



Hermantown City Council Meeting – April 19, 2021

Because of attendance limitations at the regular meeting location due to the health pandemic, Hermantown's April 19, 2021, City Council Meeting, as well as Pre-Agenda Meeting, will be conducted both remotely and with limited 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. Interested parties can also choose to attend the City Council Meeting in person at City Hall, but only ten (10) members of the public will be allowed in Council Chambers at any time. Masks and distancing guidelines, per Minnesota Department of Health, will be required.

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

<https://us02web.zoom.us/j/86127686863?pwd=TVZSSkhiQ3djTWNDcTI0Zm1NM0xldz09>

and/or by calling the number (312) 626-6799 and utilizing the meeting ID number of 861-2768-6863 and the passcode of 535392.

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 "April 19, 2021, Meeting." It is important to note that all comments regarding the April 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/85255885988?pwd=UDVtTjZENHYvZWZvREpsbko0b25EUT09>

and/or by calling the number (312) 626-6799 and utilizing the meeting ID number 852-5588-5988 and the password 701272. 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 Monday, April 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 April 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 Monday, April 19, 2021 at 4:30 p.m.
Large Conference Room
Hermantown Governmental Services Building**

**City Council Continuation Meeting April 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**
7. **PRESENTATIONS** *(Department Heads may give reports if necessary.)*
 - A. Kevin Orme, Director of Finance & Administration *(Pre-Agenda Only)*
RE: [1st Quarter Financials](#)
 - B. John Mulder, City Administrator *(Pre-Agenda Only)*
RE: Airport Zoning Update
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 [April 5, 2021 City Council Minutes](#)
 - B. **Accounts Payable** – Approve general city warrants from April 1, 2021 through April 15, 2021 in the amount of \$392,349.31

(motion, roll call)
10. **MOTIONS**

This agenda has been prepared to provide information regarding an upcoming meeting of the Hermantown City Council. This document does not claim to be complete and is subject to change at any time.

11. ORDINANCES

- A. **2021-03** An Ordinance Amending Hermantown Code Of Ordinances By Adding A New Section 850, Speed Limits

First Reading

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

- A. **2021-50** Resolution Approving An Addition To The City Handbook – Broadband Policy

(motion, roll call)

- B. **2021-51** Resolution Approving An Amendment To The City Handbook Regarding Residential Road Improvement Program Special Assessment Policy

(motion, roll call)

- C. **2021-52** Resolution Approving Change Order Number 6 For Sewer Improvement District No. 448

(motion, roll call)

- D. **2021-53** Resolution Providing For The Issuance, Sale And Delivery Of \$4,035,000 General Obligation Improvement And Refunding Bonds, Series 2021A, And Awarding The Sale Thereof

(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

4/5/2021	21-50	Eric Johnson, Community Development Director	MN Dept. of Health	Support for The Pillars Assisted/Senior Living	4/2/2021
4/13/2021	21-51	Janet & David Thornton, 5861 Hermantown Rd	Bonnie Engseth, City Clerk	Appeal market value of property – 395-0010-05240	4/9/2021
4/13/2021	21-52	Dante Tomassoni, 5546 Morris Thomas Rd.	Bonnie Engseth, City Clerk	Appeal market value of property – 395-0010-09393	4/9/2021
4/13/2021	21-53	Scott Tanski, 4194 Solway Rd.	Bonnie Engseth, City Clerk	Appeal market value of property – 395-0118-00010	4/13/2021

City of Hermantown

(As of 03/31/2021)

Cash/Investments per Fund

Fund	
240 City Sales Tax Fund	9,204,167
601 Water Fund	4,975,429
602 Sewer Fund	5,128,039
101 General Fund	3,187,533
235 Park Dedication	332,530
Other	5,770,200
Total	<u>28,597,899</u>

Who holds our money

4M	9,793,034
RBC	13,009,768
Wells Fargo	5,993
TD Ameritrade	991,182
National Bank of Commerce	4,797,921
Total	<u>28,597,899</u>

How our money is invested














	3/31/2021	12/31/2020	11/30/2015
Cash	4,797,921	7,460,932	8,677,550
Short Term Investment (Money Market)	9,795,498	8,531,872	1,820,749
Investment - Section 24 and Road Plan	991,182	1,471,845	
Long Term Investment	13,013,298	13,800,810	3,924,540
Total	<u>28,597,899</u>	<u>31,265,459</u>	<u>14,422,839</u>

Year our Investments mature

2021	1,748,666
2022	4,016,292
2023	6,473,868
2024 and later	774,471
Total	<u>13,013,298</u>

