



Hermantown City Council Meeting – January 19, 2021

Because attendance at the regular meeting location is not feasible due to the health pandemic, Hermantown’s January 19, 2021, City Council Meeting, as well as Pre-Agenda Meeting, will be conducted remotely with no access to Council Chambers.

Both meetings will utilize the platform “Zoom” – which allows the public to view and/or hear the meeting from their phone or computer. A reminder that City Hall is still closed at this time due to the global health pandemic.

The 6:30 p.m. City Council Meeting will be available at:

<https://us02web.zoom.us/j/82730104664?pwd=WTlwek9HUXZ3MWF6Z09TTIBrSG1udz09>

and/or by calling the number (312) 626-6799 and utilizing the meeting ID number of 827-3010-4664 and the passcode of 727303.

Public comment may be possible, but difficult, during the meeting, but any public comments, questions, or concerns can be e-mailed to Community Engagement Manager, Joe Wicklund, at jwicklund@hermantownmn.com up to 3:30 p.m. the day of the meeting with the e-mail title “January 19, 2021, Meeting.” It is important to note that all comments regarding the January 19, 2021, meeting are public data.

A few important tips regarding the Zoom platform:

- If your computer does not support audio, you can still watch the meeting on your computer and call in on your phone to hear the meeting
- It is a challenging situation for all of us, so grace and understanding are appreciated

The 4:30 p.m. Pre-Agenda Meeting will be available at:

<https://us02web.zoom.us/j/87284669535?pwd=dUIOTVhWL25kVk5NeVEvcWdIR2lZQT09>

and/or by calling the number (312) 626-6799 and utilizing the meeting ID number 872-8466-9535 and the password 587868. Public comment is not a factor in the pre-agenda meeting, but the public is invited to listen to this meeting.



AGENDA

Pre-Agenda Meeting Tuesday, January 19, 2021 at 4:30 p.m. Large Conference Room City Hall - Hermantown Governmental Services Building

Pre-agenda: The Pre-agenda meeting is a work session between the City Council and City staff to review the upcoming City Council meeting and future meetings. The agenda is the same document as the upcoming City Council meeting, but does not follow the same format as the City Council meeting. It is a time for the City Council and City staff to have discussions about the agenda items, and asking and answering questions. Traditionally it is not a time for public comment on the agenda items, as the public can listen to the conversation and ask questions or provide input at the upcoming City Council meeting.

City Council Continuation Meeting January 19, 2021 at 6:30 p.m. Council Chambers City Hall - Hermantown Governmental Services Building

Invitation to participate:

The Hermantown City Council welcomes your thoughts, input and opinions to this meeting. The agenda for this meeting contains a brief description of each item to be considered, and the City Council encourages your participation. If you wish to speak on an item contained in the agenda, you will be allowed to address the Council when a motion is on the floor. If you wish to speak on a matter that does not appear on the agenda, you may do so during the public comment period regularly scheduled and set for the beginning of the meeting.

When addressing the City Council, please state your name and address for the record. Please address the City Council as a whole through the Mayor. Comments to individual Council Members or staff are not permitted. Speakers will be limited to three (3) minutes.

Order of discussion

- 1. Reading of the resolution title by Mayor**
- 2. Motion/Second**
- 3. Staff Explanation**
- 4. Initial Discussion by City Council**
- 5. Mayor invites public to speak to the motion (3 minute rule)**
- 6. Follow up staff explanation and/or discussion by City Council**
- 7. Call of the vote**

**CITY OF HERMANTOWN
AGENDA**

**Pre-Agenda Meeting Tuesday, January 19, 2021 at 4:30 p.m.
Large Conference Room
Hermantown Governmental Services Building**

**City Council Continuation Meeting January 19, 2021 at 6:30 p.m.
Council Chambers
Hermantown Governmental Services Building**

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **ANNOUNCEMENTS** *(Council Members may make announcements as needed.)*
5. **PUBLIC HEARING** – *(Only when necessary. The rule adopted three minutes per person if necessary. Any action required after the public hearing will be taken immediately following the closing of the public hearing.)*
6. **COMMUNICATIONS**
 - A. **21-03** Jim Crace, Chief of Police
TO: Mayor & City Council
RE: 2020 Archery Deer Season - Report
 - 21-05** David Bolf, City Engineer
TO: City Council
RE: Lindahl Bridge Removal Direction
 - 21-06** Jim Rich, Building Official
TO: City Officials
RE: 2020 Building Permits
 - 21-07** Jim Rich, Building Official
TO: City Officials
RE: Building Permit Comparison – 2018-2020
7. **PRESENTATIONS** *(Department Heads may give reports if necessary.)*
 - A. David Bolf, City Engineer *(Pre-Agenda Only)*
RE: [Lindahl Road Bridge](#)
 - B. John Mulder, City Administrator *(Pre-Agenda Only)*
RE: Utility Billing/Water Usage

8. **PUBLIC DISCUSSION** *(This is the time for individuals to address the Council about any item not on the agenda. 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 [January 4, 2021 City Council Minutes](#)
- B. **Accounts Payable** – Approve general city warrants from January 1, 2021 through January 15, 2021 in the amount of \$507,089.36

(motion, roll call)

10. **MOTIONS**

- A. Motion to appoint Beth Wentzlaff to the Planning & Zoning Commission for a three-year term effective immediately.

(motion, roll call)

11. **ORDINANCES**

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. **2021-13** Resolution Supporting The Authority To Impose A Local Sales Tax To Fund Specific Capital Improvements Providing Regional Benefit, To Establish The Duration Of The Tax And The Revenue To Be Raised By The Tax, And To Authorize The City To Issue Bonds Supported By The Sales Tax Revenue

(motion, roll call)

- B. **2021-14** Resolution Approving Final Plans And Specifications For Road Improvement District No. 537 (Lavaque Junction Road)

(motion, roll call)

- C. **2021-15** Resolution Receiving Bids And Awarding Contract For Old Hwy 2 To _____ In The Amount Of \$ _____

(motion, roll call)

- D. **2021-16** Resolution Approving Pay Request Number 10 For Sewer Improvement District No. 448 To Utility Systems Of America, Inc. In The Amount Of \$432,032.60

(motion, roll call)

13. **RECESS**

DATE: 2021

TO: City Council Members

FROM: John Mulder, City Administrator

RE: Correspondence

In your packet is a correspondence summary log. This 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. Bonnie & I have copied only the correspondence that we believe to be of special interest.

JM

1/5/2021	21-01	Stacy Melcher, St. Louis County	John Mulder, City Administrator	November 5, 2020 Tax Forfeited Parcels	12/29/2020
1/6/2021	21-02	Skip Ferris, AEOA	John Mulder, City Administrator	Hermantown Area Family Resource Center Bldg.	1/4/2021
1/11/2021	21-03	Jim Crace, Chief of Police	Wayne Boucher, Mayor and City Council	2020 Archery Deer Season Report	1/5/2021
1/11/2021	21-04	Wayne Boucher, Mayor	Hermantown Area Chamber of Commerce Board Members	Thank You	1/11/2021
1/11/2021	21-05	David Bolf, City Engineer	City Council	Lindah Road Bridge Removal Direction	1/11/2021
1/11/2021	21-06	Jim Rich, Building Official	City Officials	2020 Building Permits	1/11/2021
1/11/2021	21-07	Jim Rich, Building Official	City Officials	Building Permit Comparison 2018-2020	1/11/2021

Memo

To: Hermantown City Council & Mayor Boucher
 From: Jim Grace, Chief of Police
 CC: City Administrator – John Mulder
 Date: 01/05/2021
 Re: 2020 Archery Deer Season – Report

Per Hermantown Ordinance 740.04, *“the Chief of Police shall provide a yearly report to the City Council with respect to the operation and effect of the past archery deer season.”*

In 2020, there were 134 archery permits issued for the Hermantown Archery Deer Hunt. This is an increase from the 2019 hunt, when 124 permits were issued. Of the 134 permits issued in 2020, one was issued as a "Youth Permit," which is issued free of charge to hunters under the age of 14 that are hunting with a permitted adult. (See attached chart for historical statistics on the number of permits issued per year).

In 2020, 44 deer were reported to the Hermantown Police Department as being harvested. This is an increase from the 2019 hunt, when only 26 deer were reported. Of the 44 deer harvested, 36 of them were does or antlerless males, which is a 50% increase from the 2019 hunt, and 8 of them were bucks, which is an increase of 300%. The total number of hunters taking a deer in the 2020 hunt was 37. (See attached chart for historical statistics on the number of deer harvested per year).

The following charts illustrate deer taken information for the 2020 archery season.

DEER TAKEN BY TIME (HOUR PERIODS)	
0600	0
0700	5
0800	7
0900	4
1000	1
1100	0
1200	0
1300	0
1400	1
1500	3
1600	10
1700	5
1800	7
1900	1
Unknown	0

DEER TAKEN WEIGHTS	
Lowest	50
Highest	225
Average	135

DEER TAKEN BY MONTH	
September	4
October	21
November	14
December	5

The following chart will indicate the deer taken by city section and within subdivisions.

SECTION	DEER TAKEN	Taken in Subdivision
1		
2		
3	1	
4		
5		
6		
7	1	
8	1	
9		
10	2	1
11	1	1
12	2	
13		
14	2	
15	3	2
16	3	2
17	1	
18		
19		
20	2	
21	2	1
22		
23	4	1
24	2	
25	1	
26	4	
27	3	
28	1	
29		
30	2	
31		
32		
33	2	
34	3	
35		
36	1	
Unknown		
TOTALS	44	8

There were no notable archery-related incidents this season. We did, however, have a number of hunters question whether the doe they need to get first has to be taken in Hermantown or if it can be taken elsewhere. Although the intent is to have them first harvest a doe in the city limits, the wording of the ordinance is vague. One hunter this year did, in fact, harvest a doe outside of the city before taking a buck in the city.

To: Hermantown City Council

From: David Bolf – City Engineer

Date: January 11, 2021

Meeting Date: January 19, 2021

Subject: Lindahl Road Bridge Removal Direction

Requested Action: Direct City Staff & Engineer of Desired Direction

Background: The Lindahl Road Bridge (State Bridge # 88790) crossing the Midway River has been identified as being in a structurally deficient state prior to 2011. Through previous feasibility studies, discussions with City Staff, public input, and ultimately Council decision it has been decided to eliminate the Lindahl Road bridge creating two dead end hammer heads.

As discussion and planning have progressed, NCE has noticed an opportunity to continue with the plan to dead end Lindahl Road in the same location as previously planned but leave the bridge intact. Permanent road closure signs & barricades would be installed at each end of Lindahl Road creating a legal compliant fire turn around and ensure vehicle traffic does not use the bridge. Below are the PRO's and CON's to this path.

Pros:

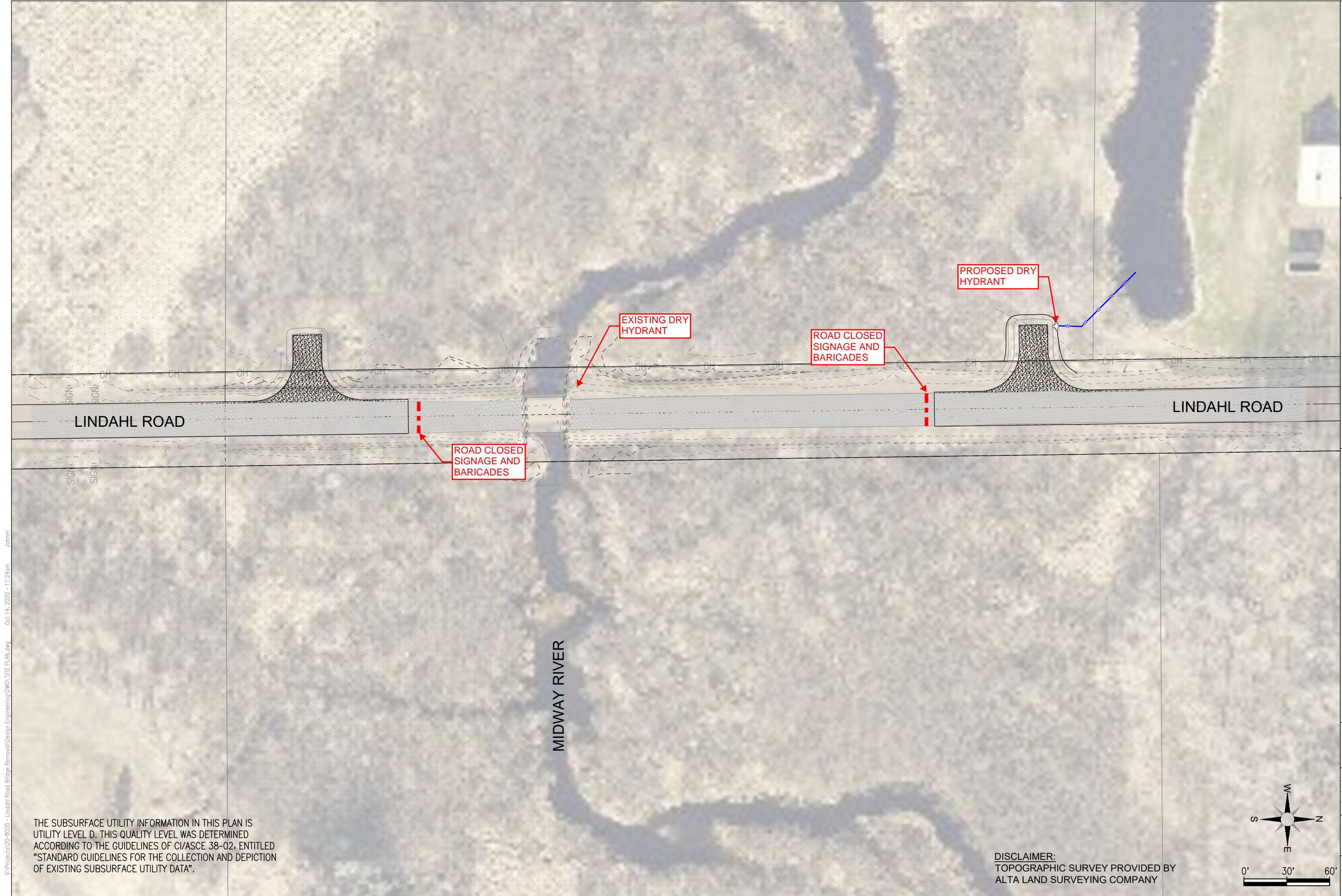
- Cost savings of not removing bridge
- Maintained pedestrian access across river
- Eliminates the need for DNR permitting
 - DNR has told us they want the entire road bed removed to connect the wetlands. My estimate is about \$40k additional to do this.

Cons:

- Annual inspection still necessary (minimal compared to active bridge)
- Further degradation of bridge - Removal at a future date

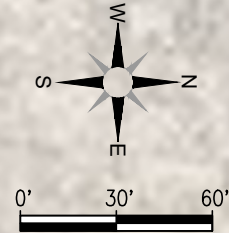
Attachments:

- Memo Exhibit



THE SUBSURFACE UTILITY INFORMATION IN THIS PLAN IS UTILITY LEVEL D. THIS QUALITY LEVEL WAS DETERMINED ACCORDING TO THE GUIDELINES OF C/ASCE 38-02, ENTITLED "STANDARD GUIDELINES FOR THE COLLECTION AND DEPICTION OF EXISTING SUBSURFACE UTILITY DATA".

DISCLAIMER:
TOPOGRAPHIC SURVEY PROVIDED BY
ALTA LAND SURVEYING COMPANY



I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly licensed Professional Engineer under the laws of the State of Minnesota.
**PRELIMINARY
NOT FOR CONSTRUCTION**
Engineer: David G. Bolf
Lic. No: 40926
XX/XX/XX

revision	
Proj: 20-8005	
Date: 10/14/20	
Drawn: JFM	
Checked: TPD	
SITE PLAN	
Sheet Title	
Sheet Number	

V:\Projects\20-8005 - Lindahl Road Bridge Removal\Design\Engineering\DWG SITE PLAN.dwg Oct 14, 2020 - 11:24am jbhmm

**CITY OF HERMANTOWN
2020 BUILDING PERMITS**

Commercial

7 @ \$5,407,843

Commercial/Addition/Remodel

14 @ \$1,513,406

New Homes

29 @ \$7,208,623

Multi-Family

0

Residential Remodel/Repair

92 @ \$1,388,770

Garages/Sheds/Decks

35 @ \$520,680

Other (plumbing, mechanical, etc.)

24 @ \$200,362

TOTAL

201 @ \$16,239,684

BUILDING PERMIT COMPARISON

	<u>2018</u>			<u>2019</u>			<u>2020</u>	
	#	\$		#	\$		#	\$
January								
New Homes	1	307,170						
Multi-Family								
Garages/Sheds/Decks							1	18,000
Res. Remodel/Repair	2	13,900		1	12,550		2	40,000
Commercial								
Com'l Add/Remodel								
Other	3	97,100		3	8,430		3	17,063
TOTAL	6	418,170		4	20980		6	75,063
February								
New Homes	1	230,670					3	590,100
Multi-Family								
Garages/Sheds/Decks	1	5,760					1	36,000
Res. Remodel/Repair	1	11,000		2	46,000		2	8,500
Commercial							2	3,690,611
Com'l Add/Remodel				1	87,532		1	40,000
Other	1	2,350					3	26,119
TOTAL	4	249,780		3	133532		12	4,391,330
March								
New Homes	1	245,710		2	369,600		4	962,851
Multi-Family								
Garages/Sheds/Decks							1	19,760
Res. Remodel/Repair	3	40,860		5	150,997		3	24,557
Commercial				1	623,320			
Com'l Add/Remodel	1	5,000					2	167,894
Other				1	81,420			
TOTAL	5	291,570		9	1,225,337		10	1,175,062

BUILDING PERMIT COMPARISON

April

New Homes	4	925,925		2	561,460		3	750,000
Multi-Family								
Garages/Sheds/Decks	3	21,760		3	43,240		1	124,280
Res. Remodel/Repair	6	53,240		3	23,151		10	116,137
Commercial								
Com'l Add/Remodel	1	147,000					1	0
Other	1	3,400		2	60,000			
TOTAL	15	1,151,325		10	687,851		15	990,417

May

New Homes	5	987,655		7	1,303,675		4	932,360
Multi-Family								
Garages/Sheds/Decks	7	169,960		4	35,775		6	38,650
Res. Remodel/Repair	8	111,047		12	109,663		16	135,912
Commercial	1	150,000						
Com'l Add/Remodel	3	77,500						
Other	4	256,850						
TOTAL	28	1,753,012.00		23	1,449,113		26	1,106,922

June

New Homes	5	889,750		3	736,835		2	459,430
Multi-Family								
Garages/Sheds/Decks	4	31,900		6	50,300		5	51,480
Res. Remodel/Repair	7	42,040		5	159,084		16	404,005
Commercial							1	60,000
Com'l Add/Remodel	1	3,000		1	25,000		3	746,012
Other	1	15,000					1	7640
TOTAL	18	981,690		15	971,219		28	1,728,567

BUILDING PERMIT COMPARISON

July								
New Homes	1	195,240		1	294,225		1	303,757
Multi-Family								
Garages/Sheds/Decks	13	121,898		3	9,360		6	66,020
Res. Remodel/Repair	12	129,916		12	242,629		8	55,820
Commercial	1	98,300		1	1,784,575			
Com'l Add/Remodel	1	10,000		2	320,000		2	440,000
Other				2	33,700			
TOTAL	28	555,354		21	2,684,489		17	865,597
August								
New Homes	2	410,180		6	1,843,391		3	895,150
Multi-Family								
Garages/Sheds/Decks	5	34,600		5	119,760		3	19,700
Res. Remodel/Repair	8	218,161		19	250,034		10	138,766
Commercial				1	369,576		1	137,000
Com'l Add/Remodel				1	30,000			
Other				5	80,460		5	34,210
TOTAL	15	662,941		37	2,693,221		22	1,224,826
September								
New Homes	1	45,000		3	674,880		1	195,930
Multi-Family								
Garages/Sheds/Decks	9	89,960		3	17,080		4	31,800
Res. Remodel/Repair (Add)	7	63,950		9	141,622		12	239,178
Commercial								
Com'l Add/Remodel	2	13,000					1	2,500
Other (Plmg/Mech)	6	141,700		2	10,385		3	16,925
TOTAL	25	353,610		17	843,967		21	486,333.00

BUILDING PERMIT COMPARISON

October								
New Homes	3	674,620		5	1,063,570		3	904,945
Multi-Family								
Garages/Sheds/Decks	2	3,600		4	71,480		3	41,390
Res. Remodel/Repair	9	120,035		8	84,035		6	144,000
Commercial								
Com'l Add/Remodel							2	50,000
Other				4	18,740		1	6,000
TOTAL	14	798,255		21	1,237,825		15	1,146,335

November								
New Homes	8	1,973,655		1	267,700		3	714,100
Multi-Family								
Garages/Sheds/Decks							3	35,200
Res. Remodel/Repair	6	86,499		4	22,022		4	56,895
Commercial	1	1,003,625					3	1,520,232
Com'l Add/Remodel	1	10,000		2	355,000			
Other	4	22,483		4	9,125		5	17,680
TOTAL	20	3,096,262		11	653,847		18	2,344,107

December								
New Homes	1	510,000		2	507,465		2	500,000
Multi-Family								
Garages/Sheds/Decks	1	11,160					1	38,400
Res. Remodel/Repair	2	20,220		3	39,700		3	25,000
Commercial	2	1,800,000						
Com'l Add/Remodel	1	30,000					2	67,000
Other	5	24,011		1	4,393		3	74,725
TOTAL	12	2,395,391		6	551,558		11	705,125

TOTAL FOR YEAR	190	12,707,360		177	13,152,939		201	16,239,684
----------------	-----	------------	--	-----	------------	--	-----	------------

To: Hermantown City Council

From: David Bolf – City Engineer

Date: January 11, 2021

Meeting Date: January 19, 2021

Subject: Lindahl Road Bridge Removal Direction

Requested Action: Direct City Staff & Engineer of Desired Direction

Background: The Lindahl Road Bridge (State Bridge # 88790) crossing the Midway River has been identified as being in a structurally deficient state prior to 2011. Through previous feasibility studies, discussions with City Staff, public input, and ultimately Council decision it has been decided to eliminate the Lindahl Road bridge creating two dead end hammer heads.

