GO	4,160,000	3.48	2030	2/1/2018 Called
319	2010A GO	3,070,000	2.74	2031	2/1/2019
320	2012A GO	1,915,000	1.93	2026	2/1/2020
321	2012B GO	3,020,000	2.2436	2034	2/1/2021
322	2014A GO	2,170,000	2.207	2028	
		21,230,000			

Each fund has a tab, and included for each fund are the following:

- Brief Description
- Revenue and Expenditure

Fund 315 is funded 100% by sales tax, and the sales tax revenue is more than adequate to cover the cost of debt service.

Fund 350 is referred to as the Special Deficiency Fund. This fund accounts for accumulated resources to make debt payments when special assessments have been deferred.

These budgets are presented separately to the City Council at this time to provide some additional information to the City Council and to make you aware of the challenges the City faces in balancing the debt service budgets. No action is required at this time as these budgets are part of the overall budget that will be presented to the City Council for adoption in December 2016.

Table 2

Fund	Cert of	Expenditures				Revenues														
		Principal	Interest	Payment	Fiscal Agent Fees	Tax Levy	Tax Assessments	Sales Tax	Sewer Fund	Water Fund	Special Deficiency	Total								
301	Indebt	48,297	1,250	49,547		49,547														
315	2006A	475,000	205,054	680,054	944	680,998	698,807													
316	2007A	-	-																	
317	2007B	-	-																	
318	2009A GO	300,000	138,656	438,656	944	439,600	140,869	153,907	25,285	36,384										435,195
319	2010A GO	315,000	74,319	389,319	944	390,263	105,418	180,188	23,503	23,503	27,806									360,418
320	2012A GO	150,000	29,798	179,798	944	180,742	45,036	197,539												242,575
321	2012B GO	140,000	62,094	202,094	944	203,038	135,104	40,119												175,223
322	2014A GO	215,000	46,050	261,050	750	261,800	44,404	215,000	6,050	6,050										271,504
		1,643,297	557,221	2,200,518	5,470		470,831	1,485,560	54,838	65,937	27,806									
		Total Exp				2,205,988	Total Rev				2,233,269									

Fund 240 - City Sales Tax Fund

Accounts for the City sales tax collected that is authorized by the Minnesota State Legislature to fund the construction of a city administrative services/public safety facility, Hermantown sewer trunk line and water infrastructure improvements. The Hermantown City Sales Tax rate was increased from .5% to 1%. Voters approved the increase in the 2012 General Election. Collections at the 1% rate were effective April 1, 2013.

Per the statutes, the proceeds of the tax imposed under this section must be used to meet the costs of: (1) extending a sewer interceptor line; (2) construction of a booster pump station, reservoirs, and related improvements to the water system; and (3) construction of a building containing a police and fire station and an administrative services facility.

Year	Sales Tax			
	Beginning Fund Balance	Income	Expense	Ending Fund Balance
2008	3,407,806	1,220,941	1,564,386	3,064,361
2009	3,064,361	1,178,603	2,406,133	1,836,831
2010	1,836,831	1,187,834	1,345,450	1,679,215
2011	1,679,215	1,194,165	1,336,440	1,536,940
2012	1,536,940	1,219,011	1,326,469	1,429,482
2013	1,429,482	2,015,157	1,637,162	1,807,477
2014	1,807,477	2,579,577	1,498,838	2,888,214
2015	2,888,214	2,737,305	1,565,543	4,059,976
2016	4,059,976			

	Transfer out for Debt Service
Fund	
301 Cert of Indebt	
315 2006A	698,807
316 2007A	
317 2007B	
318 2009A GO	153,907
319 2010A GO	180,188
320 2012A GO	197,539
321 2012B GO	40,119
322 2014A GO	<u>215,000</u>
	<u>1,485,560</u>

240 City Sales Tax Fund

Account	2013	2014	2015	2016	Current Budget 2016	% Rec. 2016	Prelim. Budget 17	Budget Change 17	Final Budget 17	% Old Budget 17
313100 City Sales Tax										
313100 City Sales Tax										
2014 Budget 2,410,000										
2013 Budget 2,119,000										
2012 Budget 1,100,000										
Actual 1,206,110										
Actual 2,056,614	2,056,614	2,511,209	2,720,350	2,008,679	2,500,000	80%	2,800,000		2,800,000	112%
Group:	2,056,614	2,511,209	2,720,350	2,008,679	2,500,000	80%	2,800,000	0	2,800,000	112%
362100 Investment Interest										
362100 Investment Interest										
15,432	15,432	13,409	17,190	25,047	15,000	167%	20,000		20,000	133%
1,313	1,313	1,901	2,005		1,000	0%	1,000		1,000	100%
-58,203	-58,203	53,057	-2,240	16,968	0	***%			0	0%
Group:	-41,458	68,367	16,955	42,015	16,000	263%	21,000	0	21,000	131%
Fund:	2,015,156	2,579,576	2,737,305	2,050,694	2,516,000	82%	2,821,000	0	2,821,000	112%

240 City Sales Tax Fund

Account Object	2013	2014	2015	2016	Current Budget 2016	% Exp. 2016	Prelim. Budget 17	Budget Changes 17	Final Budget 17	% Old Budget 17
413200 City Administrator			27,401	21,251	29,303	73%	29,876		29,876	102%
101 Full-Time Employees - Reg	25,073	26,228								
25% Mulder salary			2,055	1,594	2,198	73%	2,139		2,139	97%
121 PERA Contributions - Coord	1,818	1,904								
7.50%			1,765	1,365	1,817	75%	1,852		1,852	102%
128 Social Security	1,627	1,693								
6.2%			413	319	425	75%	433		433	102%
1.45%										
131 Health Insurance	5,211	5,007	4,977	4,476	5,430	82%	5,728		5,728	105%
133 Life Insurance	22	45	71	49	71	69%	65		65	92%
134 Disability Insurance	120	121	122	88	122	72%	117		117	96%
151 Workers Compensation	134	161	196	213	226	94%	45		45	20%
315 School & Conference					200	0%				0%
25% of conference, IMC, City Managers, etc.										
331 Travel Expense	1,620	1,620	1,620	1,194	1,620	74%	1,620		1,620	100%
25% Mulder travel \$540/monthly x 25% = 1620										
720 Transfer Out	1,601,156	1,461,038	1,354,861	1,409,659	1,409,659	100%	1,500,560		1,500,560	106%
2017 -										
2016										
fund 101 \$15,000										
fund 315 \$698,807										
fund 318 \$153,907										
fund 319 \$180,188										
fund 320 \$197,539										
Fund 321 \$40,119										
Fund 322 \$68,231										
Account:	1,637,161	1,498,213	1,393,481	1,440,208	1,451,071	99%	1,542,435	0	1,542,435	106%
431150 Street Improvements										
308 Legal Fees				2,849	0	***%				0%
Account:				2,849	0	***%				0%
494300 Water Distribution										
305 Engineer Fees			625	6,938	10,000	69%	10,000		10,000	100%
310 Recording/Filing Fees			46		0	0%			0	0%
530 Improvements Other Than B			159,656		0	0%			0	0%
Account:			625	6,938	10,000	69%	10,000	0	10,000	100%
Fund:	1,637,161	1,498,838	1,565,545	1,449,995	1,461,071	99%	1,552,435	0	1,552,435	106%

Fund 301 – Certificate of Indebtedness

Accounts for the accumulated resources from tax levy to pay the interest and principal payments on the Certificate of Indebtedness. In the past the Certificate of Indebtedness was issued to purchase large pieces of equipment. In 2015, the City made the final payment on the 2013 International Dump Truck including dump box, sander, & plow equipment. The City is currently financing the purchase of the motor grader.

This may be a tool to fund the large Public Works equipment going into the future.

Amortization Schedule

Date	Payments		Annual Payments
	Snow Plow	Motor Grader	
2/1/2017		\$ 24,773.37	
8/1/2017		\$ 24,773.37	\$ 49,546.74
2/1/2018		\$ 24,773.37	\$ 24,773.37

Budget Detail

301 Equipment Debt Service

Account	2013	2014	2015	2016	Current Budget 2016	% Rec. 2016	Prelim. Budget 17	Budget Change 17	Final Budget 17	% Old Budget 17
310100 Current Year Taxes	39,800	39,784		28,832	49,547	58%	49,547		49,547	100%
310100 Current Year Taxes										
Last payment 2/1/18										
2016 Motor Grader \$52,155 x .95 = \$49,547										
2015 Levy \$40,239 x .95 = 38,227										
Snow Plow \$20,239 x .95 = 19,227										
Motor Grader \$20,000 x .95 = 19,000										
Use Fund Balance for the difference= 30,617										
Group:	39,800	39,784		28,832	49,547	58%	49,547	0	49,547	100%
310200 Delinquent Taxes										
310200 Delinquent Taxes	809	623			600	0%			0	0%
Group:	809	623			600	0%	0	0	0	0%
393400 Proceeds from Certificate of Indebtedness										
393400 Proceeds from Certificate		167,000			0	0%			0	0%
Group:		167,000			0	0%	0	0	0	0%
Fund:	40,609	207,407		28,832	50,147	57%	49,547	0	49,547	98%

Account Object	2013	2014	2015	2016	Current Budget 2016	% Exp. 2016	Prelim. Budget 17	Budget Changes 17	Final Budget 17	% Old Budget 17
301 Equipment Debt Service										
431100 Street Department		167,000				0 0%				0 0%
543 Heavy Equipment		167,000				0 ***%				0 0%
Account:										
471000 Debt Service										
603 Principal/Short Term Debt	36,351	37,312	65,956	47,053	47,266	100%	48,297		48,297	102%
Motor Grader 48,297										
from audit										
613 Interest/Short Term Debt	2,199	1,238	2,589	2,494	2,281	109%	1,250		1,250	55%
Motor Grader										
Account:	38,550	38,550	68,545	49,547	49,547	100%	49,547	0	49,547	100%
Fund:	38,550	205,550	68,545	49,547	49,547	100%	49,547	0	49,547	100%

Fund 315 – Public Project Revenue Bonds, Series 2006A (Will be 2016B)

The Public Project Revenue Bonds, Series 2006A were issued in December of 2006 in the original amount of \$9,630,000, carry a net interest rate of 4.04% and mature in 2027. The bonds were used to refinance the Public Project Revenue Bonds, Series 1998 (Police/Fire Building) and to construct an administrative services addition to the public safety facility. The debt is being paid by city sales tax collections. No levy. In 2016, the bonds in fund 315 were refunded. The first payment on the new 2016B bonds will be Feb 1, 2017. The new true interest rate is 1.353%. This will save the City future value savings in the amount of \$999,957.

Amortization Schedule

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	475,000	205,054	680,054
2018	485,000	140,025	625,025
2019	500,000	125,250	625,250
2020	510,000	110,100	620,100
2021	530,000	94,500	624,500
2022	545,000	78,375	623,375
2023	560,000	61,800	621,800
2024	575,000	44,775	619,775
2025	595,000	27,225	622,225
2026	610,000	9,150	619,150
Total	5,385,000	896,254	6,281,254

Budget Detail

Account	Actuals			Current Budget 2016	% Rec. 2016	Prelim. Budget 17	Budget Change 17	Final Budget 17	% Old Budget 17
	2013	2014	2015						
315 2006 Governmental Services Facility Bond									
362100 Investment Interest			2		0 0%				0 0%
362160 Gain (Loss) on Sale of			2		0 0%				0 0%
Group:									
392000									
392010 Transfers In	687,173	736,008	660,008	698,807	698,807 100%	698,807		698,807	100%
sales tax	687,173	736,008	660,008	698,807	698,807 100%	698,807	0	698,807	100%
Group:									
Fund:	687,173	736,008	660,010	698,807	698,807 100%	698,807	0	698,807	100%

Account Object	2013	2014	2015	2016	Current Budget 2016	% Exp. 2016	Prelim. Budget 17	Budget Changes 17	Final Budget 17	% Old Budget 17
471000 Debt Service										
601 Bond Principal	345,000	430,000	370,000	425,000	425,000	100%	475,000		475,000	112%
611 Bond Interest	318,708	303,208	287,208	271,305	271,307	100%	253,308	-48,254	205,054	76%
620 Fiscal Agent Fees	2,000	2,296	2,694	7,675	2,500	307%	944		944	38%
Account:	665,708	735,504	659,902	703,980	698,807	101%	729,252	-48,254	680,998	97%
Fund:	665,708	735,504	659,902	703,980	698,807	101%	729,252	-48,254	680,998	97%

Fund 318 – 2009A GO Bond – Refinance 2003A Bonds (Will be 2016A)

The General Obligation Improvement Bonds, Series 2009A were issued in December of 2009 in the original amount of \$5,515,000, carry a net interest rate of 3.48% and mature in 2030. The bonds were used for acquisition of the existing public works facility, construction of a new salt storage building, to refund the General Obligation Improvement Bonds, Series 2003A-Fund 312, financing public improvements; #305 water project, #413,406,408,415,421 and 429 sewer projects. The debt is being repaid by special assessments, property tax levy, city sales taxes, water fund, sewer fund, and special deficiency. An advance refunding was done on these bonds in 2016. Those bonds will be called Feb 1, 2018. The new true interest rate will be 1.5594% and the total \$3,285,000. This will save the City \$306,413.

Amortization Schedule

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	300,000	138,656	438,656
2018	315,000	129,038	444,038
2019	350,000	62,200	412,200
2020	365,000	55,050	420,050
2021	375,000	47,650	422,650
2022	380,000	40,100	420,100
2023	385,000	32,450	417,450
2024	400,000	24,600	424,600
2025	355,000	17,050	372,050
2026	140,000	12,100	152,100
2027	140,000	9,300	149,300
2028	140,000	6,500	146,500
2029	145,000	3,650	148,650
2030	110,000	1,100	111,100
Total	3,900,000	579,444	4,479,444

Budget Detail

318 2009A Bond - PW Salt Storage & Refinance 2003 Bonds

Account	2013	2014	2015	2016	Current Budget 2016	% Rec. 2016	Prelim. Budget 17	Budget Change 17	Final Budget 17	% Old Budget 17
310100 Current Year Taxes					66,835	58%	78,750		78,750	117%
310100 Current Year Taxes	63,255	64,933	154,451	38,745						
Now 2016A won't start until 2/1/18										
Debt levy plus motor grader										
\$75,000 x 1.05% = \$78,750										
\$61,868 x 1.05% = 64,962 PW Bidg Salt Storage levy 2015										
\$87,143 x 1.05% = 91,500 levy \$66,835 x 1.05% = \$70,177										
377										
310110 Current Year Taxes -					0	0%			0	0%
Group:	63,255	64,933	154,828	38,745	66,835	58%	78,750	0	78,750	117%
310200 Delinquent Taxes										
Group:	1,096	863	1,656	803	0	***%			0	0%
Group:	1,096	863	1,656	803	0	***%	0	0	0	0%
361100 Principal - Current					82,145	51%	77,478		77,478	94%
361100 Principal - Current	69,472	75,129	77,467	41,900						
361110 Principal - Delinquent	1,899	2,521	1,034	847	0	***%			0	0%
361120 Principal - Prepaid	28,165	44,405	35,392	12,809	0	***%			0	0%
361130 Principal - Deferred			1,248		0	0%			0	0%
Group:	99,536	122,055	115,141	55,556	82,145	68%	77,478	0	77,478	94%
361200 Interest - Current					66,179	45%	63,391		63,391	95%
361200 Interest - Current	71,050	68,898	62,954	29,879						
361210 Interest - Delinquent	2,442	2,349	1,961	560	0	***%			0	0%
Group:	73,492	71,247	64,915	30,439	66,179	46%	63,391	0	63,391	95%
361300 Penalties & Interest					1,000	44%	1,000		1,000	100%
361300 Penalties & Interest	1,094	1,238	1,092	440						
Group:	1,094	1,238	1,092	440	1,000	44%	1,000	0	1,000	100%
362900 Flex Plan Revenue Over/Short					0	***%			0	0%
362990 Miscellaneous Revenue					0	***%			0	0%
Group:	1,100	1,100		1,100	0	***%		0	0	0%
392000					232,247	100%	215,576		215,576	92%
392010 Transfers In	142,807	233,039	146,691	232,247						
water 45,974 - 59%										
sewer 32,366 - 41%										
sales tax 153,907 - 153,907										
Group:	142,807	233,039	146,691	232,247	232,247	100%	215,576	0	215,576	92%
Fund:	381,280	493,375	484,323	359,330	448,406	80%	436,195	0	436,195	97%

CITY OF HERMANTOWN, MN
Expenditure Budget Report -- MultiYear Actuals
For the Year: 2017

318 2009A Bond - PW Salt Storage & Refinance 2003 Bonds

Account Object	Actuals			Current Budget 2016	% Exp. 2016	Prelim. Budget 17	Budget Changes 17	Final Budget 17	% Old Budget 17
	2013	2014	2015						
471000 Debt Service									
601 Bond Principal	265,000	285,000	290,000	300,000	100%	300,000		300,000	100%
611 Bond Interest	172,056	165,131	156,506	147,656	100%	138,656		138,656	94%
620 Fiscal Agent Fees	450	746	944	925	123%	944		944	126%
Account:	437,506	450,877	447,450	448,581	100%	439,600	0	439,600	98%
Fund:	437,506	450,877	447,450	448,581	100%	439,600	0	439,600	98%

Fund 319 – 2010A GO Bonds

The General Obligation Improvement Bonds, Series 2010A were issued in November of 2010 in the original amount of \$3,955,000, carry a net interest rate of 2.74% and mature in 2031. The bonds were used to refund the General Obligation Utility Revenue Bonds, Series 2002- Fund 311, and to finance public improvements: water tower, #311,310 water projects, phase II sewer trunk line, #405,407,408,411,412,432 and 434 sewer projects. The debt is being repaid by special assessments, city sales taxes, sewer fund, and special deficiency. No levy.

Amortization Schedule

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	315,000	74,319	389,319
2018	330,000	66,650	396,650
2019	335,000	58,338	393,338
2020	345,000	49,838	394,838
2021	360,000	40,125	400,125
2022	370,000	29,175	399,175
2023	375,000	18,000	393,000
2024	35,000	11,719	46,719
2025	40,000	10,312	50,312
2026	40,000	8,812	48,812
2027	40,000	7,312	47,312
2028	40,000	5,812	45,812
2029	45,000	4,219	49,219
2030	45,000	2,531	47,531
2031	45,000	844	45,844
Total	3,070,000	468,969	3,538,969

Budget Detail

319 2010A General Obligation Bonds

Account	2013	2014	2015	2016	Current Budget 2016	% Rec. 2016	Prelim. Budget 17	Budget Change 17	Final Budget 17	% Old Budget 17
361100 Principal - Current	45,972	49,152	52,139	31,656	51,051	62%	54,817		54,817	107%
361100 Principal - Current 52%										
361110 Principal - Delinquent	2,019	3,432	4,220	5,001	0	***%			0	0%
361120 Principal - Prepaid	18,408	27,608	54,497		0	0%			0	0%
361130 Principal - Deferred	20,555				0	0%			0	0%
Group:	86,954	80,192	110,856	36,657	51,051	72%	54,817	0	54,817	107%
361200 Interest - Current	52,835	50,154	47,261	21,577	46,915	46%	50,601		50,601	107%
361200 Interest - Current 48%										
361210 Interest - Delinquent	3,806	2,555	6,005	4,288	0	***%			0	0%
Group:	56,641	52,709	53,266	25,865	46,915	55%	50,601	0	50,601	107%
361300 Penalties & Interest	1,702	1,729	3,703	2,820	1,700	166%	1,700		1,700	100%
361300 Penalties & Interest										
Group:	1,702	1,729	3,703	2,820	1,700	166%	1,700	0	1,700	100%
392000 Transfers In	233,309	291,083	289,030	292,047	292,047	100%	255,000		255,000	87%
Sewer 23,503 same										
sales tax 180,188 same										
water 23,503 same										
special deficiency 64,853 - 27,806										
Group:	233,309	291,083	289,030	292,047	292,047	100%	255,000	0	255,000	87%
Fund:	378,606	425,713	456,855	357,389	391,713	91%	362,118	0	362,118	92%

319 2010A General Obligation Bonds

Account	Object	2013	2014	2015	2016	Current Budget 2016	% Exp. 2016	Prelim. Budget 17	Budget Changes 17	Final Budget 17	% Old Budget 17
432500 Sewer Improvements							0 0%				0 0%
	720 Transfer Out	22,802	8,515				0 ***%		0		0 0%
	Account:	22,802	8,515						0		
471000 Debt Service											
	601 Bond Principal	260,000	300,000	300,000	310,000	310,000	100%	315,000		315,000	102%
	611 Bond Interest	98,663	93,063	87,063	80,963	80,963	100%	74,319		74,319	92%
	620 Fiscal Agent Fees	450	746	944	925	750	123%	944		944	126%
	Account:	359,113	393,809	388,007	391,888	391,713	100%	390,263	0	390,263	100%
	Fund:	381,915	402,324	388,007	391,888	391,713	100%	390,263	0	390,263	100%

Fund 320 – 2012A GO Bonds

The General Obligation Improvement Bonds, Series 2012A were issued in July of 2012 in the amount of \$2,500,000, carry a net interest rate of 1.93% and mature in 2026. The bonds were used to refund the General Obligation Bonds, Series 2003B (Fund 313) on August 1, 2012 and the General Obligation Bonds, Series 2005A (Fund 314) on February 1, 2013. The debt is being repaid by special assessments, city sales taxes, and the special assessment deficiency fund. No levy.

Amortization Schedule

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	150,000	29,798	179,798
2018	155,000	28,155	183,155
2019	155,000	26,179	181,179
2020	155,000	23,931	178,931
2021	165,000	21,204	186,204
2022	170,000	17,935	187,935
2023	175,000	14,311	189,311
2024	175,000	10,505	185,505
2025	180,000	6,510	186,510
2026	185,000	2,220	187,220
Total	1,915,000	212,196	2,127,196

Budget Detail

320 2012A General Obligation Bonds

Account	2013	2014	2015	2016	Current Budget 2016	% Rec. 2016	Prelim. Budget 17	Budget Change 17	Final Budget 17	% Old Budget 17
310200 Delinquent Taxes		153			0	0%				0%
310200 Delinquent Taxes		153			0	0%				0%
Group:										
361100 Principal - Current										
361100 Principal - Current	39,598	66,441	69,390	14,650	24,603	60%	24,603		24,603	100%
361110 Principal - Delinquent	1,558	2,292	331	355	0	***%			0	0%
361120 Principal - Prepaid	1,839	23,282			0	0%			0	0%
361130 Principal - Deferred	6,564	3,800			0	0%			0	0%
Group:	49,559	95,815	69,721	15,005	24,603	61%	24,603	0	24,603	100%
361200 Interest - Current										
361200 Interest - Current	9,895	29,697	24,254	10,597	20,433	52%	20,433		20,433	100%
361210 Interest - Delinquent	81	1,181	52	32	0	***%			0	0%
361230 Interest - Deferred		4,653			0	0%			0	0%
Group:	9,976	35,531	24,306	10,629	20,433	52%	20,433	0	20,433	100%
361300 Penalties & Interest										
361300 Penalties & Interest	611	1,574	200	103	500	21%			0	0%
Group:	611	1,574	200	103	500	21%	0	0	0	0%
362100 Investment Interest										
362100 Investment Interest	1,801				0	0%			0	0%
Group:	1,801				0	0%	0	0	0	0%
392000 Transfers In										
392010 Transfers In	279,778	187,150	191,476	236,662	236,662	100%	197,539		197,539	83%
Sales tax 197,539 same										
special deficiency 39,123 - zero										
Group:	279,778	187,150	191,476	236,662	236,662	100%	197,539	0	197,539	83%
Fund:	341,725	320,223	285,703	262,399	282,198	93%	242,575	0	242,575	85%

320 2012A General Obligation Bonds

Account Object	2013	2014	Actuals	2015	2016	Current Budget 2016	% Exp. 2016	Prelim. Budget 17	Budget Changes 17	Final Budget 17	% Old Budget 17
471000 Debt Service											
601 Bond Principal	90,000	245,000		250,000	250,000	250,000	100%	150,000		150,000	60%
611 Bond Interest	37,212	34,498		33,135	31,448	31,448	100%	29,798		29,798	95%
620 Fiscal Agent Fees	550	746		944	925	750	123%	944		944	126%
720 Transfer Out	2,285,000				0	0	0%	0		0	0%
Account:	2,412,762	280,244		284,079	282,373	282,198	100%	180,742	0	180,742	64%
Fund:	2,412,762	280,244		284,079	282,373	282,198	100%	180,742	0	180,742	64%

Fund 321 – 2012B GO Improvement Bonds

The General Obligation Improvement Bonds, Series 2012B were issued in September of 2012 in the amount of \$3,155,000, true interest cost of 2.2436% and mature in 2033. In 2013 \$58,176.95 interest will be capitalized. The bonds are being used to finance Projects; #442 Sewer, #314 Miller Trunk Water and #432 Lavaque Sewers. A transfer of \$25,000 from the Community Fund #231 was used to partially cover costs on project #314. The debt will be repaid by special assessments. Properties benefiting from project #432 will have sewer availabilities, when necessary transfers will be made from the special assessment deficiency fund.