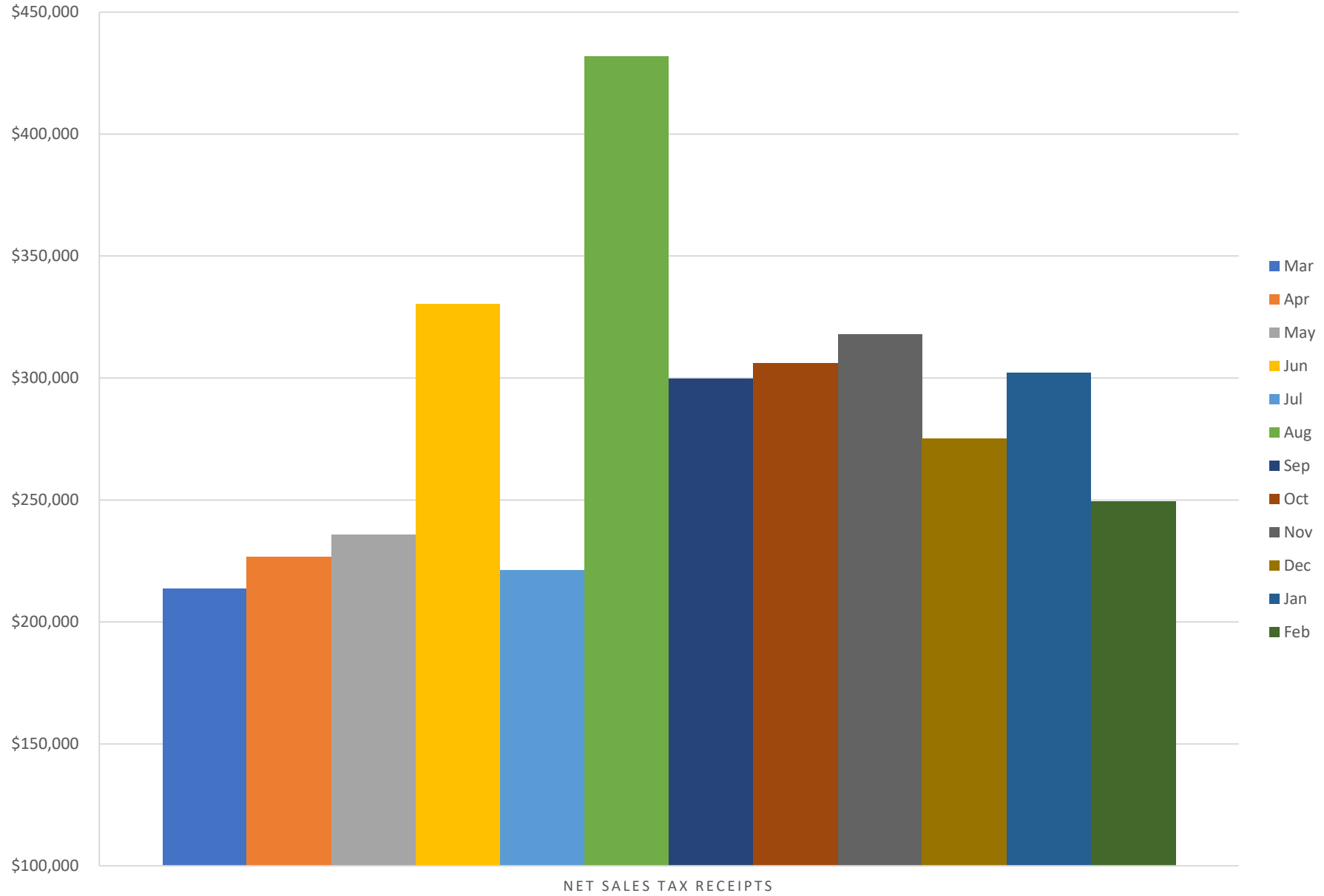
City of Hermantown

Select Departmental and Funds Expenditure Actual to Original Budget Report

		TARGET (Q1 2021)	ACTUAL (Q1 2021)	PERCENT UNDER (OVER)
Administration & Finance		164,720	145,149	12%
Community Development		63,427	42,483	33%
Police Administration		745,856	609,121	18%
Fire Administration		130,290	129,000	1%
Street Dept. (Incl. Gen Eng)		188,322	148,559	21%
Parks		32,303	19,793	39%
Capital Equipment Transfer		85,750	-	100%
Facilities		83,423	72,555	13%
Other		77,960	72,554	7%
General Fund Expenditure Total		1,572,050	1,239,213	21%
Water		517,134	308,132	40%
Sewer		417,433	180,987	57%
Stormwater		119,965	6,352	95%
Sales Tax Revenue		498,333	551,584	11%

Sales tax Revenue is two months actual and budget

HERMANTOWN SALES TAX MAR 2020-FEB 2021



CITY OF HERMANTOWN
CITY COUNCIL MEETING
April 5, 2021
6:30 p.m.

MEETING CONDUCTED IN PERSON & VIA ZOOM

Pledge of Allegiance

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

CITY STAFF: John Mulder, City Administrator; Bonnie Engseth, City Clerk; Eric Johnson; Community Development Director; Joe Wicklund, Communications Director; Steve Overom, City Attorney

ABSENT:

VISITORS: 2

ANNOUNCEMENTS

Councilor Peterson congratulated the Proctor-Hermantown Mirage on winning the State Championship.

PUBLIC HEARING

COMMUNICATIONS

Communications 21-43 through and including 21-49 were read and placed on file.

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 March 15, 2021 City Council Continuation Minutes & March 29, 2021 Work Session Minutes
- B. Approve general city warrants from March 16, 2021 through March 31, 2021 in the amount of \$343,904.53

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

MOTIONS

ORDINANCES

2021-01 An Ordinance Amending Chapter 5, Alcoholic Beverages, Of The Hermantown City Code By Amending Section 520, License Fees

Second Reading

Motion made by Councilor Peterson, seconded by Councilor Hauschild to adopt Ordinance 2021-01, An Ordinance Amending Chapter 5, Alcoholic Beverages, Of The Hermantown City Code By Amending Section 520, License Fees. Roll Call: Councilors Geissler, Hauschild, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

2021-02 An Ordinance Amending Chapter 3, Public Property, Of The Hermantown City Code By Amending Section 350, Accepted And Opened Streets And Roads

Second Reading

Motion made by Councilor Nelson, seconded by Councilor Geissler to adopt Ordinance 2021-02, An Ordinance Amending Chapter 3, Public Property, Of The Hermantown City Code By Amending Section 350, Accepted And Opened Streets And Roads. Roll Call: Councilors Geissler, Hauschild, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

RESOLUTIONS

2021-41 Resolution Approving The Purchase Of Wetland Credits Associated With The Keene Creek Park Trail Project