As discussion and planning have progressed, NCE has noticed an opportunity to continue with the plan to dead end Lindahl Road in the same location as previously planned but leave the bridge intact. Permanent road closure signs & barricades would be installed at each end of Lindahl Road creating a legal compliant fire turn around and ensure vehicle traffic does not use the bridge. Below are the PRO's and CON's to this path.

Pros:

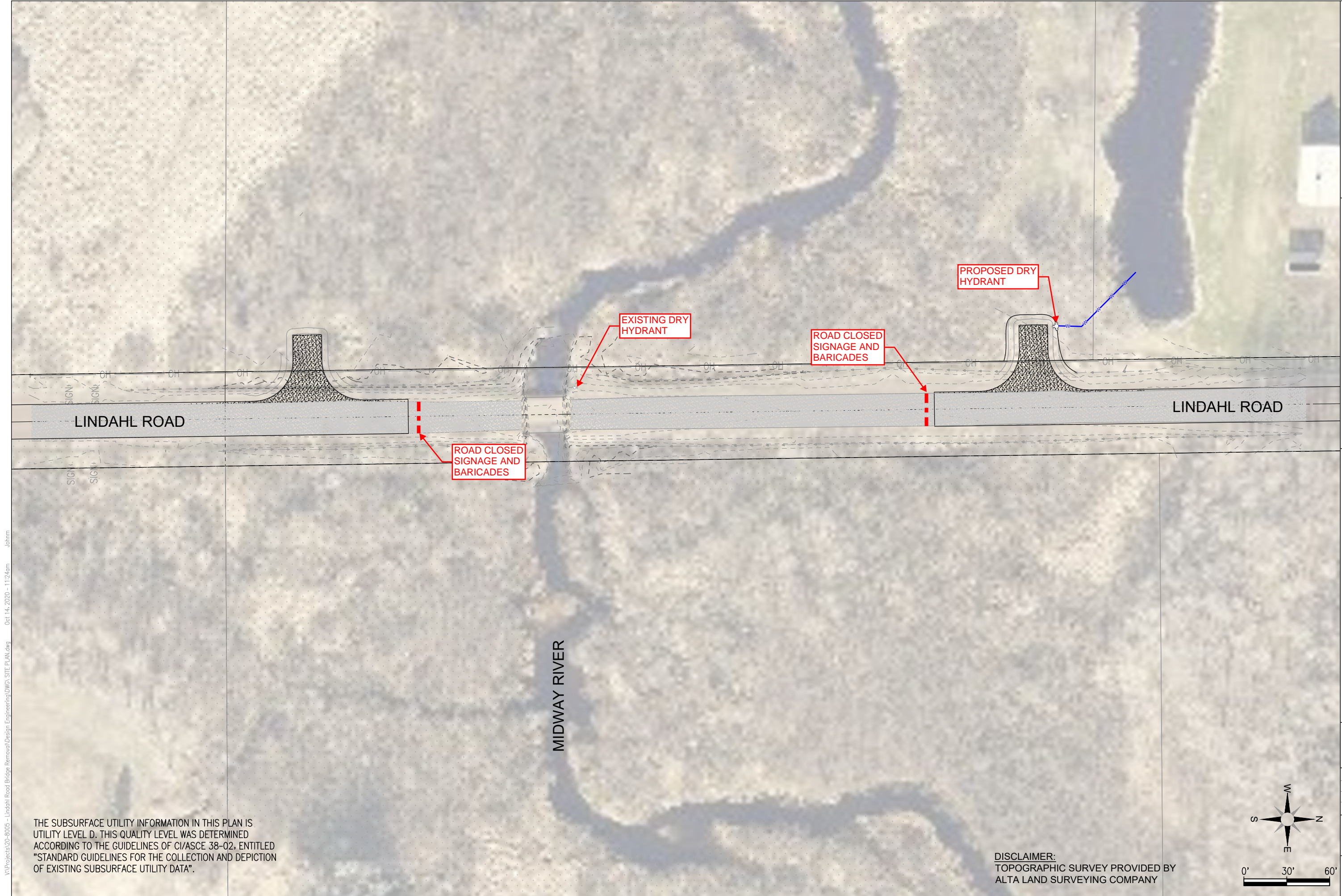
- Cost savings of not removing bridge
- Maintained pedestrian access across river
- Eliminates the need for DNR permitting
 - DNR has told us they want the entire road bed removed to connect the wetlands. My estimate is about \$40k additional to do this.

Cons:

- Annual inspection still necessary (minimal compared to active bridge)
- Further degradation of bridge - Removal at a future date

Attachments:

- Memo Exhibit



THE SUBSURFACE UTILITY INFORMATION IN THIS PLAN IS UTILITY LEVEL D. THIS QUALITY LEVEL WAS DETERMINED ACCORDING TO THE GUIDELINES OF C/ASCE 38-02, ENTITLED "STANDARD GUIDELINES FOR THE COLLECTION AND DEPICTION OF EXISTING SUBSURFACE UTILITY DATA".

DISCLAIMER:
TOPOGRAPHIC SURVEY PROVIDED BY
ALTA LAND SURVEYING COMPANY

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly licensed Professional Engineer under the laws of the State of Minnesota.
**PRELIMINARY
NOT FOR CONSTRUCTION**
Engineer: David G. Bolf
Lic. No: 40926
XX/XX/XX

revision	
Proj: 20-8005	
Date: 10/14/20	
Drawn: JFM	
Checked: TPD	
SITE PLAN	
Sheet Title	
Sheet Number	

V:\Projects\20-8005 - Lindahl Road Bridge Removal\Design\Engineering\DWG SITE PLAN.dwg Oct 14, 2020 - 11:24am jghmm

CITY OF HERMANTOWN
CITY COUNCIL MEETING
January 4, 2021
6:30 p.m.

MEETING CONDUCTED VIA ZOOM

Pledge of Allegiance

OATH OF OFFICE

Mayor Wayne Boucher
Councilor John Geissler
Councilor Grant Hauschild

ROLL CALL: Councilors Geissler, Hauschild, Nelson, Peterson, Mayor Boucher

CITY STAFF: John Mulder, City Administrator; Bonnie Engseth, City Clerk; Kevin Orme, Director of Finance & Administration; Eric Johnson; Community Development Director; Joe Wicklund, Communications Manager; David Bolf, City Engineer; Steve Overom, City Attorney

ABSENT:

VISITORS: 2

ANNOUNCEMENTS

PUBLIC HEARING – Street Improvement District No. 539

NOTICE OF PUBLIC HEARING ON
STREET IMPROVEMENT DISTRICT NO. 539
(Project 539)

NOTICE IS HEREBY GIVEN, that the City Council of the City of Hermantown will meet in the Council Chambers of Governmental Services Building, 5105 Maple Grove Road, Hermantown, Minnesota, at 6:30 p.m. on Monday, January 4, 2021 to consider the Street Improvement District No. 539.

The City Council proposes to proceed in accordance with the provisions of Minnesota Statutes Chapter 429.011 to 429.111 of the Minnesota Statutes.

The area proposed to be assessed for such improvement is every piece and parcel of property benefited by such improvement, whether abutting thereon or not, based upon the benefits received by each piece and parcel.

The estimated cost of such improvement is \$236,798.00.

Such persons as desire to be heard with reference to the proposed improvements will be heard at this meeting. Written or oral comments are encouraged and will be considered at this hearing.

The Public Hearing held Monday, January 4, 2021 regarding the Road Improvement District No. 539 has been recorded but not transcribed. There were no persons present.

Public Hearing closed at 6:37 p.m.

COMMUNICATIONS

Communications 20-190 through and including 2020-194 were read and placed on file.

Communication 20-193 from John Mulder, City Administrator to Mayor & City Council regarding Road Imp. District No. 539

Communication 20-194 from Todd Hagen & Kristina Norquist, Ehlers to John Mulder, City Administrator regarding Residential Water Bills & Water Consumption

PRESENTATIONS

PUBLIC DISCUSSION

CONSENT AGENDA

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

- A. Approve December 21, 2020 City Council Continuation Minutes
- B. Approve general city warrants from December 16, 2020 through December 31, 2020 in the amount of \$621,702.80
- C. Appointment of Official Newspaper – Hermantown Star
Appointment of Depositories – Multi Bank Securities; Wells Fargo Securities; RBC Dain Rauscher; US Bank; Morgan Stanley; PMA Financial Network, Inc.; National Bank of Commerce; 4-M Fund; TD Ameritrade Institutional (Custodian)/Ehlers Investment Partners (Advisor)
Appoint Mayor Boucher as the city’s designated representative to the Hermantown Area Chamber of Commerce
Appoint Mayor Boucher as city representative on the Metropolitan Interstate Committee with John Mulder, City Administrator on the Technical Advisory Committee with David Bolf, City Engineer as alternate
Appoint the following for a three-year term: Joe Peterson to the Planning & Zoning Commission; Gene Shaw to the Park Board; Rob McLachlan to the Utility Commission
- D. Resolution 2021-01 – Appoint Councilor Geissler as Acting Mayor
Resolution 2021-02 – Appoint Ex-Officio Members –Councilor Nelson to Board of Appeals & Adjustment; Councilor Peterson to Park Board; Councilor Geissler to Planning & Zoning; Councilor Hauschild to Utility Commission; Mayor Boucher to Fire Department and Councilor Geissler to Airport Zoning Board
Resolution 2021-03 – Authorize Mayor Boucher and City Administrator John Mulder to sign checks and drafts with Alternates Acting Mayor Geissler and Director of Finance & Administration Kevin Orme
Resolution 2021-04 – Moved to Resolutions by request from Councilor Geissler
Resolution 2021-05 – Appoint Shawn B. Reed as Prosecuting Attorney

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

MOTIONS

ORDINANCES

RESOLUTIONS

2021-04 Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver Agreement For Professional Services With Northland Consulting Engineers, LLP (City Engineer Services)

Motion made by Councilor Nelson, seconded by Councilor Hauschild to adopt Resolution 2021-04, Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver Agreement For Professional Services With Northland Consulting Engineers, LLP (City Engineer Services).

Councilor Geissler stated that his son works for this firm but that neither his son nor him receives any monetary benefit.

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

2021-06 Resolution Approving Additional Engineering Services By Northland Consulting Engineers For Construction Staking On The Section 24 Trail

Motion made by Councilor Peterson, seconded by Councilor Geissler to adopt Resolution 2021-06, Resolution Approving Additional Engineering Services By Northland Consulting Engineers For Construction Staking On The Section 24 Trail. Roll Call: Councilors Geissler, Hauschild, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

2021-07 Resolution Approving Additional Engineering Services By Northland Consulting Engineers For Utility Relocation Along Morris Thomas Road

Motion made by Councilor Nelson, seconded by Councilor Hauschild to adopt Resolution 2021-07, Resolution Approving Additional Engineering Services By Northland Consulting Engineers For Utility Relocation Along Morris Thomas Road.

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

2021-08 Resolution Approving Wage Rates For Part-Time Employees In 2021

Motion made by Councilor Geissler, seconded by Councilor Peterson to adopt Resolution 2021-08, Resolution Approving Wage Rates For Part-Time Employees In 2021. Roll Call: Councilors Geissler, Hauschild, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

2021-09 Resolution Authorizing The Director Of Finance & Administration To Amend Selected 2020 Budgets And Make Transfers

Motion made by Councilor Hauschild, seconded by Councilor Peterson to adopt Resolution 2021-09, Resolution Authorizing The Director Of Finance & Administration To Amend Selected 2020 Budgets And Make Transfers. Roll Call: Councilors Geissler, Hauschild, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

2021-10 Resolution Approving Substantially Completed Plans & Specifications And Ordering Advertisement For Bids For Road Improvement District No. 537 (Lavaque Junction Road)

Motion made by Councilor Geissler, seconded by Councilor Hauschild to adopt Resolution 2021-10, Resolution Approving Substantially Completed Plans & Specifications And Ordering Advertisement For Bids For Road Improvement District No. 537 (Lavaque Junction Road). Roll Call: Councilors Geissler, Hauschild, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

2021-11 Resolution Receiving Preliminary Engineering Report And Calling For Public Hearing For Road Improvement District No. 534 (Ugstad Road)

Motion made by Councilor Peterson, seconded by Councilor Nelson to adopt Resolution 2021-11, Resolution Receiving Preliminary Engineering Report And Calling For Public Hearing For Road Improvement District No. 534 (Ugstad Road). Roll Call: Councilors Geissler, Hauschild, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

2021-12 Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver An Agreement For Consulting Services To Study Planned Unit Developments Within The R-3, Residential Zoning District

Motion made by Councilor Geissler, seconded by Councilor Nelson to adopt Resolution 2021-12, Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver An Agreement For Consulting Services To Study Planned Unit Developments Within The R-3, Residential Zoning District. Roll Call: Councilors Geissler, Hauschild, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

Motion made by Councilor Nelson, seconded by Councilor Peterson to recess the meeting at 7:02 p.m. Motion carried.

Mayor

ATTEST:

Clerk

CITY OF HERMANTOWN

CHECKS #66874-66930
01/01/2021-01/15/2021

PAYROLL CHECKS

Electronic Checks - #71250-71314 77,157.78

LIABILITY CHECKS

Electronic Checks - #71245-71249 \$55,572.66

PAYROLL EXPENSE TOTAL \$132,730.44

ACCOUNTS PAYABLE

Checks - #66874-66930 \$304,019.08

Electronic Payments -#99898-99899 \$40,339.84

Check- #107 TD Ameritrade to Ulland Brothers \$30,000.00

ACCOUNTS PAYABLE TOTAL \$374,358.92

TOTAL \$507,089.36

1/13/2021

Page 1

Fund	Account	Department	Vendor Name	Description	Amount	Check #
101	431901	City Garage	FURTHER ELECTRONIC PAYMENTS	1st Qtr VEBA	230.00	-99899
101	424100	Building Inspection	FURTHER ELECTRONIC PAYMENTS	1st Qtr VEBA	1,437.50	-99899
101	419100	Community Development	FURTHER ELECTRONIC PAYMENTS	1st Qtr VEBA	1,250.00	-99899
101	431100	Street Department	FURTHER ELECTRONIC PAYMENTS	1st Qtr VEBA	3,787.50	-99899
230	465100	HEDA	FURTHER ELECTRONIC PAYMENTS	1st Qtr VEBA	193.75	-99899
101	452100	Parks	FURTHER ELECTRONIC PAYMENTS	1st Qtr VEBA	250.00	-99899
101	419901	City Hall & Police Building Maintenance	FURTHER ELECTRONIC PAYMENTS	1st Qtr VEBA	552.50	-99899
101	490100	Cemetery	FURTHER ELECTRONIC PAYMENTS	1st Qtr VEBA	25.00	-99899
101	421100	Police Administration	FURTHER ELECTRONIC PAYMENTS	1st Qtr VEBA	19,175.00	-99899
603	441100	Storm Water	FURTHER ELECTRONIC PAYMENTS	1st Qtr VEBA	2,006.25	-99899
601	494300	Water Distribution	FURTHER ELECTRONIC PAYMENTS	1st Qtr VEBA	2,875.00	-99899
602	494900	Sewer Administration and General	FURTHER ELECTRONIC PAYMENTS	1st Qtr VEBA	837.50	-99899
601	494400	Water Administration and General	FURTHER ELECTRONIC PAYMENTS	1st Qtr VEBA	1,250.00	-99899
101	452200	Community Building	FURTHER ELECTRONIC PAYMENTS	1st Qtr VEBA	85.00	-99899
101	422901	Firehall #1 Maple Grove Road	FURTHER ELECTRONIC PAYMENTS	1st Qtr VEBA	170.00	-99899
101	415300	Administration & Finance	FURTHER ELECTRONIC PAYMENTS	1st Qtr VEBA	4,156.25	-99899
260	456101	Cable	FURTHER ELECTRONIC PAYMENTS	1st Qtr VEBA	37.50	-99899
602	494500	Sewer Maintenance	FURTHER ELECTRONIC PAYMENTS	1st Qtr VEBA	1,687.50	-99899
101	414100	Elections	FURTHER ELECTRONIC PAYMENTS	1st Qtr VEBA	18.75	-99899
101	217450	Employee Flexplan	FURTHER ELECTRONIC PAYMENTS	Claim Reimburse- Electronic pm	314.84	-99898
475	431150	Street Improvements	ULLAND BROTHERS INC	2020 Rd Improvement plan final	30,000.00	10720
101	419901	City Hall & Police Building Maintenance	A G O'BRIEN PLUMBING & HEATING INC	Replace Water Fountain - CH	1,965.00	66874
101	427100	Poundmaster	ANIMAL ALLIES HUMANE SOCIETY	Nov Boarding	100.00	66875
601	494400	Water Administration and General	AT&T MOBILITY	Cell Phones/Tablets PW	166.71	66876
602	494900	Sewer Administration and General	AT&T MOBILITY	Cell Phones/Tablets PW	162.11	66876
101	415300	Administration & Finance	AT&T MOBILITY	Cell Phone Mulder	50.40	66876
101	419901	City Hall & Police Building Maintenance	AT&T MOBILITY	Cell Phones/Tablets PW	45.75	66876
101	431100	Street Department	AT&T MOBILITY	Cell Phones/Tablets PW	160.13	66876
101	421100	Police Administration	AXON ENTERPRISE INC	Taser Lease	1,164.00	66877
101	431100	Street Department	BLUE TARP FINANCIAL	Parts to make Vac Trailer Hose	32.97	66878
101	452100	Parks	BLUE TARP FINANCIAL	D-Rings, Ratchet Strap For Bri	52.16	66878
101	431100	Street Department	BLUE TARP FINANCIAL	Parts for Vac Trailer	229.98	66878
602	494500	Sewer Maintenance	BRAUN INTERTEC CORPORATION	Sanitary Sewer Inspections	1,475.00	66879
101	421100	Police Administration	BRAY & REED LTD.	Prosecution Services December	5,063.00	66880
101	421100	Police Administration	BRAY & REED LTD.	Prosecution Services November	5,063.00	66880
602	494500	Sewer Maintenance	BRENT'S SEPTIC SERVICE LLC	Stand by Pumping Misty Morning	825.00	66881
602	494500	Sewer Maintenance	CENTRAL PENSION FUND	Training Per Contract	46.95	66882
101	431100	Street Department	CENTRAL PENSION FUND	Training Per Contract	46.96	66882