Amortization Schedule

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	140,000	62,094	202,094
2018	140,000	59,294	199,294
2019	140,000	56,494	196,494
2020	145,000	53,644	198,644
2021	145,000	50,744	195,744
2022	145,000	47,844	192,844
2023	150,000	44,894	194,894
2024	150,000	41,894	191,894
2025	160,000	38,794	198,794
2026	165,000	35,544	200,544
2027	165,000	32,141	197,141
2028	170,000	28,581	198,581
2029	175,000	24,806	199,806
2030	175,000	20,869	195,869
2031	180,000	16,538	196,538
2032	185,000	11,747	196,747
2033	195,000	6,759	201,759
2034	160,000	2,100	162,100
Total	3,020,000	699,625	3,719,625

Budget Detail

321 2012B General Obligation Improvement Bonds

Account	2013	2014	2015	2016	Current Budget 2016	% Rec. 2016	Prelim. Budget 17	Budget Change 17	Final Budget 17	% Old Budget 17
334900										
334999 Other State Grants & Aids		4,290			0	0%			0	0%
Group:		4,290			0	0%			0	0%
361100 Principal - Current	539	59,035	57,633	46,300	63,451	73%	60,797		60,797	95%
361110 Principal - Delinquent 45%			985	1,723	0	***%			0	0%
361120 Principal - Prepaid	337,264	76,727	94,536		0	0%			0	0%
Group:	337,803	135,762	153,154	48,023	63,451	76%	60,797	0	60,797	95%
361200 Interest - Current										
361200 Interest - Current 55%	1,189	78,123	71,728	32,302	76,742	42%	74,307		74,307	96%
361210 Interest - Delinquent			1,229	1,880	0	***%			0	0%
361230 Interest - Deferred			1,284		0	0%			0	0%
Group:	1,189	78,123	74,241	34,182	76,742	45%	74,307	0	74,307	96%
361300 Penalties & Interest										
361300 Penalties & Interest		762	882		0	0%			0	0%
Group:		762	882		0	0%			0	0%
392000										
392010 Transfers In	640,103	9,288	59,665	60,401	60,401	100%	40,119		40,119	66%
Sales tax 40,119 same										
Special Deficiency 20,282 - zero										
Group:	640,103	9,288	59,665	60,401	60,401	100%	40,119	0	40,119	66%
Fund:	979,095	228,225	287,942	142,606	200,594	71%	175,223	0	175,223	87%

321 2012B General Obligation Improvement Bonds

Account Object	2013	2014	2015	2016	Current Budget 2016	% Exp. 2016	Prelim. Budget 17	Budget Changes 17	Final Budget 17	% Old Budget 17
432500 Sewer Improvements	102,974					0 0%				0 0%
580 Other Equipment	102,974					0 ***%				0 0%
Account:							0			
471000 Debt Service										
601 Bond Principal	58,177	68,894	135,000	135,000	135,000	100%	140,000		140,000	104%
611 Bond Interest	450	746	67,544	64,844	64,844	100%	62,094		62,094	96%
620 Fiscal Agent Fees	58,627	69,640	203,488	200,769	200,769	100%	203,038	0	203,038	101%
Account:										
Fund:	161,601	69,640	203,488	200,769	200,594	100%	203,038	0	203,038	101%

Fund 322 – 2014A GO Improvement Bonds

The General Obligation Improvement Bonds, Series 2014A were issued in November of 2014 in the amount of \$2,170,000, true interest cost of 2.207% and mature in 2028. The Bonds were used refund the City's outstanding Series 2007A bonds and to crossover refund the City's outstanding Series 2007B Bonds for an interest cost savings.

Amortization Schedule

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	215,000	46,050	261,050
2018	225,000	41,650	266,650
2019	220,000	37,200	257,200
2020	240,000	32,600	272,600
2021	235,000	27,850	262,850
2022	120,000	23,700	143,700
2023	125,000	20,025	145,025
2024	110,000	16,500	126,500
2025	115,000	13,125	128,125
2026	125,000	9,525	134,525
2027	125,000	5,775	130,775
2028	130,000	1,950	131,950
Total	1,985,000	275,950	2,260,950

Budget Detail

322 2014A General Obligation Improvement Bonds

Account	2013	2014	2015	2016	2016	Current Budget 2016	% Rec. 2016	Prelim. Budget 17	Budget Change 17	Final Budget 17	% Old Budget 17
361100 Principal - Current						41,184	0%	22,646		22,646	54%
51%											
316 - \$10,315											
317 - \$30,869											
Group:						41,184	0%	22,646	0	22,646	54%
361200 Interest - Current						39,290	0%	21,758		21,758	55%
49%											
316 - \$5,188											
317 - \$34,102											
Group:						39,290	0%	21,758	0	21,758	55%
362100 Investment Interest						0	0%			0	0%
362100 Investment Interest						1,588	0%			0	0%
Group:						1,588	0%		0	0	0%
392000											
392010 Transfers In		150,000		177,490		177,490	100%	227,100		227,100	127%
special deficiency 68,231 - zero											
sales tax 68,231 - 215,000											
water 9,432 - 6,050											
sewer 9,432 - 6,050											
Group:		150,000		177,490		177,490	100%	227,100	0	227,100	127%
393100 Bond Issuance						0	0%			0	0%
393100 Bond Issuance		2,170,000				0	0%			0	0%
393150 Bond Premium		71,499				0	0%			0	0%
Group:		2,241,499				0	0%		0	0	0%
Fund:		2,391,499		177,490		257,964	69%	271,504	0	271,504	105%
Grand Total:	5,464,709	7,801,192	5,288,163	4,229,147	4,845,829	5,056,969			0	5,056,969	

322 2014A General Obligation Improvement Bonds

Account Object	2013	2014	Actuals	2015	2016	Current Budget 2016	% Exp. 2016	Prelim. Budget 17	Budget Changes 17	Final Budget 17	% Old Budget 17
415300 Administration & Finance							0 0%				0 0%
630 Bond Expenses		46,970					0 0%				0 0%
635 Bond Discount		20,296					0 ***%				0 0%
Account:		67,266							0		
471000 Debt Service											
601 Bond Principal				770,000	185,000	185,000	100%	215,000		215,000	116%
611 Bond Interest				33,303	31,900	50,050	64%	46,050		46,050	92%
620 Fiscal Agent Fees				944	925	750	123%	750		750	100%
Account:		100	100	804,247	217,825	235,800	92%	261,800	0	261,800	111%
Fund:		67,366		804,247	217,825	235,800	92%	261,800	0	261,800	111%

Fund 350 - Special Assessment Deficiency Fund

Accounts for the accumulated resources to ensure debt service payments of bonds in cases where special assessments have been deferred or collections are not sufficient.

Year	Beginning Fund		Income	Expense	Ending Fund	
	Balance				Balance	
2008	385,893	7,266	-	-	393,159	
2009	393,159	4,528	-	-	397,687	
2010	397,687	741	-	-	398,428	
2011	398,428	404	-	-	398,832	
2012	398,832	530,447	21,630		907,649	
2013	907,649	109,026	107,255		909,420	
2014	909,420	16,007	236,869		688,558	
2015	773,708	32,815	194,763		611,760	
2016	611,760					

Transfers out:

Fund	Transfers From Special Deficiency
319 2010A GO	27,806
	27,806

Budget Detail

Account	2013	2014	2015	2016	2017	Current Budget 2016	% Rec. 2016	Prelim. Budget 17	Budget Change 17	Final Budget 17	% Old Budget 17
350 Special Assessment Deficiency Fund											
361100 Principal - Current	1,846	1,779	18,991	20,075	1,021	***%	1,021	1,021		1,021	100%
361110 Principal - Current	182	970		-176	0	***%				0	0%
361120 Principal - Delinquent	74,250				0	0%				0	0%
361130 Principal - Prepaid	5,242				0	0%				0	0%
361130 Principal - Deferred											
Group:	81,520	2,749	18,991	19,899	1,021	***%	1,021	1,021	0	1,021	100%
361200 Interest - Current	1,908	1,778	10,971	1,492	856	174%	856	856		856	100%
361210 Interest - Current	121	40		511	0	***%				0	0%
361230 Interest - Delinquent	4,865				0	0%				0	0%
361230 Interest - Deferred											
Group:	6,894	1,818	10,971	2,003	856	234%	856	856	0	856	100%
361300 Penalties & Interest	41	374			0	0%				0	0%
361300 Penalties & Interest	41	374			0	0%				0	0%
Group:	41	374			0	0%				0	0%
362100 Investment Interest	1,914	1,022	960	2,356	0	***%				0	0%
362110 Investment Interest	354		354		0	0%				0	0%
362110 Checking Account Interest			1,539	1,036	0	***%				0	0%
362160 Gain (Loss) on Sale of					0	***%				0	0%
Group:	-2,230	2,551	2,853	3,392	0	***%	0	0	0	0	0%
392000 Transfers In	22,802	8,515			0	0%				0	0%
392010 Transfers In	22,802	8,515			0	0%				0	0%
Group:	109,027	16,007	32,815	25,294	1,877	***%	1,877	1,877	0	1,877	100%
Fund:	109,027	16,007	32,815	25,294	1,877	***%	1,877	1,877	0	1,877	100%
Grand Total:	109,027	16,007	32,815	25,294	1,877	***%	1,877	1,877	0	1,877	100%

350 Special Assessment Deficiency Fund

Account Object	2013	2014	2015	2016	Current Budget 2016	% Exp. 2016	Prelim. Budget 17	Budget Changes 17	Final Budget 17	% Old Budget 17
432500 Sewer Improvements	-22,802	-8,515		28,675	28,675	0 ***%				0 0%
580 Other Equipment	-22,802	-8,515		28,675	28,675	0 ***%				0 0%
Account:							0		0	
471000 Debt Service										
720 Transfer Out	130,057	245,384	194,763	248,356	248,356	248,356 100%	27,806		27,806	11%
Fund 319	64,853									
Fund 320	39,123									
Fund 321	20,282									
Fund 322	68,231									
Account:	130,057	245,384	194,763	248,356	248,356	248,356 100%	27,806	0	27,806	11%
Fund:	107,255	236,869	194,763	277,031	248,356	248,356 112%	27,806	0	27,806	11%
Grand Total:	6,207,885	4,463,810	4,972,507	4,155,559	4,149,862	3,834,483	-48,254	3,786,229		

City of Hermantown

Special Revenue Budgets (1-6)

Presented: **3rd Monday of October**
October 17, 2016

Contents include:

- Informational page from Budget booklet (draft form)
- Revenue Sheet
- Expenditure Sheet
- Audit Page showing Fund Balance

Enterprise Funds (7-9)

1.	Fund 230 HEDA
2.	Fund 235 Park Dedication
3.	Fund 236 Wetlands
4.	Fund 251 Police Program
5.	Fund 260 Cable TV
6.	Fund 270 Soccer
7.	Fund 601 Water Enterprise
8.	Fund 602 Sewer Enterprise
9.	Fund 605 Street Lighting

Special Revenue Funds

Fund 230 – Hermantown Economic Development Authority

The Hermantown Economic Development Authority (HEDA) was established on April 6, 1992 by Resolution 92-29. HEDA is governed by a board of commissioners with seven members. All of the members of the City Council are board members and two public members. The City is financially accountable for HEDA because the City Council approves the budget for HEDA, levies taxes (if necessary), and must approve any debt issuances. HEDA sponsors projects involving tax exempt financing (“conduit financing”) for the benefit of outside entities. For this reason, HEDA is reported as a discretely presented component unit. HEDA has no employees; Board members do receive pay for each meeting they attend. The current Fund Balance as of 9/30/16 is approximately \$73,000

Budget Detail

230 Hermantown Economic Development Fund

Account	2013	2014	2015	2016	Current Budget 2016	% Rec. 2016	Prelim. Budget 17	Budget Change 17	Final Budget 17	% Old Budget 17
310100 Current Year Taxes			39,693	41,961	72,380	58%	72,380		72,380	100%
310100 Current Year Taxes Levy \$72,380x 1.05 = \$76,000 levy			97		0	0%			0	0%
310110 Current Year Taxes -										
Group:			39,790	41,961	72,380	58%	72,380	0	72,380	100%
310200 Delinquent Taxes										
310200 Delinquent Taxes			179		0	***%			0	0%
Group:			179		0	***%		0	0	0%
334900										
334999 Other State Grants & Aids		18,750			0	0%			0	0%
341010 Building Rentals	1,500	1,000	1,000	1,000	1,000	100%	1,000		1,000	100%
ECFE building rental										
Group:	1,500	19,750	1,000	1,000	1,000	100%	1,000	0	1,000	100%
361100 Principal - Current				9,601	0	***%			0	0%
361100 Principal - Current				9,601	0	***%		0	0	0%
Group:				9,601	0	***%		0	0	0%
361200 Interest - Current				1,631	0	***%			0	0%
361200 Interest - Current				1,631	0	***%		0	0	0%
Group:				1,631	0	***%		0	0	0%
362100 Investment Interest					150	0%			20	13%
362110 Checking Account Interest	140	64	48		150	0%			20	13%
Group:	140	64	48		150	0%		0	20	13%
362400 911 Signs										
362440 Conduit Financing Fees	2,770	2,770	2,770	1,682	2,270	74%	1,682		1,682	74%
\$1,181.50 Marshall School Conduit Financing-Resolution 2004-10H										
\$500-Marshall School Conduit Financing-Resolution 2011-04H										
Group:	2,770	2,770	2,770	1,682	2,270	74%	1,682	0	1,682	74%
Fund:	4,410	22,584	43,608	56,054	75,800	74%	75,082	0	75,082	99%

CITY OF HERMANTOWN, MN
Expenditure Budget Report -- Multi-Year Actuals
For the Year: 2017

Account Object	2013	2014	2015	2016	Current Budget 2016	% Exp. 2016	Prelim. Budget 17	Budget Changes 17	Final Budget 17	% Old Budget 17
230 Hermantown Economic Development Fund										
416100 City Attorney				1,691		0 ***%				0 0%
308 Legal Fees				1,691		0 ***%				0 0%
Account:										
431150 Street Improvements			2,298			0 0%				0 0%
227 Street Lights & Signs			2,298			0 ***%				0 0%
Account:										
465100 HEDA					950	0 0%	17,754		17,754	***% 100%
101 Full-Time Employees - Reg						0 0%	4,200		4,200	100%
103 Part-Time Employees - Reg	1,150	2,475	1,700			23%				
add'l meetings										
123 PERA Contributions - DCP	10	15	48		26	43%	888	210	1,098	1830%
128 Social Security	59	135	43		25	10%	1,101	65	1,166	448%
129 Medicare	17	36	25		14	23%	257	61	318	530%
133 Life Insurance		2	8		4	***%			0 0%	0 0%
151 Workers Compensation	1	1				0 0%			0 0%	0 0%
201 Office Supplies					250	0%	250		250	100%
support economic development initiatives										
221 General Supplies					150	***%	100		100	***% 0%
304 Parcel Research Fees					350	0%				0 0%
clear title on properties for sale by HEDA										
305 Engineer Fees					725	0 0%				0 0%
308 Legal Fees			208			0 ***%	100		100	***% 0%
City Attorney charges										
315 School & Conference					840	84%	1,000		1,000	100%
Ehler's conference - John, Arlene, Steve										
316 GIS Services	350	18,750	18,862	6,042	500	0%			0 0%	0 0%
319 Contracted Services	1				100	0%	51,000	-7,904	43,096	68%
325 Postage					27	3%	1,000		1,000	100%
331 Travel Expense			761							
Ehler's conference					2,000	0%	2,000		2,000	100%
343 Community Relations			345			0 0%				0 0%
351 Legal Notices Publishing				6,210		***%				0 0%
402 Grounds/Land Maintenance						0 0%				0 0%
403 Road Maintenance	3,326					0 0%				0 0%
413 Equipment Rental	254					0 0%				0 0%
451 Dues & Subscriptions	2,745	2,750	2,845	2,500	2,800	89%	3,000		3,000	107%
Hermantown area chamber of commerce										
Northland Connection membership										
Account:	11,287	26,544	25,835	17,513	75,700	23%	82,650	-7,568	75,082	99%
Fund:	11,287	26,544	28,133	19,204	75,700	25%	82,650	-7,568	75,082	99%
Grand Total:	11,287	26,544	28,133	19,204	75,700		82,650	-7,568	75,082	

Fund 231 – Community Development Fund

Community Development Fund accounts for revenues and expenditures in connection with infrastructure improvements (water, sewer & streets) of general benefit to the community of Hermantown. This fund was created per Ordinance 2002-01 and there are various expenditure limitations in the ordinance for this fund. The current Fund Balance as of 9/30/16 is approximately \$106,000

Budget Detail

231 Community Development Fund

Account	2013	2014	Actuals 2015	2016	Current Budget 2016	% Rec. 2016	Prelim. Budget 17	Budget Change 17	Final Budget 17	% Old Budget 17
362100 Investment Interest	103	92	103			0 0%				0 0%
362110 Checking Account Interest	103	92	103			0 0%				0 0%
Group:										
392000										
392010 Transfers in		25,000				0 0%				0 0%
Group:		25,000				0 0%				0 0%
Fund:	103	25,092	103			0 0%				0 0%

Fund 235 - Park Dedication Fund

Accounts for the collection of revenues dedicated to the acquisition and capital improvement of City parks. Revenue is collected by charging a park dedication fee on new buildings and developments. The current Fund Balance as of 9/30/16 is approximately \$298,000

Budget Detail

235 Park Dedication Fund

Account	2013	2014	2015	2016	Current Budget 2016	% Rec. 2016	Prelim. Budget 17	Budget Change 17	Final Budget 17	% Old Budget 17
322400 Dog Licenses	17,850	20,400	17,550	50,750	18,000	282%	20,000		20,000	111%
322460 Park Dedication Fee \$150 per bedroom	7,000	2,000	45,075		5,000	0%	5,000		5,000	100%
322470 Park Dedication Fee in \$1100 per parcel or other per development agreement										
Group:	24,850	22,400	62,625	50,750	23,000	221%	25,000	0	25,000	108%
362100 Investment Interest	1,600	2,118	2,259	203	1,500	14%	1,500		1,500	100%
362100 Investment Interest	93	110	161		10	0%	10		10	10%
362110 Checking Account Interest	-703	-3,180	1,467	427	0	***%			0	0%
362160 Gain (Loss) on Sale of										
Group:	990	-952	3,887	630	1,600	39%	1,510	0	1,510	94%
362200 Park Field Rental Fees	1,176	7,087	13,534		7,336	0%	7,336		7,336	100%
362250 City Property Lease Jan to Oct \$6052 Nov to Dec \$1284										
Group:	1,176	7,087	13,534		7,336	0%	7,336	0	7,336	100%
Fund:	27,016	28,535	80,046	51,380	31,936	161%	33,846	0	33,846	105%

235 Park Dedication Fund

Account Object	2013	2014	2015	2016	Actuals	Current Budget 2016	% Exp. 2016	Prelim. Budget 17	Budget Changes 17	Final Budget 17	% Old Budget 17
452100 Parks											
510 Land Acquisition				593		20,000	0 ***%	20,000		20,000	0%
530 Improvements Other Than B							0%				100%
Minnesota Power Trail Development											
Money would be used to extend trails and/or used as match for grant money				593		20,000	3%	20,000	0	20,000	100%
Account:											
Fund:				593		20,000	3%	20,000	0	20,000	100%

Fund 236 - Wetland Mitigation Fund

The Wetland Mitigation Fund accounts for the collection of revenues from landowners who disturb wetlands in connection with the development of a parcel of land to utilize for the acquisition, enhancement, restoration, or creation of Wetlands within the City. The current Fund Balance as of 9/30/16 is approximately \$84,000

Budget Detail

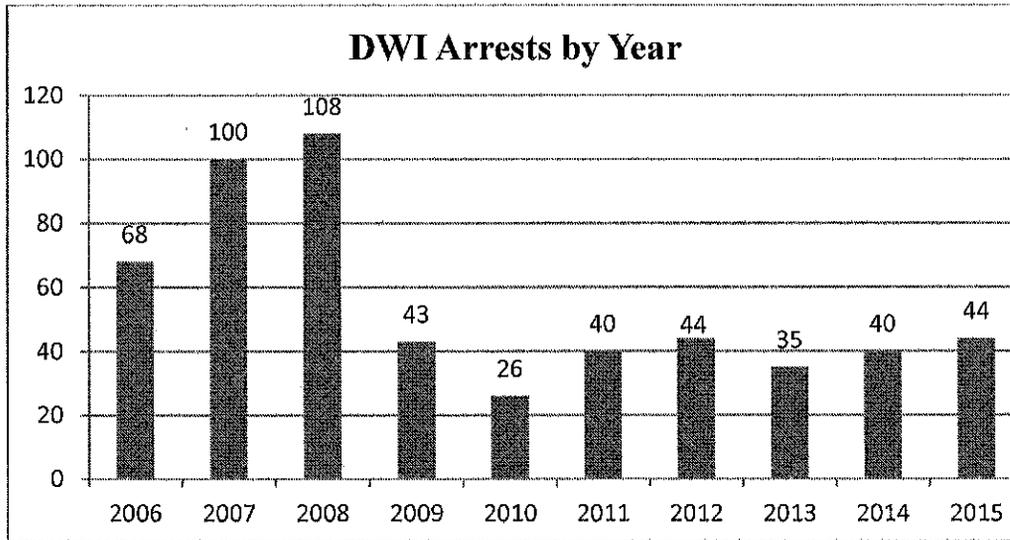
236 Wetland Mitigation Fund

Account	2013	2014	Actuals 2015	2016	Current Budget 2016	% Rec. 2016	Prelim. Budget 17	Budget Change 17	Final Budget 17	% Old Budget 17
322100 Building Permits	1,474		11,909	1,457	1,000	146%	1,000		1,000	100%
322125 Wetland Impact Fee	1,474		11,909	1,457	1,000	146%	1,000	0	1,000	100%
Group:										
362100 Investment Interest	18		61	79		0%			0	0%
362110 Checking Account Interest	18		61	79		0%	0	0	0	0%
Group:										
362300 Donations			1,858			0%			0	0%
362350 Development Agreement			1,858			0%	0	0	0	0%
Group:										
392000			58,051			0%			0	0%
392010 Transfers In			58,051			0%	0	0	0	0%
Group:										
Fund:	1,492		11,988	1,457	1,000	146%	1,000	0	1,000	100%

Account Object	2013	2014	2015	2016	Current Budget 2016	% Exp. 2016	Prelim. Budget 17	Budget Changes 17	Final Budget 17	% Old Budget 17
236 Wetland Mitigation Fund										
465300 Hermantown Wetland										
227 Street Lights & Signs					350	0%	350		350	100%
signage for wetland areas in existing conservation (visable areas only)					650	0%	650		650	100%
315 School & Conference training - wetland related			2,400		3,500	0%	3,500		3,500	100%
319 Contracted Services					100	0%	100		100	100%
\$3,500 wetland delineations for identified parcels					300	0%	300		300	100%
325 Postage mailings					2,500	0%	2,500		2,500	100%
331 Travel Expense					7,400	0%	7,400	0	7,400	100%
travel to training										
510 Land Acquisition										
Conservation easement acquisition \$2,500										
Account:			2,400		7,400	0%	7,400	0	7,400	100%
Fund:			2,400		7,400	0%	7,400	0	7,400	100%

Fund 251 - Police Program Fund

Police Program Fund accounts for revenue and expenditures for special police programs such as alcohol/drug forfeitures, and the police K9 program. The current Fund Balance as of 9/30/16 is approximately \$82,000



Data Source: Hermantown Police Department Annual Reports

Budget Detail

251 Police Program Fund

Account	2013	2014	2015	2016	Current Budget 2016	% Rec. 2016	Prelim. Budget 17	Budget Change 17	Final Budget 17	% Old Budget 17
336300 Other Grants & Aids			1,500			0 0%				0 0%
336300 Other Grants & Aids			1,500			0 0%				0 0%
Group:										
351000 Impound & Towing Charges										
351000 Impound & Towing Charges	139					0 0%				0 0%
351010 Court Fines	1,349	2,000	1,275	3,239	1,500	216%	1,500		1,500	100%
Group:	1,488	2,000	1,275	3,239	1,500	216%	1,500	0	1,500	100%
352000										
352010 Unclaimed Property	47			1,214		0 ***%				0 0%
352020 Forfeitures (Veh/Etc)	3,249	13,831	9,479	2,044	2,500	82%	2,500		2,500	100%
352025 70% DWI Forfeitures for					300	0%				0 0%
352026 30% DWI Forfeiture Legal	118					0 0%				0 0%
Group:	3,414	13,831	9,479	3,258	2,800	116%	2,500	0	2,500	89%
362100 Investment Interest										
362110 Checking Account Interest	33	12	10		15	0%	5		5	33%
Group:	33	12	10		15	0%	5	0	5	33%
362300 Donations										
362300 Donations	500	550	10,832	5,546	250	***%				0 0%
Group:	500	550	10,832	5,546	250	***%	0	0	0	0 0%
362900 Flex Plan Revenue Over/Short										
362990 Miscellaneous Revenue	668					0 0%				0 0%
Group:	668					0 0%		0	0	0 0%
392000										
392010 Transfers In	185					0 0%				0 0%
Group:	185					0 0%		0	0	0 0%
Fund:	6,103	16,578	23,096	12,043	4,565	264%	4,005	0	4,005	87%

251 Police Program Fund

Account Object	2013	2014	2015	2016	Current Budget 2016	% Exp. 2016	Prelim. Budget 17	Budget Changes 17	Final Budget 17	% Old Budget 17
421100 Police Administration										
216 Uniforms				338		0 ***%				0 0%
308 Legal Fees	1,012	2,021	15			0 0%				0 0%
319 Contracted Services	1,643	714				0 0%				0 0%
Forfeited vehicle charges - towing			670			0 0%				0 0%
331 Travel Expense						0 0%				0 0%
370 Interest Expense	2	3				0 0%				0 0%
436 Towing Charges		65		612		0 ***%				0 0%
460 Permits & Licenses	104	137				0 0%				0 0%
490 K-9 Expenses			718			0 ***%				0 0%
544 Motor Vehicles	28,051			2,391		0 0%				0 0%
580 Other Equipment	1,686					0 0%				0 0%
Account:	32,498	2,940	1,403	3,341	0	0 ***%	0	0	0	0 0%
421500 Drug/Alcohol Fund										
308 Legal Fees			2,051			0 ***%				0 0%
436 Towing Charges			432			0 0%				0 0%
460 Permits & Licenses			104			0 0%				0 0%
499 Miscellaneous			180			0 0%				0 0%
Account:			2,767	234	0	0 ***%	0	0	0	0 0%
421801 DARE & Police Liaison Fund										
219 Other Operating Supplies			1,586			0 ***%				0 0%
Account:			1,586	1,586	0	0 ***%	0	0	0	0 0%
Fund:	32,498	2,940	4,170	5,161	0	0 ***%	0	0	0	0 0%

Fund 260 - Cable Television Fund

Accounts for the revenues and expenditures associated with administering a franchise agreement with Mediacom to provide cable television to Hermantown residents. The current franchise fee charge is 5% of a resident's Mediacom cable television bill. Hermantown High School is the site of the control room for the local cable channel. The current Fund Balance as of 9/30/16 is approximately \$309,000

FTE Equivalent Employees

.06

Budget Commentary:

The Cable TV Coordinator is a contracted position. Administration staff salary and benefits are allocated to the Cable Fund for administration of the Fund.