Motion made by Councilor Peterson, seconded by Councilor Hauschild to adopt Resolution 2021-41, Resolution Approving The Purchase Of Wetland Credits Associated With The Keene Creek Park Trail Project. Roll Call: Councilors Geissler, Hauschild, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

2021-42 Resolution Approving A Special Use Permit For The Grading And Filling Within A Shoreland Overlay Zoning District

Motion made by Councilor Hauschild, seconded by Councilor Nelson to adopt Resolution 2021-42, Resolution Approving A Special Use Permit For The Grading And Filling Within A Shoreland Overlay Zoning District. Roll Call: Councilors Geissler, Hauschild, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

2021-43 Resolution Approving The Environmental Covenant And Easement

Motion made by Councilor Nelson, seconded by Councilor Geissler to adopt Resolution 2021-43, Resolution Approving The Environmental Covenant And Easement. Roll Call: Councilors Geissler, Hauschild, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

2021-44 Resolution Receiving Bids And Recommending The Award Of The Contract For St. Louis County Project No. CP 0056-284469/SP 069-656-018 Reclaim & Overlay With Utility Improvements On Morris Thomas Road In The Amount Of \$175,195.00

Motion made by Councilor Geissler, seconded by Councilor Peterson to adopt Resolution 2021-44, Resolution Receiving Bids And Recommending The Award Of The Contract For St. Louis County Project No. CP 0056-284469/SP 069-656-018 Reclaim & Overlay With Utility Improvements On Morris Thomas Road In The Amount Of \$175,195.00. Roll Call: Councilors Geissler, Hauschild, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

2021-45 Resolution Receiving Bids And Awarding Contract For Keene Creek Park Trail In The Amount Of \$286,778.53

Motion made by Councilor Peterson, seconded by Councilor Hauschild to adopt Resolution 2021-45, Resolution Receiving Bids And Awarding Contract For Keene Creek Park Trail In The Amount Of \$286,778.53. Roll Call: Councilors Geissler, Hauschild, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

2021-46 Resolution Approving Application For New License For Charitable Gambling By Hermantown Amateur Hockey Association For McKenzie's Bar & Grill

Motion made by Councilor Peterson, seconded by Councilor Geissler to adopt Resolution 2021-46, Resolution Approving Application For New License For Charitable Gambling By Hermantown Amateur Hockey Association For McKenzie's Bar & Grill. Roll Call: Councilors Geissler, Hauschild, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

2021-47 Resolution Approving Change Order Number 5 For Sewer Improvement District No. 448

Motion made by Councilor Nelson, seconded by Councilor Hauschild to adopt Resolution 2021-47, Resolution Approving Change Order Number 5 For Sewer Improvement District No. 448. Roll Call: Councilors Geissler, Hauschild, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

2021-48 Resolution Approving The 2021 Speed & Aggressive Driving Enforcement Grant Between The City Of Duluth & City Of Hermantown

Motion made by Councilor Geissler, seconded by Councilor Nelson to adopt Resolution 2021-48, Resolution Approving The 2021 Speed & Aggressive Driving Enforcement Grant Between The City Of Duluth & City Of Hermantown. Roll Call: Councilors Geissler, Hauschild, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

2021-49 Resolution Proclaiming April 8, 2021 As Proctor-Hermantown Mirage State Champions Day In Hermantown

Motion made by Councilor Peterson, seconded by Councilor Nelson to adopt Resolution 2021-49, Resolution Proclaiming April 8, 2021 As Proctor-Hermantown Mirage State Champions Day In Hermantown. Roll Call: Councilors Geissler, Hauschild, Nelson, Peterson, Mayor Boucher, aye. Motion carried.

Motion made by Councilor Nelson, seconded by Councilor Peterson to close the regular meeting of the Hermantown City Council at 6:56 p.m. and go into a closed session pursuant to the following statute and stated reason: MN Statutes Section 13D.05 subd 3(a) to discuss the City Administrator's performance evaluation. Motion carried.

Motion made by Councilor Peterson, seconded by Councilor Nelson to re-convene into open session. Motion carried.

Motion made by Councilor Geissler, seconded by Councilor Hauschild to recess the meeting at 8:34 p.m. Motion carried.

Mayor

ATTEST:

Clerk

CITY OF HERMANTOWN

CHECKS #67228-#67256

04/01/2021-04/15/2021

PAYROLL CHECKS

Electronic Checks - #70930-70968 69,648.61

LIABILITY CHECKS

Electronic Checks - #70925-70929 \$54,814.30

PAYROLL EXPENSE TOTAL \$124,462.91

ACCOUNTS PAYABLE

Checks - #67228-67256 \$213,019.86

Electronic Payments -#99878-#99881 \$54,866.54

ACCOUNTS PAYABLE TOTAL \$267,886.40

TOTAL \$392,349.31

CITY OF HERMANTOWN, MN 04/01/2021-04/15/2021
 Check # is between 67228 and 67256 or Check # is between -99881 and -99878