1/13/2021

Page 2

Fund	Account	Department	Vendor Name	Description	Amount	Check #
601	494300	Water Distribution	CENTRAL PENSION FUND	Training Per Contract	46.95	66882
101	422903	Firehall #3 Midway Road	CENTURYLINK	Internet FH #3	79.98	66883
101	431100	Street Department	CINTAS CORPORATION	Uniforms	10.80	66884
101	419901	City Hall & Police Building Maintenance	CINTAS CORPORATION	Mats at FD/PD	30.72	66884
101	431100	Street Department	CINTAS CORPORATION	Uniforms	26.42	66884
101	419901	City Hall & Police Building Maintenance	CINTAS CORPORATION	Mats at CH	8.88	66884
101	431901	City Garage	CINTAS CORPORATION	Supplies	32.00	66884
101	431901	City Garage	CINTAS CORPORATION	Mats at PW	2.10	66884
101	431901	City Garage	CINTAS CORPORATION	Mats at PW	20.58	66884
101	431100	Street Department	CINTAS CORPORATION	Uniforms	10.80	66884
101	431100	Street Department	CINTAS CORPORATION	Uniforms	26.42	66884
101	431901	City Garage	CINTAS CORPORATION	Supplies	13.50	66884
101	421100	Police Administration	CNA SURETY	Notary Errors Policy 2021	33.75	66885
101	415300	Administration & Finance	CNA SURETY	Notary Errors Policy 2021	22.50	66885
101	421100	Police Administration	CONTRACT TILE & CARPET LLC	Engineered Floors - PD	1,260.00	66886
230	465100	HEDA	CREATIVE ARCADE	Website Monthly Maint Jan	250.00	66887
101	413100	Mayor	CW TECHNOLOGY GROUP INC	Quarterly Mailfilter Jan-Mar21	4.02	66888
601	494400	Water Administration and General	CW TECHNOLOGY GROUP INC	CW Care Jan	267.26	66888
602	494900	Sewer Administration and General	CW TECHNOLOGY GROUP INC	CW Care Jan	267.26	66888
602	494900	Sewer Administration and General	CW TECHNOLOGY GROUP INC	HPE Care pack foundation care	87.74	66888
101	413100	Mayor	CW TECHNOLOGY GROUP INC	HPE Care pack foundation care	29.29	66888
275	452200	Community Building	CW TECHNOLOGY GROUP INC	EWC - CW Care -Jan 2021	855.00	66888
101	415300	Administration & Finance	CW TECHNOLOGY GROUP INC	Quarterly Mailfilter Jan-Mar21	24.11	66888
101	413100	Mayor	CW TECHNOLOGY GROUP INC	CW Care Jan	89.22	66888
602	494900	Sewer Administration and General	CW TECHNOLOGY GROUP INC	Quarterly Mailfilter Jan-Mar21	12.06	66888
101	415300	Administration & Finance	CW TECHNOLOGY GROUP INC	Backup Protect Could	558.00	66888
601	494400	Water Administration and General	CW TECHNOLOGY GROUP INC	Quarterly Mailfilter Jan-Mar21	12.06	66888
601	494400	Water Administration and General	CW TECHNOLOGY GROUP INC	HPE Care pack foundation care	87.74	66888
101	431100	Street Department	CW TECHNOLOGY GROUP INC	HPE Care pack foundation care	116.90	66888
101	424100	Building Inspection	CW TECHNOLOGY GROUP INC	CW Care Jan	89.22	66888
101	431100	Street Department	CW TECHNOLOGY GROUP INC	CW Care Jan	356.10	66888
101	421100	Police Administration	CW TECHNOLOGY GROUP INC	CW Care Jan	1,958.53	66888
101	424100	Building Inspection	CW TECHNOLOGY GROUP INC	Quarterly Mailfilter Jan-Mar21	4.02	66888
101	415300	Administration & Finance	CW TECHNOLOGY GROUP INC	CW Care Jan	534.15	66888
101	421100	Police Administration	CW TECHNOLOGY GROUP INC	CW Care workstation desk encry	24.00	66888
101	421100	Police Administration	CW TECHNOLOGY GROUP INC	Quarterly Mailfilter Jan-Mar21	72.33	66888
101	421100	Police Administration	CW TECHNOLOGY GROUP INC	Recycling 2 HP Inkjet Printers	40.00	66888
101	419100	Community Development	CW TECHNOLOGY GROUP INC	Auto CAD subscription renewal	397.00	66888

1/13/2021

Page 3

Fund	Account	Department	Vendor Name	Description	Amount	Check #
101	415300	Administration & Finance	CW TECHNOLOGY GROUP INC	HPE Care pack foundation care	175.35	66888
101	411100	Council	CW TECHNOLOGY GROUP INC	Quarterly Mailfilter Jan-Mar21	16.07	66888
101	424100	Building Inspection	CW TECHNOLOGY GROUP INC	HPE Care pack foundation care	29.29	66888
101	419100	Community Development	CW TECHNOLOGY GROUP INC	CW Care Jan	267.26	66888
101	419100	Community Development	CW TECHNOLOGY GROUP INC	HPE Care pack foundation care	87.74	66888
101	431100	Street Department	CW TECHNOLOGY GROUP INC	Quarterly Mailfilter Jan-Mar21	16.07	66888
101	421100	Police Administration	CW TECHNOLOGY GROUP INC	HPE Care pack foundation care	642.95	66888
101	419100	Community Development	CW TECHNOLOGY GROUP INC	Quarterly Mailfilter Jan-Mar21	12.06	66888
230	465100	HEDA	EDAM	Membership-2021- Eric Johnson	295.00	66889
602	494500	Sewer Maintenance	ELECTRIC PUMP, INC.	Msty Morning Retro CIP Upgrade	34,325.40	66890
101	431100	Street Department	EMERGENCY AUTOMOTIVE TECHNOLOGIES INC	Strobe Light H3	139.07	66891
601	494300	Water Distribution	FERGUSON WATERWORKS #2516	Hydrant Parts	372.67	66892
320	361120	Principal - Prepaid	FIRST AMERICAN TITLE INSURANCE COMPANY	Refund Spec Assess 3851 Kenroy	871.73	66893
602	494900	Sewer Administration and General	FORECAST5 ANALYTICS, INC.	License Agreement 5Cast Plus	1,000.00	66894
603	441100	Storm Water	FORECAST5 ANALYTICS, INC.	License Agreement 5Cast Plus	1,000.00	66894
601	494400	Water Administration and General	FORECAST5 ANALYTICS, INC.	License Agreement 5Cast Plus	1,000.00	66894
101	415300	Administration & Finance	FORECAST5 ANALYTICS, INC.	License Agreement 5Cast Plus	3,000.00	66894
101	431100	Street Department	FRONTIER PRECISION, INC.	GPS Equipment - CIP	2,352.15	66895
601	494300	Water Distribution	FRONTIER PRECISION, INC.	GPS Equipment - CIP	2,352.16	66895
602	494500	Sewer Maintenance	FRONTIER PRECISION, INC.	GPS Equipment - CIP	2,352.16	66895
603	441100	Storm Water	FRONTIER PRECISION, INC.	GPS Equipment - CIP	2,352.15	66895
101	421100	Police Administration	GALLS, LLC - DBA UNIFORMS UNLIMITED	Uniform Stracek	125.60	66896
101	421100	Police Administration	GALLS, LLC - DBA UNIFORMS UNLIMITED	Uniform Gottschald	100.00	66896
101	421100	Police Administration	GALLS, LLC - DBA UNIFORMS UNLIMITED	Uniform Gottschald	61.60	66896
601	494400	Water Administration and General	GOPHER STATE ONE-CALL INC	Dec Locates	49.20	66897
602	494900	Sewer Administration and General	GOPHER STATE ONE-CALL INC	Dec Locates	32.80	66897
101	431901	City Garage	GREAT LAKES ELECTRICAL EQUIPMENT CO INC	LED light Bulbs - PW office ar	375.00	66898
101	419100	Community Development	GREATER MINNESOTA PARKS & TRAILS	Membership Eric Johnson 2021	150.00	66899
101	419901	City Hall & Police Building Maintenance	HARTEL'S/DBJ DISPOSAL CO LLC	Garbage/Recycling December	288.72	66900
475	431150	Street Improvements	HERMANTOWN STAR LLC	Public Hearing Street Improvem	99.00	66901
101	422100	Fire Administration	HERMANTOWN VOLUNTEER FIRE DEPT	Quarterly fire protection	129,000.00	66902
101	421100	Police Administration	HOLIDAY COMPANIES	Dec Car Washes	20.00	66903
101	431100	Street Department	INTER CITY OIL CO INC	Fuel - December	181.30	66904
101	431100	Street Department	INTER CITY OIL CO INC	Fuel - December	404.94	66904
101	431100	Street Department	INTER CITY OIL CO INC	Fuel - December	349.83	66904
101	431100	Street Department	INTER CITY OIL CO INC	Fuel - December	808.76	66904
101	431100	Street Department	INTER CITY OIL CO INC	Fuel - December	431.95	66904
101	431100	Street Department	INTER CITY OIL CO INC	Fuel - December	335.59	66904

1/13/2021

Page 4

Fund	Account	Department	Vendor Name	Description	Amount	Check #
101	431100	Street Department	INTERSTATE ALL BATTERY CENTER	Battery H9	115.95	66905
101	421100	Police Administration	KENT'S CARPET	Carpet - PD	703.00	66906
101	421100	Police Administration	KOLAR	Oil Change/wiper rep 2019 Tahoe	173.69	66907
101	452100	Parks	KOLB CONSTRUCTION INC	Crane at Rose Rd Scoreboard	270.00	66908
101	431100	Street Department	KRIS ENGINEERING, INC.	Return Wrong Cutting edge	-1,428.00	66909
101	431100	Street Department	KRIS ENGINEERING, INC.	Wear Strips	196.09	66909
101	431100	Street Department	KRIS ENGINEERING, INC.	Joma Cutting Edge for H4	1,820.88	66909
101	431100	Street Department	KWIK TRIP EXTENDED NETWORK	Gas Street	180.52	66910
101	421100	Police Administration	KWIK TRIP EXTENDED NETWORK	Gas PD	1,838.12	66910
601	494300	Water Distribution	KWIK TRIP EXTENDED NETWORK	Gas Utility	310.36	66910
101	421100	Police Administration	KWIK TRIP EXTENDED NETWORK	Car Was PD	118.00	66910
602	494500	Sewer Maintenance	KWIK TRIP EXTENDED NETWORK	Gas Utility	206.91	66910
101	419901	City Hall & Police Building Maintenance	KWIK TRIP EXTENDED NETWORK	Gas Building	76.31	66910
602	494500	Sewer Maintenance	LFAVE, CHRISTOPHER	Reimburse Safety Boots	57.46	66911
101	431100	Street Department	LFAVE, CHRISTOPHER	Reimburse Safety Boots	114.93	66911
601	494300	Water Distribution	LFAVE, CHRISTOPHER	Reimburse Safety Boots	57.46	66911
275	452200	Community Building	MEDIACOM	EWC - Cable TV - January	158.46	66912
275	452200	Community Building	MEDIACOM	EWC - Line for Elevator	182.04	66912
275	452200	Community Building	MEDIACOM	EWC - Telephone- January	449.26	66912
275	452200	Community Building	MEDIACOM	EWC - Internet	354.90	66912
101	431901	City Garage	MENARD INC	Shelf Brackets	7.78	66913
101	419901	City Hall & Police Building Maintenance	MENARD INC	Sidewalk Grit CH	13.98	66913
101	431100	Street Department	MENARD INC	Paper towels PW	15.97	66913
101	415300	Administration & Finance	MENARD INC	Paper Towels/Batteries ch	59.90	66913
101	421100	Police Administration	MENARD INC	Paper towels PD	15.97	66913
101	421100	Police Administration	METRO SALES INC	Copier Lease December	349.74	66914
101	421100	Police Administration	MN CHIEFS OF POLICE ASSN	Dues Esterbrooks 2021	172.00	66915
101	421100	Police Administration	MN CHIEFS OF POLICE ASSN	Dues Gunderson 2021	172.00	66915
101	421100	Police Administration	MN CHIEFS OF POLICE ASSN	Dues Crace 2021	305.00	66915
101	431901	City Garage	NAPA AUTO PARTS	Shop Supplies/Maint	95.62	66916
101	431100	Street Department	NAPA AUTO PARTS	Oil Filters Pauls Truck H5	20.97	66916
101	431901	City Garage	NAPA AUTO PARTS	New Impact Socket Set	12.69	66916
101	431100	Street Department	NAPA AUTO PARTS	Blower Motor for 3/4 ton ext c	53.67	66916
101	431100	Street Department	NAPA AUTO PARTS	Gear Oil for H4 rear end & pum	163.07	66916
101	431100	Street Department	NAPA AUTO PARTS	Shocks Neils Truck H7	62.04	66916
101	431100	Street Department	NAPA AUTO PARTS	Steamer Oil	3.88	66916
101	421100	Police Administration	NORTHERN BUSINESS PRODUCTS	Office Chairs end tables	3,524.45	66917
101	421100	Police Administration	NORTHERN BUSINESS PRODUCTS	Notary Stamp Sorensen	32.40	66917

1/13/2021

Page 5

Fund	Account	Department	Vendor Name	Description	Amount	Check #
101	415300	Administration & Finance	NORTHERN BUSINESS PRODUCTS	Stamp Ink refill- Envelopes	26.68	66917
101	431901	City Garage	NORTHERN STATES SUPPLY INC	Bolts	24.79	66918
101	431901	City Garage	NORTHERN STATES SUPPLY INC	Nuts/Bolts	38.45	66918
101	419100	Community Development	OVEROM LAW, PLLC	Planning & Zoning Comm	56.00	66919
601	494400	Water Administration and General	OVEROM LAW, PLLC	Utility Deposit Policy Update	136.50	66919
240	432510	Trunk Sewer Construction	OVEROM LAW, PLLC	2017 Sewer Trunkline	84.00	66919
101	416100	City Attorney	OVEROM LAW, PLLC	General Matters/Retainer	625.00	66919
603	441100	Storm Water	OVEROM LAW, PLLC	Stormwater Task Force Matters	98.00	66919
101	419100	Community Development	OVEROM LAW, PLLC	Atchison Non-Conform Use Matte	21.00	66919
602	494900	Sewer Administration and General	OVEROM LAW, PLLC	Utility Deposit Policy Update	136.50	66919
101	419100	Community Development	OVEROM LAW, PLLC	Moratorium on Multi-Family in	231.00	66919
475	431150	Street Improvements	OVEROM LAW, PLLC	2020 Street Project	547.00	66919
101	416100	City Attorney	OVEROM LAW, PLLC	Speed Limit Matters	154.00	66919
101	416100	City Attorney	OVEROM LAW, PLLC	Data Practices Requests	21.00	66919
101	416100	City Attorney	OVEROM LAW, PLLC	Small Cell Wireless Matters	168.00	66919
101	415300	Administration & Finance	PITNEY BOWES GLOBAL FINANCIAL SVCS	Quarterly Postage Meter lease	269.13	66920
401	431100	Street Department	RANGER CHEVROLET	PW Truck CIP	36,258.17	66921
101	421100	Police Administration	SAM'S CLUB DIRECT	Misc Supplies PD	18.46	66922
101	415300	Administration & Finance	SAM'S CLUB DIRECT	Misc Supplies CH	102.18	66922
101	431100	Street Department	SAM'S CLUB DIRECT	Misc Supplies PW	16.98	66922
602	494500	Sewer Maintenance	SENST, PAUL	Reimburse Safety Boots	47.50	66923
101	431100	Street Department	SENST, PAUL	Reimburse Safety Boots	95.00	66923
601	494300	Water Distribution	SENST, PAUL	Reimburse Safety Boots	47.50	66923
101	419901	City Hall & Police Building Maintenance	SHRED-N-GO INC	Shredding	76.04	66924
101	421100	Police Administration	SHRED-N-GO INC	Shredding	76.05	66924
101	415300	Administration & Finance	ST LOUIS COUNTY AUDITOR	2021 TINT	619.10	66925
101	421100	Police Administration	ST LUKES CLINICS	Dec Blood Draws	85.50	66926
101	431100	Street Department	TELCOLOGIX	Jan Maintenance	16.75	66927
101	419901	City Hall & Police Building Maintenance	TELCOLOGIX	Jan Maintenance	237.85	66927
101	422901	Firehall #1 Maple Grove Road	TELCOLOGIX	Jan Maintenance	70.35	66927
101	452200	Community Building	TELCOLOGIX	Jan Maintenance	10.05	66927
101	415300	Administration & Finance	TOSHIBA FINANCIAL SERVICES	Copier Lease Toshiba	145.57	66928
101	421100	Police Administration	TROY'S BP AMOCO INC	Tire Repair 17	20.00	66929
101	421100	Police Administration	TROY'S BP AMOCO INC	Brakes/Rotors Squad 15	487.41	66929
602	494500	Sewer Maintenance	WLSSD	2019 Adjustment	2,200.00	66930
602	494500	Sewer Maintenance	WLSSD	Wastewater Charges	39,830.00	66930

Totals: 188 records printed

374,358.92

TO: Mayor & City Council
FROM: Joe Wicklund, Comm. Director



DATE: January 13, 2021 **Meeting Date:** 1/19/21
SUBJECT: Sales Tax Legislation **Agenda Item: 12-A** **Resolution 2021-13**

REQUESTED ACTION

Consider Resolution requesting additional sales tax authority.

BACKGROUND

The following resolution is a necessary step in the process of possibly instituting additional sales tax in the City of Hermantown to fund the Community Recreation Initiative and the regional benefits it would provide. The impact of the pandemic not only has us revisiting this initial step a second time, but also has potentially made the need of the project more apparent.

We prepared a draft resolution requesting to add a sales tax increase of a half percent (0.5%) based on the model resolution provided by House Research and the Minnesota Department of Revenue during our 2020 efforts. This model resolution came through the League of Minnesota Cities.

A number of comments were made in 2020, which are worth reiterating in 2021:

- 1.) If the sales tax is approved by the Legislature and the voters of Hermantown, and the Council proceeds, the City will incur a significant amount of debt (likely exceeding the amount of the Wellness Center).
- 2.) The estimated revenue, at this point, from the sales tax will be \$1.5 million per year and the expected debt service will be \$1.4 million per year. If sales tax does not generate enough revenue, the City may be forced to increase property tax to pay off the debt.
- 3.) The attached description of the “regional significance of the project, including the share of economic benefit to or the use of the project” was also utilized in 2020. Changes have been made to represent the realities of the past year, but if any City Council member wants to suggest language, they should do so in time that this portion could be finalized before the resolution is submitted to the Legislature before the January 31, 2021 deadline.
- 4.) Attached is a draft of the Economic Impact Study that was performed for the original 2020 resolution. There have been no additional studies, nor has the study branched out beyond the ice arena portion of the initiative. As noted originally, the conclusion of the projected impact of the operations, games, and tournaments is an increase of \$2.3 million to the region’s economy. This does not automatically mean that there is a specific return to the City as an organization either in terms of increased property tax capacity or sales tax revenue.