Budget Detail

260 Cable TV Fund

Account	2013	2014	2015	2016	Current Budget 2016	% Rec. 2016	Prelim. Budget 17	Budget Change 17	Final Budget 17	% Old Budget 17
318100 Franchise Fees	43,843	42,844	41,804	19,616	42,700	46%	42,700		42,700	100%
318100 Franchise Fees 3 year average	43,843	42,844	41,804	19,616	42,700	46%	42,700	0	42,700	100%
Group:										
362100 Investment Interest	2,700	2,700	1,342	1,091	2,500	44%	1,300		1,300	52%
362100 Investment Interest	97	110	11		100	0%			0	0%
362110 Checking Account Interest			6,000		0	0%			0	0%
362120 Interest - Interfund	-101	-375	542	420	0	***%			0	0%
362160 Gain (Loss) on Sale of										
Group:	2,696	2,435	7,895	1,511	2,600	58%	1,300	0	1,300	50%
Fund:	46,539	45,279	49,699	21,127	45,300	47%	44,000	0	44,000	97%

CITY OF HERMANTOWN, MN
Expenditure Budget Report -- MultiYear Actuals
For the Year: 2017

260 Cable TV Fund

Account Object	2013	2014	2015	2016	Current Budget 2016	% Exp. 2016	Prelim. Budget 17	Budget Changes 17	Final Budget 17	% Old Budget 17
456101 Cable										
101 Full-Time Employees - Reg	4,685	4,817	5,061	3,962	5,362	74%	5,523		5,523	103%
3% Mulder, 3% Lund salary										
121 PERA Contributions - Coord	340	350	380	297	402	74%	402		402	100%
7.50%										
128 Social Security	282	291	305	244	332	73%	342		342	103%
129 Medicare	66	68	71	57	78	73%	80		80	103%
131 Health Insurance	1,250	1,193	1,194	1,074	1,303	82%	1,374		1,374	105%
133 Life Insurance	5	11	17	12	17	71%	15		15	88%
134 Disability Insurance	24	24	24	18	25	72%	24		24	96%
151 Workers Compensation	30	70	35	54	41	132%	9		9	22%
219 Other Operating Supplies	305			16	300	5%			0	0%
DVD's										
221 General Supplies		141			0	0%			0	0%
303 Banking Fees			8		0	0%			0	0%
308 Legal Fees	1,069	1,141	2,646	538	1,000	54%	1,000		1,000	100%
City Attorney										
319 Contracted Services	7,500	9,017	7,500	5,625	10,000	56%	10,000		10,000	100%
Neil Witikko \$7,500										
325 Postage	94				20	0%			0	0%
331 Travel Expense				62	0	***%			0	0%
351 Legal Notices Publishing					100	0%			0	0%
361 General Liability Insuran	69	71	110	132	109	121%	60		60	55%
384 Garbage Removal	10				0	0%			0	0%
404 Equipment Maintenance	617		1,988	1,012	1,000	101%			0	0%
405 Computer Maintenance			86		0	0%			0	0%
434 Employee Recognition Prog					500	0%			0	0%
451 Dues & Subscriptions					150	0%			0	0%
MACTA dues										
540 Office Equip/Furnishings			1,510	627	18,000	3%			0	0%
Cable TV studio upgrades										
new equipment in school district	8,739	624		37,256	25,000	149%			0	0%
580 Other Equipment	25,085	17,818	20,935	50,986	63,739	80%	18,829	0	18,829	30%
Account:										
Fund:	25,085	17,818	20,935	50,986	63,739	80%	18,829	0	18,829	30%
Grand Total:	1,781,852	1,678,694	1,702,498	1,525,939	1,627,910		1,677,114	-3,368	1,673,746	

Fund 270 – Soccer Association Fund

Accounts for the revenues and expenditures associated with the development agreement of the soccer field with the Hermantown Soccer Association.

The development agreement was modified with the adoption of Resolution of 2010-49, which created the following debt payment schedule.

Payment Date	Beginning balance	Payment	Principal	Interest
12/31/16	75,960.86	21,921.66	17,364.01	4,557.95
12/31/17	58,596.85	21,921.66	18,405.85	3,515.81
12/31/18	40,191.01	21,921.66	19,510.20	2,411.46
12/31/19	20,680.81	20,680.81	19,439.96	1,240.85

Budget Detail

270 Soccer Association Fund

Account	2013	2014	2015	2016	Current Budget 2016	% Rec. 2016	Prelim. Budget 17	Budget Change 17	Final Budget 17	% Old Budget 17
362300 Donations										
362350 Development Agreement	7,343	6,468	27,884		4,558	0%	3,516	18,406	21,922	480%
2010 9681 Interest on agreement to Soccer association										
2011 8946										
2012 8168										
2013 7343										
2014 6468										
2015 5541										
2016 4558										
2017 3516										
2018 2411										
2019 1241										
Group:	7,343	6,468	27,884		4,558	0%	3,516	18,406	21,922	480%
Fund:	7,343	6,468	27,884		4,558	0%	3,516	18,406	21,922	480%

Enterprise Funds

Fund 601 - Water Enterprise Fund

This fund accounts for the activity of providing water services to the public. The Hermantown Utility Department is responsible for the distribution of treated water. The City purchases all drinkable water from the City of Duluth. The current water utility rate increased June 2016 to \$8.80 per 1,000 gallons and we are proposing an increase in 2017.

Utility Commission/Water Department Objectives

- To consider and make recommendations to the City Council with respect to improvements to be constructed and financed pursuant to Chapter 429 of the Minnesota Statutes.
- To administer the public utilities provided by the City of Hermantown
- To perform such other functions as made by resolution of the City Council delegated to it.
- Provide an adequate supply of water. Current city water storage includes a 150,000 gallon elevated storage tank at Ugstad Road/Arrowhead Road and a 600,000 gallon elevated storage tank at Ugstad Road/Hwy 53. These two tanks have sufficient capacity to provide for two days of average daily demand if the city should lose its water supply.
- The city's current water system also includes 62.72 miles of water mains and 527 hydrants for fire control.
- The Public Works Director is responsible for leading the maintenance of city water mains.

The City's water system includes: One 150,000 Gallon Water Tower, One 600,000 Gallon Water Tower, and a Booster Pumping Station

Age of System	54 Years
Total Miles of Water Main Added From 1960 to 1990	46 Miles
Total Miles Added From 1990 to 2001	6.5 Miles
Total Miles Added From 2001 to 2003	1.68 Miles
Total Miles Added From 2003 to 2011	8.547 Miles
Total Miles Added 2012	.45 Miles
Total Miles Added 2013	.12 Miles
Total Miles Added in 2014	.21 Miles
Total Miles Added in 2015	.14 Miles
Total Miles of Water Main	63.647 Miles

Total Number of Fire Hydrants Added 1960 to 1990	351
Total Number of New Fire Hydrants 1990 to 2001	55
Total Number of New Fire Hydrants 2001 to 2003	19
Total Number of New Fire Hydrants 2003 to 2012	102
Total Number of New Fire Hydrants Added 2013	1
Total Number of New Fire Hydrants Added 2014	2
Total Number of New Fire Hydrants Added 2015	5
Total Fire Hydrants	535

	2003	2009	2013
Water Usage (in gallons)	150 Million	156 Million	154 Million

Rate History

Year	Metered Rate	Difference	Rate Increase %
2009	\$ 5.70		
2010	\$ 6.20	\$ 0.50	8%
2011	\$ 6.45	\$ 0.25	4%
2012	\$ 6.45	\$ -	0%
Aug, 2012	\$ 7.19	\$ 0.74	10%
2013	\$ 7.43	\$ 0.24	3%
2014	\$ 7.43	\$ -	0%
2015	\$ 7.90	\$ 0.47	6%
Jun, 2016	\$ 8.08	\$ 0.18	2%
2017	\$ 8.48	\$ 0.40	5%

Authorized Personnel

The Water Enterprise and Sewer Enterprise fund includes authorized personnel as follows; Utility Clerk and Utility Workers.

The wages for these employees are split between the Water & Sewer Fund at a ratio of 60/40.

FTE Equivalent Employees

3.51

Budget Commentary

Transfers out are applied to debt payments in the debt service funds.

Budget Detail

Account	Actuals			Current Budget 2016	% Rec. Budget 2016	Prelim. Budget 17	Budget Change 17	Final Budget 17	% Old Budget 17
	2013	2014	2015						

601 Water Enterprise Fund

319100 Penalty & Interest Property Taxes					0%				0%
319100 Penalty & Interest	10				0%	0	0	0	0%
Group:	10								

341070 Assessment Search	1,480	1,740		7,981	4,000 200%	5,000	0	5,000	125%
2013 \$1000 year end entry									
2014 \$2000									
2015 \$3000									
2016 \$4000									
2017 \$5,000									
Group:	1,480	1,740		7,981	4,000 200%	5,000	0	5,000	125%

361100 Principal - Current					0%				0%
361110 Principal - Delinquent			129		0%		0	0	0%
Group:			129						

361200 Interest - Current					0%				0%
361210 Interest - Delinquent			4		0%		0	0	0%
Group:			4						

361300 Penalties & Interest	1	462	83		0%		0	0	0%
361300 Penalties & Interest	1	462	83		0%		0	0	0%
Group:	1	462	83						

362100 Investment Interest	32,672	31,783	25,878	18,267	30,000 61%	30,000		30,000	100%
362100 Investment Interest	1,168	1,377	1,175	1,200	0%			0	0%
362110 Checking Account Interest	490	450	373	400	46%			0	0%
362150 Interest Income/City			-5,718	22,197	***%			0	0%
362160 Gain (Loss) on Sale of									
Group:	-54,715	110,104	21,708	40,648	31,600 129%	30,000	0	30,000	94%

362200 Park Field Rental Fees	23,126	47,786	44,273		50,199 0%	39,725		39,725	79%
362250 City Property Lease									
Sprint/Nextel 17,057.06									
New Cingular 22,668.14									
Group:	23,126	47,786	44,273		50,199 0%	39,725	0	39,725	79%

CITY OF HERMANTOWN, MN
Revenue Budget Report -- Multi-Year Actuals
For the Year: 2017

Account	Actuals			Current Budget		% Rec. Budget 2016	Prelim. Budget	Budget Change	Final Budget	% Old Budget
	2013	2014	2015	2016	2016					

601 Water Enterprise Fund

371720	Front Foot Water Cash	2,468	6,720	17,083	1,740	6,500	27%	6,500		6,500	100%
	OID lines \$7.50 per front foot.		Okerstrom \$13.21 and Maple Grove Rd \$57.87								
379999	Late Fee	15,440	12,815	12,760	8,182	10,000	82%	10,000		10,000	100%
	10% penalty on current balance due which is late.										
392010	Return check fee \$30.										
	Transfers In		32,541	1,500		0	0%			0	0%
	Group:	95,126	131,352	110,623	67,045	92,892	72%	93,612	0	93,612	100%
	Fund:	1,270,115	1,445,709	1,446,384	1,033,054	1,440,710	72%	1,506,019	0	1,506,019	104%
	Grand Total:	1,270,115	1,445,709	1,446,384	1,033,054	1,440,710		1,506,019	0	1,506,019	

CITY OF HERMANTOWN, MN
Expenditure Budget Report -- MultiYear Actuals
For the Year: 2017

Account Object	Actuals			Current Budget 2016	% Exp. 2016	Prelim. Budget 17	Budget Changes 17	Final Budget 17	% Old Budget 17
	2013	2014	2015						
382 Water Purchases	686,404	764,016	665,752	406,381	745,000	55%	-37,250	745,000	100%
No increase for 2015									
City of Duluth Monthly fixed charge \$131.57									
CF = 748 gallons=\$3.931 Gallon									
Per Eric @ Comfort Systems 0% increase for 2014 08/26/13									
2011 purchased 168,552,076 gallons									
2012 purchased 174,905,588 gallons 12% Unbilled/Loss									
2013 Revised estimate 180,500,000 gallons purchased 11% unbilled.									
2014-Estimate \$189,000,000 11% Loss									
401 Building Maintenance		160			0	0%		0	0%
404 Equipment Maintenance	2,907	3,224	3,449	11,259	3,000	375%	-150	3,000	100%
SCADA - #1758									
quarterly January-june \$489.59 per quarter									
July-December \$504.28 per quarter									
\$1987.74/year									
406 Vehicle Maintenance	395	588	521	4,925	600	821%	-30	600	100%
oil changes, batteries, tires, vehicle repair parts, etc.									
413 Equipment Rental		624		9,000	10,000	90%		10,000	100%
417 Uniform Rental	135	183	317	181	140	129%		180	129%
451 Dues & Subscriptions	692	562	675	485	700	69%		750	107%
Water Utility Member \$398 in 2013									
Water supply operators @ \$23									
Rural Water Association \$225 in 2013									
460 Permits & Licenses		68		19	0	***%		0	0%
470 Booster Pump Repairs	3,545	350	32		750	0%		750	100%
Pump, valve, battery, etc									
471 Water Line Repairs	32,452	61,383	31,990	8,310	25,000	33%	-1,250	25,000	100%
3 yr average \$1455.00									
Contractors to repair watermain repairs, blacktop, topsoil, clamps, cold mix, etc.									
472 Hydrant Repairs	8,794	7,865	15,161	15,573	10,000	156%	-500	10,000	100%
Adjusted Capital Outlay in Water and moved to Water Line Repairs									
495 Property Damage Reimb. by	251	1,000	65	96	500	19%	-25	500	100%
499 Miscellaneous		1,311							
Drug & Alcohol testing, misc supplies									
540 Office Equip/Furnishings		374		115	0	***%		0	0%
544 Motor Vehicles				24,169	23,500	103%			
580 Other Equipment	1,736	39,257	17,456	22,953	13,000	177%		1,969	15%
2016 utility truck 1/2 water 1/2 sewer for a total of \$47,000									
Install new domestic water heater in public works building									
\$1,969 to Fund 601									
\$1,969 to Fund 602									
\$1,969 to Fund 101									
Account:	886,639	1,057,956	932,247	666,790	1,029,519	65%	-39,395	1,071,139	104%
494400 Water Administration and General				53,461	76,493	70%	28,804	84,981	111%
101 Full-Time Employees - Reg		72,307	76,731						
15% Mulder, 18% 3 in Finance, 12% Meide, Shepherd 60%									

CITY OF HERMANTOWN, MN
Expenditure Budget Report -- Multi-Year Actuals
For the Year: 2017

Account Object	2013	2014	2015	2016	Current Budget 2016	% Exp. 2016	Prelim. Budget 17	Budget Changes 17	Final Budget 17	% Old Budget 17
325 Postage for bulk mailing	3,101	3,227	3,208	2,981	3,500	85%	3,600		3,600	103%
Permits, address change, 1st class presort fees	795	704								
331 Travel Expense			1,152	697	825	84%	900		900	109%
Mulder portion monthly car allowance										
Shepherd travel - post office, training	378	375	329	470	400	118%	450		450	113%
351 Legal Notices Publishing										
Drinking water report Hermantown Star	8,706	2,916	5,685	6,493	5,537	117%	1,422		1,422	26%
361 General Liability Insuran	6,505	6,321	5,108	5,499	6,000	92%	6,300		6,300	105%
381 Electricity										
Portion of PW Bldg	2,745	3,638	1,579	1,682	3,500	48%	3,600		3,600	103%
383 Heating Gas										
Portion of PW Bldg	1,277	541			950	0%			0	0%
384 Garbage Removal	45				0	0%			0	0%
404 Equipment Maintenance	6,508	6,349	5,753	6,179	6,400	97%	5,008	1,591	6,599	103%
405 Computer Maintenance										
2017 Black Mountain Maintenance Agreement 25% \$4,958, plus \$50 for MF50 Cass certification										
CW Maintenance Agreement 6%=\$1445										
CW Mail Filters 7%=\$57			4,416	910	10,000	9%			0	0%
413 Equipment Rental	5	18			0	0%			0	0%
417 Uniform Rental	167,848	171,036	168,363		165,000	0%	170,000		170,000	103%
420 Depreciation Expenses										
Depreciation posted at year end										
460 Permits & Licenses				150	0	***%			0	0%
Water dept vehicles - every 2 years.										
Water Support Operator renewal - \$23										
496 Insurance Deductible	1,000		515		0	0%			0	0%
499 Miscellaneous					0	0%			0	0%
540 Office Equip/Furnishings		704			0	0%			0	0%
No Office Equipment Budgeted for 2012										
580 Other Equipment	47,839	-39,482		78,909	48,000	164%			0	0%
720 Transfer Out		48,787							0	0%
Transfers to debt service										
317 6120.43										
318 42782.46										
Account:	368,200	326,508	386,316	190,976	367,942	52%	289,206	39,694	328,900	89%
495000 Transfer Out										
720 Transfer Out										
Track Excavator										
Account:										
Fund:	1,254,839	1,384,464	1,318,572	857,766	1,397,461	61%	1,487,240	66,236	1,553,476	111%
Grand Total:	1,254,839	1,384,464	1,318,572	857,766	1,397,461		1,487,240	66,236	1,553,476	

Fund 602 - Sewer Enterprise Fund

Sewer fund accounts for the activity of providing sewer disposal services to the public. The Hermantown Utility Department is responsible for the collection of sanitary sewer waste. The Western Lake Superior Sanitary District purifies sanitary sewer waste. The rates are set by the Utility Commission and voted by resolution or motion by the City Council. The current sewer utility rate is \$8.87 per 1,000 gallons. The rate will increase in 2017.

Objectives

- Provide adequate sanitary sewer operations, the city's sewer system consists of 67,928 miles of sewer mains but continues to expand based upon neighborhood petitions requesting an extension of services.
- The Public Works Director is responsible for leading the maintenance of city sewer mains.

Age of System	35 Years
Total Miles of Low Pressure Force main to 2014	7.31 Miles
Total Miles of Sewer Main Added From 1970 to 1990	24 Miles
Total Miles Added From 1990 to 2001	13 Miles
Total Miles Added From 2001 to 2003	6.688 Miles
Total Miles Added From 2003 to 2010	15.62 Miles
Total Miles Added From 2010 to 2012	1.30 Miles
Total Miles Added From 2012 to 2014	.37 Miles
Total Miles Added From 2014 to 2015	.09 Miles
Total Miles of Sewer Main	68.378 Miles

Total Number of Manholes Added 1970 to 2001	270
Total Number of Manholes Added 2001 to 2002	123
Total Number of Manholes Added 2002 to 2010	354
Total Number of Manholes Added 2010 to 2012	27
Total Number of Manholes Added 2012 to 2014	13
Total Number of Manholes Added 2014 to 2015	3
Total Manholes	790

	2003	2009	2013
Water Sewage Usage (in gallons)	110 Million	133.5 Million	154 Million

The City's sanitary sewer system includes: 15 Pumping Stations, Phase I Trunk Sewer - 2.4 Miles, Phase II Trunk Sewer - 2 Miles, and Phase III Trunk Sewer - 2.47 Miles

Rate History

Year	Metered Rate	Difference	Rate Increase %	Service Charge	Flat Fee (Based on 4500 Gal's)
2009	\$ 5.29	-	-	-	-
2010	\$ 5.93	\$ 0.64	11%	\$ 1.50	\$ 26.69
Sept, 2010	\$ 7.40	\$ 1.47	20%	\$ 2.00	\$ 33.30
2011	\$ 7.40	\$ -	0%	\$ 2.00	\$ 33.30
2012	\$ 7.40	\$ -	0%	\$ 2.00	\$ 33.30
Aug, 2012	\$ 7.70	\$ 0.30	4%	\$ 3.00	\$ 34.65
2013	\$ 8.09	\$ 0.39	5%	\$ 3.00	\$ 36.41
2014	\$ 8.60	\$ 0.51	6%	\$ 3.00	\$ 38.70
2015	\$ 8.87	\$ 0.27	3%	\$ 3.00	\$ 39.92
2016	\$ 8.87	\$ 0.0	0%	\$ 3.00	\$ 39.92
2017	\$ 9.42	\$ 0.55	6%	\$ 3.00	\$ 42.39

Authorized Personnel

The Water Enterprise and Sewer Enterprise fund includes authorized personnel as follows; Utility Clerk and Utility Workers. The wages for these employees are split between the Water & Sewer Fund on a ratio of 60/40.

FTE Equivalent Employees

2.34

Budget Commentary

Budget Detail

CITY OF HERMANTOWN, MN
Revenue Budget Report -- MultiYear Actuals
For the Year: 2017

Account	2013	2014	Actuals 2015	2016	Current Budget 2016	% Rec. Budget 2016	Prelim. Budget 17	Budget Change 17	Final Budget 17	% Old Budget 17
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602 Sewer Enterprise Fund

341000										
341070	Assessment Search	987	1,740		4,000	0%			0	0%
	2013 \$1,000									
	2014 \$2,000									
	2015 \$3,000									
	2016 \$4,000									
	Group:	987	1,740		4,000	0%			0	0%

361100	Principal - Current		45,440		0	0%			0	0%
361110	Principal - Delinquent			216	0	0%			0	0%
	Group:		45,440	216	0	0%			0	0%

361200	Interest - Current			48	0	0%			0	0%
361210	Interest - Delinquent			48	0	0%			0	0%
	Group:			48	0	0%			0	0%

361300	Penalties & Interest		63	166	0	0%			0	0%
	Group:		63	166	0	0%			0	0%

362100	Investment Interest		3,932	6,847	5,000	360%	7,000		7,000	140%
362110	Investment Interest		1,915	1,809	1,500	0%			0	0%
362150	Checking Account Interest		2,222	2,105	2,000	98%	2,000		2,000	100%
362160	Gain (Loss) on Sale of		-9,283	-7,223	0	***%			0	0%
	Group:	-1,214	13,527	3,538	8,500	574%	9,000		9,000	105%

362400	911 Signs									
362415	Other Insurance		170		0	0%			0	0%
362430	Refund & Reimbursement		2,954		0	0%			0	0%
	Group:		3,124		0	0%			0	0%

362900	Flex Plan Revenue Over/Short		990	8,476	25	0 ***%			0	0%
362990	Miscellaneous Revenue		990	8,476	25	0 ***%			0	0%
	Group:		990	8,476	25	0 ***%			0	0%

371700	Service Charge		65,119	67,630	68,009	49,139	69,048	71%	70,056	
	City of Duluth reimbursement - 2016 \$41,773 (\$684 to service charge and \$41,089 to sewer usage)									
	2016 1918 x 36 = 69,048									
	2015 3.00 1896 x 36 = 68,256									
	Group:		65,119	67,630	68,009	49,139	69,048	71%	70,056	101%

Account	Actuals				Current Budget		% Prelim. Budget		Budget Change		Final Budget		% Old Budget	
	2013	2014	2015	2016	2016	2016	2016	2016	17	17	17	17	17	17

602 Sewer Enterprise Fund

2011 2.00														
2012 3.00														
2013 3.00	1759	customer x 36 =	63,324											
2014 1797 x 36 =	64,692													

372400 Sewer Usage	65,119	67,630	68,009	49,139	69,048	71%	70,056	0	70,056	101%
372400 Sewer Usage	1,110,325	1,147,910	1,249,302	865,256	1,193,530	72%	1,269,563		1,269,563	106%

City of Duluth reimbursement \$41,773.00 (\$684 to service charge and \$41,089 to sewer usage)
 2016 \$8.87 x 134,558,033/1000 2% increase in volume
 2015 \$8.87 x 131,919,640 (3% increase) Utility Comm 10/28/14
 2015 \$39.92 flat fee rate
 2014 \$38.70 flat fee rate
 2014 8.60 x 137,623,812 (6% increase) Utility Comm 10/22/13
 2013 \$36.41 flat fee rate
 2013 8.09 x 132,126,031/1000 = 1068899.60
 2012 7.70
 2011 7.40

Group:	1,110,325	1,147,910	1,249,302	865,256	1,193,530	72%	1,269,563	0	1,269,563	106%
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372500 Sewer Hookups	44,000	39,285	44,000	33,200	35,000	95%	35,000		35,000	100%
372500 Sewer Hookups	\$800 residential	4 commercial								
372525 E-1 Pump	4,200				0	0%			0	0%

Group:	44,000	43,485	44,000	33,200	35,000	95%	35,000	0	35,000	100%
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372700 Sewer Permits	4,725	3,855	5,900	3,865	3,500	110%	3,500		3,500	100%
372710 Sewer Permits	\$85 residential	@ 35								
372715 Sewer Capacity	\$50 plus \$50 per stool commercial	@ 4								
372720 Front Foot Cash	1,384	3,121	4,926	2,933	1,500	196%	1,500		1,500	100%
372720 Front Foot Cash	3,690	4,700	36,663	5,148	5,000	103%	5,000		5,000	100%
372720 Late Fee	13,921	12,492	11,940	7,844	12,000	65%	10,000		10,000	83%
372720 10% penalty on current balance past due										

Group:	23,720	24,168	59,429	19,790	22,000	90%	20,000	0	20,000	90%
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Fund:	1,243,927	1,347,087	1,433,184	1,016,187	1,332,078	76%	1,403,619	0	1,403,619	105%
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Grand Total:	1,243,927	1,347,087	1,433,184	1,016,187	1,332,078	76%	1,403,619	0	1,403,619	105%
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CITY OF HERMANTOWN, MN
Expenditure Budget Report -- MultiYear Actuals
For the Year: 2017