4/13/2021

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Fund	Account	Department	Vendor Name	Description	Amount	Check #
602	494900	Sewer Administration and General	FURTHER ELECTRONIC PAYMENTS	2nd Qtr VEBA 2021	837.50	-99881
602	494500	Sewer Maintenance	FURTHER ELECTRONIC PAYMENTS	2nd Qtr VEBA 2021	1,687.50	-99881
260	456101	Cable	FURTHER ELECTRONIC PAYMENTS	2nd Qtr VEBA 2021	37.50	-99881
101	419901	City Hall & Police Building Maintenance	FURTHER ELECTRONIC PAYMENTS	2nd Qtr VEBA 2021	552.50	-99881
603	441100	Storm Water	FURTHER ELECTRONIC PAYMENTS	2nd Qtr VEBA 2021	2,006.25	-99881
101	452200	Community Building	FURTHER ELECTRONIC PAYMENTS	2nd Qtr VEBA 2021	85.00	-99881
101	414100	Elections	FURTHER ELECTRONIC PAYMENTS	2nd Qtr VEBA 2021	18.75	-99881
101	421100	Police Administration	FURTHER ELECTRONIC PAYMENTS	2nd Qtr VEBA 2021	20,425.00	-99881
601	494300	Water Distribution	FURTHER ELECTRONIC PAYMENTS	2nd Qtr VEBA 2021	2,875.00	-99881
101	424100	Building Inspection	FURTHER ELECTRONIC PAYMENTS	2nd Qtr VEBA 2021	1,437.50	-99881
101	431100	Street Department	FURTHER ELECTRONIC PAYMENTS	2nd Qtr VEBA 2021	3,787.50	-99881
101	419100	Community Development	FURTHER ELECTRONIC PAYMENTS	2nd Qtr VEBA 2021	1,250.00	-99881
101	422901	Firehall #1 Maple Grove Road	FURTHER ELECTRONIC PAYMENTS	2nd Qtr VEBA 2021	170.00	-99881
230	465100	HEDA	FURTHER ELECTRONIC PAYMENTS	2nd Qtr VEBA 2021	193.75	-99881
101	431901	City Garage	FURTHER ELECTRONIC PAYMENTS	2nd Qtr VEBA 2021	230.00	-99881
101	490100	Cemetery	FURTHER ELECTRONIC PAYMENTS	2nd Qtr VEBA 2021	25.00	-99881
101	415300	Administration & Finance	FURTHER ELECTRONIC PAYMENTS	2nd Qtr VEBA 2021	4,156.25	-99881
101	452100	Parks	FURTHER ELECTRONIC PAYMENTS	2nd Qtr VEBA 2021	250.00	-99881
601	494400	Water Administration and General	FURTHER ELECTRONIC PAYMENTS	2nd Qtr VEBA 2021	1,250.00	-99881
101	421100	Police Administration	FIRST BANKCARD	Ross First Bankcard Feb	560.70	-99880
101	431100	Street Department	FIRST BANKCARD	Bjonskaas First Bankcard Feb	39.00	-99880
101	415300	Administration & Finance	FIRST BANKCARD	Orme First Bankcard Feb	9.74	-99880
101	419901	City Hall & Police Building Maintenance	FIRST BANKCARD	Vatne First Bankcard Feb	30.00	-99880
101	421100	Police Administration	FIRST BANKCARD	Crace First Bankcard Feb	49.99	-99880
101	421100	Police Administration	FIRST BANKCARD	Dwyer First Bankcard Feb	480.00	-99880
101	421100	Police Administration	FIRST BANKCARD	Esterbrooks First Bankcard Feb	195.95	-99880
101	421100	Police Administration	FIRST BANKCARD	Ross First Bankcard Feb	12.94	-99880
101	421100	Police Administration	FIRST BANKCARD	Enright First Bankcard Feb	5.00	-99880
101	421100	Police Administration	FIRST BANKCARD	Knapp First Bankcard Feb	73.88	-99880
602	494900	Sewer Administration and General	FIRST BANKCARD	Orme First Bankcard Feb	3.25	-99880
101	431100	Street Department	FIRST BANKCARD	Senst First Bankcard Feb	109.98	-99880
101	421100	Police Administration	FIRST BANKCARD	Esterbrooks First Bankcard Feb	117.08	-99880
101	421100	Police Administration	FIRST BANKCARD	Mischke First Bankcard Feb	2.28	-99880
101	421100	Police Administration	FIRST BANKCARD	Williams First Bankcard Feb	650.00	-99880
101	424100	Building Inspection	FIRST BANKCARD	Orme First Bankcard Feb	665.00	-99880
101	421100	Police Administration	FIRST BANKCARD	Ross First Bankcard Feb	177.14	-99880
101	431100	Street Department	FIRST BANKCARD	Senst First Bankcard Feb	636.08	-99880
601	494400	Water Administration and General	FIRST BANKCARD	Orme First Bankcard Feb	3.25	-99880