SOURCE OF FUNDS (if applicable)

ATTACHMENTS

Documentation of Regional Significance
Economic Impact Study

Resolution No. 2021-13

RESOLUTION SUPPORTING THE AUTHORITY TO IMPOSE A LOCAL SALES TAX TO FUND SPECIFIC CAPITAL IMPROVEMENTS PROVIDING REGIONAL BENEFIT, TO ESTABLISH THE DURATION OF THE TAX AND THE REVENUE TO BE RAISED BY THE TAX, AND TO AUTHORIZE THE CITY TO ISSUE BONDS SUPPORTED BY THE SALES TAX REVENUE.

WHEREAS, the city has engaged community residents and businesses and identified:

A Community Recreation Initiative: This initiative would create an addition to the existing Ice Arena which would have a second sheet of indoor ice, adjoining locker rooms, dry land training area, new ice plant, Zamboni room, lobby and connected mezzanine.

This initiative would re-orient Fields 1 and 2 and rebuild them with an artificial surface. This plan would also include improvement in the center of the park with a new pavilion, concession area, playground, basketball court, and skate park. This plan would improve the parking on the eastern edge of the park near the old City Hall and improve pedestrian access by installing sidewalks between the fields.

This initiative would include the Hermantown – Proctor Munger Trail Spur which will be a 10-foot wide paved regional trail that accommodates multiple non-motorized uses. The trail will connect the Essentia Wellness Center to the Hermantown/Proctor border and eventually to the Munger Trail.

The estimated cost to construct all of the items in the Community Recreation Initiative is \$19 million. The estimated cost with interest over 20 years at 4% is \$28 million.

Resolution 2020-16 was passed in January of 2020 and mirrored this request, but the entire legislative process that action was a part of was halted due to the COVID-19 global health pandemic.

WHEREAS, the project(s) will result in benefits to both the residents and businesses of the City of Hermantown and to non-resident visitors and businesses; and,

WHEREAS, funding the project(s) with a local sales tax will more closely distribute the cost of the project(s) to the users of the facilities; and,

WHEREAS, the project(s) are estimated to cost approximately \$28 million and,

WHEREAS, the city estimates that a local sales tax of one-half percent (0.5%) would generate \$30,000,000 over 20 years; and,

WHEREAS, the city has provided documentation of the regional significance of each project, including the share of the economic benefit to or use of each project by persons residing, or businesses located, outside of the jurisdiction; and,

WHEREAS, the estimated local sales tax revenue and estimated time needed to raise that amount of revenue for each project is as follows:

- For the Community Recreation Initiative: The city will collect \$1,400,000 per year over 20 years.

WHEREAS, Minn. Stat. § 297A.99 authorizes the imposition of a general sales tax if permitted by special law of the Minnesota Legislature; and,

WHEREAS, Minn. Stat. § 297A.99 requires the City to pass a resolution authorizing such a local tax and to obtain Legislative approval prior to approval by the local voters to enact the local tax;

THEREFORE, BE IT RESOLVED the following:

1. The city council supports the authority to impose a general local sales tax of one-half (0.5) percent for a period of 20 years to fund the aforementioned project(s);
2. Upon approval of this resolution, the city will submit the adopted resolution and documentation of regional significance to the chairs and ranking minority members of the House and Senate Taxes committees for approval and passage of a special law authorizing the tax, by January 31 of the year that it is seeking the special law.
3. Upon Legislative approval and passage of the special law authorizing the tax, the city will adopt a resolution accepting the new law, which will be filed with a local approval certificate to the Office of the Secretary of State before the following Legislative session.
4. The city will put a detailed ballot question(s), which includes separate questions for each project, on a general election ballot for local voter approval. This will be done within two years of receiving legislative authority.
5. If one or more ballot questions pass, the city will also pass an ordinance imposing the tax and notify the Commissioner of Revenue at least 90 days before the first day of the calendar quarter that the tax will be imposed.
6. Upon completion of the aforementioned requirements, the local sales tax will commence and run for twenty year or until a sum sufficient to fund the voter approved project(s), including related debt costs, is raised, whichever comes first.

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:

Councilors

and the following voted in opposition thereto:

Councilor

WHEREUPON, such resolution has been duly passed and adopted January 19, 2021.



The focus of the Community Recreation Initiative is to continue to improve health outcomes in southern St. Louis County, which still ranks near the bottom for Minnesota counties.

Driven by the early, but incredibly strong success of the Essentia Wellness Center, the belief is that an additional half percent sales tax can further contribute to health improvements across multiple age groups, varying levels of ability, and beyond a single building. The funding for this project will enhance health and wellness opportunities while also serving as an economic driver for Hermantown and greater southern St. Louis County. The impact of the pandemic in 2020 has only strengthened the need for moving this initiative forward to the voting public, as COVID-19 showed us the need for accessible outdoor health and wellness options are just as critical as the Essentia Wellness Center (EWC).

The overall initiative will have three areas of development; a pair of reimagined athletic complexes for youth and community hockey, baseball, and softball, as well as an improved skateboard park, and a comprehensive and accessible trail system connecting key Hermantown elements and extending beyond the city's borders.

Focusing first on the additions to the current Hermantown Hockey Arena, the new hockey complex would add an additional sheet of indoor ice, improved outdoor rinks, stronger multi-sport capabilities, as well as greater community access. While Hermantown is certainly well known for hockey success, what is less well known is what a struggle it is to provide quality ice time for all members of our community hoping to access hockey as part of their health, wellness and enjoyment of this local tradition. Youth teams have limited practice opportunities, sometimes having to travel outside of St. Louis County to find ice time. The demands on the current Hermantown Hockey Arena, especially with the growth of youth girl's hockey, are only growing. Additionally, many local community members ranging in age from just out of high school to 50+ have a challenging time finding accessible ice time to stay involved in a sport they love, which allows them to stay active in a way that best fits their needs and desires.

The City of Hermantown and the Hermantown Area Hockey Association commissioned a regional economic impact study to determine more exactly the positive impact a deeper investment in the area's deepest well of tradition would bring. The results were even stronger than expected, as the overall benefit to the region would be an increase of more than twenty jobs, an increase of \$700,000 annually in labor income, and an overall economic increase from a current mark of \$4.7 million to \$7 million.

While a similar study has not been performed in relationship to baseball and softball in Hermantown, we know that, like hockey, these sports draw in community members beyond their school years for participation and maintaining an active lifestyle. The option of having a turfed field that can maximize the small window for spring sports, as well as allowing greater access during wet summer months, will increase tournaments and visiting teams, and some of the same positive economic impacts we know we will experience with hockey, will allow for a resurgence of baseball and softball played by adults.

Working together to serve and build our community.

5105 Maple Grove Road, Hermantown, MN 55811
218-729-3600 hermantownmn.com



In both cases, the reimagining of these two sports complexes allow health habits to be built through a love of sport at a young age and continued participation in those activities to an advanced age. Additionally, the most utilized aspect of the Fichtner Park baseball and softball complex is the skatepark, which would be redone and improved for continued active use.

Finally, and possibly the most impactful of all, is the ability to extend accessible paths and trails to connect key components of Hermantown and extend to meet trail systems beyond our city's borders. We know, based on initial returns, that the area's largest indoor track at the newly opened Essentia Wellness Center is already receiving much greater usage than expected. The Duluth Area Family YMCA's branch inside the EWC has already reached 5,000+ members in the first few months of operation, which exceeds their five-year goals for the facility. While we know some of this use will move outdoors when the weather improves, Hermantown lacks a trail system that connects areas such as the location where the school and the EWC are adjacent to each other, Fichtner Field, Stebner Park and more.

From biking, to running, to a more casual stroll, Hermantown's heavily traveled county and city roads do not make for a safe pathway for this type of activity. A planned trail system, aligning with necessary and planned infrastructure development within Hermantown, is already mapped out, but it is uncertain if and when it will be able to be completed. The added half percent sales tax dedicated to this portion of the Community Recreation Initiative can impact the lives of every resident in the region, regardless of ability, as these trails will be designed to be accessible for the full spectrum of activities.

The reality of St. Louis County's substandard comparative health outcomes is not going to improve without clear community investment. A significant first step has been taken and has proven successful with the Essentia Wellness Center. The early success of this facility has allowed for the confidence in stepping forward in requesting the additional half percent sales tax for the Community Recreation Initiative. While it is hard to quantify the economic gains of a healthy lifestyle, we know the debilitating costs, not to mention the physical impact of obesity, diabetes, and other cumulative negative health effects. We are trying to maximize St. Louis County's health through focused investment of our sales tax. Should this prove to be successful, as it already has initially shown with the EWC, the payback on this investment is immeasurable.

In Hermantown, we have taken a stand for health. Now, we want to extend that beyond a single building and into the lives of our youngest softball players and skateboarders, our oldest skaters and shortstops, and all throughout our region with the newest, most accessible trail and path system. As we age, we know you cannot put a price on good health. What you can put a number to is the investment in everyone's health recreation opportunities. We believe that number is a half percent.

Working together to serve and build our community.

5105 Maple Grove Road, Hermantown, MN 55811
218-729-3600 hermantownmn.com

ECONOMIC IMPACT OF THE HERMANTOWN AMATEUR HOCKEY ASSOCIATION ON DULUTH, HERMANTOWN, AND PROCTOR, MINNESOTA

January 17, 2020



BUREAU OF BUSINESS AND
ECONOMIC RESEARCH

Research Team

UMD Labovitz School of Business and Economics Bureau of Business and Economic Research

Monica Haynes, Director
Gina Chiodi Gensing, Editor/Writer
Megan Badger, Undergraduate Research Assistant
Nathan Brand, Undergraduate Research Assistant
Matthew Hockert, Undergraduate Research Assistant
Tommy Olafson, Undergraduate Research Assistant
Bureau of Business and Economic Research
11 East Superior Street, Suite 210
Duluth, MN 55802
(218) 726-7895
z.umn.edu/bber

Project Contact

Marty Olson
President, Hermantown Amateur Hockey Association Board
4309 Ugstad Rd
Hermantown, MN 55811
218-591-4735
molson@nbcbanking.com

DISCLAIMER –The Bureau of Business and Economic Research (BBER) at the University of Minnesota Duluth’s (UMD) Labovitz School was contacted by the Hermantown Amateur Hockey Association (HAHA) as an unbiased research entity. Publication and dissemination of this report, or any of its data, is not an endorsement by the BBER/UMD of HAHA or its projects.

The BBER was asked to supply an economic impact analysis only. This analysis does not consider the social or environmental impacts of the project and should not be viewed as a cost benefit analysis or environmental impact assessment.

*Bureau of Business and Economic Research
Labovitz School of Business and Economics
University of Minnesota Duluth*

Table of Contents

Research Team	i
Table of Figures	iv
Table of Tables	iv
Executive Summary	v
I. Project Description	1
Study Area	1
II. Tournaments & Games	4
Inputs	4
Findings	8
III. Hermantown Ice Arena	9
Inputs	9
Findings	11
V. Conclusions	13
Appendix A. Definitions Used in this Report	15
Appendix B. Input-Output Modeling	17
Data Sources	17
Modeling Assumptions	18
Appendix C. Detailed Inputs	19
Appendix D. Detailed Economic Impacts	21

Table of Figures

Figure 1. Study Area Zip Codes	1
Figure 2. Percentage of Total GRP by IMPLAN Sector, 2018	2
Figure 3. Top 25 Industries in Study Area, by Employment, 2018.....	3
Figure 4. Current and Projected Expenditures for Hermantown Ice Arena	9

Table of Tables

Table 1. Current and Projected Economic Impacts from Hermantown Hockey Operations (in millions)	v
Table 2. Current and Projected Economic Impacts from Games & Tournaments (in millions)	vi
Table 3. Current Hermantown Hockey Tournament and Game Attendance	5
Table 4. Spending Patterns for Each Travel Scenario, Averaged Per Person	5
Table 5. Current Total Amount Spent per Tournament/Game	6
Table 6. Projected Hermantown Hockey Tournament and Game Attendance.....	7
Table 7. Projected Amount Spent per Tournament/Game	7
Table 8. Total Tournaments and Games Impact - Current & Projected, in Millions of Dollars	8
Table 9. Top 20 IMPLAN Commodities - Used in Modeling HAHA Current Operations	10
Table 10. Inputs Required for Modeling Ice Arena Construction, in Millions of Dollars	11
Table 11. HAHA Current and Projected Total Operations, in Millions of Dollars	11
Table 12. HAHA Construction Totals, in Millions of Dollars.....	12
Table 13. Total Current – Operations and Tournaments and Games, in Millions of Dollars.....	13
Table 14. Total Projected - Operations and Tournaments and Games, in Millions of Dollars	14
Table 15. Economic Impacts from Construction, in Millions of Dollars	14
Table 16. Number of Teams and Visitors for Hermantown Hockey Games, 2018-19 Season.....	19
Table 17. Number of Teams and Visitors for Hermantown Hockey Tournaments, 2018-19 Season	20
Table 18. Current Tournaments and Games Impact, in Thousands of Dollars	21
Table 19. Projected Tournaments and Games Impact, in Thousands of Dollars.....	21
Table 20. Current Operation Impacts, in Thousands of Dollars.....	21
Table 21. Projected Operation Impacts, in Thousands of Dollars.....	22
Table 22. Construction of the Second Rink, in Thousands of Dollars	22

*Bureau of Business and Economic Research
Labovitz School of Business and Economics
University of Minnesota Duluth*

Executive Summary

The Hermantown Amateur Hockey Association (HAHA), the governing organization for youth hockey in the city of Hermantown, provides services including managing the use of Hermantown Arena; fundraising for arena improvements, scholarships, and ice costs; acting as a local hockey liaison with state and national organizations; and improving youth hockey.

The Bureau of Business and Economic Research (BBER) at the University of Minnesota Duluth's Labovitz School of Business and Economics was contacted by HAHA to estimate the economic impacts¹ of Hermantown hockey on the study area.² For the purpose of this report, Hermantown hockey includes all of HAHA's youth games and tournaments, the Hermantown High School hockey program (uses the Hermantown arena), and the operations of the Hermantown Arena. HAHA also requested research on the potential economic impacts of adding a second sheet of ice to the arena that would add capacity for additional games and tournaments throughout the season. The BBER first focused on Hermantown hockey's current impacts on the economy and then estimated the possible impacts of expanding the existing arena.

In addressing the first objective of this study, the research team analyzed Hermantown Arena's spending for the fiscal year 2019, outlining all operational expenditures, employment numbers, and payroll estimates. This information was provided by HAHA. The organization's representatives also provided game and tournament schedules for the most recent season (2018-19) as well as the number of participating teams and the length of each tournament.

To calculate the potential economic impacts of adding a second ice rink that would add capacity for additional tournaments throughout the season, the arena staff provided estimated operational spending, employment, and potential growth in the number of tournaments and games that would result from the additional rink.

Table 1 shows the current and projected economic impact of HAHA's operations. In 2019, the operations of the ice arena contributed over \$1.2 million in output, employed 20 people, and added more than \$450,000 in labor income to the study area's economy. If the city were to build a second rink, the research team estimates that the economic impacts of the ice arena's operations could increase to more than \$2.0 million in output and 28 employees.

Table 1. Current and Projected Economic Impacts from Hermantown Hockey Operations (in millions)

<i>Impact Type</i>	<i>Employment</i>	<i>Labor Income</i>	<i>Value Added</i>	<i>Output</i>
Current	20	\$0.5	\$0.7	\$1.3
Projected	28	\$0.7	\$1.0	\$2.0

SOURCE: IMPLAN

In addition to the arena's operations, Hermantown hockey has a significant impact on the local area by bringing visiting teams, players, coaches, and spectators from outside the study area who contribute to the local economy by spending money on food, lodging, retail, and gasoline, among other things. The economic

¹ A full list of definitions can be found in Appendix A, Definitions Used in this Report.

² The study area used in modeling included all zip codes within the cities of Hermantown, Duluth, and Proctor.

impact attributable to HAHA’s tournaments relates only to new money injected into the study area’s economy by out-of-town guests attending the organization’s games and tournaments.

During the 2018-19 season, HAHA hosted ten tournaments between November and March, more than 150 youth games, a youth district playoff event, and a summer league. In total, the organization brought more than 200 visiting teams to the region to participate in its events. In addition, the Hermantown High School hockey program hosted 33 visiting teams throughout their season.

Overall, throughout the 2018-19 season, the research team estimates that more than 14,500 visitors including players, family members, and additional spectators were in Hermantown for a hockey game or tournament. On average, each visitor spent \$150 during their stay. The largest expense for overnight and weekend guests was lodging, while the largest expense for day guests was dining. Throughout the season, Hermantown hockey visitors spent nearly \$2.3 million in the local economy.

HAHA representatives estimate that with an increase in tournaments and games through the addition of the second ice rink, the number of visitors could potentially increase by more than 30%, which would result in an increase in visitor spending.

Table 2 shows the current and projected impacts for Hermantown hockey games and tournaments played at either the Hermantown Arena or at other arenas within the study area. In 2018-2019, visitors coming to the study area for the purpose of Hermantown hockey games and tournaments supported 43 jobs in the study area, added \$1.1 million in labor income, nearly \$2.0 million in value added spending, and \$3.5 million in output. With the addition of a second rink, those numbers could potentially increase to 57 jobs, \$1.6 million in labor income, \$2.8 million in value added spending, and \$5.0 million in output.

Table 2. Current and Projected Economic Impacts from Games & Tournaments (in millions)

<i>Impact Type</i>	<i>Employment</i>	<i>Labor Income</i>	<i>Value Added</i>	<i>Output</i>
Current	43	\$1.1	\$1.9	\$3.5
Projected	57	\$1.6	\$2.8	\$5.0

SOURCE: IMPLAN

During the construction of the second ice rink, there will also be a temporary economic impact from the increased economic activity related to construction. The project is expected to create roughly 280 jobs per year for the two-year period. Over the two years, construction of the new arena will contribute \$13.3 million to the local GDP and \$25.1 million in output.

The Economic Impact of Hermantown Amateur Hockey Association

I. Project Description

The Hermantown Amateur Hockey Association (HAHA) is the governing organization for youth hockey in the city of Hermantown. The services provided by the organization include managing the use of Hermantown Arena; fundraising for arena improvements, scholarships, and ice costs; acting as a local hockey liaison with state and national organizations; and improving youth hockey in Hermantown. HAHA's youth hockey teams include bantam, peewee, and squirt levels, and three women's levels (U-10, U-12 and U-15).

During the 2018-19 season, HAHA hosted 10 tournaments, more than 150 games, and a summer league. Combined, these events brought more than 200 visiting hockey teams to the study area, which includes the cities of Hermantown, Duluth, and Proctor. In addition, the Hermantown High School (HHS) hockey program (which includes men's varsity, men's junior varsity, and women's mirage) brought 33 visiting teams to the area for their hosted games. These visitors provide a substantial economic benefit to the cities of Duluth, Hermantown, and Proctor, particularly in the off-peak winter months.

HAHA contacted the Bureau of Business and Economic Research (BBER) to conduct a study on the economic impacts of Hermantown hockey, including HAHA as well as Hermantown High School, and the economic benefits that Hermantown hockey provides to the city of Hermantown and the surrounding area. In addition, the organization requested information on the potential economic benefits of adding a second rink to the existing arena, which would add capacity for additional games and tournaments throughout the season.