Account	Object	Actuals				Current Budget 2016	% Exp. 2016	Prelim. Budget 17	Budget Changes 17	Final Budget 17	% Old Budget 17
		2013	2014	2015	2016						
602 Sewer Enterprise Fund											
415300 Administration & Finance											
132 Health Care Savings Plan/ Account:											
					6	6	0%	0	0	0%	
416100 City Attorney											
308 Legal Fees Account:											
					388	388	0%	0	0	0%	
432500 Sewer Improvements											
595 Transmission/Distribution Projects in Capital funds Account:											
					4,200	4,200	0%	0	0	0%	
494500 Sewer Maintenance											
101 Full-Time Employees - Reg											
		75,566	73,645	92,391	53,464	76,033	70%	104,852	104,852	138%	
20% Senst PW 4 @ 40%											
		2,070	5,769	4,360	4,545	4,434	103%	4,411	4,411	99%	
102 Full-Time Employees - Ove											
		390	302	431	116	0	0%	0	0	0%	
103 Part-Time Employees - Reg											
						0	0%			0%	
105 Temporary Employees - Reg											
					2,881	6,035	100%	7,823	7,823	130%	
111 Severance Pay - Vacation/ 121 PERA Contributions - Coor											
		5,119	5,615	14,784	6,007	6,035	100%	7,823	7,823	130%	
7.50%											
128 Social Security											
		4,151	4,907	4,625	5,143	4,989	103%	6,467	6,467	130%	
6.20%											
129 Medicare											
		971	1,147	1,082	1,203	1,167	103%	1,512	1,512	130%	
1.45%											
131 Health Insurance											
		20,045	25,463	27,867	27,154	26,202	104%	41,243	41,243	157%	
132 Health Care Savings Plan/ 133 Life Insurance											
		64	111	165	47	140	34%	148	148	106%	
134 Disability Insurance											
		361	391	490	331	425	78%	464	464	109%	
151 Workers Compensation											
		1,772	6,961	4,396	1,526	2,168	70%	30	30	1%	
207 Safety Training Supplies											
			34	10		0	0%			0%	
211 Cleaning Supplies											
		2,404	260	244	1,123	3,000	37%	1,000	1,000	33%	
212 Motor Fuels											
Fuel @ Holiday											
					303	0	0%			0%	
219 Other Operating Supplies											
		1,110	157	1,073	2,387	1,000	239%	1,500	1,500	150%	
221 General Supplies											
Ameripride, other supplies											
					500	0	0%			0%	
222 Tires											
					0	0	0%			0%	
223 Bldg Repair & Maint Suppl											
		33	779	-38	1,319	1,000	132%	1,050	-50	100%	
228 Utility System Maint Supp											
		721	2,731								
2016 Sensus Annual meter Autoread - \$1550 split w Water											
		1,250	2,953	10,352	10	1,500	1%	1,500	1,500	100%	
229 Lift Station Maintenance											
					12,809	0	0%			0%	
305 Engineer Fees											
					46	0	0%			0%	
310 Recording/Filing Fees											

CITY OF HERMANTOWN, MN
Expenditure Budget Report -- Multi-Year Actuals
For the Year: 2017

Account	Object	Actuals				Current Budget 2016	% Exp. 2016	Prelim. Budget 17	Budget Changes 17	Final Budget 17	% Old Budget 17
		2013	2014	2015	2016						
720	Transfer Out	216,359	680,542	706,072	562,949	761,161	74%	788,295	-28,300	759,995	0%
Account:		814,870									100%
494900	Sewer Administration and General										
101	Full-Time Employees - Reg	40,131	47,072	51,153	35,637	50,995	70%	37,451	19,203	56,654	111%
10%	Welder 12% 3 in Finance, 8% Welder		40% Shepherd		169	118	143%				0%
102	Full-Time Employees - Ove	117	130	185							0%
Shepherd utility commission mtgs											
103	Part-Time Employees - Reg			1,726		0	0%				0%
111	Severance Pay - Vacation/			1,977		0	0%				0%
121	PERA Contributions - Coor	3,403	3,353	3,484	2,915	3,833	76%	2,768	1,440	4,208	110%
7.50%											
128	Social Security	3,112	2,892	3,028	2,406	3,169	76%	2,322	1,191	3,513	111%
6.2%											
129	Medicare	728	676	708	563	741	76%	543	278	821	111%
Not included in payroll budget worksheet. Add John's travel of \$9.00											
1.45%											
131	Health Insurance	12,729	8,990	9,094	9,319	9,799	95%	9,463	3,179	12,642	129%
132	Health Care Savings Plan/	41			90	0	0%	97	25	122	90%
133	Life Insurance	63	79	128	167	135	67%	170	85	255	94%
134	Disability Insurance	236	212	221	238	270	62%	85		85	22%
151	Workers Compensation	3,767	224	295	17	394	60%	105		105	105%
201	Office Supplies	3	77	28	96	100	17%	105		105	105%
202	Printing Supplies	467	483	175		500	19%	525		525	105%
Color copier charges											
Bill card printing											
envelopes, etc.											
209	Computer Supplies	198	728	6	5	150	3%	100		100	67%
212	Motor Fuels		4	810		0	0%			0	0%
219	Other Operating Supplies					0	0%			0	0%
221	General Supplies		47	-38		0	0%			0	0%
301	Audit/Account Services	2,165	2,065	2,988	2,100	2,100	100%	4,016		4,016	191%
2017 - 15% of \$26,775											
City auditor audit fees											
303	Banking Fees	844	1,107	440	125	1,000	0%	1,500		0	0%
305	Engineer Fees	8,922	165	233	371	1,500	8%	1,500		1,500	100%
Utility commission mtg - other sewer related non project											
308	Legal Fees	1,723	3,057	3,767	138	2,000	19%	2,000		2,000	100%
Review of utility commission mtgs, city attorney											
310	Recording/Filing Fees					0	***%			0	0%
St. Louis County recorder											
314	Computer/Software Fees		250	450	298	0	***%	500		500	***%
315	School & Conference					50	0%	50		50	100%
Shepherd training											
318	Fire Protection					0	***%			0	0%
319	Contracted Services	264	203	208	2	250	119%	250		250	100%
Par Mar security - PW Bldg											
321	Telephone	2,968	2,228	1,449	1,180	2,100	56%	1,600		1,600	76%
Mediacom \$29.55/mo=\$354											
AN&T cell \$72/mo = \$864											
Answering service \$30/mo=\$360											

CITY OF HERMANTOWN, MN
Expenditure Budget Report -- Multiyear Actuals
For the Year: 2017

Account	Object	Actuals				Current Budget 2016	Exp. 2016	% Prelim. Budget 17	Budget Changes 17	Final Budget 17	% Old Budget 17
		2013	2014	2015	2016						
322	Internet	251	146	175	164	150	109%	175	175	117%	
	Internet \$14.70 per month = \$176.40										
323	Gopher One Call Locates	1,090	1,085	1,367	1,056	1,000	106%	1,050	1,050	105%	
325	Postage	2,053	2,151	2,139	1,966	2,400	82%	2,400	2,400	100%	
	Postage for bill postcards										
	1st class presort										
	address change										
	bulk mail permit										
331	Travel Expense	530	880	508	484	600	81%	600	600	100%	
	Mulder car mileage 36 x 12										
	Shepherd - mileage to post office monthly										
351	Legal Notices Publishing	63	74			0	0%		0	0%	
	Sewer rates publication										
361	General Liability Insuran	4,313	6,675	8,004	11,474	8,374	137%	6,054	6,054	72%	
381	Electricity	7,557	9,111	7,188	11,021	11,000	100%	11,000	11,000	100%	
	% of PW bldg										
383	Heating Gas	1,830	2,352	987	1,051	2,800	38%	2,800	2,800	100%	
	% of PW Bldg										
384	Garbage Removal	851	377			500	0%		0	0%	
	Waste Management										
404	Equipment Maintenance	45				34	0%		0	0%	
	Duluth Type Business & Furniture Co.										
	Typewriter maintenance \$34										
405	Computer Maintenance	6,493	6,342	5,750	6,177	6,400	97%	5,008	1,591	6,599	
	2017 Black Mountain Maintenance Agreement 25% \$4,958 plus \$50 for MP50 Cass									103%	
	Certification										
	CW Maintenance Agreement 6% = \$1445										
	CW Mail Filters 7% = \$57										
417	Uniform Rental					0	0%		0	0%	
420	Depreciation Expenses	442,519	488,985	487,917		460,000	0%	460,000	460,000	100%	
	End of year entry										
460	Permits & Licenses				310	0	***%		0	0%	
	Vehicles										
476	Lift Station Repairs Sewe		-254			0	0%		0	0%	
540	Office Equip/Furnishings		543			0	0%		0	0%	
	No Office Equipment Budgeted for 2012										
580	Other Equipment		-1,618			0	0%		0	0%	
	Transfer to debt service										
	Transfer Out		60,419	59,656	65,301	60,000	109%		0	0%	
	319 (311) 23639.88										
	317 6120.43										
	318 29895.63										
Account:		606,823	651,305	656,206	155,137	632,462	25%	552,632	26,992	579,624	92%
495000	Transfer Out					0	0%	122,500	54,838	177,338	*****%
720	Transfer Out					0	0%	122,500	54,838	177,338	*****%
	\$35,000 retro fit 2 lift stations					0	***%	122,500	54,838	177,338	*****%
	\$87,500 Track Excavator					0	***%	122,500	54,838	177,338	*****%
Account:											
Fund:		1,421,693	1,331,847	1,362,284	722,674	1,393,623	52%	1,463,427	53,530	1,516,957	109%

Grand Total: 1,421,693 1,331,847 1,362,284 722,674 1,393,623 1,463,427 53,530 1,516,957

Fund 605 - Street Lighting & Traffic Signalization Fund

Street Lighting fund was created to account for the activity of lighting and signalizing public streets. The City is responsible for the expenditures to maintain the traffic signals to control traffic flow at the following intersections: Cirrus Drive & Hwy 53, Ugstad & 53, Lavaque & 53, Arrowhead & 53, Mall Drive & 53, Haines Rd & Hermantown Road, Maple Grove & Loberg, and Maple Grove & Stebner. A monthly franchise fee is charged to electric power customers through MN Power to residents at a rate of \$2 per month.

Other revenue includes a portion of the gas franchise fees paid by gas customers of MN Energy Resources. Thirty eight percent of the gas franchise fee goes to the General Fund while the remaining 62% is budgeted in the Street Lighting & Traffic Signalization Fund.

Also included in the franchise fees is 75% of MN Energy gas franchise. 25% is in the General Fund.

Budget Detail

605 Street Lighting & Traffic Signalization

Account	2013	2014	2015	2016	Current Budget 2016	% Rec. 2016	Prelim. Budget 17	Budget Change 17	Final Budget 17	% Old Budget 17
318100 Franchise Fees										
318100 Franchise Fees	99,009	128,197	134,151	52,021	130,000	40%	130,000		130,000	100%
100% Electric Franchise \$90,000										
100% Gas Franchise \$60,000										
less General Fund Gas -\$10,000										
= \$140,000										
Estimate based on 2013 actual, estimating last quarter.										
Group:	99,009	128,197	134,151	52,021	130,000	40%	130,000	0	130,000	100%
362100 Investment Interest										
362100 Investment Interest	7,308	7,311	7,968	2,953	5,000	59%	4,000		4,000	80%
362110 Checking Account Interest	129	166	62		100	0%			0	0%
362120 Interest - Interfund			14,000		0	0%			0	0%
362160 Gain (Loss) on Sale of	-5,900	535	-3,557	3,151	0	***%			0	0%
Group:	1,537	8,012	18,473	6,104	5,100	120%	4,000	0	4,000	78%
Fund:	100,546	136,209	152,624	58,125	135,100	43%	134,000	0	134,000	99%
Grand Total:	11,415,637	11,844,770	9,388,595	7,791,166	8,081,116		8,543,933	18,406	8,562,339	

Account Object	2013	2014	2015	2016	Current Budget 2016	% Exp. 2016	Prelim. Budget 17	Budget Changes 17	Final Budget 17	% Old Budget 17
605 Street Lighting & Traffic Signalization										
431150 Street Improvements						0%				0%
219 Other Operating Supplies					5,000	3%	5,000		5,000	100%
227 Street Lights & Signs		2,599	132							
MN Power replace lights for street lights										
305 Engineer Fees	170					0%				0%
308 Legal Fees		14,200				0%	850		850	*****
City attorney -franchise						0%				0%
319 Contracted Services			8,100			0%				0%
381 Electricity						0%				0%
move to 431160 Street Lighting/electricity										
413 Equipment Rental		31,227			7,500	205%	7,875		7,875	105%
Rotary boom mower to maintain right of way										
420 Depreciation Expenses		3,216			3,000	0%	3,210		3,210	107%
580 Other Equipment						0%				0%
720 Transfer Out		2,500			2,500	100%				0%
Transfer to general fund \$2500										
Account:	53,028	39,712	27,336	26,142	18,000	145%	16,935	0	16,935	94%
431160 Street Lighting										
227 Street Lights & Signs			3,871		200	0%			200	100%
381 Electricity			27,488	18,615	27,500	68%	28,875		28,875	105%
Account:			31,359	18,615	27,700	67%	29,075	0	29,075	105%
441100 Storm Water										
305 Engineer Fees						0%				0%
308 Legal Fees						0%				0%
451 Dues & Subscriptions						0%				0%
Account:						0%				0%
495000 Transfer Out						0%				0%
720 Transfer Out						0%				0%
replace old lighting with LED lighting						0%				0%
Account:						0%				0%
Fund:	53,028	39,712	58,695	67,888	45,700	149%	83,010	0	83,010	182%
Grand Total:	53,028	39,712	58,695	67,888	45,700		83,010	0	83,010	

CITY OF HERMANTOWN, MINNESOTA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Business-type Activities Enterprise Fund			Total Enterprise Funds
	Water Utility Funds	Sewage Disposal Fund	Street Lighting Fund	
Operating revenues				
User fees	\$ 1,187,945	\$ 1,249,302	\$ 134,151	\$ 2,571,398
Service charges	79,280	68,009		147,289
Total operating revenues	<u>1,267,225</u>	<u>1,317,311</u>	<u>134,151</u>	<u>2,718,687</u>
Operating expenses				
Personal services	310,180	222,595		532,775
Water purchases	665,752			665,752
WLSSD charges		477,306		477,306
Maintenance and supplies	105,949	91,645	11,291	208,885
Utilities	6,688	8,175	27,488	42,351
Professional services	7,051	6,987	14,200	28,238
Insurance	5,685	8,004		13,689
Depreciation expense	168,363	487,917	3,216	659,496
Total operating expenses	<u>1,269,668</u>	<u>1,302,629</u>	<u>56,195</u>	<u>2,628,492</u>
Net operating income (loss)	(2,443)	14,682	77,956	90,195
Nonoperating revenues				
Hookups and miscellaneous income	156,324	114,439		270,763
Investment income	21,334	1,433	18,473	41,240
Total nonoperating revenues	<u>177,658</u>	<u>115,872</u>	<u>18,473</u>	<u>312,003</u>
Income before transfers	175,215	130,554	96,429	402,198
Transfer in	1,500			1,500
Transfer out	(48,903)	(59,656)	(2,500)	(111,059)
Change in net position	127,812	70,898	93,929	292,639
Net position, beginning, restated	<u>10,762,435</u>	<u>29,627,977</u>	<u>607,099</u>	<u>40,997,511</u>
Net position, ending	<u>\$ 10,890,247</u>	<u>\$ 29,698,875</u>	<u>\$ 701,028</u>	<u>\$ 41,290,150</u>

See accompanying notes to financial statements.

CITY OF HERMANTOWN
CITY COUNCIL MEETING
October 3, 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; Eric Johnson, Community Development Director; Paul Senst, Public Works Director; Steve Overom, City Attorney

VISITORS: 5

COMMUNICATIONS

Communications 2016-205 through and including 2016-212 were read and placed on file.

Communication 2016-210 from Jordan Urshan to City Council regarding Resignation from Park Board

Communication 2016-212 from S & P Global Ratings to City of Hermantown regarding general Obligation Capital Improvement Plan Bonds dated 9/22/2016

PUBLIC DISCUSSION

Jerry Smith, 136 6th St., Proctor, MN – I am here concerning the issue of the discharge of firearms on Mogie Lake, for myself and my two boys we do a lot of water fowl hunting. We do hunt there occasionally throughout the water fowl season, before school. It is an honor and privilege and we are losing places to give kids an opportunity and adults to discharge a firearm in a safe and orderly fashion on that lake. If we lose that we lose another place and another opportunity for people to go. I know there has been some complaining, we have spoken to all the land owners and I have permission to go in and out of the landowner's property on the lake. There are three houses on the lake and one across the street. On my behalf and my children's behalf I do not want to lose that. I would like to see a continuance so I can gather additional information from the police department over the last five years of how many police calls have been onto the lake.

Parker Smith, 136 6th St., Proctor, MN – Mogie Lake is a privilege for me because I like hunting a lot and getting outdoors, not like the video games because I like shooting guns. I like to hunt on Mogie Lake because it is close to my house and it is real cool to hunt on that lake.

Steve Apfelbacher, Ehlers & Associates – I am here this evening for the Bond Sale Resolution that is in your packet. It has been noted there was a copy of the Standard & Poors rating confirmation which is great news in terms of the confirmation of the AA standing. We are happy to report that we received ten bids today, the issue goes out ten years and the award in terms of when we opened the bids was at 3.34% in terms of the interest rate for that ten year period which is a great interest rate. We are reducing the size of the Bond Issue to reflect the premium bid and recommending we reduce the Issue to \$5,055,000. The future savings will be just under one million dollars as a result of the refinancing. Piper Jaffrey was the best bidder. I would be happy to answer any questions.

CONSENT AGENDA

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

- A. Approval of September 19, 2016 City Council Minutes
- B. Approve general city warrants from September 16, 2016 through September 30, 2016 in the amount of \$1,036,402.53
- C. Resolution 2016-118 – Appointing Election Judges for the November 8, 2016 General Election
Resolution 2016-119 – 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
Resolution 2016-125 – Approve 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
Resolution 2016-126 – Approve Pay Request Number 1 for Street Improvement District No. 526-N Ugstad Road Culverts to KGM Contractor's, Inc. in the amount of \$107,082.86

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

MOTION

Motion made by Councilor Koski, seconded by Councilor Nelson to approve water rate increase from \$8.08 to \$8.48 per 1000 gallons (5% increase) and sewer rate from \$8.87 to \$9.42 per 1,000 gallons (6.1% increase) effective January 1, 2017. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

ORDINANCES

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

The Second Reading was held on Ordinance 2016-56, An Ordinance Amending Hermantown Zoning Regulations Chapter 10, Land Splits And Platting and Chapter 2, Definitions.

Motion made by Councilor Peterson, seconded by Councilor Koski to adopt Ordinance 2016-56, An Ordinance Amending Hermantown Zoning Regulations Chapter 10, Land Splits And Platting And Chapter 2, Definitions. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

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

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

Motion made by Councilor Geissler, seconded by Councilor Nelson to adopt Ordinance 2016-54, An Ordinance Amending Section 730 – Firearms And Other Dangerous Weapons Of The Hermantown City Code. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

RESOLUTIONS

2016-120 Resolution Authorizing The Issuance, Sale And Delivery Of \$5,055,000 General Obligation Capital Improvement Plan Bonds, Series 2016B

Motion made by Councilor Nelson, seconded by Councilor Koski to adopt Resolution 2016-120, Resolution Authorizing The Issuance, Sale And Delivery Of \$5,055,000 General Obligation Capital Improvement Plan Bonds, Series 2016B. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

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 made by Councilor Peterson, seconded by Councilor Nelson to adopt Resolution 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. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

2016-122 Resolution Calling Public Hearing On Closure Statement For The Williams Drive Mobile Home Park

Motion made by Councilor Koski, seconded by Councilor Geissler to adopt Resolution 2016-122, Resolution Calling Public Hearing On Closure Statement For The Williams Drive Mobile Home Park. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

2016-123 Resolution Approving Payment To Hermantown School District For Re-Surfacing The Tennis Courts In The Amount Of \$10,400

Motion made by Councilor Peterson, seconded by Councilor Koski to adopt Resolution 2016-123, Resolution Approving Payment To Hermantown School District For Re-Surfacing The Tennis Courts In The Amount Of \$10,400. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

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

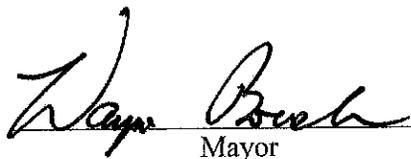
Motion made by Councilor Peterson, seconded by Councilor Nelson to adopt Resolution 2016-124, Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver Agreement For The Use Of The Hermantown Athletic Fields With Hermantown School District No. 700. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

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 made by Councilor Geissler, seconded by Councilor Koski to adopt Resolution 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. Roll Call: Councilors Geissler, Koski, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

Mayor Boucher thanked Xavier Witikko for running the video equipment.

Motion made by Councilor Peterson, seconded by Councilor Geissler to recess the meeting at 7:00 p.m. Motion carried.



Mayor

ATTEST:



Clerk

CITY OF HERMANTOWN

CHECKS #60190 - 60239
10/1/2016 - 10/15/2016

PAYROLL CHECKS

Electronic Checks - #77392 - 77430 57,480.40

LIABILITY CHECKS

Electronic Checks - #77387 - 77391 45,420.52

Printed Checks - #60190 709.54

PAYROLL EXPENSE TOTAL \$103,610.46

ACCOUNTS PAYABLE

Checks #60191-60239 490,056.42

ACCOUNTS PAYABLE TOTAL \$490,056.42

TOTAL \$593,666.88

10/12/2016

Fund Account	Department	Vendor Name	Description	Amount	Check #
401 431150	Street Improvements	A PLUS LANDSCAPING, LLC	Reinke Rd. Culvert Proj. 527	71,462.80	60191
101 419901	City Hall & Police Building Maintenance	AMERIPRIDE LINEN & APPAREL INC	Coveralls	2.40	60192
101 431100	Street Department	AMERIPRIDE LINEN & APPAREL INC	Coveralls	14.34	60192
602 494500	Sewer Maintenance	AMERIPRIDE LINEN & APPAREL INC	Coveralls	7.19	60192
601 494300	Water Distribution	AMERIPRIDE LINEN & APPAREL INC	Coveralls	9.36	60192
101 431901	City Garage	AMERIPRIDE LINEN & APPAREL INC	Supplies	74.34	60192
101 431100	Street Department	ASPHALT OF DULUTH INC	Road Patchings/Arrowhead Rd.	500.00	60193
101 421100	Police Administration	AUTO CARE COLLISION CENTER	Squad Body Repair	446.00	60194
101 421100	Police Administration	AUTO CARE COLLISION CENTER	Squad Body Repair	1,128.98	60194
101 452100	Parks	BRENT'S SEPTIC SERVICE LLC	Portable Toilets/6 Sites	586.00	60195
602 494500	Sewer Maintenance	BRENT'S SEPTIC SERVICE LLC	Pump Lift Station/Ugstad Rd.	200.00	60195
101 431100	Street Department	BROCK WHITE COMPANY, LLC	Road Patch/Mastic @ Manholes	1,700.00	60196
101 431100	Street Department	BW DISTRIBUTING	Cleaning Supplies	614.96	60197
235 452100	Parks	COMMISSIONER OF REVENUE	LandAcquisition/395-0070-00852	250.00	60198
101 431100	Street Department	COMPASS MINERALS AMERICA	Road Salt/Ticket 42615	673.68	60199
101 431100	Street Department	COMPASS MINERALS AMERICA	Road Salt/Ticket 42631	680.40	60199
101 431100	Street Department	COMPASS MINERALS AMERICA	Road Salt/Ticket 42704	679.84	60199
101 431100	Street Department	COMPASS MINERALS AMERICA	Road Salt/Ticket 42616	664.16	60199
101 431100	Street Department	COMPASS MINERALS AMERICA	Road Salt/Ticket 42623	664.16	60199
101 431100	Street Department	COMPASS MINERALS AMERICA	Road Salt/Ticket 42698	668.08	60199
101 431100	Street Department	COMPASS MINERALS AMERICA	Road	662.48	60199
101 431100	Street Department	COMPASS MINERALS AMERICA	Road Salt/Ticket 42646	672.56	60199
101 431100	Street Department	COMPASS MINERALS AMERICA	Road Salt/Ticket 42605	663.04	60199
101 431100	Street Department	COMPASS MINERALS AMERICA	Road Salt/Ticket 42612	664.72	60199
101 431100	Street Department	COMPASS MINERALS AMERICA	Road Salt/Ticket 42621	668.08	60199
101 431100	Street Department	COMPASS MINERALS AMERICA	Road Salt/Ticket 42714	668.08	60199
101 431100	Street Department	COMPASS MINERALS AMERICA	Road Salt/Ticket 42696	669.76	60199
101 431100	Street Department	COMPASS MINERALS AMERICA	Road Salt/Ticket 42604	666.96	60199
251 421801	DARE & Police Liaison Fund	CREATIVE PRODUCT SOURCING INC - DARE	DARE Supplies	2,559.63	60200
101 431100	Street Department	CW TECHNOLOGY GROUP INC	Disc. Recovery Backup	140.00	60201
101 421100	Police Administration	CW TECHNOLOGY GROUP INC	CW Care	1,497.13	60201
101 421100	Police Administration	CW TECHNOLOGY GROUP INC	Antivirus	27.00	60201
101 424100	Building Inspection	CW TECHNOLOGY GROUP INC	Antivirus	1.50	60201
101 413100	Mayor	CW TECHNOLOGY GROUP INC	CW Care	83.18	60201
101 413100	Mayor	CW TECHNOLOGY GROUP INC	Antivirus	1.50	60201
101 419100	Community Development	CW TECHNOLOGY GROUP INC	Oct-Dec Mailfilter	14.40	60201