Fund	Account	Department	Vendor Name	Description	Amount	Check #
101	421100	Police Administration	FIRST BANKCARD	Ross First Bankcard Feb	299.60	-99880
101	415300	Administration & Finance	FIRST BANKCARD	Mulder First Bankcard Feb	117.24	-99880
101	415300	Administration & Finance	FIRST BANKCARD	Orme First Bankcard Feb	51.00	-99880
601	494300	Water Distribution	FIRST BANKCARD	Senst First Bankcard Feb	350.00	-99880
101	431100	Street Department	FIRST BANKCARD	Senst First Bankcard Feb	636.08	-99880
101	421100	Police Administration	FIRST BANKCARD	Crace First Bankcard Feb	31.90	-99880
101	421100	Police Administration	FIRST BANKCARD	Battaglia First Bankcard Feb	284.24	-99880
101	421100	Police Administration	FIRST BANKCARD	Mar First Bankcard Crace	59.98	-99879
101	419901	City Hall & Police Building Maintenance	FIRST BANKCARD	Mar First Bankcard Vatne	189.99	-99879
603	441100	Storm Water	FIRST BANKCARD	Mar First Bankcard Senst	250.00	-99879
603	441100	Storm Water	FIRST BANKCARD	Mar First Bankcard Bjonskaas	238.87	-99879
101	421100	Police Administration	FIRST BANKCARD	Mar First Bankcard Pfeiffer	145.00	-99879
602	494900	Sewer Administration and General	FIRST BANKCARD	Mar First Bankcard Orme	3.25	-99879
101	421100	Police Administration	FIRST BANKCARD	Mar First Bankcard Pernu	150.00	-99879
101	421100	Police Administration	FIRST BANKCARD	Mar First Bankcard Salo	75.00	-99879
101	421100	Police Administration	FIRST BANKCARD	Mar First Bankcard Enright	2.50	-99879
101	421100	Police Administration	FIRST BANKCARD	Mar First Bankcard Dwyer	131.55	-99879
101	421100	Police Administration	FIRST BANKCARD	Mar First Bankcard Pfeiffer	15.70	-99879
101	421100	Police Administration	FIRST BANKCARD	Mar First Bankcard Crace	720.00	-99879
101	421100	Police Administration	FIRST BANKCARD	Mar First Bankcard Volk	75.00	-99879
101	421100	Police Administration	FIRST BANKCARD	Mar First Bankcard Gunderson	75.00	-99879
101	421100	Police Administration	FIRST BANKCARD	Mar First Bankcard Ross	39.00	-99879
101	421100	Police Administration	FIRST BANKCARD	Mar First Bankcard Pernu	70.00	-99879
101	421100	Police Administration	FIRST BANKCARD	Mar First Bankcard Williams	427.00	-99879
101	415300	Administration & Finance	FIRST BANKCARD	Mar First Bankcard Orme	345.00	-99879
101	422901	Firehall #1 Maple Grove Road	FIRST BANKCARD	Mar First Bankcard Vatne	16.61	-99879
101	421100	Police Administration	FIRST BANKCARD	Mar First Bankcard Crace	539.67	-99879
101	421100	Police Administration	FIRST BANKCARD	Mar First Bankcard Marsolek	75.00	-99879
101	421100	Police Administration	FIRST BANKCARD	Mar First Bankcard Knapp	179.21	-99879
101	415300	Administration & Finance	FIRST BANKCARD	Mar First Bankcard Mulder	445.00	-99879
101	419901	City Hall & Police Building Maintenance	FIRST BANKCARD	Mar First Bankcard Vatne	16.60	-99879
101	431100	Street Department	FIRST BANKCARD	Mar First Bankcard Senst	275.00	-99879
101	431100	Street Department	FIRST BANKCARD	Mar First Bankcard Senst	325.47	-99879
601	494300	Water Distribution	FIRST BANKCARD	Mar First Bankcard Senst	250.00	-99879
101	421100	Police Administration	FIRST BANKCARD	Mar First Bankcard Dwyer	299.00	-99879
101	421100	Police Administration	FIRST BANKCARD	Mar First Bankcard Crace	892.36	-99879
101	415300	Administration & Finance	FIRST BANKCARD	Mar First Bankcard Orme	25.98	-99879
601	494300	Water Distribution	FIRST BANKCARD	Mar First Bankcard Senst	49.00	-99879

CITY OF HERMANTOWN, MN 04/01/2021-04/15/2021
 Check # is between 67228 and 67256 or Check # is between -99881 and -99878

4/13/2021

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Fund	Account	Department	Vendor Name	Description	Amount	Check #
101	421100	Police Administration	FIRST BANKCARD	Mar First Bankcard Dwyer	52.85	-99879
101	415300	Administration & Finance	FIRST BANKCARD	Mar First Bankcard Mulder	90.00	-99879
101	421100	Police Administration	FIRST BANKCARD	Mar First Bankcard Johnson	695.00	-99879
101	452100	Parks	FIRST BANKCARD	Mar First Bankcard Senst	325.48	-99879
601	494300	Water Distribution	FIRST BANKCARD	Mar First Bankcard Bjonskaas	238.88	-99879
601	494400	Water Administration and General	FIRST BANKCARD	Mar First Bankcard Orme	3.25	-99879
101	415300	Administration & Finance	FIRST BANKCARD	Mar First Bankcard Orme	9.74	-99879
101	217450	Employee Flexplan	FURTHER ELECTRONIC PAYMENTS	Claim Reimbursement - Electron	183.28	-99878
101	452100	Parks	AALCO ATHLETIC EQUIPMENT	Batting Cages Rose Rd & Fichtn	13,600.00	67228
101	421100	Police Administration	ARROWHEAD AUTO BODY	Repair 2014 Dodge Charger	571.00	67229
101	421100	Police Administration	BCD CONSULTING GROUP, LLP	Sergeant in-basket exercise	1,125.00	67230
101	431901	City Garage	BORDER STATES ELECTRIC SUPPLY	Light Parts	6.06	67231
601	494300	Water Distribution	CENTRAL PENSION FUND	Training Per Contract	42.80	67232
602	494500	Sewer Maintenance	CENTRAL PENSION FUND	Training Per Contract	42.80	67232
101	431100	Street Department	CENTRAL PENSION FUND	Training Per Contract	42.80	67232
101	422903	Firehall #3 Midway Road	CENTURYLINK	Internet FH #3	79.98	67233
101	431901	City Garage	CINTAS CORPORATION	Supplies	29.75	67234
101	419901	City Hall & Police Building Maintenance	CINTAS CORPORATION	Mats at CH	8.88	67234
101	431100	Street Department	CINTAS CORPORATION	Uniforms	10.80	67234
101	431901	City Garage	CINTAS CORPORATION	Mats at PW	20.58	67234
101	431100	Street Department	CINTAS CORPORATION	Uniforms	26.42	67234
101	419901	City Hall & Police Building Maintenance	CINTAS CORPORATION	Mats at FD/PD	30.72	67234
601	494300	Water Distribution	CORE & MAIN LP	Chargers for H2O meter reader	157.51	67235
101	419100	Community Development	CW TECHNOLOGY GROUP INC	CW Care April	275.08	67236
101	415300	Administration & Finance	CW TECHNOLOGY GROUP INC	KnowB4Subscription	121.60	67236
101	415300	Administration & Finance	CW TECHNOLOGY GROUP INC	CW Care April	549.77	67236
101	424100	Building Inspection	CW TECHNOLOGY GROUP INC	CW Care April	91.83	67236
101	415300	Administration & Finance	CW TECHNOLOGY GROUP INC	Foxit Phantom PDF Lic -Sarah	125.99	67236
101	415300	Administration & Finance	CW TECHNOLOGY GROUP INC	Quarterly Mailfilter Apr-Jun21	24.11	67236
101	413100	Mayor	CW TECHNOLOGY GROUP INC	CW Care April	91.83	67236
101	413100	Mayor	CW TECHNOLOGY GROUP INC	KnowB4Subscription	20.27	67236
101	431100	Street Department	CW TECHNOLOGY GROUP INC	CW Care April	366.51	67236
101	413100	Mayor	CW TECHNOLOGY GROUP INC	Quarterly Mailfilter Apr-Jun21	4.02	67236
101	419100	Community Development	CW TECHNOLOGY GROUP INC	Quarterly Mailfilter Apr-Jun21	12.06	67236
101	419100	Community Development	CW TECHNOLOGY GROUP INC	KnowB4Subscription	60.80	67236
101	411100	Council	CW TECHNOLOGY GROUP INC	Quarterly Mailfilter Apr-Jun21	16.07	67236
101	415300	Administration & Finance	CW TECHNOLOGY GROUP INC	Backup Protect Cloud	558.00	67236
101	421100	Police Administration	CW TECHNOLOGY GROUP INC	CW Care April	2,015.82	67236