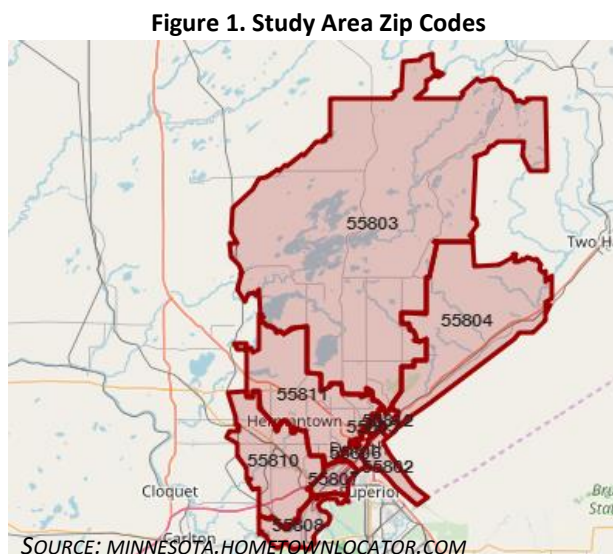
The data used was the most recent IMPLAN³ data available, which is for the year 2018. All results are reported in 2019 dollars.

Study Area

The geographic scope for this economic impact analysis are the cities of Duluth, Hermantown, and Proctor. All estimates and figures shown in this report reflect the specified tri-city study area.

Figure 1 shows shaded regions for most of the study area's zip code region. A total of 10 zip codes were used for the study area.⁴

Figure 2 shows the contribution of each IMPLAN sector⁵ to the overall Gross Regional Product (GRP) for the tri-city study area. The service sector, which includes all professional services as well as the tourism



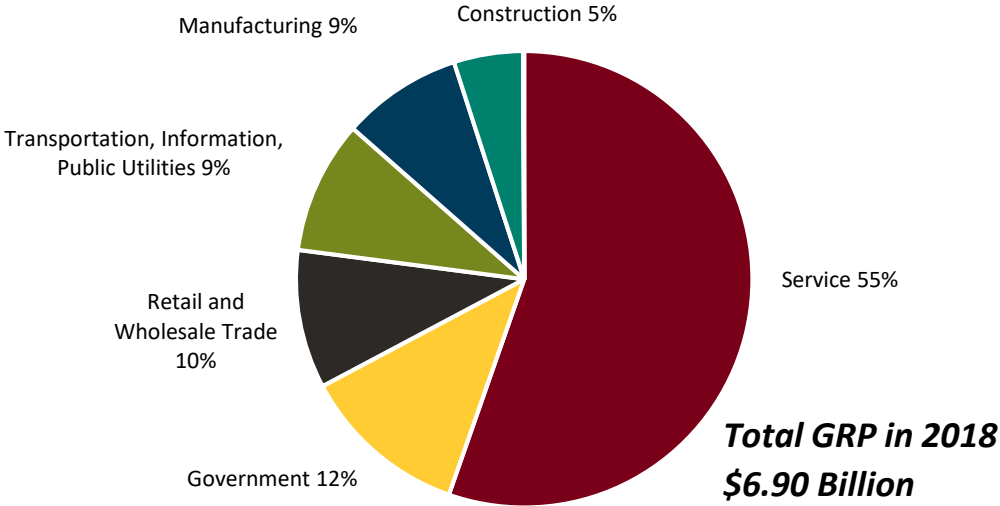
³ A full list of data sources and modeling assumptions used in IMPLAN's input-output model can be found in Appendix B.

⁴ The study area used in modeling included all zip codes within the cities of Hermantown, Duluth, and Proctor (55802, 55803, 55804, 55805, 55806, 55807, 55808, 55810, 55811, 55812).

⁵ Combined, the agriculture and mining sectors represent less than 1% of the study area's GRP and are not represented in the figure.

and hospitality industries, contributes more than half of the value added spending to the region's GRP, at 55%. Other major contributors to the study area's GRP include government (12%), retail and wholesale trade (10%), and the transportation, information and public utilities sector (9%). Each IMPLAN sector consists of a number of related industries.

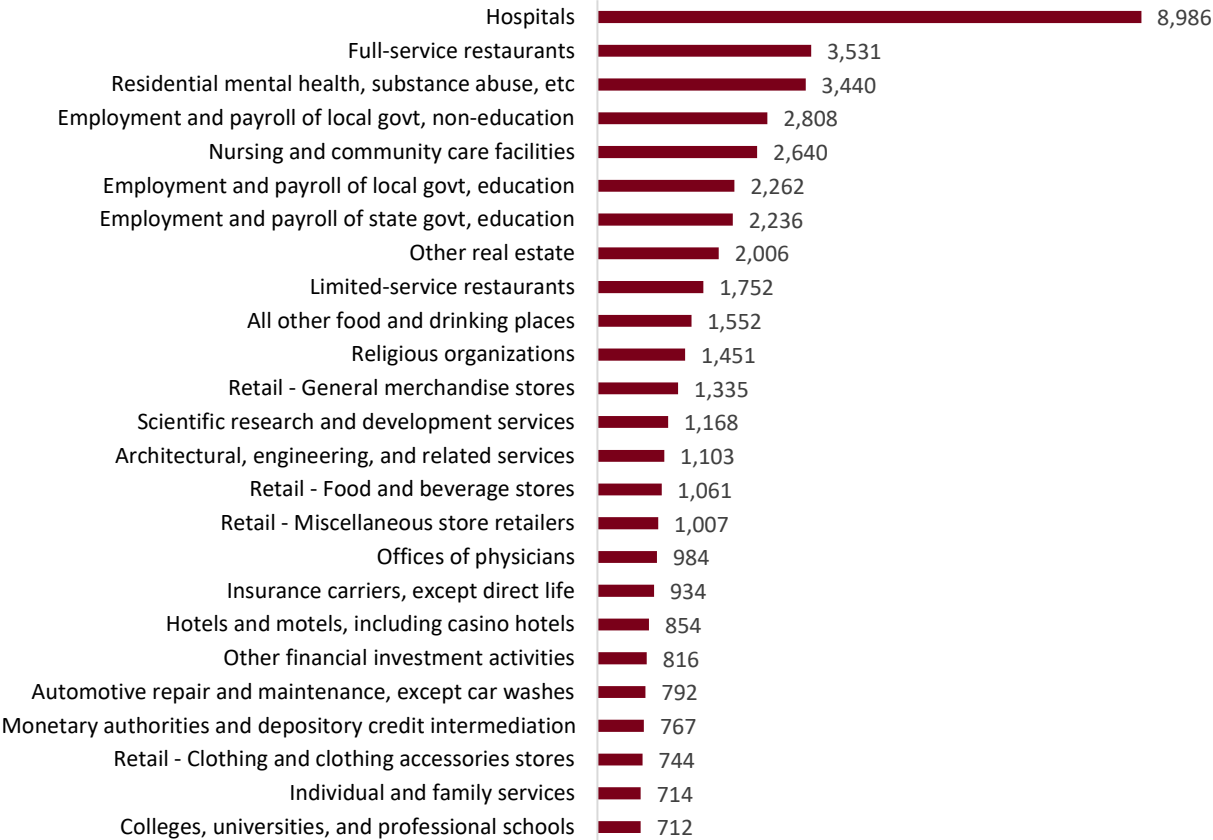
Figure 2. Percentage of Total GRP by IMPLAN Sector, 2018



SOURCE: IMPLAN

Figure 3 shows the top 25 industries within the study area as measured by overall employment in 2018. In total, hospitals (e.g. within the health care systems of Essentia Health and St. Luke’s) employed the most people in the study area by far, with roughly 9,000 jobs. Restaurants, residential care facilities, government, and wholesale trade were other industries with notable employment numbers in the study area. Of the top 25 industries in the study area, eight could be considered to be related to hospitality and tourism and might be impacted by spending on the part of Hermantown hockey’s visiting teams and spectators. These industries include restaurants (full service and limited service), food and drinking places, retail (general merchandise, food and beverage, miscellaneous, and clothing stores), and hotels/motels, which in total contribute nearly 12,000 jobs to the study area’s economy.

Figure 3. Top 25 Industries in Study Area, by Employment, 2018



SOURCE: IMPLAN

II. Tournaments & Games

During the 2018-19 season, the Hermantown Amateur Hockey Association (HAHA) hosted 10 tournaments, more than 150 games, and a summer league. Combined, these events brought a total of 170 visiting hockey teams to the study area, which includes the cities of Hermantown, Duluth, and Proctor.⁶ In addition, the Hermantown High School (HHS) hockey team brings visiting teams to the area for their hosted games. In total, Hermantown hockey (HAHA and HHS) games and tournaments brought 240 teams to Hermantown from around the state, which equaled more than 14.5 thousand players, coaches, and spectators. These visitors spent money at local hotels, restaurants, and stores. Their spending ripples throughout the local economy, providing the study area with a significant economic impact.

This chapter includes an estimate of the economic impacts that result from visitors coming to the study area for Hermantown hockey games and tournaments during the 2018-19 season using HAHA and HHS game and tournament data as inputs. In addition, the research team estimated the projected economic impacts from additional games and tournaments assuming the construction of the second ice rink.

Inputs

The inputs required for modeling the current impacts of Hermantown hockey include the tournament and game schedules, the number of visiting teams (including players, coaches, and spectators) participating in each game and tournament, and estimated spending patterns for each visitor type, based upon duration of stay. In addition, HAHA representatives provided game and tournament projections that would likely result from the additional ice rink. Throughout the project, the BBER worked closely with HAHA to ensure the accuracy of the assumptions and resulting models.

The economic impact attributable to the Hermantown hockey tournaments and games relates only to new money injected into the study area's economy by visiting attendees. Expenditures by study-area residents represent only a recycling of money that already exists in the local economy. Most likely, if local hockey players and their families did not spend their money as a result of their participation in the local tournaments and games, they would have spent it elsewhere in the study area. It is for this reason that the analysis is concerned only with visitor spending as a result of the Hermantown hockey tournaments and games.

HAHA provided data on the number of teams that attended each tournament or game and the average number of players and coaches on each team. In addition, the research team assumed that two spectators (e.g. parent, sibling, etc.) would accompany each player.⁷ Using the numbers provided, the team estimated the total number of visitors for the 2018-19 season, as shown in Table 3 on the following page.

⁶ The study area used in modeling included all zip codes within the cities of Hermantown, Duluth, and Proctor.

⁷ For summer league tournaments, it was assumed that three spectators accompanied each player.

Table 3. Current Hermantown Hockey Tournament and Game Attendance

<i>Event Category</i>	<i>Teams*</i>	<i>Players</i>	<i>Coaches</i>	<i>Spectators</i>	<i>Visitors</i>
Youth games	111	2,036	454	4,072	6,562
High school games	33	660	165	1,320	2,145
Summer league games	26	520	78	1,040	1,638
Youth tournaments	59	1,064	219	2,128	3,411
Youth district playoff tournaments	4	76	18	152	246
Summer league tournaments	7	119	28	357	504
Total	240	4,475	962	9,069	14,506

*The total number of players was calculated by multiplying the average number of players per team by the number of participating teams in that league. The total number of coaches per league was calculated similarly by multiplying the average number of coaches per team in that league by the number of teams. The total number of spectators was calculated by multiplying the number of players per category by two. The total number of visitors was calculated by adding the total number of players, coaches, and spectators.

SOURCE: HAHA

Youth hockey events include youth games, summer league games, youth district playoff tournaments, and summer league tournaments. High school events include all HHS varsity, junior varsity, and mirage games. For each category of game or tournament, the number of teams, players, coaches, and spectators that attended each game or tournament is shown in the table.⁸ The total number of visitors per event category is shown in the last column in Table 3. In total, the research team estimated that 240 teams, 4,475 players, 962 coaches, and 9,069 spectators came to the study area for Hermantown hockey's games or tournaments: more than 14,500 visitors during the 2018-19 season.

Depending on the type of game or tournament, visitors typically fall into one of four travel scenarios, as shown in Table 4. For games, visitors stay for either the day or overnight, depending on their distance from Hermantown. Teams located within a 100-mile radius were assumed to be day visitors, and those beyond were assumed to be overnight visitors. For tournaments, visitors were identified as either two-day guests, (those within a 100-mile radius) who spent two days and no nights, or weekend guests, who would arrive on Friday afternoon and leave Sunday afternoon.

Table 4. Spending Patterns for Each Travel Scenario, Averaged per Person

	<i>Day Guests</i>	<i>2-Day-Only Guests</i>	<i>Overnight Guests</i>	<i>Weekend Guests</i>
Lodging expenses	\$0.00	\$0.00	\$80.00	\$160.00
Dining/drinking out	\$20.00	\$40.00	\$40.00	\$60.00
Retail purchases	\$12.00	\$24.00	\$24.00	\$36.00
Gas stations	\$6.00	\$12.00	\$12.00	\$18.00
Arts/entertainment	\$5.50	\$11.00	\$11.00	\$16.50
Other spending	\$1.50	\$3.00	\$3.00	\$4.50
Total spending	\$45.00	\$90.00	\$170.00	\$295.00

SOURCE: HAHA

⁸ A detailed table with a full list of tournaments and game attendance can be found in Appendix C, Detailed Inputs.

A different spending pattern was developed for each travel scenario in the table. Spending patterns were estimated using data from similar research studies done within the study area and reviewed by members of HAHA for accuracy.

Of the four travel scenarios, weekend guests spent the most money during their stay, nearly \$300 per visit. The largest expense for weekend and overnight guests is lodging, which represents roughly half of their total spending. The dining and drinking out category represents the largest portion of day and two-day visitors' spending. Keep in mind that actual spending by individual visitors can vary significantly from this estimate due to choices in lodging, restaurants, retail stores, etc. and that the estimates in the table represent the average of all visitors.

By combining tournament and game and attendance estimates with the four travel scenarios, the research team was able to estimate the total amount of money spent by Hermantown hockey visitors during the 2018-19 season.

Table 5 shows, for each event category, the estimated number of visitors, spending per visitor, and the total spent. Youth games bring the largest numbers of visitors from outside the study area, while visitors for youth tournaments have the highest total spending of any of the event categories. Hermantown hockey is estimated to have generated almost \$2.2 million in revenue for the study area economy through hosted tournaments and games during the 2018-19 season.

Table 5. Current Total Amount Spent per Tournament/Game

<i>Event Category</i>	<i>Travel Scenario</i>	<i>Total Visitors per Travel Scenario</i>	<i>Spending per Visitor</i>	<i>Total Spending (in thousands)</i>
Youth games	Overnight	3,188	\$170	\$542.0
	One day	3,374	\$45	\$152.8
High school games	Overnight	845	\$170	\$143.7
	One day	1,300	\$45	\$58.5
Summer league games	Overnight	1,638	\$170	\$278.5
Youth tournaments	Weekend	2,633	\$295	\$776.7
	Two days	778	\$90	\$70.0
Youth district playoff games	One day	246	\$45	\$11.1
Summer league tournament	Weekend	504	\$295	\$148.7
Total		14,506		\$2,181.0

SOURCE: HAHA

With the addition of a second sheet of ice, HAHA representatives predict an increase in the number of teams that would attend Hermantown hockey events each year. This increase would come from more youth games (20%) and summer league games (50%) as well as an increase in the size of HAHA's existing scheduled tournaments (from eight-team to twelve-team tournaments).⁹ The number of high school games is not projected to increase.

⁹ The exception is youth district playoff tournaments, which are expected to increase by 20%.

The increase in the number of games and teams participating in tournaments would lead to a proportional increase in the total number of visitors (e.g. players, coaches, and spectators). Table 6 shows the projected tournament and game attendance as broken out by event category. In total, the annual number of visitors to the Hermantown area for hockey-related events could increase by nearly 30%.

Table 6. Projected Hermantown Hockey Tournament and Game Attendance

<i>Event Category</i>	<i>Projected Increase</i>	<i>Teams</i>	<i>Players</i>	<i>Coaches</i>	<i>Spectators</i>	<i>Visitors</i>
Youth games	20%	133	2,443	545	4,886	7,874
High school games	0%	33	660	165	1,320	2,145
Summer league games	50%	39	780	117	1,560	2,457
Youth tournaments	50%	89	1,596	329	3,192	5,117
Youth district playoff tournaments	20%	5	91	22	182	295
Summer league tournaments	50%	11	179	42	536	756
Total	29%	309	5,749	1,219	11,676	18,644

*Totals may not sum due to rounding.

SOURCE: HAHA

Using the same four travel scenarios developed for the current tournament and game attendance, the research team estimated the potential increase in visitor spending that would result from the added games and larger tournaments. Table 7 shows, for each event category and travel scenario, the predicted number of visitors and total spending. With the addition of the second ice rink, it is estimated that Hermantown hockey could bring more than 18,000 visitors to the study area each year, and those individuals would spend nearly \$3.0 million on lodging, dining out, retail purchases, and entertainment.

Table 7. Projected Amount Spent per Tournament/Game

<i>Event Category</i>	<i>Travel Scenario</i>	<i>Total Visitors per Travel Scenario</i>	<i>Spending per Visitor</i>	<i>Total Spending (in thousands)</i>
Youth games	Overnight	3,826	\$170	\$650.4
	One day	4,049	\$45	\$182.2
High school games	Overnight	845	\$170	\$143.7
	One day	1,300	\$45	\$58.5
Summer league game	Overnight	2,457	\$170	\$417.7
Youth tournaments	Weekend	3,950	\$295	\$1,165.1
	Two days	1,167	\$90	\$105.0
Youth district playoff games	One day	295	\$45	\$13.3
Summer league tournament	Weekend	756	\$295	\$223.0
Total		18,644		\$2,958.8

*Totals may not sum due to rounding.

SOURCE: HAHA

Findings

This section provides the total economic impacts from Hermantown hockey games and tournaments for the 2018-19 season as well as the projected impacts from games and tournaments with the addition of the second ice rink¹⁰. The results reflect impacts for the tri-city study area and are measured in employment, output, labor income, and value added. All results are shown in 2019 dollars.

Table 8 shows the current and projected economic impacts of visitors to the study area for Hermantown hockey related events. The column labeled employment in Table 8 shows the number of jobs¹¹ that Hermantown hockey visitor spending supports directly and through indirect and induced effects. In 2018-19, the revenue generated from Hermantown hockey supported 43 jobs in the tri-city study area, either directly or as a result of its spending at other local businesses. If the arena were to expand to add another ice rink, that number could increase to 57 jobs.

Table 8. Total Tournaments and Games Impact - Current & Projected, in Millions of Dollars

<i>Impact Type</i>	<i>Employment</i>	<i>Labor Income</i>	<i>Value Added</i>	<i>Output</i>
Current total effect	43	\$1.1	\$1.9	\$3.5
Projected total effect	57	\$1.6	\$2.8	\$5.0

SOURCE: IMPLAN

The column labeled labor income is the total of all employee compensation. This includes wages, benefits, and payroll taxes. In 2018-19, the visitor spending from tournaments and games added over \$1 million in wages and benefits to individuals in the study area, either directly or indirectly. The column labeled value added refers to the contribution to gross regional product (GRP) made by an individual producer, industry, or sector. Value added includes employee compensation, proprietor income, and other property income and taxes. In total, Hermantown hockey visitor spending contributed nearly \$2 million to the study area's GRP in 2018-19. Output, the last column in the table, is the total value of all local production required to sustain activities. In 2018-19, visitor spending contributed roughly \$3.5 million in output. If the city were to build a second rink, the research team estimates that the economic impacts from Hermantown hockey's tournaments and games could increase output to roughly \$5 million.

¹⁰ Detailed tables with complete economic impacts (direct, indirect, and induced effects) for tournaments and games, operations, and construction can be found in Appendix D, Detailed Economic Impacts.

¹¹ IMPLAN reports jobs in terms of workers, both full- and part-time, not in terms of FTE.