10/12/2016

Fund Account	Department	Vendor Name	Description	Amount	Check #
101 419100	Community Development	CW TECHNOLOGY GROUP INC	Antivirus	1.50	60201
101 431100	Street Department	CW TECHNOLOGY GROUP INC	Antivirus	4.50	60201
101 424100	Building Inspection	CW TECHNOLOGY GROUP INC	Oct-Dec Mailfilter	3.60	60201
101 413100	Mayor	CW TECHNOLOGY GROUP INC	Oct-Dec Mailfilter	3.60	60201
101 421100	Police Administration	CW TECHNOLOGY GROUP INC	Video Server	1,513.01	60201
101 431100	Street Department	CW TECHNOLOGY GROUP INC	Oct-Dec Mailfilter	10.80	60201
101 424100	Building Inspection	CW TECHNOLOGY GROUP INC	CW Care	83.16	60201
101 411100	Council	CW TECHNOLOGY GROUP INC	Oct-Dec Mailfilter	14.40	60201
101 419100	Community Development	CW TECHNOLOGY GROUP INC	CW Care	249.53	60201
601 494400	Water Administration and General	CW TECHNOLOGY GROUP INC	Oct-Dec Mailfilter	10.80	60201
101 415300	Administration & Finance	CW TECHNOLOGY GROUP INC	Antivirus	9.00	60201
602 494900	Sewer Administration and General	CW TECHNOLOGY GROUP INC	Antivirus	4.50	60201
101 415300	Administration & Finance	CW TECHNOLOGY GROUP INC	CW Care	831.76	60201
101 411100	Council	CW TECHNOLOGY GROUP INC	Antivirus	6.00	60201
101 415300	Administration & Finance	CW TECHNOLOGY GROUP INC	Oct-Dec Mailfilter	28.80	60201
601 494400	Water Administration and General	CW TECHNOLOGY GROUP INC	CW Care	124.77	60201
601 494400	Water Administration and General	CW TECHNOLOGY GROUP INC	Antivirus	4.50	60201
101 431100	Street Department	CW TECHNOLOGY GROUP INC	CW Care	332.70	60201
602 494900	Sewer Administration and General	CW TECHNOLOGY GROUP INC	Oct-Dec Mailfilter	10.80	60201
101 421100	Police Administration	CW TECHNOLOGY GROUP INC	Oct-Dec Mailfilter	68.40	60201
602 494900	Sewer Administration and General	CW TECHNOLOGY GROUP INC	CW Care	124.77	60201
101 421100	Police Administration	ESC SYSTEMS	Key Fobs	151.00	60202
601 494300	Water Distribution	FERGUSON WATERWORKS #2516	H2O Maint. Supplies	36.40	60203
601 494300	Water Distribution	FERGUSON WATERWORKS #2516	H2O Maint. Supplies CREDIT	-18.20	60203
601 494300	Water Distribution	FERGUSON WATERWORKS #2516	Hydrant Parts	91.00	60203
601 494300	Water Distribution	FERGUSON WATERWORKS #2516	Hydrant Parts	3,673.65	60203
101 431100	Street Department	GOBEL AGGREGATE INC	Road Sand	182.00	60204
101 419901	City Hall & Police Building Maintenance	GOODIN COMPANY INC	Boiler Treatment Solution	245.37	60205
101 419901	City Hall & Police Building Maintenance	GOODIN COMPANY INC	Boiler Test Strips	7.16	60205
602 494900	Sewer Administration and General	GOPHER STATE ONE-CALL INC	Sept. Locate Requests	165.18	60206
601 494400	Water Administration and General	GOPHER STATE ONE-CALL INC	Sept. Locate Requests	247.77	60206
101 431901	City Garage	HARTEL'S/DBJ DISPOSAL CO LLC	Yard Trash Disposal	164.26	60207
101 419901	City Hall & Police Building Maintenance	HARTEL'S/DBJ DISPOSAL CO LLC	Recycling/Garbage Disposal	200.88	60207
101 452100	Parks	HERMANTOWN COMMUNITY SCHOOL	Resurface Tennis Courts	10,400.00	60208
101 422100	Fire Administration	HERMANTOWN FIRE RELIEF ASSN	4th Qtr Pension Pay	6,250.00	60209
101 415300	Administration & Finance	HERMANTOWN STAR LLC	Pub Hear/City Code Sec. 820	49.50	60210

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Fund	Account	Department	Vendor Name	Description	Amount	Check #
101	422100	Fire Administration	HERMANTOWN VOLUNTEER FIRE DEPT	4th Qtr Fire Protection	93,750.00	60211
602	494500	Sewer Maintenance	HUNT ELECTRIC CORPORATION	ElecServRepairs/Arrowhead Lift	3,815.64	60212
101	431100	Street Department	INTER CITY OIL CO INC	Diesel Fuel	788.67	60213
101	431100	Street Department	INTER CITY OIL CO INC	Diesel Fuel	721.52	60213
101	431100	Street Department	INTER CITY OIL CO INC	Diesel Fuel	389.57	60213
101	431100	Street Department	INTER CITY OIL CO INC	Diesel Fuel	610.16	60213
101	431100	Street Department	INTER CITY OIL CO INC	Diesel Fuel	407.25	60213
101	431100	Street Department	INTER CITY OIL CO INC	Diesel Fuel	382.81	60213
401	431150	Street Improvements	KGM CONTRACTORS, INC.	Ugstad Rd/Proj. 526	107,082.86	60214
230	465100	HEDA	KTM PAVING INC	Asphalt at ECFE Bldg.	6,210.00	60215
101	490100	Cemetery	LEAGUE OF MN CITIES INSURANCE TRUST	Workers Comp. Final Audit	58.00	60216
101	431100	Street Department	LEAGUE OF MN CITIES INSURANCE TRUST	Workers Comp. Final Audit	6,698.00	60216
101	452100	Parks	LEAGUE OF MN CITIES INSURANCE TRUST	LMC Final Billing	5,149.00	60216
101	431100	Street Department	LEAGUE OF MN CITIES INSURANCE TRUST	LMC Final Billing	4,192.00	60216
260	456101	Cable	LEAGUE OF MN CITIES INSURANCE TRUST	Workers Comp. Final Audit	29.00	60216
101	431901	City Garage	LEAGUE OF MN CITIES INSURANCE TRUST	LMC Final Billing	0.00	60216
601	494300	Water Distribution	LEAGUE OF MN CITIES INSURANCE TRUST	Workers Comp. Final Audit	891.00	60216
101	431901	City Garage	LEAGUE OF MN CITIES INSURANCE TRUST	LMC Final Billing	2,224.00	60216
101	452200	Community Building	LEAGUE OF MN CITIES INSURANCE TRUST	LMC Final Billing	950.00	60216
101	424100	Building Inspection	LEAGUE OF MN CITIES INSURANCE TRUST	Workers Comp. Final Audit	82.00	60216
101	419100	Community Development	LEAGUE OF MN CITIES INSURANCE TRUST	LMC Final Billing	4,545.00	60216
602	494500	Sewer Maintenance	LEAGUE OF MN CITIES INSURANCE TRUST	Workers Comp. Final Audit	82.00	60216
602	494900	Sewer Administration and General	LEAGUE OF MN CITIES INSURANCE TRUST	LMC Final Billing	3,676.00	60216
601	494400	Water Administration and General	LEAGUE OF MN CITIES INSURANCE TRUST	LMC Final Billing	2,431.00	60216
101	492200	Insurance	LEAGUE OF MN CITIES INSURANCE TRUST	LMC Final Billing	4,403.00	60216
101	492200	Insurance	LEAGUE OF MN CITIES INSURANCE TRUST	Workers Comp. Final Audit	101.00	60216
260	456101	Cable	LEAGUE OF MN CITIES INSURANCE TRUST	LMC Final Billing	48.00	60216
101	422903	Firehall #3 Midway Road	LEAGUE OF MN CITIES INSURANCE TRUST	LMC Final Billing	165.00	60216
101	422901	Firehall #1 Maple Grove Road	LEAGUE OF MN CITIES INSURANCE TRUST	LMC Final Billing	1,334.00	60216
101	415300	Administration & Finance	LEAGUE OF MN CITIES INSURANCE TRUST	Workers Comp. Final Audit	82.00	60216
101	422100	Fire Administration	LEAGUE OF MN CITIES INSURANCE TRUST	LMC Final Billing	0.00	60216
101	415300	Administration & Finance	LEAGUE OF MN CITIES INSURANCE TRUST	LMC Final Billing	225.00	60216
101	414100	Elections	LEAGUE OF MN CITIES INSURANCE TRUST	Workers Comp. Final Audit	7.00	60216
101	419100	Community Development	LEAGUE OF MN CITIES INSURANCE TRUST	Workers Comp. Final Audit	82.00	60216
101	419901	City Hall & Police Building Maintenance	LEAGUE OF MN CITIES INSURANCE TRUST	LMC Final Billing	4,408.00	60216
101	422902	Firehall #2 Morris Thomas Road	LEAGUE OF MN CITIES INSURANCE TRUST	LMC Final Billing	124.00	60216

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Fund	Account	Department	Vendor Name	Description	Amount	Check #
101	421100	Police Administration	LEAGUE OF MN CITIES INSURANCE TRUST	Workers Comp. Final Audit	5,743.00	60216
101	419901	City Hall & Police Building Maintenance	LEAGUE OF MN CITIES INSURANCE TRUST	Workers Comp. Final Audit	-55.00	60216
240	413200	City Administrator	LEAGUE OF MN CITIES INSURANCE TRUST	Workers Comp. Final Audit	82.00	60216
101	421100	Police Administration	LEAGUE OF MN CITIES INSURANCE TRUST	LMC Final Billing	11,218.00	60216
101	431100	Street Department	LEGACY DISTRIBUTION CO LLC	Street Signs	204.75	60217
101	419100	Community Development	MAKI & OVEROM LTD	Williams Dr. Mobile Home Park	91.50	60218
101	422100	Fire Administration	MAKI & OVEROM LTD	2016 HVFD Matters	84.00	60218
101	416100	City Attorney	MAKI & OVEROM LTD	2016 I & I Ord. Amendment	425.00	60218
101	419100	Community Development	MAKI & OVEROM LTD	Jackson Estates 4th/Mileage	16.31	60218
101	419100	Community Development	MAKI & OVEROM LTD	Dan Kuklis/Hearthwoods II Dev.	268.00	60218
101	416100	City Attorney	MAKI & OVEROM LTD	Domestic Abuse Information	171.50	60218
101	416100	City Attorney	MAKI & OVEROM LTD	General Matters/Retainer	1,250.00	60218
101	416100	City Attorney	MAKI & OVEROM LTD	Electr Data Stor Reten Policy	98.00	60218
101	419100	Community Development	MAKI & OVEROM LTD	Jackson Estates 4th Addition	1,872.50	60218
101	421100	Police Administration	MAKI & OVEROM LTD	Prosecution Matters	6,769.11	60218
401	431150	Street Improvements	MAKI & OVEROM LTD	Reinke Rd. Culvert/Postage	3.14	60218
101	424100	Building Inspection	MAKI & OVEROM LTD	Building Official Matters	42.00	60218
101	419100	Community Development	MAKI & OVEROM LTD	Redevelopment Grant	5.00	60218
101	419100	Community Development	MAKI & OVEROM LTD	Kevin Kuklis Development	105.00	60218
101	419100	Community Development	MAKI & OVEROM LTD	Stormwater Utility Matters	42.00	60218
605	441100	Storm Water	MAKI & OVEROM LTD	Condemn/General Store Canopy	131.00	60218
101	419100	Community Development	MAKI & OVEROM LTD	Firearm Ordinance	159.50	60218
101	421100	Police Administration	MAKI & OVEROM LTD	E-Citations	314.00	60218
101	421100	Police Administration	MAKI & OVEROM LTD	Gun Permits	309.00	60218
101	416100	City Attorney	MAKI & OVEROM LTD	Data Practices Procedures	416.50	60218
101	421100	Police Administration	MAKI & OVEROM LTD	Criminal Background Checks	44.00	60218
101	416100	City Attorney	MAKI & OVEROM LTD	2016 Right of Way Ordinance	55.00	60218
101	416100	City Attorney	MAKI & OVEROM LTD	JAZB Board of Appeals/Adjust	10.00	60218
101	419100	Community Development	MAKI & OVEROM LTD	McGiffert/Hoff Development	28.00	60218
101	416100	City Attorney	MAKI & OVEROM LTD	Keene Creek Park Encroach.	33.00	60218
101	419100	Community Development	MAKI & OVEROM LTD	MnDOT Marketplace Sign Permit	21.00	60218
101	416100	City Attorney	MAKI & OVEROM LTD	Sales Tax Legislation	1,491.00	60218
101	416100	City Attorney	MAKI & OVEROM LTD	Soccer Field Development	42.00	60218
101	419100	Community Development	MAKI & OVEROM LTD	4941 Lightning Dr. Matters	115.00	60218
101	419100	Community Development	MAKI & OVEROM LTD	Milis Fleet Farm Project	70.00	60218
461	465100	HEDA	MAKI & OVEROM LTD	Data Practices Requests	1,189.50	60218
101	416100	City Attorney	MAKI & OVEROM LTD			

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Fund	Account	Department	Vendor Name	Description	Amount	Check #
101	419100	Community Development	MAKI & OVEROM LTD	Subdivision Amendments	28.00	60218
230	416100	City Attorney	MAKI & OVEROM LTD	2016 HEDA Strategic Planning	1,691.00	60218
101	419100	Community Development	MAKI & OVEROM LTD	Dev. Agmt./Tony Gagnon	98.00	60218
101	419100	Community Development	MAKI & OVEROM LTD	2016 Airport Zoning Legislatio	1,311.00	60218
101	416100	City Attorney	MAKI & OVEROM LTD	5787 W. Arrowhead Rd. Matters	21.00	60218
101	416100	City Attorney	MAKI & OVEROM LTD	MN Gov't Master Subscriber Agmt	12.50	60218
101	416100	City Attorney	MAKI & OVEROM LTD	Credit Card Contract	118.50	60218
101	416100	City Attorney	MAKI & OVEROM LTD	Records Retention	303.50	60218
401	431150	Street Improvements	MAKI & OVEROM LTD	Reinke Road Culvert	375.00	60218
101	416100	City Attorney	MAKI & OVEROM LTD	Snowmobile Ordinance Amendment	448.50	60218
101	416100	City Attorney	MAKI & OVEROM LTD	Sales Tax Legis/Research Fees	25.87	60218
101	422902	Firehall #2 Morris Thomas Road	MEDIACOM	Internet/FH #2	159.38	60219
101	431100	Street Department	MIENARD INC	Inv 19172/Sales Tax Error	9.43	60220
101	431100	Street Department	MIENARD INC	LP Tank	31.64	60220
101	431100	Street Department	MIENARD INC	Inv 19241/Sales Tax Error	16.99	60220
101	452100	Parks	MIENARD INC	Repairs/Soccer Field	28.15	60220
101	421100	Police Administration	METRO SALES INC	Copier Lease	204.00	60221
402	431150	Street Improvements	MN DEPT OF TRANSPORTATION	Testing/Stebner Rd. Proj. 524	426.17	60222
601	494300	Water Distribution	MN PIPE & EQUIPMENT INC	H2O Service Parts	1,595.15	60223
605	431150	Street Improvements	MN POWER	Replaces Street Light/4143 Ugstad	50.00	60224
101	431100	Street Department	NAPA AUTO PARTS	Wiper Blades/Door Pins	97.92	60225
101	415300	Administration & Finance	NORTHERN BUSINESS PRODUCTS	Office Supplies	10.47	60226
101	415300	Administration & Finance	NORTHERN BUSINESS PRODUCTS	Office Supplies	29.85	60226
101	415300	Administration & Finance	NORTHERN BUSINESS PRODUCTS	Office Supplies	123.39	60226
101	415300	Administration & Finance	NORTHERN BUSINESS PRODUCTS	Returned Item/CREDIT	-43.99	60226
101	415300	Administration & Finance	NORTHERN BUSINESS PRODUCTS	Office Supplies	34.41	60226
101	421100	Police Administration	NORTHLAND FIRE & SAFETY INC	Fire Extinguisher Maint/Supplies	282.75	60227
101	419901	City Hall & Police Building Maintenance	NORTHLAND FIRE & SAFETY INC	Fire Extinguisher Maint/Supplies	721.15	60227
601	494300	Water Distribution	NORTTRAX/POWERPLAN	John Deere 135G Rental	4,500.00	60228
101	415300	Administration & Finance	ORME, KEVIN	Mileage Reimb/GFOA Conf.	227.88	60229
101	419901	City Hall & Police Building Maintenance	SAM'S CLUB DIRECT	Copy Paper/CH	55.96	60230
101	421100	Police Administration	SAM'S CLUB DIRECT	Cups/Batt/PD	60.94	60230
101	421100	Police Administration	SAM'S CLUB DIRECT	Copy Paper/PD	27.98	60230
101	431100	Street Department	SAM'S CLUB DIRECT	Coff/Plates/Cups/Kix/PW	72.34	60230
101	419901	City Hall & Police Building Maintenance	SAM'S CLUB DIRECT	Coff/Kix/Plates/PT/Batt/CH	89.84	60230
402	431150	Street Improvements	SHORT ELLIOTT HENDRICKSON INC	Stebner Rd. Proj. 524	35,083.91	60231

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Fund	Account	Department	Vendor Name	Description	Amount	Check #
101	421100	Police Administration	SHRED-N-GO INC	Shredding	82.14	60232
235	452100	Parks	ST LOUIS COUNTY AUDITOR	LandAcquisition/395-0070-00852	342.65	60233
101	419100	Community Development	ST LOUIS COUNTY RECORDERS OFFICE	Stormwater Cert/Jacks Est 4th	46.00	60234
101	452200	Community Building	TELCOLOGIX	Oct. Maint. Agmt.	10.05	60235
101	419901	City Hall & Police Building Maintenance	TELCOLOGIX	Oct. Maint. Agmt.	237.85	60235
101	422901	Firehall #1 Maple Grove Road	TELCOLOGIX	Oct. Maint. Agmt.	70.35	60235
101	431901	City Garage	TELCOLOGIX	Oct. Maint. Agmt.	16.75	60235
101	421100	Police Administration	TROY'S BP AMOCO INC	Tires	573.92	60236
101	415300	Administration & Finance	TUCKER, ARLENE	Reimbursed Health Ins.	474.30	60237
602	494500	Sewer Maintenance	WLSSD	Wastewater Charges	34,095.00	60238
101	431100	Street Department	ZIEGLER INC	Wear Edge on Loader	51.18	60239
101	431100	Street Department	ZIEGLER INC	Wear Edge on Loader	745.28	60239

Totals: 192 records printed

490,056.42

Resolution No. 2016-129

RESOLUTION APPROVING PAY REQUEST NUMBER 5 FOR STREET IMPROVEMENT DISTRICT NO. 524-N S.A.P. 202-103-009 STEBNER ROAD TO ULLAND BROTHERS, INC. IN THE AMOUNT OF \$256,776.57

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

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

WHEREAS, Ulland Brothers, Inc. has submitted Pay Request No.5 in the amount of \$256,776.57; and

WHEREAS, Northland Consulting Engineers, LLP has approved such Pay Request No. 5 provided that 5% of the amount appearing on such Pay Request No. 4 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. 5 is hereby approved.
2. The City is hereby authorized and directed to pay to Ulland Brothers, Inc. the sum of \$256,776.57 which is the amount represented on Pay Request No. 5 less the required five-percent (5%) holdback.

Councilor _____ introduced the foregoing resolution and moved its adoption.

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

and the following voted in opposition thereto:

WHEREUPON, such resolution has been duly passed and adopted.



Eng. Project No.: HERMT 132480

Application for Payment
(Unit Price Contract)
No. 5

Location: Hermetown, Minnesota

Contractor: Ulland Brothers, Inc.

Contract Date: May 19, 2016

PO Box 340

Clouet, MN 55720

Contract Amount \$ 1,881,500.00

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

Application Date 10/11/16

For Period Ending 10/11/16

Item No.	Item	Unit	Total Project			Roadway SP 202-103-008, STPF-6916(186)			Storm Sewer S.P. 202-103-008, STPF-6916(186)			100% City Non-Participating			
			Est. Quantity	Quantity to Date	Total Price	Est. Quantity	Quantity to Date	Unit Price	Total Price	Est. Quantity	Quantity to Date	Unit Price	Total Price	Est. Quantity	Quantity to Date
2101.501	MOBILIZATION	LS	1.00	1.00	\$17,822.04	0.93	\$17,822.04	\$18,574.50	0.00	\$17,822.04	0.07	\$17,822.04	0.07	\$17,822.04	\$1,247.54
2101.511	CLEARING & GRUBBING	LS	1.00	0.65	\$3,900.00	0.35	6,000.00	6,000.00	0.00	6,000.00	0.65	6,000.00	0.65	6,000.00	\$3,900.00
2104.501	REMOVE PIPE CULVERTS	LIN FT	61.00	85.00	\$1,020.00	61.00	12.00	\$1,020.00	0.00	12.00	0.00	12.00	0.00	12.00	
2104.501	REMOVE PIPE SEWERS (P)	LIN FT	2327.00	2334.00	\$30,342.00	0.00	0.00	\$30,342.00	2327.00	2334.00	13.00	\$30,342.00	0.00	13.00	
2104.501	REMOVE CURB AND GUTTER	LIN FT	13190.00	13248.00	\$17,222.40	13190.00	1.30	\$17,222.40	0.00	1.30	1.30	\$17,222.40	0.00	1.30	
2104.503	REMOVE BITUMINOUS PAVEMENT (P)	SQ FT	206452.00	206797.00	\$52,039.10	206452.00	0.30	\$52,039.10	0.00	0.30	0.30	\$52,039.10	0.00	0.30	
2104.503	REMOVE BITUMINOUS DRIVEWAY PAVEMENT (P)	SQ FT	1988.00	3426.00	\$2,226.90	1988.00	0.65	\$2,226.90	0.00	0.65	0.65	\$2,226.90	0.00	0.65	
2104.503	REMOVE CONCRETE WALK	SQ FT	24772.00	24888.00	\$9,955.20	24772.00	\$0.40	\$9,955.20	0.00	\$0.40	0.00	\$0.40	0.00	\$0.40	
2104.509	REMOVE MANHOLE OR CATCH BASIN	EACH	24.00	24.00	\$6,240.00	0.00	260.00	\$6,240.00	24.00	24.00	260.00	\$6,240.00	0.00	260.00	
2104.509	REMOVE CASTING	EACH	11.00	15.00	\$4,500.00	3.00	\$300.00	\$2,700.00	3.00	6.00	\$300.00	\$1,800.00	0.00	\$300.00	
2104.509	REMOVE SIGN	EACH	4.00	5.00	\$125.00	4.00	5.00	\$125.00	0.00	0.00	\$25.00	\$25.00	0.00	\$25.00	
2104.511	SAWING CONCRETE PAVEMENT (FULL DEPTH)	LIN FT	59.00	48.00	\$156.00	59.00	3.25	\$156.00	0.00	0.00	3.25	\$156.00	0.00	3.25	
2104.513	SAWING BITUMINOUS PAVEMENT (FULL DEPTH)	LIN FT	755.00	755.00	\$1,267.20	755.00	1.65	\$1,267.20	0.00	0.00	1.65	\$1,267.20	0.00	1.65	
2104.523	SALVAGE SIGN PANEL TYPE C	EACH	20.00	12.00	\$300.00	20.00	\$25.00	\$300.00	0.00	\$25.00	0.00	\$25.00	0.00	\$25.00	
2104.525	ABANDON WATER SERVICE	EACH	3.00	3.00	\$1,000.00	0.00	\$1,000.00	\$1,000.00	0.00	\$1,000.00	0.00	\$1,000.00	0.00	\$1,000.00	\$3,000.00
2105.501	COMMON EXCAVATION (P)	CU YD	12831.00	10637.00	\$146,612.70	10637.00	\$11.70	\$124,456.90	0.00	\$11.70	1894.00	\$11,700.00	0.00	1894.00	\$22,159.80
2105.507	SUBGRADE EXCAVATION (P)	CU YD	3197.00	2654.00	\$33,175.00	3197.00	\$12.50	\$33,175.00	0.00	\$12.50	0.00	\$12.50	0.00	\$12.50	
2105.521	GRANULAR BORROW (CV) (P)	CU YD	474.00	474.00	\$22.00	474.00	0.00	\$22.00	0.00	0.00	\$22.00	0.00	\$22.00		
2105.522	SELECT GRANULAR BORROW MOD 7% (CV) (P)	CU YD	5730.00	5225.00	\$83,085.00	5225.00	14.50	\$75,762.50	0.00	14.50	505.00	\$7,322.50	0.00	505.00	\$7,322.50
2105.604	GEOTEXTILE FABRIC TYPE V	SQ YD	18534.00	17625.00	\$37,018.50	18534.00	\$2.10	\$33,971.70	0.00	\$2.10	1451.00	\$3,047.10	0.00	1451.00	\$3,047.10
2112.601	SUBGRADE PREPARATION 6"-12"	STA	70.00	0.00	\$200.00	66.00	0.00	\$200.00	0.00	\$200.00	4.00	\$200.00	0.00	\$200.00	
2123.61	STREET SWEEPER (WITH PICKUP BROOM)	HR	100.00	37.00	\$8,510.00	100.00	37.00	\$8,510.00	0.00	230.00	0.00	230.00	0.00	230.00	
2131.502	CALCIUM CHLORIDE SOLUTION	GAL	6905.00	1377.00	\$1,445.85	6945.00	\$1.05	\$1,445.85	0.00	\$1.05	360.00	\$1.05	0.00	\$1.05	
2211.503	AGGREGATE BASE (CV)	CU YD	7905.00	7944.00	\$235,320.00	7424.00	30.00	\$223,980.00	0.00	30.00	381.00	\$30.00	0.00	381.00	\$11,450.00
2369.501	TYPE SP 9.5 WEARING COURSE MIXTURE (3.C)	TON	4261.00	4207.00	\$229,702.20	4261.00	54.60	\$229,702.20	0.00	54.60	0.00	54.60	0.00	54.60	
2369.502	TYPE SP 12.5 NON WEARING COURSE MIXTURE (3.B)	TON	2957.00	2998.00	\$125,958.00	2957.00	42.00	\$125,958.00	0.00	42.00	0.00	42.00	0.00	42.00	
2451.501	STRUCTURE EXCAVATION CLASS R	CU YD	20.00	83.30	\$36,652.00	0.00	\$440.00	\$440.00	0.00	\$440.00	20.00	\$440.00	0.00	83.30	\$36,652.00
2501.511	18" CP PIPE CULVERT (SMOOTH)	LIN FT	107.00	108.00	\$23.00	0.00	\$23.00	\$23.00	58.00	60.00	49.00	\$23.00	0.00	49.00	\$1,127.00
2501.516	12" RC PIPE APRON	EACH	9.00	7.00	\$400.00	0.00	\$400.00	\$400.00	9.00	7.00	\$400.00	\$2,800.00	0.00	7.00	\$2,800.00
2501.516	15" CS PIPE APRON	EACH	6.00	6.00	\$300.00	0.00	\$300.00	\$300.00	4.00	4.00	\$300.00	\$1,200.00	2.00	2.00	\$600.00
2501.516	18" RC PIPE APRON	EACH	4.00	4.00	\$450.00	0.00	\$450.00	\$450.00	4.00	4.00	\$450.00	\$1,800.00	0.00	4.00	\$1,800.00
2501.515	21" RC PIPE APRON	EACH	1.00	1.00	\$500.00	0.00	\$500.00	\$500.00	1.00	1.00	\$500.00	\$500.00	0.00	1.00	\$500.00
2501.515	24" RC PIPE APRON	EACH	2.00	2.00	\$550.00	0.00	\$550.00	\$550.00	2.00	2.00	\$550.00	\$1,100.00	0.00	2.00	\$550.00