CITY OF HERMANTOWN, MN 04/01/2021-04/15/2021
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4/13/2021

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Fund	Account	Department	Vendor Name	Description	Amount	Check #
101	421100	Police Administration	CW TECHNOLOGY GROUP INC	Quarterly Mailfilter Apr-Jun21	72.33	67236
603	441100	Storm Water	CW TECHNOLOGY GROUP INC	Foxit Phantom PDF Lic -Sarah	14.40	67236
101	424100	Building Inspection	CW TECHNOLOGY GROUP INC	Quarterly Mailfilter Apr-Jun21	4.02	67236
101	421100	Police Administration	CW TECHNOLOGY GROUP INC	KnowB4Subscription	364.82	67236
602	494900	Sewer Administration and General	CW TECHNOLOGY GROUP INC	KnowB4Subscription	60.80	67236
101	411100	Council	CW TECHNOLOGY GROUP INC	KnowB4Subscription	81.07	67236
101	431100	Street Department	CW TECHNOLOGY GROUP INC	Quarterly Mailfilter Apr-Jun21	16.07	67236
101	421100	Police Administration	CW TECHNOLOGY GROUP INC	CWCare WorkstationDiskEncrypt	24.00	67236
275	452200	Community Building	CW TECHNOLOGY GROUP INC	EWC -CW Care - April	880.00	67236
602	494900	Sewer Administration and General	CW TECHNOLOGY GROUP INC	Foxit Phantom PDF Lic -Sarah	14.40	67236
602	494900	Sewer Administration and General	CW TECHNOLOGY GROUP INC	CW Care April	275.08	67236
101	431100	Street Department	CW TECHNOLOGY GROUP INC	KnowB4Subscription	81.07	67236
101	424100	Building Inspection	CW TECHNOLOGY GROUP INC	KnowB4Subscription	20.27	67236
601	494400	Water Administration and General	CW TECHNOLOGY GROUP INC	Foxit Phantom PDF Lic -Sarah	25.20	67236
601	494400	Water Administration and General	CW TECHNOLOGY GROUP INC	KnowB4Subscription	60.80	67236
601	494400	Water Administration and General	CW TECHNOLOGY GROUP INC	Quarterly Mailfilter Apr-Jun21	12.06	67236
601	494400	Water Administration and General	CW TECHNOLOGY GROUP INC	CW Care April	275.08	67236
602	494900	Sewer Administration and General	CW TECHNOLOGY GROUP INC	Quarterly Mailfilter Apr-Jun21	12.06	67236
101	419901	City Hall & Police Building Maintenance	DALCO	Restroom Supplies CH	48.42	67237
101	421100	Police Administration	DVS RENEWAL	7 yr Plate Replacement due	5.00	67238
101	421100	Police Administration	DVS RENEWAL	BJZ200 Vehicle Registration	14.25	67238
601	494300	Water Distribution	FERGUSON WATERWORKS #2516	8" Valve/Fittings Haines/Arrow	3,069.14	67239
101	431100	Street Department	H & L MESABI	Face Plate Grader Gravel Teeth	450.00	67240
101	422100	Fire Administration	HERMANTOWN VOLUNTEER FIRE DEPT	Quarterly Fire Protect Qtr2 21	130,290.00	67241
101	422100	Fire Administration	HERMANTOWN VOLUNTEER FIRE DEPT	Short Paid 1st qtr	1,290.00	67241
601	494400	Water Administration and General	MEDIACOM	Internet PW	41.38	67242
275	452200	Community Building	MEDIACOM	EWC - Line for Elevator	183.81	67242
275	452200	Community Building	MEDIACOM	EWC - Internet	354.90	67242
602	494900	Sewer Administration and General	MEDIACOM	Internet PW	62.07	67242
101	431100	Street Department	MEDIACOM	Internet PW	103.45	67242
601	494400	Water Administration and General	MEDIACOM	Phone PW	9.03	67242
602	494900	Sewer Administration and General	MEDIACOM	Phone PW	13.55	67242
101	431100	Street Department	MEDIACOM	Phone PW	22.57	67242
101	431901	City Garage	MENARD INC	Lights for Shop	56.95	67243
101	431100	Street Department	MENARD INC	Hammers for Weld Shop	65.94	67243
101	431100	Street Department	MENARD INC	Soap/Cleaning Supplies Pw	12.98	67243
101	421100	Police Administration	MENARD INC	Soap/Cleaning Supplies PD	14.29	67243
101	421100	Police Administration	METRO SALES INC	Copier Lease	335.83	67244