III. Hermantown Ice Arena

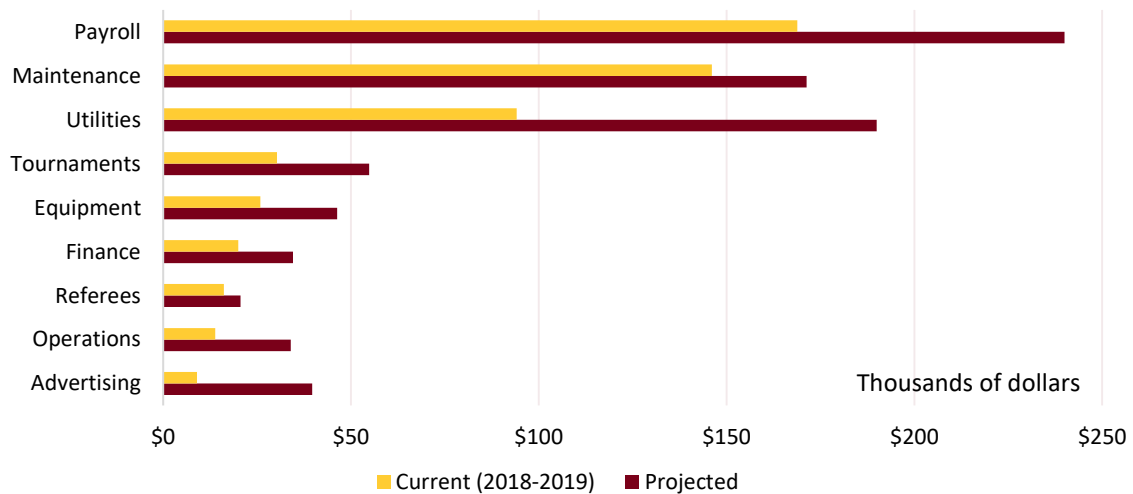
While a significant portion of the economic impacts from Hermantown hockey is the result of spending by visiting teams and spectators, the operation of the Hermantown Ice Arena has an impact on the community as well. The arena’s annual expenditures represent the organization’s economic contribution to the study area, through wages, equipment, utilities, and other local spending. In 2018-19, the Hermantown Ice Arena had an operating budget of \$566.5 thousand, employed 14 people, and paid \$168.8 thousand in wages to its employees.

As part of the analysis, the research team estimated the economic impacts of the Hermantown Ice Arena’s operations using the arena’s 2018-19 fiscal year data as inputs. In addition, the chapter includes the increased operational impacts that could occur from the construction of the second rink and the economic impacts of the construction project itself.

Inputs

Inputs required for modeling include operational expenditures, employment numbers, and payroll estimates. For the purpose of the economic impact analysis, staff at the arena provided the BBER with the arena’s expenditures for fiscal year 2018-19, as well as projected expenditures if it were to expand. The organization also provided construction spending estimates and operational spending projections for the arena with the addition of the second rink. The BBER research team worked under the assumption that HAHA provided estimates in good faith. In instances where data were not provided by HAHA, the research team relied on IMPLAN estimates as inputs.

Figure 4. Current and Projected Expenditures for Hermantown Ice Arena



SOURCE: HAHA

Figure 4 shows 2018-19 spending in gold and projected spending in maroon, each broken out into nine major categories. In 2018-19, payroll represented the largest share of spending, followed by maintenance costs, utilities, tournament expenses, and equipment. Arena staff predict that, if the second ice rink was built, all

operating expenses would increase, but the amount of increase would vary depending on the type of expense. For example, utility costs would nearly double with the additional rink, while maintenance expenses would increase by only a small percentage. Advertising expenses, currently a small portion of the overall budget, would increase significantly with the addition of the second rink, likely due to a greater push to increase awareness of the second rink.

IMPLAN classifies HAHA as a fitness and recreational sports center in sector 497. This sector includes facilities such as athletic clubs, dance centers, health clubs, swimming pools, tennis courts, and ice skating rinks. However, HAHA's expenditures are likely very different from other businesses and industries within this sector. Rather than use IMPLAN's default spending pattern for this industry (which is developed using an aggregate of all facilities included in sector 497), the BBER modeled the HAHA operations using a technique called analysis by parts. This technique allows the user to specify the amount of commodity inputs, the proportion of local labor income, and the proportion of local purchases, and it yields more accurate results.

To model HAHA's impacts using the analysis by parts method, all expenditures provided by HAHA were re-categorized as IMPLAN commodities to create a customized industry based on an existing budgetary spending pattern. Table 9 highlights the top 20 commodities used to create the customized industry.

Table 9. Top 20 IMPLAN Commodities - Used in Modeling HAHA Current Operations

<i>Description</i>
Personal and household goods repair and maintenance
Electricity transmission and distribution
Maintained and repaired nonresidential structures
Commercial sports except racing
Natural gas distribution
Water, sewage and other systems
Retail services - Miscellaneous store retailers
Automotive repair and maintenance, except car washes
Other insurance
Men's and boy's cut and sew apparel
Accounting, tax preparation, bookkeeping, and payroll services
Wholesale services - Professional and commercial equipment and supplies
Signs
Outpatient care centers
Funds, trusts, and other financial services
Waste management and remediation services
Commercial and industrial machinery and equipment rental and leasing services
Other real estate services
Wholesale services - Other nondurable goods merchant wholesalers
Advertising, public relations, and related services
And 11 other IMPLAN commodities

SOURCE: IMPLAN

Construction of the new ice arena is anticipated to begin in 2021 with the project completion expected in 2022. Construction is expected to take between 13 and 17 months, employ between 200 and 300 workers, and cost roughly \$17.2 million. The construction of the facility will generate a temporary increase in

economic activity during the course of the construction project. Throughout the project, increased demand for equipment, labor, and transportation will lead to increased economic activity. After the completion of the project, this additional activity will cease, and the economic impacts will no longer be felt in the study area.

Inputs required for modeling the construction of the ice arena are shown in Table 10. The BBER assumed a 15-month construction period and an employee headcount of 250, based on the average of the estimates provided. Construction spending was divided between the two years based on the assumption that there would be eight months of construction activity in the first year and seven months in the second year.¹²

Table 10. Inputs Required for Modeling Ice Arena Construction, in Millions of Dollars

<i>Construction Year</i>	<i>Number of Months</i>	<i>Construction Spending</i>	<i>Number of Employees¹³</i>
Year 1 (2021)	8	\$9.2	250
Year 2 (2022)	7	\$8.1	250
Project Total	15	\$17.2	–

*Totals may not sum due to rounding.

SOURCE: HAHA

Findings

This section provides the total economic impacts from the operations of the Hermantown Ice Arena for the 2018-19 fiscal year as well as the projected impacts from the arena’s operations with the addition of the second ice rink. In addition, impacts of the two-year construction project are shown. Results reflect impacts for the tri-city study area and are measured in employment, output, labor income, and value added. All results are shown in 2019 dollars.

Table 11. HAHA’s Current and Projected Total Operations, in Millions of Dollars

	<i>Employment</i>	<i>Labor Income</i>	<i>Value Added</i>	<i>Output</i>
Current Impacts	20	\$0.5	\$0.7	\$1.3
Projected Impacts	28	\$0.7	\$1.0	\$2.0

SOURCE: IMPLAN

Table 11 shows the current and projected economic impacts from the operation of the Hermantown Ice Arena. The column labeled employment shows the number of jobs¹⁴ that the arena supports directly and through indirect and induced effects. In 2018-19, the ice arena supported 20 jobs in the tri-city study area. If the arena were to expand to add another ice rink, that number could increase to 28.

In 2018-19, the ice arena added nearly \$500 thousand in wages and benefits to individuals in the study area, \$700 thousand to the study area’s GRP, and nearly \$1.3 million in output. If the city were to build a second

¹² The distribution of spending does not significantly change the overall impacts.

¹³ Employment figures for multi-year construction projects are not summed, as the jobs from one year to the next are assumed to be filled by the same workers.

¹⁴ IMPLAN reports jobs in terms of workers, both full- and part-time, not in terms of FTE.

rink, the research team estimates that the economic impacts of the ice arena’s operations could increase to more than \$2.0 million in output.

During construction of the added rink, there will also be a one-time impact on the study area. Table 12 shows the estimated total impacts (sum of direct, indirect, and induced) from the construction of the added rink. Construction impacts are shown by year (2021 and 2022) along with the total impacts for the project. All results are shown in 2019 dollars.

Table 12. HAHA Construction Totals, in Millions of Dollars

<i>Construction Year</i>	<i>Employment</i>	<i>Labor Income</i>	<i>Value Added</i>	<i>Output</i>
Year 1 (2021)	281	\$5.6	\$7.2	\$13.5
Year 2 (2022)	276	\$4.8	\$6.2	\$11.6
Project Total	–	\$10.3	\$13.3	\$25.1

*Totals may not sum due to rounding.

SOURCE: IMPLAN

Construction is expected to have an average employment effect of roughly 280 people per year for the two-year period. Total employment for the two-year project reflects the maximum employment number, not the sum, because the construction of the new rink is continuous and is expected to have the same workers throughout the building process. Over the two years, construction of the added rink is expected to contribute \$13.3 million to the local GDP and \$25.1 million in output.

The total economic impact from the construction of the new rink may have a net positive effect on the study area. However, it is important to note that much of the funding for the construction of the arena is expected to come from the city’s sales tax, which is paid in large part by local residents. Therefore, the impacts shown in Table 12 are not new dollars entering the economy but rather a recycling of money within the study area. Therefore, the true impacts from the construction project are likely much smaller than the estimates shown.

V. Conclusions

During the 2018-19 season, the Hermantown Amateur Hockey Association (HAHA), the governing organization for youth hockey in the city of Hermantown, hosted 10 tournaments, more than 150 games, and a summer league, which, combined, brought a total of 200 visiting teams to the study area, which includes the cities of Hermantown, Duluth, and Proctor¹⁵. In addition, the Hermantown High School (HHS) hockey team brought 33 visiting teams to the area for their hosted games. In total, Hermantown hockey (HAHA and HHS) games and tournaments brought 240 teams to Hermantown from around the state, which equaled more than 14.5 thousand players, visitors, and coaches. These visitors spent money at local hotels, restaurants, and stores. Their spending ripples throughout the local economy, providing the study area with a significant economic impact as detailed below.

This study estimated the economic impacts of the Hermantown hockey games and tournaments on the study area as well as the economic impacts of the Hermantown Ice Arena itself, which employs 14 staff and had an annual operating budget of \$566.5 thousand during the 2019 fiscal year. In addition, the study estimated the potential economic impacts of adding another rink, which would add capacity for additional games and tournaments throughout the season.

Table 13 shows the total current economic impacts resulting from Hermantown hockey’s tournaments and games and from the operations of the ice arena. The totals include direct, indirect, and induced effects. According to the study’s findings, Hermantown hockey supports 63 jobs, \$1.6 million in wages and benefits, \$2.6 million in value added spending, and more than \$4.7 million in output to the study area’s local economy. The majority of the impacts come from visiting teams and spectators spending money.

Table 13. Total Current – Operations and Tournaments and Games, in Millions of Dollars

<i>Impact Type</i>	<i>Employment</i>	<i>Labor Income</i>	<i>Value Added</i>	<i>Output</i>
Tournaments and games	43	\$1.1	\$1.9	\$3.5
Operations	20	\$4.5	\$6.6	\$1.3
Total	63	\$1.6	\$2.6	\$4.7

*Totals may not sum due to rounding.

SOURCE: IMPLAN

Table 14 on the following page estimates the potential economic impacts from HAHA, assuming a second ice rink and growth from expanding tournaments and games. Together, the total employment impacts could reach 85 jobs and nearly \$2.3 million in wages and benefits. Value added spending resulting from HAHA could exceed \$3.8 million, while total output could potentially reach \$7.0 million per year, assuming an increase in the number of games and tournaments and an increase in operational spending required to operate the ice arena.

¹⁵ The study area used in modeling included all zip codes within the cities of Hermantown, Duluth, and Proctor.

Table 14. Total Projected - Operations and Tournaments and Games, in Millions of Dollars

<i>Impact Type</i>	<i>Employment</i>	<i>Labor Income</i>	<i>Value Added</i>	<i>Output</i>
Operations	28	\$0.7	\$1.0	\$2.0
Tournaments and games	57	\$1.6	\$2.8	\$5.0
Total	85	\$2.3	\$3.8	\$7.0

SOURCE: IMPLAN

In addition to the ongoing annual effects of the ice arena's operations and Hermantown hockey tournaments and games, the study area would likely experience an increase in economic activity during the 15-month construction of the second ice rink. The two-year project is estimated to employ between 200 and 300 people each year and provide over \$10.3 million of wages and benefits, \$13.3 million in value added, and \$25.1 million in output to the study area.

Table 15. Economic Impacts from Construction, in Millions of Dollars

<i>Construction Year</i>	<i>Employment</i>	<i>Labor Income</i>	<i>Value Added</i>	<i>Output</i>
2021	281	\$5.6	\$7.2	\$13.5
2022	276	\$4.8	\$6.2	\$11.6
Project Total	–	\$10.3	\$13.3	\$25.1

*Totals may not sum due to rounding.

SOURCE: IMPLAN

According to a PowerPoint presentation provided by HABA, funding for the construction project would come from three sources: city sales tax (\$13.9 million), the school district (\$731.2 thousand), and private donations (\$2.7 million). Because the funding would come primarily from sources within the local study area, the impacts would not likely be as large as those shown in the table, as construction spending would simply be shifting existing funds from one local source to another and would not reflect new money entering the economy.

Appendix A. Definitions Used in this Report

Analysis by parts: The process of splitting or parsing an impact analysis issue into smaller and more specific parts. This technique allows the user to specify the amount of commodity inputs, the proportion of local labor income, and the proportion of local purchases.

Backward linkages: The interconnection of an industry to other industries from which it purchases its inputs in order to produce its output. It is measured as the proportion of intermediate consumption to the total output of the sector (direct backward linkage) or to the total output multiplier (total backward linkage). An industry has significant backward linkages when its production of output requires substantial intermediate inputs from many other industries.

Direct effect: Initial new spending in the study area resulting from the project.

Economic impact: The effect of an event on the economy in a specified area, ranging from a single neighborhood to the entire globe. It usually measures changes in business revenue, business profits, personal wages, and/or jobs.

Employment: Estimates (from U.S. Department of Commerce secondary data) are in terms of jobs, not in terms of full-time equivalent employees. Therefore, these jobs may be temporary, part-time, or short-term.

Expenditure: The amount of money spent.

Gross Regional Product (GRP): The market value of all goods and services produced in a region in a certain time frame (typically a year)

Hermantown Amateur Hockey Association (HAHA): The governing organization for youth hockey in the city of Hermantown.

IMPLAN: A software system that uses a backward-linkage model which allows a user to develop models that can estimate the economic impact of different varieties such as when a new firm enters a study area, recreation and tourism, development, and more.

IMPLAN Sector: Sectors are a way of describing a specific industry. All versions of the sectors are based on NAICS codes.

Indirect effect: The additional inter-industry spending from the direct impact. For example, increased sales in linen supply firms resulting from more motel sales would be an indirect effect of visitor spending.

Induced effect: The impact of additional household expenditures resulting from the direct and indirect impact. For example, motel employees spend the income they earn from increased tourism on housing, utilities, groceries and other consumer goods.

Industry: A group of businesses based on their related primary business activities.

Input: Information or data that can be operated on by any process or system.

Labor income: All forms of employment income, including employee compensation (wages and benefits) and proprietor income.

Output: The value of local production required to sustain activities.

Spending pattern: A set of data describing a particular set of goods and services an individual is likely to buy.

Value added: A measure of the impacting industry's contribution to the local community; it includes wages, rents, interest, and profits.

Appendix B. Input-Output Modeling

Data Sources

This study uses the IMPLAN Group's input-output modeling data and software (IMPLAN version 3.1). The IMPLAN database contains county, state, zip code, and federal economic statistics, which are specialized by region, not estimated from national averages. Using classic input-output analysis in combination with region-specific Social Accounting Matrices and Multiplier Models, IMPLAN provides a highly accurate and adaptable model for its users. IMPLAN data files use the following federal government data sources:

- U.S. Bureau of Economic Analysis Benchmark Input-Output Accounts of the U.S.
- U.S. Bureau of Economic Analysis Output Estimates
- U.S. Bureau of Economic Analysis Regional Economic Information Systems (REIS) Program
- U.S. Bureau of Labor Statistics Covered Employment and Wages (CEW) Program
- U.S. Bureau of Labor Statistics Consumer Expenditure Survey
- U.S. Census Bureau County Business Patterns
- U.S. Census Bureau Decennial Census and Population Surveys
- U.S. Census Bureau Economic Censuses and Surveys
- U.S. Department of Agriculture Census

IMPLAN data files consist of the following components: employment, industry output, value added, institutional demands, national structural matrices, and inter-institutional transfers. Economic impacts are made up of direct, indirect, and induced impacts. The data used was the most recent IMPLAN data available, which is for the year 2018. All data are reported in 2019 dollars.

Economic impacts are made up of direct, indirect, and induced impacts. The following are suggested assumptions for accepting the impact model: IMPLAN input/output is a production-based model, and employment numbers (from U.S. Department of Commerce secondary data) treat both full- and part-time individuals as being employed.

Regional data for the impact models for value added, employment, and output are supplied by IMPLAN for this impact. Employment assumptions were provided to the model to enable construction of the impact model. From these data, social accounts, production, absorption, and byproducts information were generated from the national level data and was incorporated into the model. All region study definitions and impact model assumptions were agreed on before work with the models began.

Modeling Assumptions

The following are suggested assumptions for accepting the impact model:¹⁶

Backward-Linkages: IMPLAN is a backward-linkage model, meaning that it measures the increased demand on industries that produce intermediate inputs as a result of increases in production. However, if an industry increases production, there will also be an increased supply of output for other industries to use in their production. Models that measure this type of relationship are called forward-linkage models. To highlight this concept, consider the example of a new sawmill beginning its operations in a state. The increased production as a result of the sawmill's operations will increase the demand for lumber, creating an increase in activity in the logging industry, as well as other supporting industries such as electric transmission and distribution. IMPLAN's results will include those impacts but will exclude effects on any wood product manufacturers located nearby that might be impacted by the newly available supply of lumber.

Employment: IMPLAN input-output is a production-based model, and employment numbers (from U.S. Department of Commerce secondary data) treat both full- and part-time individuals as being employed.

Fixed prices and no supply constraints: IMPLAN is a fixed-price model. This means that the modeling software assumes no price adjustment in response to supply constraints or other factors. In other words, the model assumes that firms can increase their production as needed and are not limited by availability of labor or inputs and that firms in the local economy are not operating at full capacity.

Fixed production patterns: Input-output (I-O) models assume inputs are used in fixed proportion, without any substitution of inputs, across a wide range of production levels. This assumption assumes that an industry must double its inputs (including both purchases and employment) to double its output. In many instances, an industry will increase output by offering overtime, improving productivity, or improvements in technology.

Industry homogeneity: I-O models typically assume that all firms within an industry have similar production processes. Any industries that fall outside the typical spending pattern for an industry should be adjusted using IMPLAN's Analysis-by-Parts technique.

Leakages: A small area can have a high level of leakage. Leakages are any payments made to imports or value added sectors, which do not in turn re-spend the dollars within the region. What's more, a study area that is actually part of a larger functional economic region will likely miss some important linkages. For example, workers who live and spend outside the study area may actually hold local jobs.

¹⁶ Bureau of Economic Analysis <https://www.bea.gov/system/files/papers/WP2012-3.pdf>

Appendix C. Detailed Inputs

Tables 16 and 17 show, for each category of game or tournament, the number of teams, players, coaches, and spectators that traveled to the study area for the event. Visitors are broken out by level (e.g. bantam, peewee, etc.) and by travel scenario (e.g. overnight, day, etc.).