Item No.	Item	Total Project				Roadway SP 202-103-009, STPF-6918(186)				Storm Sewer S.P. 202-103-009, STPF-6918(186)				100% City Non-Participating				
		Unit	Est. Quantity	Quantity to Date	Unit Price	Total Price	Est. Quantity	Quantity to Date	Unit Price	Total Price	Est. Quantity	Quantity to Date	Unit Price	Total Price	Est. Quantity	Quantity to Date	Unit Price	Total Price
2501.515	36" RC PIPE APRON	EACH	1.00	1.00	\$800.00	\$800.00	0.00	0.00	\$800.00	1.00	1.00	\$800.00	\$800.00	0.00	0.00	\$800.00	\$800.00	
2501.525	36" SPAN RC PIPE-ARCH APRON	EACH	2.00	2.00	\$700.00	\$1,400.00	0.00	0.00	\$700.00	2.00	2.00	\$700.00	\$1,400.00	0.00	0.00	\$700.00	\$1,400.00	
2502.501	4" PRECAST CONCRETE	EACH	2.00	2.00	300.00	\$600.00	0.00	0.00	300.00	3.00	3.00	300.00	\$900.00	0.00	0.00	300.00	\$900.00	
2502.521	4" PVC PIPE DRAIN	LIN FT	120.00	21.00	\$18.00	\$378.00	0.00	0.00	\$18.00	0.00	0.00	\$18.00	\$18.00	0.00	0.00	\$18.00	\$18.00	
2502.541	4" PEER PVC PIPE DRAIN	LIN FT	6865.00	7162.00	\$10.00	\$71,620.00	8195.00	8472.00	\$10.00	\$84,720.00	0.00	0.00	\$10.00	\$10.00	680.00	680.00	\$10.00	\$6,800.00
2503.521	36" SPAN RC PIPE-ARCH CULV CL.IIA	LIN FT	48.00	48.00	105.00	\$5,040.00	0.00	0.00	105.00	48.00	48.00	105.00	\$5,040.00	0.00	0.00	105.00	\$5,040.00	
2503.511	15" CS PIPE SEWER	LIN FT	6.00	6.00	\$130.00	\$780.00	0.00	0.00	\$130.00	6.00	6.00	\$130.00	\$780.00	0.00	0.00	\$130.00	\$780.00	
2503.541	12" RC PIPE SEWER DESIGN 3006 CLASS III	LIN FT	1343.00	1394.00	45.00	\$62,730.00	0.00	0.00	45.00	1343.00	1394.00	45.00	\$62,730.00	0.00	0.00	45.00	\$62,730.00	
2503.541	15" RC PIPE SEWER DESIGN 3006 CLASS III	LIN FT	591.00	591.00	38.00	\$22,458.00	0.00	0.00	38.00	591.00	591.00	38.00	\$22,458.00	0.00	0.00	38.00	\$22,458.00	
2503.541	18" RC PIPE SEWER DESIGN 3006 CLASS III	LIN FT	341.00	342.00	42.00	\$14,364.00	0.00	0.00	42.00	341.00	342.00	42.00	\$14,364.00	0.00	0.00	42.00	\$14,364.00	
2503.541	21" RC PIPE SEWER DESIGN 3006 CLASS III	LIN FT	39.00	39.00	61.00	\$2,379.00	0.00	0.00	61.00	39.00	39.00	61.00	\$2,379.00	0.00	0.00	61.00	\$2,379.00	
2503.541	24" RC PIPE SEWER DESIGN 3006 CLASS III	LIN FT	223.00	223.00	49.00	\$10,927.00	0.00	0.00	49.00	223.00	223.00	49.00	\$10,927.00	0.00	0.00	49.00	\$10,927.00	
2503.541	36" RC PIPE SEWER DESIGN 3006 CLASS III	LIN FT	13.00	21.00	89.00	\$1,869.00	0.00	0.00	89.00	13.00	21.00	89.00	\$1,869.00	0.00	0.00	89.00	\$1,869.00	
2503.602	8"X6" PVC WYE	EACH	1.00	1.00	\$500.00	\$500.00	0.00	0.00	\$500.00	1.00	1.00	\$500.00	\$500.00	0.00	0.00	\$500.00	\$500.00	
2503.602	CONNECT TO EXISTING STORM SEWER	EACH	17.00	17.00	500.00	\$8,500.00	0.00	0.00	500.00	17.00	17.00	500.00	\$8,500.00	0.00	0.00	500.00	\$8,500.00	
2503.602	CONNECT TO EXISTING MANHOLE (SAN)	EACH	1.00	1.00	1,500.00	\$1,500.00	0.00	0.00	1,500.00	1.00	1.00	1,500.00	\$1,500.00	0.00	0.00	1,500.00	\$1,500.00	
2503.603	8" PVC SEWER SERVICE PIPE	LIN FT	45.00	45.00	\$57.00	\$2,565.00	0.00	0.00	\$57.00	45.00	45.00	\$57.00	\$2,565.00	0.00	0.00	\$57.00	\$2,565.00	
2503.603	8" PVC PIPE SEWER SDR 35	LIN FT	404.00	408.00	\$39.00	\$15,834.00	0.00	0.00	\$39.00	404.00	408.00	\$39.00	\$15,834.00	0.00	0.00	\$39.00	\$15,834.00	
2504.602	2" CURB STOP AND BOX	EACH	1.00	1.00	\$900.00	\$900.00	0.00	0.00	\$900.00	1.00	1.00	\$900.00	\$900.00	0.00	0.00	\$900.00	\$900.00	
2504.602	CONNECT TO EXISTING WATER MAIN	EACH	1.00	1.00	2,500.00	\$2,500.00	0.00	0.00	2,500.00	1.00	1.00	2,500.00	\$2,500.00	0.00	0.00	2,500.00	\$2,500.00	
2504.602	CONNECT TO EXISTING WATER SERVICE	EACH	1.00	1.00	400.00	\$400.00	0.00	0.00	400.00	1.00	1.00	400.00	\$400.00	0.00	0.00	400.00	\$400.00	
2504.602	HYDRANT ASSEMBLY	EACH	1.00	1.00	\$4,300.00	\$4,300.00	0.00	0.00	\$4,300.00	1.00	1.00	\$4,300.00	\$4,300.00	0.00	0.00	\$4,300.00	\$4,300.00	
2504.602	ADJUST VALVE BOX	EACH	21.00	15.00	\$200.00	\$3,000.00	0.00	0.00	\$200.00	21.00	15.00	\$200.00	\$3,000.00	0.00	0.00	\$200.00	\$3,000.00	
2504.602	8" GATE VALVE AND BOX	EACH	2.00	2.00	\$2,200.00	\$4,400.00	0.00	0.00	\$2,200.00	2.00	2.00	\$2,200.00	\$4,400.00	0.00	0.00	\$2,200.00	\$4,400.00	
2504.602	10" GATE VALVE AND BOX	EACH	2.00	2.00	\$3,200.00	\$6,400.00	0.00	0.00	\$3,200.00	2.00	2.00	\$3,200.00	\$6,400.00	0.00	0.00	\$3,200.00	\$6,400.00	
2504.603	2" TYPE K COPPER PIPE	LIN FT	84.00	80.00	\$51.00	\$4,284.00	0.00	0.00	\$51.00	84.00	80.00	\$51.00	\$4,284.00	0.00	0.00	\$51.00	\$4,284.00	
2504.603	6" WATERMAIN DUCTILE IRON CL 52	LIN FT	82.00	82.00	\$45.00	\$3,690.00	0.00	0.00	\$45.00	82.00	82.00	\$45.00	\$3,690.00	0.00	0.00	\$45.00	\$3,690.00	
2504.603	10" WATERMAIN DUCTILE IRON CL 52	LIN FT	385.00	382.00	65.00	\$24,925.00	0.00	0.00	65.00	385.00	382.00	65.00	\$24,925.00	0.00	0.00	65.00	\$24,925.00	
2504.604	3" POLYSTYRENE INSULATION	SQ YD	66.00	80.00	\$30.00	\$2,400.00	0.00	0.00	\$30.00	66.00	80.00	\$30.00	\$2,400.00	0.00	0.00	\$30.00	\$2,400.00	
2504.608	WATERMAIN FITTINGS	LBS	600.00	850.00	\$3.60	\$3,060.00	0.00	0.00	\$3.60	600.00	850.00	\$3.60	\$3,060.00	0.00	0.00	\$3.60	\$3,060.00	
2506.501	CONSTRUCT DRAINAGE STRUCTURE DESIGN 4007	LIN FT	8.00	1.00	280.00	\$2,240.00	0.00	0.00	280.00	8.00	1.00	280.00	\$2,240.00	0.00	0.00	280.00	\$2,240.00	
2506.501	CONSTRUCT DRAINAGE STRUCTURE DESIGN 60-4020	LIN FT	28.00	28.44	450.00	\$12,600.00	0.00	0.00	450.00	28.00	28.44	450.00	\$12,600.00	0.00	0.00	450.00	\$12,600.00	
2506.501	CONSTRUCT DRAINAGE STRUCTURE DESIGN 84-4020	LIN FT	6.00	6.00	680.00	\$4,080.00	0.00	0.00	680.00	6.00	6.00	680.00	\$4,080.00	0.00	0.00	680.00	\$4,080.00	
2506.501	CONSTRUCT DRAINAGE STRUCTURE DESIGN A OR F	LIN FT	33.00	33.34	310.00	\$10,335.40	0.00	0.00	310.00	33.00	33.34	310.00	\$10,335.40	0.00	0.00	310.00	\$10,335.40	
2506.502	CONSTRUCT DRAINAGE STRUCTURE DESIGN C OR G	EACH	27.00	27.00	1,600.00	\$43,200.00	0.00	0.00	1,600.00	27.00	27.00	1,600.00	\$43,200.00	0.00	0.00	1,600.00	\$43,200.00	
2506.522	CASTING ASSEMBLY	EACH	12.00	13.00	\$260.00	\$3,120.00	0.00	0.00	\$260.00	12.00	13.00	\$260.00	\$3,120.00	0.00	0.00	\$260.00	\$3,120.00	
2506.522	ADJUST FRAME AND RING CASTING STRUCTURE	EACH	4.00	3.00	\$1,200.00	\$3,600.00	0.00	0.00	\$1,200.00	4.00	3.00	\$1,200.00	\$3,600.00	0.00	0.00	\$1,200.00	\$3,600.00	
2511.501	RANDOM RIPRAP CLASS III	CU YD	167.00	200.00	\$55.00	\$11,185.00	168.00	191.00	\$55.00	\$10,595.00	9.00	9.00	\$55.00	\$495.00	0.00	0.00	\$55.00	\$495.00
2521.501	4" CONCRETE WALK	SQ FT	28780.00	28308.00	\$2.65	\$77,668.85	28790.00	28308.00	\$2.65	\$77,668.85	0.00	0.00	\$2.65	\$0.00	0.00	\$2.65	\$0.00	

Item No.	Item	Unit	Total Project			Roadway SP 202-103-009, STPF-6916(186)			Storm Sewer S.F. 202-103-009, STPF-6916(186)			100% City Non-Participating		
			Est. Quantity	Quantity to Date	Unit Price	Total Price	Est. Quantity	Quantity to Date	Unit Price	Total Price	Est. Quantity	Quantity to Date	Unit Price	Total Price
2521.501	7" CONCRETE WALK	SQ FT	1224.00	1142.00	\$5.00	\$5,710.00	1224.00	1142.00	\$5.00	\$5,710.00	0.00	\$5.00	\$5.00	
2531.501	CONCRETE CURB & GUTTER DESIGN S524	LIN FT	13048.00	13170.00	11.50	\$151,455.00	13048.00	13170.00	11.50	\$151,455.00	0.00	11.50	\$11.50	
2531.507	7" CONCRETE DRIVEWAY	SQ YD	287.00	277.90	37.50	\$10,421.25	287.00	277.90	37.50	\$10,421.25	0.00	37.50	\$7.50	
2531.618	TRUNCATED DOMES	SQ FT	136.00	128.00	\$30.10	\$3,852.80	136.00	128.00	\$30.10	\$3,852.80	0.00	\$30.10	\$30.10	
2540.602	CONSTRUCT SURVEY MONUMENT	EACH	2.00	0.00	\$1,200.00	\$0.00	2.00	0.00	\$1,200.00	\$0.00	0.00	\$1,200.00		
2543.602	MAIL BOX SUPPORT	EACH	14.00	15.00	\$100.00	\$1,500.00	14.00	15.00	\$100.00	\$1,500.00	0.00	\$100.00	\$100.00	
2563.601	TRAFFIC CONTROL	LS	1.00	1.00	\$6,400.00	\$6,400.00	0.93	0.93	\$6,400.00	\$5,962.00	0.00	\$6,400.00	\$448.00	
2564.531	SIGN PANELS TYPE C	SQ FT	52.00	56.75	\$34.50	\$1,957.88	46.00	50.50	\$34.50	\$1,742.25	0.00	\$34.50	\$34.50	
2564.536	INSTALL SIGN PANEL TYPE C	EACH	20.00	12.00	\$100.00	\$1,200.00	20.00	12.00	\$100.00	\$1,200.00	0.00	\$100.00	\$100.00	
2573.502	SILT FENCE TYPE MS	LIN FT	13708.00	12448.00	\$2.00	\$24,896.00	13708.00	11865.00	\$2.00	\$23,730.00	0.00	\$2.00	\$2.00	
2573.53	STORM DRAIN INLET PROTECTION STRAW	EACH	43.00	42.00	\$200.00	\$8,400.00	43.00	42.00	\$200.00	\$8,400.00	0.00	\$200.00	\$200.00	
2573.533	SEDIMENT CONTROL LOG TYPE	LIN FT	320.00	0.00	4.50	\$0.00	210.00	0.00	4.50	\$0.00	0.00	4.50	4.50	
2573.536	SEDIMENT CONTROL LOG TYPE ROCK	LIN FT	180.00	12.00	6.00	\$72.00	170.00	12.00	6.00	\$72.00	0.00	6.00	6.00	
2573.535	STABILIZED CONSTRUCTION EXIT	LIN FT	1.00	1.00	\$1,500.00	\$1,500.00	0.93	0.93	\$1,500.00	\$1,395.00	0.00	\$1,500.00	\$105.00	
2574.508	FERTILIZER TYPE 3	LBS	811.00	0.00	\$1.00	\$0.00	657.00	0.00	\$1.00	\$0.00	0.00	\$1.00	\$1.00	
2575.501	SEEDING (P)	ACRE	2.10	0.00	\$300.00	\$0.00	1.70	0.00	\$300.00	\$0.00	0.00	\$300.00	\$0.00	
2575.502	SEED MIXTURE 25-131	LBS	469.00	0.00	\$5.00	\$0.00	372.00	0.00	\$6.00	\$0.00	0.00	\$6.00	\$6.00	
2575.505	SODDING TYPE LAWN	SQ YD	1603.00	2104.00	\$5.25	\$11,046.00	1603.00	2104.00	\$5.25	\$11,046.00	0.00	\$5.25	\$5.25	
2575.523	EROSION CONTROL BLANKET CATEGORY 3	SQ YD	687.00	0.00	1.50	\$0.00	313.00	0.00	1.50	\$0.00	0.00	1.50	1.50	
2575.556	HYDRAULIC BONDED FIBER MATRIX	LBS	7131.00	6500.00	\$1.50	\$9,750.00	5871.00	4500.00	\$1.50	\$6,750.00	0.00	\$1.50	\$1,500.00	
2582.501	PAVEMENT MESSAGE EPOXY - GROUND IN	SQ FT	60.00	60.00	16.90	\$1,014.00	60.00	60.00	16.90	\$1,014.00	0.00	16.90	16.90	
2582.502	4" DOUBLE SOLID LINE EPOXY	LIN FT	6962.00	6962.00	\$0.52	\$3,600.24	5962.00	6962.00	\$0.52	\$3,600.24	0.00	\$0.52	\$0.52	
2582.502	4" SOLID LINE PAINT	LIN FT	11924.00	0.00	\$0.15	\$0.00	11924.00	0.00	\$0.15	\$0.00	0.00	\$0.15	\$0.15	
2582.502	4" SOLID LINE EPOXY	LIN FT	12527.00	12527.00	\$0.26	\$3,257.02	12527.00	12527.00	\$0.26	\$3,257.02	0.00	\$0.26	\$0.26	
2582.502	6" SOLID LINE EPOXY GROUND IN	LIN FT	627.00	627.00	\$5.00	\$3,135.00	627.00	627.00	\$5.00	\$3,135.00	0.00	\$5.00	\$5.00	
2582.502	24" SOLID LINE EPOXY - GROUND IN	LIN FT	144.00	144.00	\$9.80	\$1,411.20	144.00	144.00	\$9.80	\$1,411.20	0.00	\$9.80	\$9.80	
	WORK ORDER NO. 1 - SIGNAGE/TRAFFIC CONTROL	LS	0.00	1.00	\$2,730.00	\$2,730.00		1.00	\$2,730.00	\$2,730.00				
	WORK ORDER NO. 1 - CONNECT EXISTING STORM SEWER	LS	0.00	1.00	\$935.00	\$935.00		1.00	\$935.00	\$935.00				
	WORK ORDER NO. 2 - STORM SEWER REPLACEMENT	LS	0.00	1.00	\$33,699.80	\$33,699.80		1.00	\$33,699.80	\$33,699.80				
Totals						\$1,864,741.83				\$1,386,342.06			\$297,452.20	
													\$180,947.57	

Ordinance No. 2016-57

The City Council of the City of Hermantown does ordain:

AN ORDINANCE AMENDING SECTION 730 - FIREARMS AND OTHER DANGEROUS WEAPONS OF THE HERMANTOWN CITY CODE.

Section 1. Purpose and Intent. The purpose of this Ordinance is to modify the City Code to provide clarity with respect to the regulations concerning unlawful discharge of a firearm and concealed weapons to better protect the citizens of the City of Hermantown.

Section 2. Amendment to Section 730. Section 730, Firearms and Other Dangerous Weapons, is hereby amended to read as shown on Exhibit A attached hereto.

Section 3. Changes to be inserted into the Code. The amendments to Section 730, Firearms and Other Dangerous Weapons shall be inserted in the appropriate place in the Hermantown City Code after it becomes effective.

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

Dated: _____

Mayor

Attest:

City Clerk

Adopted: _____

Published: _____

Effective Date: _____

EXHIBIT A

Section 730 - Firearms and Other Dangerous Weapons

730.01 Unlawful Discharge. It shall be unlawful for any person to discharge any firearms, explosives, ammunition, air guns of any kind, bows and arrows, except as permitted by Section 740, or other weapon within or into the City limits. Subject to all applicable provisions of law, shotguns without slugs may be discharged within City limits, except the discharge of a firearm is prohibited on or within three hundred feet (300') of the ordinary high water mark of Mogie Lake. It shall further be unlawful to throw any deadly missile into or within any public or private place where there is any person, livestock or property to be endangered, although no injury actually results.

730.02 Concealed Weapons. It shall be unlawful for any person to carry concealed in any manner on his or her person any weapon of the kind commonly known as a sling-shot, sand-club, metal knuckles, switch-blade, dagger, dirk, firearm or other dangerous weapon, except a person may carry a concealed firearm if such person has a valid permit to carry a concealed firearm pursuant to Minnesota Statutes § 624.714, as it may be amended from time to time.

730.03 Prohibited Weapons. It shall be unlawful for any person to manufacture or cause to be manufactured, sell, keep for sale, offer or dispose of any instrument or weapon of the kind usually known as a sling-shot, sand club or metal knuckles.

730.04 Minors. No minor age 14 or under shall handle, or have in his or her possession or under his or her control, except while accompanied by or under the immediate charge of a parent or guardian, any firearm of any kind for hunting or target practice or any other purpose. Any minor having attained the age of 15 shall be the holder of a valid firearm safety permit. Anyone born on or after January 1, 1980, must have a safety certificate, or equivalent, or other evidence of successfully completing a hunter safety course to hunt or trap in the City.

730.05 Exceptions. The provisions of this section shall not apply to any of the armed forces of the United States of America, or to any member thereof, while engaged in the performance of duty in compliance with any of the articles of war of the United States, a statute of the United States, or any regulation, rule or order duly promulgated and issued under authority of the United States; nor to the militia of the State of Minnesota, or any member thereof, while in the performance of duty prescribed by law; nor to any sheriff, police officer, constable, marshal, highway patrol officer or any other officer authorized by law to possess and carry firearms; nor to any gun club or shooting gallery of duly licensed as such by the City nor to the holding of exhibitions of sportsmanship or to other contests involving the use of firearms where the exhibitions or contests shall be held in and upon public grounds owned by the City under the regulations, restrictions and safeguards as the City may provide.

Resolution No. 2016-130

**RESOLUTION RECEIVING QUOTATIONS AND AWARDING
CONTRACT FOR NEW GARAGE TO ZIERDEN BUILDERS
IN THE AMOUNT OF \$23,930**

WHEREAS, the City Council approved the garage in CIP; and

WHEREAS, plans were prepared by Northland Consulting Engineers; and

WHEREAS, the City of Hermantown duly sought quotes for a new garage at the Hermantown Governmental Services Building ("Project"); and

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

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

WHEREAS, on the basis of such review, Jim Rich has recommended that Zierden Builders be awarded the contract for the Project; and

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

WHEREAS, quotes excluded doors, siding, and electrical; and

WHEREAS, Building Official will act as the construction manager for the project; and

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

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

1. The quote of Zierden Builders in the amount of \$23,930 for the Project is in accordance with the plans and specifications and advertisement for quotes and is the lowest responsible quote and shall and hereby is accepted.

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

3. The City Attorney with the assistance of the Building Official is hereby directed to prepare a contract consistent with this Resolution between the City of Hermantown and Zierden Builders as soon as possible and submit it to the City for execution by it.

4. Upon execution of such contract by Zierden Builders and the City providing a certificate of insurance, acceptable to the City Attorney, the Mayor and City Clerk are hereby authorized and directed to execute such contract for and on behalf of the City of Hermantown.

5. The City hereby waives the requirement of a payment and performance bond for the Project, but will require that lien waivers be provided by Zierden Builders for itself and all subcontractors and materialmen used by it in connection with the Project before any payment will be made by the City to Zierden Builders.

6. The amount of the contract is less than \$50,000.00 so the responsible contractor requirements of state law are not applicable and the City chooses to not apply those requirements to this contract.

7. The City Administrator and Building Official are authorized to obtain all final quotes (doors, siding, and electrical) and enter contracts to finalize building.

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 Quotes

<u>Firm</u>	<u>Quote</u>
Economy Garages, Inc. 5389 Miller Trunk Hwy Hermantown, MN 55811	\$25,985
Town & Country Builders	-0-
Zierden Builders 4571 Martin Rd Duluth MN 55803	\$23,930

ZIERDEN BUILDERS Quality New Homes & Garages

4571 Martin Rd. – Duluth, MN – 55803

218-590-8078

**ESTIMATE TO FRAME AND ROOF A 28' X 48'
COLD STORAGE BUILDING FOR THE CITY OF HERMANTOWN
AS PER PLAN AT 5105 MAPLE GROVE ROAD
11-10-16**

Scope of work:

Provide labor and materials required to frame and roof a 28' x 48' x 9' tall cold storage building. Building to have one 28' partition wall, 2' overhangs, 12" energy heal trusses, and a 6/12 hip roof. Building will have 2 x 6 walls and two openings for 16' x 8' overhead doors by others.

Estimate is for framing and roofing only and does not include site prep, concrete slab, overhead doors, any interior or exterior finishes, or any electrical.

Total Estimate to Frame and Roof

\$23,930.00

If there are any questions regarding this proposal, please call Jay at 218-590-1101.

Thank you,

Jay Zierden

DbA Zierden Builders llc.
Lic. #0004890

Economy Garages

5389 Miller Trunk Hwy . Duluth, MN 55811

Phone: (218)-729-5106 . MN/WI Toll Free: 1-800-582-3600 . Fax: (218)-729-5110

MN License #BC002259/WI License #1076855

Monday, October 10, 2016

City Of Hermantown
Att: Jim Rich
5105 Maple Grove rd.
Hermantown, MN 55811

Dear Jim,

Thank you for the opportunity to work with you on your building needs. We have built over 9000 buildings all over Minnesota and Wisconsin, since 1976. Our buildings come with a 20 year limited warranty, in addition to individual product warranties. I have listed the basic specifications, and a current price, along with any optional items you requested as follows:

- 28' wide truss x 48' long garage with 12" energy heel Hip trusses.
- 6/12 Pitch Hip Truss, 24" on center, with Certainteed Landmark shingles, over 15# roofing felt, and Ice & water shield (2 Rows) around entire roof line, with (5/8" actual) OSB roof sheathing. H-clips and hurricane plates are standard on every building and ridge vent.
- 2' overhangs on Hip roof, open soffit.
- 9'0" ceiling height, 2x6 wall construction, 16" on center, with a double top plate, a treated sill plate, and sill seal. 28' of 2x6x9' partition wall installed (studs only).
- Two 3' Painted, raised panel service door (with steel frame).
- Two 16x8 garage door openings for later install (3 - 11 7/8"x1 1/2" engineerd headers strapped together) cripples, jambs and brickmolding.
- Delete the 2) standard windows.
- Credit for removing the T-111, install 15/32 OSB and applying house wrap and tape.
- Short wall system for the 3' wall and nailing every 3" also 1000# truss strap.
- We do not participate with prevailing wage contracts.

This package is currently priced at \$25985.00. A 10% deposit will hold pricing firm for 6 months. I would be happy to meet with you at your site, to look at ground preparation, and help with the design and location of your building on the property. Please call me to discuss any other options, or with any questions you may have. Thanks again for your interest...