CITY OF HERMANTOWN, MN 04/01/2021-04/15/2021
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4/13/2021

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Fund	Account	Department	Vendor Name	Description	Amount	Check #
602	494900	Sewer Administration and General	MN ENERGY RESOURCES CORP	Natural Gas Lightning Dr	152.13	67245
101	431901	City Garage	MN ENERGY RESOURCES CORP	Natural Gas old CH	53.38	67245
601	494400	Water Administration and General	MN ENERGY RESOURCES CORP	Natural Gas Lightning Dr	243.41	67245
101	431901	City Garage	MN ENERGY RESOURCES CORP	Natural Gas Lightning Dr	212.98	67245
101	452200	Community Building	MN ENERGY RESOURCES CORP	Natural Gas old CH	480.44	67245
101	431100	Street Department	NORTHERN ENGINE & SUPPLY INC	Tailgate Tie Rod Ends for F550	40.92	67246
101	431100	Street Department	NORTHERN STATES SUPPLY INC	Drill Bits	245.28	67247
101	431901	City Garage	NORTHERN STATES SUPPLY INC	Safety Glasses	111.00	67247
101	431130	City Engineer	NORTHLAND CONSULTING ENGINEERS L.L.P.	Four Square, PreAgenda,Council	1,105.00	67248
240	432510	Trunk Sewer Construction	NORTHLAND CONSULTING ENGINEERS L.L.P.	Hermantown Trunk Sewer Spur Se	585.00	67248
101	431130	City Engineer	NORTHLAND CONSULTING ENGINEERS L.L.P.	PO 2325 LRIP Applications	910.00	67248
101	419100	Community Development	NORTHLAND CONSULTING ENGINEERS L.L.P.	PO 2318 SLC Mtg	260.00	67248
412	419100	Community Development	NORTHLAND CONSULTING ENGINEERS L.L.P.	Keene Creek Trail	885.00	67248
475	431150	Street Improvements	NORTHLAND CONSULTING ENGINEERS L.L.P.	Lavaque Junction Rd Reconstruc	3,280.00	67248
101	431130	City Engineer	NORTHLAND CONSULTING ENGINEERS L.L.P.	PO 2313 MSA	260.00	67248
402	431150	Street Improvements	NORTHLAND CONSULTING ENGINEERS L.L.P.	Ugstad Rd - SP 202-101-014	1,105.00	67248
101	419100	Community Development	NORTHLAND CONSULTING ENGINEERS L.L.P.	PO 2323 John Stauber	260.00	67248
101	419100	Community Development	NORTHLAND CONSULTING ENGINEERS L.L.P.	PO 2320 Accurate Auto	390.00	67248
101	431100	Street Department	PRO TIRE	Skid Steer Trailer Tires	443.16	67249
101	431100	Street Department	SAM'S CLUB DIRECT	Bath Tissue PW	22.98	67250
101	414100	Elections	ST LOUIS COUNTY AUDITOR	2020 Disk Programming	315.00	67251
101	414100	Elections	ST LOUIS COUNTY AUDITOR	Automark Machine Maintenance	435.00	67251
402	431150	Street Improvements	ST LOUIS COUNTY RECORDERS OFFICE	SUP Sundby/Swan Lake Rd Improv	46.00	67252
101	422902	Firehall #2 Morris Thomas Road	SUPERIOR FUEL COMPANY	Propane FH #2	805.66	67253
101	431100	Street Department	TELCOLOGIX	April Maintenance	16.75	67254
101	422901	Firehall #1 Maple Grove Road	TELCOLOGIX	April Maintenance	70.35	67254
101	419901	City Hall & Police Building Maintenance	TELCOLOGIX	April Maintenance	237.85	67254
101	452200	Community Building	TELCOLOGIX	April Maintenance	10.05	67254
101	415300	Administration & Finance	TOSHIBA FINANCIAL SERVICES	Copier Lease Toshiba	145.57	67255
602	494500	Sewer Maintenance	WLSSD	2020 Adjustment	-1,587.00	67256
602	494500	Sewer Maintenance	WLSSD	Wastewater Charges	42,613.00	67256

Totals: 183 records printed

267,886.40

TO: Mayor & City Council
FROM: John Mulder, City Administrator
DATE: April 13, 2021
SUBJECT: Ordinance – Speed Limits



Meeting Date: 4/19/21
Agenda Item: 11-A
Ordinance: 2021-03

REQUESTED ACTION
First reading of Ordinance

BACKGROUND

In 2019, the State of MN gave Cities the authority to set speed limits other than the limit set by the State. The process to change speed limits requires the City to conduct some kind of study to warrant the change, and not simply based on individual or neighborhood requests.

In the design process of the reconstruction Lavaque Junction Road, David Bolf, the City Engineer, recommended a design that necessitated reducing the speed from the typical standard of 30 miles per hour (MPH) to 25 MPH. This was done based on engineering standards related to installing a water line and the slope of the hill on a bedrock formation.

The City will undoubtedly receive requests for reduced speed limits on other streets. The recommendation for Lavaque Junction Road is based solely on the engineering standards and the constructability of that specific road with its existing conditions.