Table 16. Number of Teams and Visitors for Hermantown Hockey Games, 2018-19 Season

<i>Event Category</i>	<i>Level</i>	<i>Travel Scenario</i>	<i>Teams</i>	<i>Avg Players per Team</i>	<i>Avg Coaches per Team</i>	<i>Avg Spectators per Player</i>	<i>Total Visitors*</i>
Youth games	Bantam AA	Overnight Guest	16	20	5	2	1,040
		Day Guest	3	20	5	2	195
	Bantam A	Overnight Guest	4	20	5	2	260
		Day Guest	7	20	5	2	455
	Bantam B	Overnight Guest	3	20	5	2	195
		Day Guest	8	20	5	2	520
	Peewee AA	Overnight Guest	10	18	4	2	580
		Day Guest	5	18	4	2	290
	Peewee A	Overnight Guest	1	18	4	2	58
		Day Guest	3	18	4	2	174
	Peewee B	Overnight Guest	5	18	4	2	290
		Day Guest	12	18	4	2	696
	Squirt A	Overnight Guest	4	16	3	2	204
		Day Guest	3	16	3	2	153
	Squirt B	Overnight Guest	4	16	3	2	204
		Day Guest	6	16	3	2	306
	U-15	Overnight Guest	3	20	4	2	192
	U-12	Overnight Guest	2	18	3	2	114
		Day Guest	4	18	3	2	228
	U-10	Overnight Guest	1	16	3	2	51
Day Guest		7	16	3	2	357	
High school games	Varsity	Overnight Guest	6	20	5	2	390
		Day Guest	8	20	5	2	520
	JV	Overnight Guest	6	20	5	2	390
		Day Guest	8	20	5	2	520
	Mirage	Overnight Guest	1	20	5	2	65
		Day Guest	4	20	5	2	260
Summer league games		Overnight Guest	26	20	3	2	1,638
Total			170	-	-	-	10,345

* The total visitors column was calculated by summing the players per team, coaches per team, and spectators per player and then multiplying that sum by the number of teams (players per team + coaches per team + (players per team x spectators per player)) x the number of teams.

Table 17. Number of Teams and Visitors for Hermantown Hockey Tournaments, 2018-19 Season

<i>Event Category</i>	<i>Level</i>	<i>Travel Scenario</i>	<i>Teams</i>	<i>Avg Players per Team</i>	<i>Avg Coaches Per Team</i>	<i>Avg Spectators per Player</i>	<i>Total Visitors*</i>	
Youth Tournaments	Bantam A	Weekend Guest	6	20	5	2	390	
	Bantam B	Weekend Guest	6	20	5	2	390	
	Peewee A	Weekend Guest	5	18	4	2	290	
		2-day-Only Guests	1	18	4	2	58	
	Peewee B	Weekend Guest	5	18	4	2	290	
		2-day-Only Guests	1	18	4	2	58	
	Squirt A	Weekend Guest	4	16	3	2	204	
		2-day-Only Guests	2	16	3	2	102	
	Squirt B	Weekend Guest	4	16	3	2	204	
		2-day-Only Guests	2	16	3	2	102	
	U-15	Weekend Guest	4	20	4	2	256	
		2-day-Only Guests	2	20	4	2	128	
	U-12A	Weekend Guest	4	18	3	2	228	
		2-day-Only Guests	2	18	3	2	114	
	U-12B	Weekend Guest	4	18	3	2	228	
		2-day-Only Guests	2	18	3	2	114	
	U-10	Weekend Guest	3	16	3	2	153	
		2-day-Only Guests	2	16	3	2	102	
	Youth District Playoff	Bantam A	Day Guest	3	20	5	2	195
		Squirt A	Day Guest	1	16	3	2	51
Summer League Tournament		Weekend Guest	7	17	4	3	504	
Total			70	-	-	-	4,161	

*The total visitors column was calculated by summing the players per team, coaches per team, and spectators per player and then multiplying that sum by the number of teams (players per team + coaches per team + (players per team x spectators per player)) x the number of teams.

SOURCE: HAHA

Appendix D. Detailed Economic Impacts

The tables below provide the specific totals for direct, indirect, and induced effects for the current and projected tournaments and games, operation impacts, and the construction of the second ice arena. The monetary values in the following tables represent thousands of dollars and may not sum due to rounding.

Direct effects represent the initial new spending in the study area resulting from the project or from the company itself. For example, the direct impacts for Hermantown hockey's tournaments and games include the direct visitor spending at local hotels, restaurants, and retail establishments. Indirect effects are the additional inter-industry spending resulting from the direct impact. For example, the building and operating of an additional ice rink would cause an increase in spending related to maintenance and upkeep, which would benefit the local firms that provide maintenance services. Induced effects measure the impact of additional household expenditures resulting from the direct and indirect impact. For example, the ice arena may have to hire additional employees from the second rink, which would lead to added spending on groceries, childcare, and car payments for those employees.

Table 18. Current Tournaments and Games Impact, in Thousands of Dollars

<i>Impact Type</i>	<i>Employment</i>	<i>Labor Income</i>	<i>Value Added</i>	<i>Output</i>
Direct Effect	33	\$732.7	\$1,300.2	\$2,294.2
Indirect Effect	5	\$194.1	\$318.1	\$632.9
Induced Effect	5	\$180.9	\$319.8	\$563.7
Total Effect	43	\$1,107.7	\$1,938.0	\$3,490.8

**TOTALS MAY NOT SUM DUE TO ROUNDING.*

SOURCE: IMPLAN

Table 19. Projected Tournaments and Games Impact, in Thousands of Dollars

<i>Impact Type</i>	<i>Employment</i>	<i>Labor Income</i>	<i>Value Added</i>	<i>Output</i>
Direct Effect	43	\$1,063.1	\$1,848.7	\$3,270.3
Indirect Effect	7	\$275.2	\$453.6	\$901.4
Induced Effect	6	\$261.4	\$462.0	\$814.4
Total Effect	57	\$1,599.7	\$2,764.3	\$4,986.2

**TOTALS MAY NOT SUM DUE TO ROUNDING.*

SOURCE: IMPLAN

Table 20. Current Operation Impacts, in Thousands of Dollars

<i>Impact Type</i>	<i>Employment</i>	<i>Labor Income</i>	<i>Value Added</i>	<i>Output</i>
Direct Effect	14	\$171.8	\$317.5	\$556.5
Indirect Effect	5	\$202.3	\$209.8	\$456.7
Induced Effect	2	\$77.4	\$134.2	\$239.0
Total Effect	20	\$451.4	\$661.5	\$1,252.2

**TOTALS MAY NOT SUM DUE TO ROUNDING.*

SOURCE: IMPLAN

*Bureau of Business and Economic Research
Labovitz School of Business and Economics
University of Minnesota Duluth*

Table 21. Projected Operation Impacts, in Thousands of Dollars

<i>Impact Type</i>	<i>Employment</i>	<i>Labor Income</i>	<i>Value Added</i>	<i>Output</i>
Direct Effect	18	\$273.4	\$505.4	\$885.7
Indirect Effect	7	\$295.3	\$340.7	\$769.9
Induced Effect	3	\$111.5	\$193.5	\$344.6
Total Effect	28	\$680.2	\$1,039.6	\$2,000.3

**TOTALS MAY NOT SUM DUE TO ROUNDING.*

SOURCE: IMPLAN

Table 22. Construction of the Second Rink, in Thousands of Dollars

<i>Impact Type</i>	<i>Employment</i>	<i>Labor Income</i>	<i>Value Added</i>	<i>Output</i>
Direct Effect	250	\$7,713.4	\$8,943.6	\$16,769.6
Indirect Effect	9	\$858.8	\$1,342.1	\$2,893.6
Induced Effect	21	\$1,753.5	\$3,044	\$5,444.2
Total Effect	281	\$5,557.1	\$13,329.8	\$25,107.6

**TOTALS MAY NOT SUM DUE TO ROUNDING.*

SOURCE: IMPLAN

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



DATE: January 13, 2021 **Meeting Date:** 1/19/21

SUBJECT: Road Improvement District No. 537 (Lavaque Jct Rd) **Agenda Item: 12-B** **Resolution 2021-14**

REQUESTED ACTION

Approve completed final plans and specifications for Road Improvement District No. 537 (Lavaque Jct Rd)

BACKGROUND

On January 4th the City Council authorized the advertisement for bids for Road Improvement District 547 (Lavaque Jct Rd). At that time, the final plans and specifications had not been completed but are now ready for approval and disbursement to prospective bidders. The City Council approved advertisement for Jan 21, Jan 28 & Feb 4, 2021. We hope to award the bid in February so we can begin tree removal and other utility coordination (telephone and electric) in March and April. The timeline is as follows:

- 1/4/21 90% plans and specs; CC authorizes advertisement of project
- 1/15/21 100% plans and specs complete
- 1/21/21 first advertisement
- 1/28/21 second advertisement
- 2/4/21 third advertisement
- 2/11/21 Open Bids
- 2/16/21 CC awards bid
- 2/22/21 contracts, bonds and insurance in place
- 3/1/21 clear trees
- 4/5/21 utility relocations start
- 5/17/21 road reconstruction starts
- 5/28/21 Utility relocates are complete
- 9/18/21 construction complete
- 10/1/21 draft of final pay estimate
- 10/4/21 Public assessment hearing at CC meeting
- 10/8/21 record drawings, final project documentation and final pay estimate are completed.

The City Engineer will review the plans with the City Council at the meeting on Tuesday, January 19, 2021

SOURCE OF FUNDS (if applicable)

ATTACHMENTS

Resolution No. 2021-14

**RESOLUTION APPROVING FINAL PLANS AND
SPECIFICATIONS FOR ROAD IMPROVEMENT DISTRICT NO. 537
(LAVAQUE JUNCTION ROAD)**

WHEREAS, Northland Consulting Engineers, LLC, the Project Engineer hired by the City has prepared plans and specifications for Road Improvement District No. 537 “Project”); and

WHEREAS, such the final plans and specifications have been presented to the City Council; and

WHEREAS, the City Council has reviewed the final plans and specifications and believes it to be in the best interest of the City of Hermantown to approve the final plans and specifications; and

WHEREAS, the City Council previously authorized the advertisement for bids for the “Project”

WHEREAS, the City will finance the Project from an issue of tax-exempt bonds; and

WHEREAS, the City reasonably expects to finance the Project from an issue of tax-exempt bonds. In advance of issuance of the bonds, it will be necessary for the City to temporarily finance certain costs of the Project by using either working capital or cash reserves, which are needed for other purposes. The City reasonably expects to reimburse itself from the proceeds of the bonds within eighteen (18) months after the date the Project is paid from such working capital or cash reserves.

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

1. The final plans and specifications prepared by Northland Consulting Engineers, LLC are hereby approved and ordered placed on file in the office of the City Clerk.
2. The City Clerk is hereby directed to file the final plans and specifications in the permanent records 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:

Councilors

and the following voted in opposition thereto:

WHEREUPON, such resolution was declared duly passed and adopted January 19, 2021.

TO: Mayor & City Council

FROM: David Bolf, City Engineer



DATE: January 13, 2021

Meeting Date: 1/19/21

SUBJECT: Award of Contract to _____ **Agenda Item: 12-C** **Resolution 2021-15**
for Old Hwy 2

REQUESTED ACTION

Approve Award of Contract to _____ in the amount of \$ _____

BACKGROUND

On December 21, 2020, the City Council approved and authorized the advertisement for bids for the road improvement project on Old Hwy 2. As part of the City's 2021 Road Improvement program, the City will be milling the bituminous surface on Old Hwy 2 south of the current Hwy 2. This road will then be maintained as a gravel road.

The bids will be opened on Thursday, January 14, 2021, the recommended contractor and the final bid amount will be presented to the City Council on Tuesday night.

SOURCE OF FUNDS (if applicable)

Stormwater Fund

General Levy (Bond Proceeds)

ATTACHMENTS

Resolution No. 2021-15

**RESOLUTION RECEIVING BIDS AND AWARDING
CONTRACT FOR OLD HWY 2
TO _____ IN THE AMOUNT OF \$_____**

WHEREAS, the City of Hermantown duly advertised for bids for Old Hwy 2 within the City of Hermantown; and

WHEREAS, the City will finance a portion of the Project from an issue of tax-exempt bonds; and

WHEREAS, bids on such project were publicly opened and tabulated by the Consulting Engineer and City Clerk on January 14, 2021; and

WHEREAS, a transcript of such bids is attached hereto as Exhibit A; and

WHEREAS, the Consulting Engineer reviewed the bid of the lowest bidder to confirm its accuracy; and

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

WHEREAS, on the basis of such review, the Consulting Engineer has recommended that the lowest bidder, _____ (“Contractor”) be awarded the contract for Old Hwy 2; 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 such improvement to Contractor.

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

1. Contractor is hereby found, determined and declared to be the lowest responsible bidder for Old Hwy 2.
2. The bid of Contractor is in the amount of \$_____ for Old Hwy 2 for such bid option in accordance with the plans and specifications and advertisements for bids shall be and hereby is accepted.
3. The Consulting Engineer is hereby directed to prepare a contract between the City of Hermantown and Contractor as soon as possible and submit it to Contractor for execution by it.
5. Upon execution of such contract by Contractor and its submission of a performance bond, payment bond and certificate of insurance acceptable to the City Attorney, Mayor and City Clerk are hereby authorized and directed to execute such contract for and on behalf of the City of Hermantown.
6. The City Clerk is hereby authorized and directed to return forthwith to all bidders, the deposits (bid bonds) made with their bids, except that deposit (bid bond) of the successful bidder and the next lowest bidder shall not be returned until a contract has been executed.

Councilor _____ introduced the foregoing resolution and moved its adoption.

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

Councilors

and the following voted in opposition thereto:

WHEREUPON, such resolution was declared duly passed and adopted January 19, 2021.

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



DATE: January 13, 2021 **Meeting Date:** 1/19/21

SUBJECT: Trunk Sewer Spur & Munger Trail Spur – Sanitary Sewer Improvement District No. 448 **Agenda Item: 12-D** **Resolution 2021-16**

REQUESTED ACTION

Approve Pay Application #10 to Utility Systems of America for the construction related to the Trunk Sewer Spur and Munger Trail Spur Project – Sanitary Sewer Improvement District No. 448.

BACKGROUND

Attached is Pay Application #10 for the work associated with the Hermantown Trunk Sewer Spur & Munger Trail Spur – Sanitary Sewer Improvement District No. 448 from Pay Application #9 through January 12, 2021. NCE and Utility Systems of America, Inc. (USA) have reviewed the project progress thus far and agreed upon quantities of work completed. The amount of Pay Application #10 is **\$432,032.60**. The City will hold a 5% retainage of the completed construction through the duration of the project. This retainage amount stands at **\$183,022.96** to date.

The sewer trunk line has been installed and is in operation and the lift station has been taken off line. The vast majority (if not all) of the work below the surface has been completed. Restoration, trail bed construction, and paving should be done in the next six months.

NCE has reviewed the quantities through construction inspection and discussions with Utility Systems of America, Inc. representatives. I recommend payment in the amount of **\$432,032.60** be authorized at the January 19, 2021 City Council Meeting.

SOURCE OF FUNDS (if applicable)

Sales Tax

ATTACHMENTS

Pay Application #10

Resolution No. 2021-16

RESOLUTION APPROVING PAY REQUEST NUMBER 10 FOR SEWER IMPROVEMENT DISTRICT NO. 448 TO UTILITY SYSTEMS OF AMERICA, INC. IN THE AMOUNT OF \$432,032.60

WHEREAS, the City of Hermantown has contracted with Utility Systems of America, Inc. for construction of Sewer Improvement District No. 448 (“Project”); and

WHEREAS, Utility Systems of America, Inc. has performed a portion of the agreed upon work in said Project; and

WHEREAS, Utility Systems of America, Inc. has submitted Pay Request No. 10 in the amount of \$432,032.60; and

WHEREAS, the City will maintain an accumulated retainage as shown on the pay requests until the final work and documentation is completed; and

WHEREAS, Northland Consulting Engineers LLP has approved such Pay Request No. 10 provided that \$183,022.96 accumulated as retainage of 5% be withheld pending final acceptance of the Project by the City of Hermantown.

WHEREAS, the necessary documentation for the pay request is on file and available for inspection.

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

1. Pay Request No. 10 is hereby approved.
2. The City is hereby authorized and directed to pay to Utility Systems of America, Inc. the sum of \$432,032.60 which is the amount represented on Pay Request No. 10.

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:

Councilors

and the following voted in opposition thereto:

WHEREUPON, such resolution has been duly passed and adopted January 19, 2021.

January 13, 2021

John Mulder
City Administrator
City of Hermantown
5105 Maple Grove Road
Hermantown MN 55811

Re: Hermantown Trunk Sewer Spur & Munger Trail Spur – Sanitary Sewer Improvement District No. 448

Dear John:

Attached is Pay Application #10 for the work associated with the Hermantown Trunk Sewer Spur & Munger Trail Spur – Sanitary Sewer Improvement District No. 448 from Pay Application #9 through January 12, 2021. NCE and Utility Systems of America, Inc. (USA) have reviewed the project progress thus far and agreed upon quantities of work completed. The amount of Pay Application #10 is **\$432,032.60**. The City will hold a 5% retainage of the completed construction through the duration of the project. This retainage amount stands at **\$183,022.96** to date.

NCE has reviewed the quantities through construction inspection and discussions with Utility Systems of America, Inc. representatives. I recommend payment in the amount of **\$432,032.60** be authorized at the January 19, 2021 City Council Meeting.

Please contact me with any questions you may have.

Thank you,



David Bolf, P.E. – City Engineer
Northland Consulting Engineers
218-727-5995
david@nce-duluth.com

CC: Bonnie Engseth
Adam Zwak, P.E.
Jim Pucel, P.E.

Contractor's Application for Payment No.

10

Application Period: November 28, 2020 to January 12, 2021	Application Date: 1/19/2021
To (Owner): City of Hermantown	From (Contractor): Utility Systems of America, Inc.
Via (Engineer): Northland Consulting Engineers, LLP	
Project: Trunk Sewer Spur & Munger Trail Spur - Sanitary Sewer Improvement District No. 448	Contract: Trunk Sewer Spur & Munger Trail Spur - Sanitary Sewer Improvement District No. 448
Owner's Contract No.: Sanitary Sewer Improvement District No. 448	Contractor's Project No.: Engineer's Project No.: 16-808

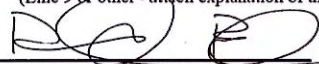
**Application For Payment
Change Order Summary**

Approved Change Orders				
Number	Additions	Deductions		
1	\$15,100.00		1. ORIGINAL CONTRACT PRICE.....	\$ \$4,209,784.30
2	\$28,900.00		2. Net change by Change Orders.....	\$ \$137,908.57
3	\$93,908.57		3. Current Contract Price (Line 1 + 2).....	\$ \$4,347,692.87
4			4. TOTAL COMPLETED AND STORED TO DATE	
			See attached Pay Application Summary (Line E).....	\$ \$3,660,459.27
			5. RETAINAGE:	
			a. 5% X \$3,650,011.07 Work Completed.....	\$ \$182,500.55
			b. 5% X \$10,448.20 Stored Material.....	\$ \$522.41
			c. Total Retainage (Line 5.a + Line 5.b).....	\$ \$183,022.96
TOTALS	\$137,908.57		6. AMOUNT ELIGIBLE TO DATE (Line 4 - Line 5.c).....	\$ \$3,477,436.31
NET CHANGE BY CHANGE ORDERS	\$137,908.57		7. LESS PREVIOUS PAYMENTS (Line 8).....	\$ \$3,045,403.71
			9. AMOUNT DUE THIS APPLICATION.....	\$ \$432,032.60
			10. BALANCE TO FINISH, PLUS RETAINAGE (Line 3 - 4 + Line 5.c above).....	\$ \$870,256.56

**Application For Payment
Previous Pay Application Summary**

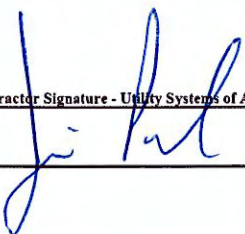
Approved Pay Applications		
Number	Date	Amount
1	4/6/2020	\$ 455,588.49
2	5/4/2020	\$ 30,045.81
3	6/3/2020	\$ 101,408.63
4	7/6/2020	\$ 654,831.60
5	8/3/2020	\$ 188,378.58
6	9/2/2020	\$ 573,269.10
7	10/5/2020	\$ 600,156.51
8	11/2/2020	\$ 322,822.04
9	12/6/2020	\$ 118,902.95
10		
11		
12		
13		
14		
8. TOTALS		\$3,045,403.71

Payment of: \$ \$432,032.60
(Line 9 or other - attach explanation of the other amount)

is recommended by:  1/19/2021
David Bolf, P.E. - City Engineer (Date)

Contractor's Certification

The undersigned Contractor certifies, to the best of its knowledge, the following:
 (1) All previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with the Work covered by prior Applications for Payment;
 (2) Title to all Work, materials and equipment incorporated in said Work, or otherwise listed in or covered by this Application for Payment, will pass to Owner at time of payment free and clear of all Liens, security interests, and encumbrances (except such as are covered by a bond acceptable to Owner indemnifying Owner against any such Liens, security interest, or encumbrances); and
 (3) All the Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.