Sincerely,

Scott Campbell
Cell: 218-348-6327
Economy Garages
scott@economygarages.com

Resolution No. 2016-131

**RESOLUTION RECEIVING QUOTATIONS AND AWARDING
CONTRACT FOR TWO NEW OVERHEAD GARAGE DOORS
IN THE AMOUNT OF \$3,755**

WHEREAS, the City Council approved the garage in CIP; and

WHEREAS, the City of Hermantown duly sought quotes for a two new overhead garage doors at the Hermantown Governmental Services Building ("Project"); and

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

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

WHEREAS, on the basis of such review, Jim Rich has recommended that Doorco be awarded the contract for the Project; and

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

WHEREAS, Building Official will act as the construction manager for the project; and

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

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

1. The quote of Doorco in the amount of \$3,755 for the Project is in accordance with the plans and specifications and advertisement for quotes and is the lowest responsible quote and shall and hereby is accepted.
2. The City Council hereby elects to proceed with the Project at this time.
3. The City Attorney with the assistance of the Building Official is hereby directed to prepare a contract consistent with this Resolution between the City of Hermantown and Doorco as soon as possible and submit it to the City for execution by it.
4. Upon execution of such contract by Doorco and the City providing a certificate of insurance, acceptable to the City Attorney, the Mayor and City Clerk are hereby authorized and directed to execute such contract for and on behalf of the City of Hermantown.

5. The City hereby waives the requirement of a payment and performance bond for the Project, but will require that lien waivers be provided by Doorco for itself and all subcontractors and materialmen used by it in connection with the Project before any payment will be made by the City to Doorco.

6. The amount of the contract is less than \$50,000.00 so the responsible contractor requirements of state law are not applicable and the City chooses to not apply those requirements to this contract.

7. The City Administrator and Building Official are authorized to obtain all final quotes (doors, siding, and electrical) and enter contracts to finalize building.

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 Quotes

<u>Firm</u>	<u>Quote</u>
Doorco 5138 Jean Duluth Rd Duluth, MN 55803	\$3,755
P B Distributing, Inc. 4571 Martin Rd Duluth MN 55803	\$5,732

DOORCO

5138 Jean Duluth Rd.
Duluth, MN 55803

T: 218-349-3715
F: 218-461-3715

ESTIMATE

DATE: October 10, 2016

PROJECT: HERMANTOWN CITY GARAGE

ATTN: JIM RICH

RE: GARAGE DOORS AND OPERATORS

T: 218-348-3667 E: jrich@hermantownmn.com

DESCRIPTION	AMOUNT
(2) 16 X 8 CHI 2" INSULATED SANDWICH STYLE R-10, MODEL 4283 LONG PANEL NO WINDOWS, FULL WEATHER STRIP ½ HP LIFTMASTER BELT DRIVE OPERATORS, 4 REMOTES , 1 KEYLESS	\$3,175.00
FULL ROW OF INSULATED WINDOWS TOP SECTION	ADD: \$580.00

"ALL" ELECTRICAL BY OTHERS

BID PER AVAILABLE PLANS AND SPEC'S
FURNISH AND INSTALL COMPLETE ON PREPARED OPENINGS

*ALL MATERIAL AND LABOR GUARANTEED AS SPECIFIED
PRICES SUBJECT TO CHANGE AFTER 60 DAYS*

BY: DEAN LIPE
dean@doorco.us

ACCEPTED:
DATE:

P B Distributing Inc
 dba Phil's Garage Door Service
 5962 N Tischer Rd
 Duluth, MN 55804-9708

Quote

Date	Quote #
10/10/2016	401852

Name / Address
CITY OF HERMANTOWN 5105 MAPLE GROVE RD HERMANTOWN, MN 55811

Rep
PB

Qty	Item	Description
2	8500	INSTALL TWO GARAGE DOORS AND OPERATORS ON NEW CONSTRUCTION WAYNE DALTON'S MODEL 8500 OFFERS A LIFETIME LIMITED WARRANTY AGAINST CRACKING, SPLITTING, RUSTING THROUGH OR SECTION DETERIORATION. THE CORE DELIVERS R-16.22 INSULATION, MORE THAN TWICE AS MUCH AS THE SAME THICKNESS OF COMMON POLYSTYRENE INSULATION. THERMAL BREAK BETWEEN OUTSIDE AND INSIDE STEEL SURFACES HELP INTERRUPT ENERGY LOSS. BULB-SHAPED BOTTOM SEAL REMAINS FLEXIBLE EVEN IN THE COLD TO KEEP OUT BAD WEATHER. THE FOAMED-IN-PLACE INSULATION HELPS BLOCK STREET NOISE FROM ENTERING INTO LIVING AREAS THAT ADJOIN FROM THE GARAGE. SNUG FITTING TONGUE AND GROOVE SECTION JOINTS SEAL OUT WIND AND WEATHER. - SIZE 16 X 8 - COLOR BROWN - STYLE LONG PANEL RANCH - WEATHERSTRIPPING - GOOD 11 BALL PVC COATED ROLLERS - OPERATOR BRACKET - WINDLOAD TO 90 MPH
2	GENIE OPERATOR	MODEL 3024 EIGHT FT - 3/4 HP - LIFETIME WARRANTY ON MOTOR AND GEAR BOX - SAFETY PHOTO EYES - TWO TRANSMITTERS EACH - LIT WALL BUTTON
	TOTAL	TOTAL AMOUNT LABOR
	OPTION	EXTRA FOR EACH DOOR: INSOLATED WINDOWS TOP SECTION, TOTAL BOTH DOORS \$1272.00
Wiring and hookup is to be done by customer's own electrician, unless otherwise specified.		Total \$4,460.00

Signature _____

TO: Mayor & City Council
FROM: John Mulder, City Administrator
DATE: October 12, 2016
SUBJECT: Priority List –Municipal State
Aid Projects



Meeting Date: 10/17/16

Agenda Item: 12-C **Resolution 2016-132**

REQUESTED ACTION

Approve the re-establishing a five year priority list for Minnesota state aid construction

BACKGROUND

Periodically, the City reviews possible road improvement projects on Municipal State Aid routes in the City planned for the next 5 years. This priority lists assist in the planning stages of these projects.

SOURCE OF FUNDS (if applicable)

ATTACHMENTS

Resolution
MSA Accounting
MSA Street Improvement map.

Resolution No. 2016-132

**RESOLUTION RE-ESTABLISHING A FIVE YEAR PRIORITY LIST
FOR MINNESOTA STATE AID CONSTRUCTION**

WHEREAS, the City is entitled to funding through the Minnesota State Aid Program for the reconstruction and reconditioning of municipal state aid highways within the City of Hermantown; and

WHEREAS, the Municipal State Aid desired projects are identified within Exhibit "A" attached hereto; and

WHEREAS, Exhibit "A" updates construction priorities as adopted by the City Council in year 2016; and

WHEREAS, the Hermantown City Council has considered this matter and believes it to be in the best interest of the City to approve the updated priority list and increased annual maintenance allocation.

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

1. Accept priority listing in Exhibit "A".
2. The City Administrator and staff are hereby authorized and directed to proceed in accordance with the approved five (5) year priority list.

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.

City of Hermantown		Municipal State Aid Funding Program MSA Program Accounting							
Developed by: David Salo, P.E. Updated by David Bolf, P.E. 10/12/2016									
Year	Project	Project Description	Total Cost	Federal Share	MSA Share	Local Share	MSA Allocation	Fund Balance	Date
2010		allocation					\$451,775.00	\$ 54,893.75	1/16/2010
2010	Ugstad Road Maple Grove to Hermantown SAP 202-101-009	Reconditioning Including sewer	\$ 835,078.71		\$ 437,289.00	\$397,789.71 Sewer		\$ (382,295.25)	Final
2010	Haines Rd. Signals Anderson/Hermantown SAP 202-102-002	Signals			\$ 16,436.94			\$ (398,732.19)	Final
2011		allocation					\$490,742.00	\$ 92,009.81	1/1/2011
2011	Cirrus Drive SAP 202-105-01	final state aid			\$ 14,326.42			\$ 77,683.39	Final
2011	Loberg Drive SAP 202-080-001	Revised final state aid additional payment			\$ 19,340.68			\$ 58,342.71	Final
2011	Stebner/Maple Grove SP 69-606-18 SP 202-103-008	Signals/Lanes	total \$1,045,700.18	\$ 478,382.25 \$ 358,177.89	\$ 169,708.95			\$ (111,366.24)	Final
2012		allocation					\$504,308.00	\$ 392,941.95	5/29/2012
	Mall Drive Walmart entrance to Loberg Rd SAP 202-107-001	Sidewalk 1800 feet	\$ 60,431.99		\$ 60,431.99			\$ 332,509.96	Final
	Hermantown Road Lavaque Rd to Stebner Rd SAP 202-102-004	Reconstruction rural 1.07 miles	\$ 859,494.27		\$ 859,494.27			\$ (526,984.31)	Final
2013		allocation					\$537,353.00	\$ 10,368.69	1/16/2013
2014		allocation					\$561,822.00	\$ 572,190.69	1/15/2014
2014	Ugstad Road Morris Thomas Rd to Hermantown Rd SAP 202-101-012	Total Reconstruction 1.0 Miles	\$ 798,883.75		\$ 798,883.75			\$ (226,693.06)	Final
2015		allocation					\$593,340.00	\$ 366,646.94	1/15/2015
2015					\$ -			\$ 366,646.94	
2016		allocation					\$580,711.00	\$ 947,357.94	1/15/2016
2016	Stebner Road Hwy 53 to Maple Grove SP 202-103-009	Total reconstruction 1.40 miles	\$2,500,000.00	\$1,600,000.00	\$ 340,814.21			\$ 606,543.73	
2016	SP 202-103-009	Engineering Costs			\$ 284,847.88				
2016	Fiber Optic Upgrade on Signals				\$ 60,000.00				
2016	Rose Road - Payment to SLC				\$ 170,195.30			\$ 101,800.55	
2017		allocation					\$554,814.00	\$ 656,644.55	1/15/2017
2017	Market Street and Loberg Road Haines Rd to Walmart Entrance	Reconditioning 0.50 miles	\$ 500,000.00		\$ 500,000.00			\$ 156,614.55	
2018		allocation					\$580,000.00	\$ 738,614.55	1/16/2018
2018	Hermantown Rd Stebner Rd to Engwalls	Reconditioning 0.85 Miles	\$ 500,000.00		\$ 500,000.00				
2018	Chip Seal/Fog Seal Various Streets		\$ 50,000.00		\$ 50,000.00			\$ 186,614.55	
2019		allocation					\$580,000.00	\$ 766,614.55	1/15/2019
	Ugstad Road Reconditioning	Reconditioning 1.0 miles	\$ 750,000.00		\$ 750,000.00			\$ 16,614.55	
2020		allocation					\$580,000.00	\$ 596,614.55	1/15/2020
	Ugstad Road and Roosevelt Drive Intersection Corrections	Reconstruction	\$ 150,000.00		\$ 150,000.00			\$ 446,614.55	

TO: Mayor & City Council
FROM: John Mulder, City Administrator
DATE: October 12, 2016
SUBJECT: RFP for Engineering Services –
Market & Loberg



Meeting Date: 10/17/16

Agenda Item: 12-D **Resolution 2016-133**

REQUESTED ACTION

Approve the Request for Proposals (RFP) for design and construction engineering services for the Market & Loberg Road Project.

BACKGROUND

The City of Hermantown is scheduled to use Municipal State Aid for street rehabilitation, evaluation of the center median, and the addition of sidewalk on Loberg and Market streets per the attached Project Location map. In order to be ready for the 2017 construction season, the design work should begin as soon as possible. In the past, the City would have a separate design contract with the City Engineer but our new process is to contract with a separate project engineer for projects that exceeded \$500,000. Responses to the RFP are due November 8th, and it is anticipated that Council will award a contract on November 21.

SOURCE OF FUNDS (if applicable)

The costs of the engineering services will be covered by State and Federal Aid

ATTACHMENTS

Resolution
Request for Proposals
Project Location map

Resolution No. 2016-133

**RESOLUTION APPROVING REQUEST FOR PROPOSALS (HEREIN "RFP") FOR
ENGINEERING SERVICES FOR STREET IMPROVEMENT DISTRICT NO. 528-N
MARKET STREET AND LOBERG ROAD
(HAINES ROAD TO WAL-MART ENTRANCE)**

WHEREAS, The City Engineer has prepared the RFP for engineering services for Street Improvement District No. 528-N Market Street and Loberg Road (Haines Road to Wal-Mart Entrance) "Project" hereto as Exhibit A; and

WHEREAS, The City Council has duly considered this matter and believes it to be in the best interests of the City of Hermantown to approve the RFP as proposed.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Hermantown herby approves and directs as follows:

1. The RFP substantially in the form of the one attached hereto is hereby approved.
2. The City Administrator is hereby authorized and directed to take the necessary steps to solicit proposals with respect to the RFP.

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 on the _____ day of _____ 2016.

Mayor
Wayne Boucher

Administrator
John Mulder

Councilors
Gloria Nelson
Darlene Koski
Natalie Peterson
John Geissler



5105 Maple Grove Road Hermantown, Minnesota 55811
Phone: 218-729-3600 / Fax: 218-729-3620
Website: www.hermantownmn.com

**REQUEST FOR PROPOSAL
CITY OF HERMANTOWN, MN**

OCTOBER 18, 2016

MUNICIPAL STATE AID PROJECT

REHABILITATION OF MARKET STREET & LOBERG ROAD

M.S.A.S. 202-106-XXX & 202-10X-XXX

PROJECT OVERVIEW

The City of Hermantown is interested in retaining an Engineering "Consultant" to provide design and Construction Engineering services for the completion of a State Aid Municipal State Aid Project, scheduled for construction in 2017.

Complete services are desired to review existing streets and infrastructure, gather preliminary design data, perform engineering surveys and preliminary engineering, complete final design including construction plans and specifications for roadway and utilities, and perform construction services. Construction services would include construction staking and inspection, utility coordination, and complete contract project management, including record drawings.

The Municipal State Aid project consists of the rehabilitation of municipal state aid streets (Market Street & Loberg Road). The total length of the scheduled rehabilitation is 2,600 feet, plus an additional 1,200 feet of sidewalk. Work shall include, but not be limited to, mill and overlay, up to 20% concrete curb and gutter replacement, partial storm sewer replacement, catch basin and catch basin lead replacement, evaluation of center island on Loberg Road south of HWY 53. New sidewalk along Loberg Road south of Lindgren Road to Maple Grove Road. Work at all major intersection to be excluded, (Loberg Road & Market Street, Loberg Road & HWY 53, and Market Street & Haines Road)

Design shall be 10 ton. Detours and access will be necessary during construction.

Construction funding for the project is through the City of Hermantown MSAS account, and the City of Hermantown utility funds. There is \$500,000 in State Aid funding for this project. A map showing the scheduled project area is attached to this RFP.

The City is committed to providing the following:

1. Previous reports and studies; surveys and aerial photography, if available.
2. All available street and utility record drawings for the scheduled project.
3. Assistance in obtaining other related information in City files pertaining to the project if needed.

PROJECT SCOPE

The Consulting Engineering Services include the following:

1. Initial Site Visit and Consultations
 - a. The Consultant shall meet with City of Hermantown representatives to review project scope and complexity, design criteria, related requirements, view existing conditions, and gather data from the City engineering files. Additional consultations shall, where necessary, clarify the technical requirements and objectives of the contract and may be in the form of letters and/or telephone conversations.
 - b. The Consultant shall provide documentation of meetings and data provided.
 - c. The Consultant shall ascertain the applicability of information provided, review data for completeness, and notify the City of any additional data required. It shall be the

responsibility of the Consultant to determine, by site inspection procedures, the reliability of all the drawings and information which they choose as reference.

2. Data Collection, and Field Surveys

- a. The Consultant shall perform all necessary field surveying and data collection as needed. The Consultant shall tie out all monumentation and reset after construction is complete.
- b. Consultation with State and local regulatory agencies to determine required information for permit applications as it relates to the design and execution of the entire project will be required. The Consultant shall be responsible for permit applications that may be required of the City.

3. Recommendations and Costs

The Consultant shall analyze all available records, record drawings, inspection reports and all other appropriate data, and prepare recommendations and a cost estimate prior to preparing plans and specifications. The Consultant shall work with City staff to provide design and cost alternatives to assist the City in meeting the City's desired objectives and budget constraints.

4. Preliminary Design

The Consultant shall perform preliminary design and layouts based upon the data and information collected. Preliminary layouts shall be produced for engineering staff review. Consultant shall submit 30%, 60%, 90% and final plans for City review.

5. Plans and Specifications

- a. The Consultant shall prepare construction drawings as necessary to provide for the rehabilitation of 1,350 foot section of Loberg Road & 1,250 foot section of Market Street, and construction of sidewalk on a 1,200 foot section of Loberg Road. These drawings shall include all details, plans and specifications necessary for all work as required by State Aid standards, and all other appropriate approval agencies.
- b. The specification preparation shall also include appropriate sections for bidding, bonding, agreements, general and special provisions, and other appropriate contract provisions as well. These sections shall be developed in accordance with the City's standards, and State Aid standards.
- c. The drawings shall include all necessary site maps, plans, elevations, sections, details, and notes as needed or necessary to adequately show, explain or describe all features of the Project. The contract drawing sequence shall follow the standard State Aid format.
- d. Any record drawings shall be prepared using Civil3D Version 2012 or later. Upon completion of the Project, record drawings shall be provided to the City in both hard copies and a digital format compatible with Civil3D Version 2012 or later.EVAL

6. Cost Estimates

Cost estimates shall be submitted along with the plans at 30%, 60%, 90 and final plans.

7. Public Participation

Consultant shall be required to attend (1) public meetings, (1) council meeting and (1) public hearing, and other meetings as required.

8. Construction (Project) Management

Upon completion of plans and specifications, the Consultant shall provide all documents and services to provide for bidding, award, construction, inspection, and project management for final completion and acceptance of the Project.

Project Management Services provided by the Consultant shall include but not be limited to the following: contract management, inspection, progress and inspection reports, and project management, including the completed record drawing and final records by October 27, 2017. The Consultant shall base inspection services on a 12 week construction period.

PROPOSAL CONTENTS

Your submission must include the following:

1. Title Page - Show the proposal subject, the name of the proposer's firm, address, name of the primary contact person, telephone number, e-mail address and the date.
2. A restatement of the goals, objectives and project tasks to demonstrate Consultants understanding of project.
3. Identification and Qualification of Firm and Assigned Personnel
Identify personnel to conduct the project and detail their training and work experience.
 - a. Firm – Provide a firm overview and relevant State Aid Experience
 - b. Project Manager - The name of the person who will be responsible for the management and administration of engineering services with the City together with a resume describing that person's experience and qualifications.
 - c. Project Inspector - The name of the person who will be responsible for the construction inspection with a resume describing that person's experience and qualifications.
4. A detailed work plan identifying the work tasks associated with both the design and construction engineering, with budget hours to be expended on each task and subtask. An anticipated work schedule shall also be provided. The work plan shall also identify the deliverables at key milestones in the Project as well as any other services to be provided by the City. The City staff intends to be actively involved with the Project, and a maximum of three (3) status meetings are to be contained in the work plan in addition to any data collection or input/review meetings.
5. A listing of names, addresses and telephone numbers of at least three (3) references for whom the respondent has performed similar State Aid Projects for.
6. Provide, in separate envelope, one copy of the cost proposal, clearly marked on the outside "**Cost Proposal**", along with the responder's official business name and address. Terms of the proposal as stated must be valid for the project length of time.

The responder must include a "not to exceed" total project cost, as well as subtotals for a) design services through bidding and b) construction inspection and management, and any subconsultant fees, along with the following information:

- A breakdown of the hours by task for each employee

- Identification of anticipated direct expenses
 - Identification of any assumption made while developing this cost proposal
 - Identification of any cost information related to additional services or tasks
 - Include this in the cost proposal, but identify it as additional costs and do not make it part of the total project cost
 - Responder must have the cost proposal signed in ink by an authorized member of the firm. The responder must not include any cost information within the body of the RFP technical proposal response.
7. Prior to entering into an agreement with the city, the Consultant shall furnish proof that it has met all legal requirements for transacting business in the State of Minnesota and is not disbarred from participating in a State Aid project.
8. Disclosures and Assurances
- a. Applicant Authority – Assurance that the signatory making representations in the proposal on behalf of the proposer has the authority to do so.
 - b. Insurance Coverage – Documentation of current insurance coverage and limits, including professional liability insurance shall be provided with the proposal.
 - c. Insurance requirements or Errors and Omissions: (as included per attached) See **Exhibit B**.

DESIGN FAMILIARITY

The Consultant selected will be required to demonstrate and provide proof of competency in the following areas:

- State Aid Street Design and Construction
- Project Management experience and dealing effectively with contractors
- Cost estimating and cost control
- Construction Management and Construction Inspection
- Quality Control

The following additional qualifications and provisions of the Consultant are also required:

A Professional Engineer (registered in the State of Minnesota with experience in engineering, preparation of State Aid plans and specifications, and inspection services) must supervise all work.

The inspectors assigned to the work in the field are required to have experience in street and utility inspection work, and hold all MN/DOT certifications as required.

FEES AND EXPENSES REIMBURSEMENT

The proposal shall state, not to exceed, the fee based on the total estimated hourly rates included in the proposal, as well as subtotals for a) design services through bidding, b) construction inspection and management. Include any subconsultant costs. Also to be included is an itemized breakdown of specific tasks for all design, inspection, and management services proposed by the Consultant in response to the City's Request for Proposal. Design services shall be considered complete upon award of contract for the project. The proposal should also include a schedule of hourly billing rates for each employee who may be involved in design and construction engineering services (construction administration and construction observation). Include rates of miscellaneous charges, such as copies and mileage.

As stated in the Project Overview, the RFP is for the roadway rehabilitation of Market Street and Loberg Road, evaluation of center island median on Loberg Road south of HWY 53, and sidewalk addition to Loberg Road. The proposal shall be for a) design services through bidding, b) construction inspection and management. Proposal shall be organized as thus:

1. Street Rehabilitation. The project length is approximately 2,600 lineal feet. Street reconstruction will include, but is not limited to, mill and overlay, up to 20% curb and gutter replacement, partial storm sewer repairs, turf establishment and striping.
2. Evaluation of Center Island Median. Evaluation and Design Recommendation on Loberg Road past Walmart's second entrance.
3. Sidewalk Addition. The project length is approximately 1,200 lineal feet of sidewalk addition along the west side of Loberg road to Maple Grove Road.

SELECTION

The City has a review committee comprised of staff members and the City Engineer. The intent of the selection process is to review the proposals and make an award based upon the qualifications as described herein. A 100-point scale will be used to create the final evaluation recommendations. The factors and weighting on which the proposals will be judged are as follows:

- | | |
|-------------------------------|-----|
| • Detailed Work Plan | 30% |
| • Understanding Project Scope | 30% |
| • Qualifications of Firm | 15% |
| • Proposal Completeness | 5% |
| • Project Cost | 20% |

Proposals will be evaluated on the "Best Value" basis with 80% qualifications and 20% cost consideration. The review committee will not open the cost proposal until after the qualification points have been awarded. The City of Hermantown anticipates that the evaluation and selection will be made by **November 15th 2016**.

The City reserves the right to reject proposals, in whole or in part, that do not comply with the provisions of this RFP. The Proposer must also provide a completed Tennessee warning in the form attached hereto as **Exhibit A**, along with its proposal.

PROJECT COMPLETION DATES

- October 18, 2016 City Solicits Engineering Services
- November 8, 2016 Proposals Due 2:00 pm CST
- November 15, 2016 Selection Complete
- November 21, 2016 City Council Awards Contract to Consultant
- November 28, 2016 Notice to Proceed
- February 17, 2017 Plans Submitted for Final Review
- March 3, 2017 Final Plans, Specs and SWPPP submitted to State Aid
- August 25, 2017 Construction Complete
- October 27, 2017 Record Drawings and Final Project Documentation to City

PROPOSAL SUBMITTAL

Proposers are required to send **ten (10) copies and one (1) cd** of the proposal to the City Administrator on or before **Tuesday November 8, 2016, 2:00 CST**. Proposals received after the deadline will not be considered. Each proposal must be clearly identified on the outside of the envelope and shall show the name and address of the Proposer. If the proposal is sent by mail the envelope shall contain the notation "**Rehabilitation of Market Street & Loberg Road Proposal Enclosed**". An official authorized to bind the Proposer must sign the proposal. By submitting a proposal, the Proposer agrees and accepts the terms and conditions of this RFP.

Proposals are to be sent to:
John Mulder, City Administrator
City of Hermantown
5105 Maple Grove Road
Hermantown, MN 55811

RFP Questions
David Bolf P.E. – City Engineer
Northland Consulting Engineers, LLP
Phone: 218.727.5995
Email: david@nce-duluth.com

INSTRUCTIONS TO PROPOSERS

Any questions on the RFP must be submitted to David Bolf by email (david@nce-duluth.com) and must be received no later than **3:00 p.m. on November 1, 2016**. An email response will be provided to all proposers to whom the City sent a copy of this RFP and other proposers who have contacted the City by that date, by noon on **Friday November 4, 2016**.

The proposal shall be limited to a **maximum of 10 pages**, which includes cover letter, printed on one side, including all supporting documentation. Additional material, other than that requested by the City of Hermantown, will be disregarded.

The City will review the proposals and may schedule interviews for any proposer selected for an interview.

Proposers are prohibited from contacting any representative of the City Council regarding this proposal.

EXHIBIT A
TENNESSEN WARNING
Data Practices Advisory

The information that you are asked to provide is classified by state law as either public, private or confidential. Public data is information that can be given to the public. Private data is information that generally cannot be given to the public but can be given to the subject of the data. Confidential data is information that generally cannot be given to either the public or the subject of the data.

Our purpose and intended use of this information is to consider your proposal in response to a Request for Proposal.

You are not legally required to provide this information.

You may refuse to provide this information.

The consequences of supplying or refusing to supply data are that your proposal may not be considered or it may be denied.

Other persons or entities may be authorized by law to receive this information. The identity of those persons or entities, if known, are as follows: _____

The undersigned has read this advisory and understands it.

Dated this ____ day of _____, 20__.

Print Name

Signature and Title (if signing on behalf of an entity)

EXHIBIT B

Standard Municipal/Government Entity Consultant Agreement Insurance Requirements

1. Standard of Performance and Insurance; Indemnity. All services to be performed by Consultant hereunder shall be performed in a skilled, professional and non-negligent manner. Consultant shall obtain and maintain at his/her/its cost and expense:

1.1. Comprehensive general liability insurance that covers the Consultant services performed by Consultant for Owner with a combined single limit of liability of at least One Million Dollars (\$1,000,000.00).

1.2. Errors and omissions or equivalent insurance that covers the Consultant services performed by Consultant for Owner with a combined single limit of liability of at least One Million Dollars (\$1,000,000.00).

1.3. Worker's compensation insurance covering Consultant (if an individual) all of Consultant's employees with coverages and limits of coverage required by law.

1.4. In addition to the coverages listed above, Consultant shall maintain a professional liability insurance policy in the amount of \$2,000,000. Said policy need not name the City as an additional insured. It shall be Consultant's responsibility to pay any retention or deductible for the professional liability insurance. Consultant agrees to maintain the professional liability insurance for a minimum of two (2) years following termination of this Agreement.

Consultant shall indemnify and hold harmless Owner from and against all errors, omissions and/or negligent acts causing claims, damages, liabilities and damages arising out of the performance of his/her/its services hereunder.

Consultant certifies that Consultant is in compliance with all applicable worker's compensation laws, rules and regulations. Neither Consultant (if an individual) nor Consultant's employees and agents will be considered Owner employees. Any claims that may arise under any worker's compensation laws on behalf of any employee of Consultant and any claims made by any third party as a consequence of any act or omission on the part of Consultant or any employee of Consultant are in no way Owner's obligation or responsibility. By signing this Agreement, Consultant certifies that Consultant is in compliance with these laws and regulations.

Consultant shall deliver to Owner, concurrent with the execution of this Agreement, one or more certificate(s) of insurance evidencing that Consultant has the insurance required by this Agreement in full force and effect. Owner shall be named as additional insured under such Consultant's comprehensive general liability policy. The insurer will provide at least thirty (30) days prior written notice to Owner, without fail, of any cancellation, non-renewal, or modification of any of the Consultant's comprehensive general liability policy or coverage evidenced by said certificate(s) for any cause, except for nonpayment of premium. The insurer will provide at least ten (10) days prior written notice to Owner, without fail, of any

cancellation of any of the Consultant's comprehensive general liability policy or coverage evidenced by said certificate(s) for nonpayment of premium. Consultant shall provide Owner with appropriate endorsements to Consultant's comprehensive general liability policy reflecting the status of Owner as an additional insured and requiring that the foregoing required notice of cancellation, material alteration or non-renewal be provided Owner by the insurance company providing such insurance policy to Consultant.

The Consultant shall require any subcontractor permitted by Owner to perform work for Consultant on the Project to have in full force and effect the insurance coverage required of the Consultant under this Agreement before any subcontractor(s) begin(s) work on the Project. Consultant shall require any such subcontractor to provide to Consultant a Certificate of Insurance evidencing that such subcontractor has the insurance required by this Agreement in full force and effect. The Consultant and Owner shall be named as additional insureds under such policies. The insurer will provide 30 day written notice to Owner and Consultant, without fail, of any cancellation, non-renewal, or modification of the subcontractor's comprehensive general liability policy or coverage evidenced by said certificate(s) for any cause, except for nonpayment of premium. The insurer will provide at least ten (10) days prior written notice to Owner, without fail, of any cancellation of any of the subcontractor's comprehensive general liability policy or coverage evidenced by said certificate(s) for nonpayment of premium. Owner shall also be provided with appropriate endorsements to subcontractor's comprehensive general liability policy reflecting the status of Owner as an additional insured and requiring that the foregoing required notice of cancellation, material alteration or non-renewal be provided Owner by the insurance company providing subcontractor's comprehensive general liability policy.

CITY ENGINEER PARTICIPATION IN RFP REVIEW

As noted elsewhere in this RFP, David Bolf, P.E., who is the City Engineer for the City of Hermantown, will participate in the review of RFP proposals.

David Bolf is the brother of Matt Bolf who works for Short Elliot Hendricksen, Inc., which is expected to submit a proposal.

David Bolf also previously worked for Salo Engineering, Inc., which is now Toltz, King, Duvall, Anderson and Associates, Incorporated.

David Bolf also has personal and professional relationships with other engineers who are expected to submit proposals.

David Bolf has consulted with the City Council of the City, the City Attorney of the City and the City Administration for the City and all have determined that he does not have an impermissible conflict of interest that would preclude him from fully participating in the RFP review process.

Notwithstanding the foregoing, the City desires to determine if its views are shared by Responders to the RFP. Accordingly, please check one of the boxes below and sign it and submit this form with your response to the RFP.

- The undersigned Responder consents to David Bolf participating in the RFP review process.
- The undersigned Responder objects to David Bolf participating in the RFP review process.

This page will not count against the ten (10) page maximum number of pages allowed for a proposal.

Name of Responder

Signature and Title

Date



Northland
Consulting Engineers LLP
Division: Civil and Federal Engineering Services
1000 10th Street, Suite 100
North Platte, NE 68901
Phone: 402.639.2727
Fax: 402.639.2728

**MARKET STREET & LOBERG ROAD RFP
SCHEDULED PROJECT AREA**

Resolution No. 2016-134

**RESOLUTION AUTHORIZING AND DIRECTING THE MAYOR AND
CITY CLERK TO EXECUTE AND DELIVER A
FIRST AMENDMENT TO DEVELOPMENT AGREEMENT
WITH JLG ENTERPRISES OF HERMANTOWN, LLP**

WHEREAS, JLG Enterprises of Hermantown, LLP (“Developer”) entered into a Development Agreement with the City of Hermantown (“City”) on July 28, 2016 and recorded on July 29, 2016 with the Recorder’s Office of St. Louis County, Minnesota as Document No. 01289758 to construct a residential development (“Project”); and

WHEREAS, Developer has requested an amendment to the Development Agreement to extend the completion date of the required Infrastructure Improvements from October 15, 2016 to December 1, 2016; and

WHEREAS, the City Attorney has prepared a First Amendment to Development Agreement (“Amendment”) with respect to the Developer’s request; and

WHEREAS, the City Council has reviewed the Amendment and believes that it is in the best interests of the City of Hermantown to approve the Amendment and authorize and direct the Mayor and City Clerk to execute and deliver it on behalf of the City of Hermantown.

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

1. The Amendment substantially in the form of the one attached hereto as Exhibit A is hereby approved.
2. The Mayor and City Clerk are hereby authorized and directed to execute and deliver the Amendment 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.

**FIRST AMENDMENT TO DEVELOPMENT AGREEMENT
BETWEEN
JLG ENTERPRISES OF HERMANTOWN, LLP
AND
CITY OF HERMANTOWN**

THIS FIRST AMENDMENT TO DEVELOPMENT AGREEMENT is made this _____ day of _____, 2016 by and between **JLG Enterprises of Hermantown, LLP** (“Developer”) and the **City of Hermantown** (“City”) in response to the following situation:

A. City and Developer entered into a Development Agreement (“Agreement”) dated July 28, 2016 and recorded on July 29, 2016 as Document No. 01289758 in the Office of the St. Louis County Recorder for the development of property in the City of Hermantown.

B. City and Developer desire to amend the Agreement to reflect recent changes to the construction schedule.

NOW THEREFORE, City and Developer hereby agree to amend the Development Agreement as follows:

1. **Amendment to Section 3.2.1.** Section 3.2.1 is hereby amended to change the completion date under the Construction Contract from October 15, 2016 to December 1, 2016.

2. **Payment and Performance Bond.** Developer shall provide an endorsement to the payment and performance bonds provided by Developer to City under Section 3.2.3 of the Agreement that acknowledges the extension of the completion date of the Construction Contract permitted by Section 1 of this Amendment.

3. **Amendment to Section 13.1.** Section 13.1 is hereby amended to change the date October 15, 2016 contained in said section to December 1, 2016.

4. **Amendment to Exhibit 9.** Exhibit 9 is hereby amended by changing the date of October 15, 2016 to December 1, 2016 as is shown in redlining on the new Exhibit 9 which is attached hereto.

5. Except as amended by this First Amendment to Development Agreement the remaining terms and provisions of the Agreement remain in full force and effect.

6. All capitalized terms when used in this First Amendment shall have the meanings given to them in the Agreement.

[SIGNATURES APPEAR ON NEXT PAGE]

EXHIBIT 9

CONSTRUCTION SCHEDULE JACKSON ESTATES 4th ADDITION

The proposed schedule for the construction is as follows:

Before ~~October 15~~ December 1, 2016:

- Final plat approved by City of Hermantown.
- Required Security provided to City.
- Preconstruction meeting held
- Clear and grub entire road right of way of Truman Road and Jefferson Drive to McKinley, install erosion control measures to set limits to prevent wetland impact and to protect water quality during construction.
- Water mains and service lines from station 8+00 on Truman Road east to the Ugstad Road intersection are completed.
- Sanitary sewer mains and service lines from station 8+00 on Truman Road east to Ugstad Road are completed.
- Truman Road completed as a gravel road from station 8+00 east to Ugstad Road.
- Hammerhandle-style turnaround will be installed at west end of Truman Road at station 8+00, per city specs as a gravel cul-de-sac.
- Dead End sign will be installed on Truman Road at Ugstad Road.
- All wetland work for the entire plat will be completed.
- All stormwater work related to Truman Road from station 8+00 east to Ugstad Road will be completed.

Before October 15, 2017:

- Utilities and stormwater work and road construction of Truman Road and Jefferson Road as gravel roads from station 8+00 west and north to connect with McKinley Road will be completed.
- First layer of blacktop installed on Truman Road from station 8+00 east to Ugstad Road

Before October 15, 2018

The final section of road and utility construction (Jefferson Drive south of Truman) will be completed as follows:

- Complete final construction of the Jefferson Drive cul-de-sac.

- Jefferson Drive from McKinley Drive to Truman Road and Truman Road to Ugstad Road will be fully and finally blacktopped.
- Water mains, sanitary sewer mains, and related service laterals will be constructed to remaining lots surrounding the Jefferson Drive cul-de-sac.

By September 30, 2019:

All Infrastructure work must be completed.

Additional Items:

- Developer will apply dust control on gravel road surfaces during the construction and development period as required by any permits issued to Developer and as directed by the City Public Works Director and snow plow and maintain roads until accepted by the City.
- If any work on the Plat is not completed within the required times, the City of Hermantown may complete the work by utilizing the letters of credit and escrow funds from the developer for funds necessary to complete Truman Drive and Jefferson Drive (without any utilities and without the Jefferson Drive cul-de-sac) and Stormwater Maintenance Facilities.

Resolution No. 2016-135

RESOLUTION AUTHORIZING AND DIRECTING THE MAYOR AND CITY CLERK TO EXECUTE AND DELIVER A SEPARATION AGREEMENT AND RELEASE OF CLAIMS AND RE-AFFIRMATION AGREEMENT ON BEHALF OF THE CITY OF HERMANTOWN

WHEREAS, the City has chosen to terminate Troy Sunnarborg ("Employee") effective as of October 10, 2015 pursuant to the terms of a Separation Agreement and Release of Claims; and

WHEREAS, the City of Hermantown ("City") and Employee desire to enter into a Separation Agreement and Release of Claims ("Agreement"), and

WHEREAS, such Separation Agreement and Release of Claims is attached hereto as Exhibit A; and

WHEREAS, The City Council has duly considered this matter and believes it to be in the best interests of the City of Hermantown to enter into the Agreement.

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

1. The Separation Agreement and Release of Claims attached hereto is hereby approved.
2. The Mayor and City Clerk are hereby authorized and directed to execute and deliver the Separation Agreement and Release of Claims on behalf of the City of Hermantown after such Separation Agreement and Release of Claims is executed by Troy Sunnarborg.

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 duly passed and adopted.

SEPARATION AGREEMENT AND RELEASE OF CLAIMS

THIS SEPARATION AGREEMENT AND RELEASE OF CLAIMS is made effective as of the 10th day of October, 2016 by and between **City of Hermantown** (referred to as "Employer"), and **Troy Sunnarborg** ("Employee") in response to the following situation:

A. Employee is an employee of Employer. The Employer has chosen to terminate the employment of Employee effective October 10, 2016.

B. Employee wishes to receive severance benefits to which Employee is not otherwise entitled.

C. The parties wish to set forth the terms of their agreement in writing.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants contained herein, and for other good and valuable consideration the receipt and sufficiency of which are specifically acknowledged by the parties, Employer and Employee agree as follows:

1. **Termination of Employment.** Employer and Employee acknowledge that Employee's last working day was October 10, 2016 ("Termination Date"). Employee shall receive the Employee's regular pay through the Termination Date, together with 83.3 hours of accrued and unused vacation, and personal leave. The Employee acknowledges, by his signature to this Separation Agreement and Release of Claims, that the Employee has received all wages, benefits and other payments to which the Employee is entitled by reason of the Employee's employment and association with Employer through the Termination Date.

2. **Health Insurance.** Employee will be eligible to continue COBRA coverage at the Employee's own expense in accordance with COBRA requirements for the applicable COBRA period. The COBRA period begins the first day of the first month following the Termination Date i.e. November 1, 2016. Employer will pay the full premium for COBRA coverage for November, 2016. Employee will be responsible for paying the full premium for COBRA coverage beginning on December 1, 2016 if he elects to continue COBRA coverage. All subsequent payments will be due on the first of the month during the COBRA period.

3. **Life Insurance/Accident and Sickness.** If Employee participates in group life insurance benefits and/or accident and sickness program, the coverage will continue under the terms of the applicable plans through the end of the month in which the Termination Date occurs. As required by law, Employee will then be eligible to extend the coverage, by making a COBRA election, beginning the first day of the first month following the Termination Date. If Employee makes a COBRA election to continue such coverage Employer will pay the premium for such coverage for November 2016 and then thereafter, beginning December 1, 2016, Employee will be obligated to pay the cost of insurance for the applicable COBRA period in accordance with the COBRA requirements.

4. **Severance Pay.** Employer will pay to Employee 148 hours of pay less required withholding amounts on October 11, 2016 as severance pay.

5. **Release of Claims.** In consideration of the severance pay and other benefits set forth in Paragraph 4 of this Separation Agreement and Release of Claims, to which the Employee would not otherwise be entitled, the Employee, for himself, the Employee's heirs, representatives, agents, successors and assigns, hereby releases and forever discharges Employer and all its related entities and all present and past officers, elected officials, employees, agents and representatives of any of them, and the successors and assigns of each, from any and all manner of past, present, or future claims, demands, actions, causes of action, administrative claims, liability, damages, claims for punitive or liquidated damages, claims for attorney's fees, costs and disbursements, individual or class action claims or demands of any kind whatsoever, including but not limited to any claims for wages, vacation, severance, benefits, any claims based upon disability, race, creed, color, sex, sexual orientation, religion, age, national origin, ancestry, marital status or any other prohibited category, or any other alleged unlawful practice arising under the laws of the United States or State of Minnesota, any claims arising by statute, in tort or contract, any constitutional claims, any claims arising under the Veterans Preference Act, Minn. Stat. §197.46, Employer's Personnel Policy, the Rehabilitation Act of 1973, 29 U.S.C. §701 et. seq., the Minnesota Public Employment Labor Relations Act, Minn. Stat. §179A.01 et. seq., the Minnesota Occupational Safety and Health Act of 1973, Minn. Stat. §182.65 et. seq., the Minnesota Whistleblower Act, Minn. Stat. §181.931 et. seq., State and Federal Fair Labor Standards Acts, 29 U.S.C. §201 et. seq., Minn. Stat. §177.21 et. seq., Title VII of the Civil Rights Act, 42 U.S.C. § 2000e et. seq., the Age Discrimination in Employment Act, 29 U.S.C. § 621 et. seq., the Americans with Disabilities Act, 42 U.S.C. §12101, et. seq., the Family and Medical Leave Act, 29 U.S.C. §2601, et. seq., the Minnesota Human Rights Act, Minnesota Statutes Chapter 363A, Minnesota Statutes Chapter 181 or 177, Minn. Stat. § 181.932 et. seq., the Older Workers Benefit Protection Act, the Age Discrimination in Employment Act, 42 USC §1981, the Employee Retirement Income Security Act, the Equal Pay Act, the Lilly Ledbetter Fair Pay Act of 2009, the Genetic Information Non-Discrimination Act, the Worker Adjustment and Retraining Notification Act, the Fair Credit Reporting Act, all applicable state and local anti-discrimination and human rights law, and worker's compensation non-interference or non-retaliation statutes, or any other claims arising under federal, state or local law, and any claims in any manner relating to the Employee's employment or the Employee's association with or separation from Employer and/or any of its related entities, arising in law or equity, whether known, suspected or unknown, and however originating or existing, from the beginning of time to the date of the signing of this Separation Agreement and Release of Claims.

The Employee agrees to and hereby does release and discharge Employer and all its related entities and all present and past officers, elected officials, employees, agents and representatives of any of them, and the successors and assigns of each, not only from any and all claims that the Employee could make on the Employee's own behalf, but also from any that may or could be brought by any other person, entity or organization on the Employee's behalf, and the Employee specifically waives any right to become, and to the extent permitted by law agrees not to become a member of any class or any proceeding or case in which a claim or claims are asserted against Employer or any related entity, or any present or past officer, elected officials, employee, agent or representative of any of them, or the successor or assign of any, arising in

whole or in part from any event which occurred from the beginning of time to the date of this Separation Agreement and Release of Claims.

The Employee further agrees, to the extent permitted by law, that Employee will not institute any civil action or other legal proceeding of any nature against Employer, or related entity or the successor or assign of any of them, including but not limited to any action or proceeding raising claims for wages, vacation, severance, benefits, any claims of any kind whatsoever, including but not limited to any claims for wages, vacation, severance, benefits, any claims based upon disability, race, creed, color, sex, sexual orientation, religion, age, national origin, ancestry, marital status or any other prohibited category, or any other alleged unlawful practice arising under the laws of the United States or State of Minnesota, any claims arising by statute, in tort or contract, any constitutional claims, any claims arising under the Veterans Preference Act, Minn. Stat. §197.46, Employer's Personnel Policy, the Rehabilitation Act of 1973, 29 U.S.C. §701 et. seq., the Minnesota Public Employment Labor Relations Act, Minn. Stat. §179A.01 et. seq., the Minnesota Occupational Safety and Health Act of 1973, Minn. Stat. §182.65 et. seq., the Minnesota Whistleblower Act, Minn. Stat. §181.931 et. seq., State and Federal Fair Labor Standards Acts, 29 U.S.C. §201 et. seq., Minn. Stat. §177.21 et. seq., Title VII of the Civil Rights Act, 42 U.S.C. § 2000e et. seq., the Age Discrimination in Employment Act, 29 U.S.C. § 621 et. seq., the Americans with Disabilities Act, 42 U.S.C. §12101, et. seq., the Family and Medical Leave Act, 29 U.S.C. §2601, et. seq., the Minnesota Human Rights Act, Minnesota Statutes Chapter 363A, Minnesota Statutes Chapter 181 or 177, Minn. Stat. § 181.932 et. seq., the Older Workers Benefit Protection Act, the Age Discrimination in Employment Act, 42 USC §1981, the Employee Retirement Income Security Act, the Equal Pay Act, the Lilly Ledbetter Fair Pay Act of 2009, the Genetic Information Non-Discrimination Act, the Worker Adjustment and Retraining Notification Act, the Fair Credit Reporting Act, all applicable state and local anti-discrimination and human rights law, and worker's compensation non-interference or non-retaliation statutes, or any other claims arising under federal, state or local law or any claims in any manner relating to the Employee's employment or the Employee's association with or separation from Employer or any related entities, arising in law or equity, whether known, suspected or unknown, and however originating or existing, from the beginning of time to the date of the signing of this Separation Agreement and Release of Claims. If, for any reason, any administrative or other legal proceeding results in any relief to the Employee based on any claims or demands noted in this Separation Agreement and Release, the Employee further agrees to the extent permitted by law that the consideration provided to the Employee under this Separation Agreement and Release shall be in full satisfaction of any such claims or demands, and the Employee will not be entitled to any further relief of any kind.

The Employee is not, by signing this Separation Agreement and Release of Claims, releasing or waiving (1) any rights or claims that may arise after October 10, 2016; (2) any payments which the Employee will receive under this Separation Agreement and Release of Claims; (3) the right to institute legal action for the purpose of enforcing the provisions of this Separation Agreement and Release of Claims; (4) any rights or benefits that Employee has under the Deferred Compensation Plan provided by Employer; (5) any rights or benefits that Employee has to benefits from the Public Employee Retirement Association ("PERA") (6) any benefits that Employee has under the Health Savings Plan or Post Retirement Health Care Savings Plan provided by Employer, (7) any benefits that Employee has under the Voluntary Employee

Benefit Association (“VEBA”) provided by Employer, (8) any claims for continuance of coverage under the Consolidated Omnibus Reconciliation Act (“COBRA”) or similar state law.

Employee understands that as an employee of Employer it has been Employee’s duty to report any suspected issues of non-compliance with the law to his supervisor. Employee hereby states that he has no knowledge of any such conduct by Employer or any of its related entities, whether committed by Employee or by any other employee(s). Accordingly, Employee will not participate as a party in any lawsuit against Employer or any related entity which is based on any allegations of fraud, false claims, or any similar conduct.

Employee agrees that the consideration Employee is receiving is a fair compromise for the release set forth in this Section 5. Employee understands that nothing in this Separation Agreement and Release is intended to prevent Employee from filing a charge with the United States Equal Employment Opportunity Commission or any other governmental agency that enforces employment laws or from participating in an investigation conducted by such agencies. However, Employee understands and agrees that the Employee is not entitled to receive any money or other relief in connection with any such matters, regardless of who initiated or filed the charge or other proceeding.

6. **Affirmation Regarding Pending Matters.** The Employee affirms that the Employee has not filed or instituted, and to the full extent permitted by law the Employee agrees not to cause or permit to be filed, any charge, complaint, or action, other than those specifically permitted in Section 5 of this Agreement, against Employer, or any related entity or any present or past officer, elected official, employee, agent or representative of any of them, or a successor or assign of any of these. If there is outstanding any such charge, complaint, or action, to the full extent permitted by law the Employee agrees to seek its immediate withdrawal and dismissal with prejudice.

7. **Non-admission.** It is expressly understood and agreed that this Separation Agreement and Release of Claims does not constitute, nor shall it be construed as an adjudication or finding on the merits of any potential claim by the Employee, nor does this Separation Agreement and Release of Claims constitute, nor shall it be in any manner construed as an admission of any wrongful conduct or liability on the part of Employer, any related entity, or any present or past officer, elected official, employee, agent or representative of Employer, or any related entity, or the successor or assign of any of them, by all of whom any such liability is expressly denied.

8. **Successors and Assigns.** This Separation Agreement and Release of Claims shall inure to the benefit of the successors and assigns of Employer. Employee may not assign his rights under this Separation Agreement and Release of Claims.

9. **Entire Agreement.** This Separation Agreement and Release of Claims, when signed by the Employee, supersedes any prior agreement, oral or written, and contains all of the terms and conditions agreed upon by Employer and the Employee with respect to the subject matter hereof. No other agreements, whether oral or written, not specifically referred to or included herein, shall be deemed to exist or modify this Separation Agreement and Release or

bind Employer and the Employee. No modification, release, discharge or waiver of any provision of this Separation Agreement and Release of Claims shall be of any force or effect unless made in writing and signed by the parties hereto, and specifically referred to as a modification, release or discharge of this Separation Agreement and Release of Claims. The Employee acknowledges, by the Employee's signature to this Separation Agreement and Release of Claims that the Employee has not relied on any representations or statements, whether oral or written, other than the express statements of this Separation Agreement and Release of Claims.

10. **Acknowledgement of Reading and Understanding/Consultation With Union Representative.** By the Employee's signature to this Separation Agreement and Release of Claims, the Employee acknowledges and agrees that Employee has carefully read and understood all provisions of this Separation Agreement and Release of Claims and entered into this Separation Agreement and Release of Claims knowingly and voluntarily. The Employee further acknowledges that Employer has advised the Employee to consult with his union representative or lawyer prior to signing this Separation Agreement and Release of Claims, and that the Employee has done so or chosen not to do so of the Employee's own accord.

11. **Tax Liability.** It is specifically understood and agreed that Employee is solely responsible for any and all federal and state tax liability and any other payment liability that may be created by this agreement, and the Employee agrees to indemnify, defend and hold harmless Employer, its elected officials, officers, employees or representatives from all claims, demands, liabilities, obligations, recoveries and deficiencies, including interest, penalties and reasonable attorney's fees, costs and expenses which Employee may suffer or incur as a result of the payment made hereunder, arising from but not limited to federal and state income tax withholding obligations, Federal Insurance Contribution Act (FICA) obligations, Minnesota Workers' Compensation Act insurance and Minnesota reemployment insurance obligations, in the event the Internal Revenue Service, the Commissioner of Revenue or any other governmental agency determines any of the sums paid hereunder to be subject to tax withholding or other payment. Furthermore, the Employer, its elected officials, officers, employees and representatives make no representation or warranty whatsoever concerning the treatment of any sums paid pursuant to this Separation Agreement, and the Employee has not relied upon any such representation or warranty.

12. **Captions.** The division of this Agreement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. The terms of "this Agreement", "hereof", "herein", "hereto", and similar expressions refer to this Agreement and the schedules attached hereto and not to any particular article, section or other portion hereof and include any agreement, instrument supplementary or ancillary hereto or thereto. Unless otherwise indicated, references herein to sections are to sections or this Agreement.

13. **Severability.** In the event that any provision of this Agreement, or part thereof, shall be found to be void or invalid by a court of competent jurisdiction, such void or invalid provision, or part thereof, shall be deemed to be modified to the extent necessary for maximum enforceability of the provisions or alternatively severed from this Agreement, without in any way

affecting the validity, enforceability or effect of any of the remaining provisions or parts thereof, which shall be and remain in full force and effect.

14. **Governing Law.** This Agreement shall be governed exclusively by, and be construed exclusively in accordance with, the laws of the State of Minnesota and the federal laws of the United States applicable therein but the reference to such laws shall not, by conflict of laws rules or otherwise, require the application of the law of any jurisdiction other than the State of Minnesota. The parties hereto irrevocably attorn to the exclusive jurisdiction of the district courts of the State of Minnesota sitting in Duluth, Minnesota. Employee hereby agrees that any disputes arising under this Agreement or related to his employment shall be resolved through judicial proceedings and no arbitration provisions contained in any Labor Agreement shall be applicable.

15. **Counterparts.** This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counter parts, each of which when so executed and delivered will be an original, but all such counterparts together will constitute one and the same instrument. Such counterparts may be delivered by regular post, courier or electronic mail.

Dated: _____

TROY SUNNARBORG

CITY OF HERMANTOWN

By _____
Its Mayor

By _____
Its City Clerk