Contractor Signature - Utility Systems of America
 By:  Date: 1-13-21



Pay Application #10 - 01/13/21
Trunk Sewer Spur & Munger Trail Spur
Sanitary Sewer District Improvement District No. 448

Item No.	Spec. Number	Item Description	Unit of Measure	Contract Total Quantities	USA Unit Price	Trunk Sewer Spur			Munger Trail Spur			Total Project	
						Contract Quantities	Completed Quantities	Completed Cost	Contract Quantities	Completed Quantities	Completed Cost	Completed Quantities	Completed Cost
BASE BID													
1	2021.501	MOBILIZATION	LS	1.00	\$ 434,000.00	0.80	0.77	\$ 334,180.00	0.20	0.18	\$ 78,120.00	0.95	\$ 412,300.00
2	2021.601	BLAST MONITORING/SURVEY	LS	1.00	\$ 45,000.00	1.00	1.00	\$ 45,000.00	-	-	\$ -	1.00	\$ 45,000.00
3	2031.601	FIELD OFFICE	LS	1.00	\$ 7,500.00	0.80	0.80	\$ 6,000.00	0.20	0.20	\$ 1,500.00	1.00	\$ 7,500.00
4	2051.601	MAINTENANCE AND RESTORATION OF HAUL ROADS	LS	1.00	\$ 1,000.00	0.80	0.80	\$ 800.00	0.20	-	\$ -	0.80	\$ 800.00
5	2101.501	CLEARING	ACRE	18.00	\$ 12,000.00	14.50	14.50	\$ 174,000.00	3.50	3.50	\$ 42,000.00	18.00	\$ 216,000.00
6	2101.506	GRUBBING	ACRE	18.00	\$ 1,500.00	14.50	14.50	\$ 21,750.00	3.50	3.50	\$ 5,250.00	18.00	\$ 27,000.00
7	2104.502	REMOVE CASTING	EACH	1	\$ 250.00	1	-	\$ -	-	-	\$ -	-	\$ -
8	2104.502	SALVAGE ELECTRICAL PEDESTAL AND SIGN	EACH	6	\$ 350.00	6	6	\$ 2,100.00	-	-	\$ -	6	\$ 2,100.00
9	2104.503	REMOVE CONCRETE CURB AND GUTTER	LF	20	\$ 5.00	20	29	\$ 145.00	-	-	\$ -	29	\$ 145.00
10	2104.503	REMOVE SEWER PIPE (SANITARY)	LF	10	\$ 5.00	10	10	\$ 50.00	-	-	\$ -	10	\$ 50.00
11	2104.503	SAWING BITUMINOUS PAVEMENT (FULL DEPTH)	LF	156	\$ 4.00	156	153	\$ 612.00	-	-	\$ -	153	\$ 612.00
12	2104.503	SAWING CONCRETE PAVEMENT (FULL DEPTH)	LF	170	\$ 7.00	170	-	\$ -	-	-	\$ -	-	\$ -
13	2104.509	REMOVE CONCRETE PAVEMENT	SY	852	\$ 9.00	852	-	\$ -	-	-	\$ -	-	\$ -
14	2104.509	REMOVE BITUMINOUS PAVEMENT	SY	343	\$ 4.00	227	352	\$ 1,408.00	116	-	\$ -	352	\$ 1,408.00
15	2104.518	REMOVE CONCRETE WALK	SF	630	\$ 1.00	630	-	\$ -	-	-	\$ -	-	\$ -
16	2104.601	REMOVE LIFT STATION	LS	1.00	\$ 20,000.00	1.00	1.00	\$ 20,000.00	-	-	\$ -	1.00	\$ 20,000.00
17	2104.602	REMOVE GREENHOUSES	EACH	8	\$ 1,000.00	8	8	\$ 8,000.00	-	-	\$ -	8	\$ 8,000.00
18	2106.504	GEOTEXTILE FABRIC TYPE 5 (NON-WOVEN)	SY	28,750	\$ 1.65	17,000	7,316	\$ 12,071.40	11,750	7,375	\$ 12,168.75	14,691	\$ 24,240.15
19	2106.504	GEOTEXTILE FABRIC TYPE 5 (NON-WOVEN) (PATCHING)	SY	250	\$ 4.00	250	352	\$ 1,408.00	-	-	\$ -	352	\$ 1,408.00
20	2106.507	EXCAVATION - COMMON	CY	20,683	\$ 11.00	16,760	15,922	\$ 175,142.00	3,923	3,727	\$ 40,995.35	19,649	\$ 216,137.35
21	2106.507	COMMON EMBANKMENT (CV)	CY	3,924	\$ 7.00	3,179	534	\$ 3,738.00	745	888	\$ 6,216.00	1,422	\$ 9,954.00
22	2106.507	SELECT GRANULAR EMBANKMENT MOD 7% (CV)	CY	5,500	\$ 21.00	3,200	1,952	\$ 40,992.00	2,300	2,190	\$ 45,990.00	4,142	\$ 86,982.00
23	2106.507	SELECT GRANULAR EMBANKMENT MOD 7% (CV) (PATCHING)	CY	100	\$ 22.00	100	133	\$ 2,926.00	-	-	\$ -	133	\$ 2,926.00
24	2106.601	DEWATERING	LS	1	\$ 50,000.00	0.80	0.75	\$ 37,500.00	0.20	0.20	\$ 10,000.00	0.95	\$ 47,500.00
25	2106.601	TURF & WETLAND RESTORATION	LS	1	\$ 30,000.00	0.80	0.60	\$ 18,000.00	0.20	0.10	\$ 3,000.00	0.70	\$ 21,000.00
26	2106.602	KEENE CREEK CROSSING	EACH	4	\$ 4,000.00	3	3	\$ 12,000.00	1	1	\$ 4,000.00	4	\$ 16,000.00
27	2211.507	AGGREGATE BASE (CV) CLASS 5	CY	7,611	\$ 30.00	4,434	2,439	\$ 73,170.00	3,177	2,286	\$ 68,580.00	4,725	\$ 141,750.00
28	2211.507	AGGREGATE BASE (CV) CLASS 5 (PATCHING)	CY	60	\$ 40.00	60	76	\$ 3,032.00	-	-	\$ -	76	\$ 3,032.00
29	2301.509	CONCRETE PAVEMENT 7" (MAPLE GROVE ESTATES)	SY	852	\$ 88.00	852	-	\$ -	-	-	\$ -	-	\$ -
30	2360.509	TYPE SP 9.5 WEARING COURSE MIXTURE (3:B)	TON	1,770	\$ 80.00	-	-	\$ -	1,770	-	\$ -	-	\$ -
31	2360.509	TYPE SP 9.5 WEARING COURSE MIXTURE (3:C) (PATCHING)	TON	35	\$ 154.00	35	37	\$ 5,698.00	-	-	\$ -	37	\$ 5,698.00
32	2360.509	TYPE SP 12.5 NON-WEARING COURSE MIXTURE (3:C) (PATCHING)	TON	32	\$ 154.00	32	45	\$ 6,930.00	-	-	\$ -	45	\$ 6,930.00
33	2412.503	3X6 PRECAST CONCRETE BOX CULVERT	LF	64	\$ 850.00	34	34	\$ 28,900.00	30	30	\$ 25,500.00	64	\$ 54,400.00
34	2451.507	COARSE FILTER AGGREGATE (CV)	CY	1,045	\$ 24.00	1,045	637	\$ 15,288.00	-	-	\$ -	637	\$ 15,288.00
35	2451.507	GRANULAR BACKFILL (LV)	CY	6,275	\$ 14.00	6,275	-	\$ -	-	-	\$ -	-	\$ -
36	2451.507	STRUCTURE EXCAVATION, CLASS R	CY	4,825	\$ 52.00	4,825	4,170	\$ 216,840.00	-	18	\$ 936.00	4,188	\$ 217,776.00
37	2501.502	12" CAS PIPE APRON	EACH	26	\$ 300.00	18	-	\$ -	8	8	\$ 2,400.00	8	\$ 2,400.00
38	2501.502	15" CAS PIPE APRON	EACH	45	\$ 325.00	-	-	\$ -	45	44	\$ 14,300.00	44	\$ 14,300.00
39	2501.503	12" CAS PIPE CULVERT	LF	328	\$ 50.00	230	-	\$ -	98	104	\$ 5,200.00	104	\$ 5,200.00
40	2501.503	15" CAS PIPE CULVERT	LF	590	\$ 53.00	-	-	\$ -	590	610	\$ 32,330.00	610	\$ 32,330.00
41	2503.503	8" PVC PIPE SEWER (SDR35)	LF	547	\$ 117.00	547	547	\$ 63,999.00	-	-	\$ -	547	\$ 63,999.00
42	2503.503	10" PVC PIPE SEWER (SDR35)	LF	5,651	\$ 119.00	5,651	5,651	\$ 672,469.00	-	-	\$ -	5,651	\$ 672,469.00
43	2503.503	10" PVC PIPE SEWER (SDR26)	LF	3,203	\$ 121.00	3,203	3,203	\$ 387,563.00	-	-	\$ -	3,203	\$ 387,563.00
44	2503.602	BENTONITE TRENCH DAM	EACH	74	\$ 1,900.00	74	74	\$ 140,600.00	-	-	\$ -	74	\$ 140,600.00
45	2503.602	CONNECT TO EXISTING SANITARY SEWER	EACH	3	\$ 1,500.00	3	3	\$ 4,500.00	-	-	\$ -	3	\$ 4,500.00
46	2503.602	PLUG AND ABANDON PIPE SEWER	EACH	6	\$ 500.00	6	6	\$ 3,000.00	-	-	\$ -	6	\$ 3,000.00
47	2503.603	TELEWISE SANITARY SEWER	LF	9,401	\$ 2.50	9,401	9,318	\$ 23,293.75	-	-	\$ -	9,318	\$ 23,293.75
48	2504.604	3" POLYSTYRENE INSULATION	SY	135	\$ 50.00	135	135	\$ 6,750.00	-	-	\$ -	135	\$ 6,750.00
49	2506.502	CASTING ASSEMBLY	EACH	5	\$ 800.00	5	4	\$ 3,200.00	-	-	\$ -	4	\$ 3,200.00
50	2506.503	CONSTRUCT DRAINAGE STRUCTURE DESIGN 4007	LF	508	\$ 525.00	508	508.00	\$ 266,700.00	-	-	\$ -	508.00	\$ 266,700.00
51	2506.602	CASTING ASSEMBLY SPECIAL	EACH	33	\$ 800.00	33	33	\$ 26,400.00	-	-	\$ -	33	\$ 26,400.00

52	2506.602	MANHOLE FRAME SEAL (EXTERNAL)	EACH	38	\$ 250.00	38	36	\$ 9,000.00	-		\$ -	36	\$ 9,000.00
53	2506.603	CONSTRUCT 8" INSIDE DROP	LF	6	\$ 200.00	6	6	\$ 1,200.00	-		\$ -	6	\$ 1,200.00
54	2521.518	6" CONCRETE WALK	SF	630	\$ 9.25	630		\$ -	-		\$ -		\$ -
55	2531.503	CONCRETE CURB AND GUTTER, DESIGN B624	LF	20	\$ 55.00	20	29	\$ 1,595.00	-		\$ -	29	\$ 1,595.00
56	2545.602	INSTALL ELECTRICAL PEDESTAL AND SIGN	EACH	6	\$ 750.00	6		\$ -	-		\$ -		\$ -
57	2563.601	TRAFFIC CONTROL	LS	1.00	\$ 27,500.00	0.80	0.80	\$ 22,000.00	0.20	0.10	\$ 2,750.00	0.90	\$ 24,750.00
58	2573.501	STABILIZED CONSTRUCTION EXIT	LS	1.00	\$ 1,000.00	0.80	0.75	\$ 750.00	0.20	0.15	\$ 150.00	0.90	\$ 900.00
59	2573.502	STORM DRAIN INLET PROTECTION	EACH	37	\$ 300.00	27	22	\$ 6,600.00	10	20	\$ 6,000.00	42	\$ 12,600.00
60	2573.503	FILTER BERM TYPE 4	LF	18,895	\$ 2.00	13,848	13,848	\$ 27,696.00	5,047	5,047	\$ 10,094.00	18,895	\$ 37,790.00
61	2573.503	SILT FENCE; TYPE MS	LF	6,878	\$ 2.25	3,541	17,196	\$ 38,691.00	3,337	5,924	\$ 13,329.00	23,120	\$ 52,020.00
62	2573.503	SEDIMENT CONTROL LOG TYPE WOOD FIBER	LF	18,895	\$ 2.75	13,848	2,220	\$ 6,105.00	5,047	700	\$ 1,925.00	2,920	\$ 8,030.00
63	2573.601	HERMANTOWN PUBLIC WORKS STORMWATER IMPROVEMENTS	LS	1.00	\$ 50,000.00	-		\$ -	1.00	0.85	\$ 42,500.00	1	\$ 42,500.00
64	2575.504	EROSION CONTROL BLANKETS CATEGORY 3N	SY	3,277	\$ 1.65	1,795	516	\$ 851.40	1,482	109	\$ 179.85	625	\$ 1,031.25
65	2575.505	SEEDING	ACRE	16.75	\$ 60.00	14.00	8.00	\$ 480.00	2.75	2.75	\$ 165.00	10.8	\$ 645.00
66	2575.508	SEED MIXTURE 36-311 (UPLAND)	LB	775	\$ 35.00	550	358	\$ 12,530.00	225	225	\$ 7,875.00	583	\$ 20,405.00
67	2575.508	SEED MIXTURE 34-371 (WETLAND)	LB	575	\$ 75.00	450	245	\$ 18,375.00	125	125.0	\$ 9,375.00	370	\$ 27,750.00
68	2575.605	MULCH MATERIAL TYPE 1	ACRE	16.75	\$ 700.00	14.00	7.60	\$ 5,320.00	2.75	2.75	\$ 1,925.00	10.4	\$ 7,245.00
69	2582.503	4" DOUBLE SOLID LINE PAINT (YELLOW)	LF	71	\$ 12.00	71		\$ -	-		\$ -		\$ -
70	2582.503	4" SOLID LINE PAINT (WHITE)	LF	102	\$ 6.00	102		\$ -	-		\$ -		\$ -
71	2582.503	24" SOLID LINE PAINT (WHITE)	LF	50	\$ 14.00	-		\$ -	50		\$ -		\$ -
BID ALTERNATE #1 - MAINTENANCE ROAD PAVING													
72	2360.509	TYPE SP 9.5 WEARING COURSE MIXTURE (3;B)	TON	425	\$ 80.00	-		\$ -	425		\$ -		\$ -
BID ALTERNATE #2 - MAINTENANCE ROAD ALONG MAPLE GROVE													
73	2104.502	SALVAGE 24" RC PIPE APRON	EACH	1	\$ 400.00	-		\$ -	1		\$ -		\$ -
74	2104.502	SALVAGE LIGHT POLE AND BASE	EACH	1	\$ 600.00	-		\$ -	1		\$ -		\$ -
75	2104.502	SALVAGE SIGN	EACH	1	\$ 50.00	-		\$ -	1		\$ -		\$ -
76	2106.504	GEOTEXTILE FABRIC TYPE 5 (NON-WOVEN)	SY	700	\$ 3.00	-		\$ -	700		\$ -		\$ -
77	2106.507	EXCAVATION - COMMON	CY	250	\$ 25.00	-		\$ -	250		\$ -		\$ -
78	2106.507	SELECT GRANULAR EMBANKMENT MOD 7% (CV)	CY	150	\$ 30.00	-		\$ -	150		\$ -		\$ -
79	2211.507	AGGREGATE BASE (CV) CLASS 5	CY	175	\$ 32.00	-		\$ -	175		\$ -		\$ -
80	2360.509	TYPE SP 9.5 WEARING COURSE MIXTURE (3;B)	TON	68	\$ 83.00	-		\$ -	68		\$ -		\$ -
81	2501.503	24" RC PIPE SEWER DESIGN 3006	LF	10	\$ 120.00	-		\$ -	10		\$ -		\$ -
82	2501.602	INSTALL RC PIPE APRON	EACH	1	\$ 200.00	-		\$ -	1		\$ -		\$ -
83	2545.602	INSTALL LIGHT POLE	EACH	1	\$ 6,500.00	-		\$ -	1		\$ -		\$ -
84	2564.602	INSTALL SIGN	EACH	1	\$ 200.00	-		\$ -	1		\$ -		\$ -
CHANGE ORDERS													
85	CO #1	CHANGE ORDER #1 - WATER MAIN STUB - ANDERSON ROAD	LS	1	\$ 15,100.00	1.00	1.00	\$ 15,100.00			\$ -	1.00	\$ 15,100.00
86	CO #2	CHANGE ORDER #2 - 3X6 BOX CULVERT	LF	34	\$ 850.00	34.00	34.00	\$ 28,900.00			\$ -	34.00	\$ 28,900.00
87	CO #3	CHANGE ORDER #3 - 15" RCP CUL, CMP CULVERTS, DEBRIS	LS	1	\$ 93,908.57	1.00	1.00	\$ 93,908.57			\$ -	1.00	\$ 93,908.57

TRUNK SEWER SPUR COST	MUNGER TRAIL SPUR COST	TOTAL AMOUNT EARNED
\$3,155,257.12	\$494,753.95	\$3,650,011.07

CONTRACT BREAKDOWN	
ORIGINAL TRUNK SEWER CONTRACT AMOUNT	\$3,441,999.00
ORIGINAL MUNGER TRAIL CONTRACT AMOUNT	\$767,785.30
TOTAL ORIGINAL CONTRACT AMOUNT	\$4,209,784.30
CURRENT CONTRACT AMOUNT	\$4,347,692.57

A. PREVIOUS MATERIALS STORED/ON HAND	\$ 208,963.98
B. % CONSTRUCTED (Line A x -%)	-95% \$ (198,515.78)
C. ADDED MATERIALS STORED/ON HAND	\$ -
D. TOTAL COST OF MATERIALS STORED/ON HAND (Line A+B+C)	\$ 10,448.20

E. TOTAL COMPLETED & STORED TO DATE (Total Amount Earned + Line D)	\$3,660,459.27
F. 5% RETAINAGE (Line E x 5%)	\$ 183,022.96
G. LESS PREVIOUS PAY APPS	\$ 3,045,403.71

PAY APPLICATION #10 (Line E - F - G)	\$ 432,032.60
---	----------------------