SOURCE OF FUNDS (if applicable)

ATTACHMENTS

Ordinance No. 2021-03

The City Council of the City of Hermantown does ordain:

**AN ORDINANCE AMENDING HERMANTOWN
CODE OF ORDINANCES BY ADDING A NEW SECTION 850, SPEED LIMITS**

Section 1. Purpose and Intent. The purpose and intent of this Ordinance is to establish rules and regulations pertaining to speed limits in urban and residential areas to support the City's traffic goals of zero deaths and severe injuries caused by speeding ensuring the safety of the City's residents and visitors in consistent, understandable, reasonable, and appropriate manner.

Section 2. Addition to Chapter 8. Chapter 8, Traffic Regulations, of the City of Hermantown Code of Ordinances is hereby amended by adding a new Section 850, Speed Limits, to read as shown on Exhibit A attached hereto.

Section 3. Amendment to be Inserted in Code. After the amendment made by this ordinance becomes effective, it shall be inserted in the appropriate place in the Hermantown City Code.

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

Dated: _____

Mayor

Attest:

City Clerk

Adopted: _____

Published: _____

Effective Date: _____

EXHIBIT A

Section 850 – Speed Limits

850.1 Purpose. It is the goal of the City of Hermantown to ensure the safety and well-being of its residents and visitors by establishing rules and regulations pertaining to speed limits in residential and urban areas.

850.2 State Traffic Laws Adopted. Except as otherwise specifically provided in this Code, the current and future statutory provisions of Minnesota Statutes § 169.14 describing and defining regulations with respect to vehicles and traffic, exclusive of any provisions therein relating to penalties to be imposed and exclusive of any regulations for which the statutory penalty is a term of imprisonment, are adopted and by reference made a part of this Code as if fully set forth herein. Any act required to be performed or prohibited by any current or future statute incorporated herein by reference is required or prohibited by this Section. Any future additions, amendments, revisions or modification of the current or future statutes incorporated herein or of Minnesota Statutes § 169.14 are intended to be made part of this Code in order to secure uniform statewide regulation of traffic on the highways, streets and alleys of the State.

850.3 Authority to Set Speed Limits. The City Council may establish speed limits for City streets under the City's jurisdiction in accordance with the provisions set forth at Minn. Statutes § 169.14. The procedures relied upon to set speed limits pursuant to this Section shall be kept by the City Clerk and updated as needed.

850.4 Posting of Speed Limits. Any speed limit established by the City Council pursuant to Section 850.3 shall be effective when appropriate signs giving notice thereof are erected on such street.

850.5 Particular Speed Limits Designated. No person shall operate any motor vehicle at speeds in excess on the following speed limits on the roads in the City of Hermantown, to wit:

850.5.1 Twenty-five (25) miles per hour speed zone:

850.5.1.1 Lavaque Junction Road beginning at Lavaque Road intersection and ending at Ugstad Road intersection.

850.6 Violation. It shall be unlawful and, unless otherwise declared in this Section 850 with respect to particular offenses, and it shall be a petty misdemeanor for any person to do any act forbidden or fail to perform any act required in this Section 850.

850.6.1 Administrative Penalties. Administrative penalties in the amounts as determined from time to time by resolution of the City Council or City ordinance and set forth in the City's Fine Schedule shall be imposed on the driver of the vehicle cited by the Hermantown Police Department for violations of this Section 850 of the Hermantown Code.

850.6.1 Misdemeanor Prosecution. Nothing in this section shall prohibit the City from seeking prosecution as a misdemeanor for any alleged violation of this section in addition to any administrative penalty, suspension or revocation.

850.6.1 Continued Violation. Each violation, and every day that violation occurs or continues, shall constitute a separate offense.

850.6.1 Failure to Pay. A failure to pay an administrative penalty imposed by operation of this Section 850 within the time limit set for the payment of such fine shall be grounds for the suspension of the licensee's license until the administrative penalty is paid.

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



DATE: April 14, 2021 **Meeting Date:** 4/19/21

SUBJECT: Broadband Policy **Agenda Item: 12-A** **Resolution 2021-50**

REQUESTED ACTION

Approve a policy in the city handbook regarding the City's role in broadband expansion.

BACKGROUND

The immediate goal of this policy is to provide the legal and political base to consider and approve a grant to Mediacom for its proposed broadband expansion in the Midway Road area of the City. The second goal of this policy is to create a task force to study the broadband issues in the city and figure out a way to address the issues. The grant amounts and criteria can and will be changed as the result of the activities of the task force, but we need them in order to do the grant to Mediacom.

With the passage of the American Rescue Act which will provide some additional one-time revenue from the Federal Government, staff is recommending that the City use a significant portion of that money to advance the City Council's priority of improved internet.

Tasks of the Task Force are identified in Section 2.2 and include:

- Inventory existing broadband infrastructure.
- Inventory existing broadband providers.
- Identify areas within the City of Hermantown that are underserved or unserved by broadband.
- Create a strategy for providing broadband service to underserved or unserved areas of the City of Hermantown.
- Subject to the approval by the City Council, apply for and accept grants to provide funds to enable it to perform its duties. Any grant agreement must be approved by the City Council.
- Make recommendations for modifications to the Grant Program described in Section 4 hereof that are needed from time-to-time.

It is intended that this task force would remain in place until December 31, 2024.

SOURCE OF FUNDS (if applicable)

ATTACHMENTS

Proposed Policy

Resolution No. 2021-50

**RESOLUTION APPROVING AN ADDITION TO THE CITY
HANDBOOK – BROADBAND POLICY**

WHEREAS, the State of Minnesota has established broadband goals for the State; and

WHEREAS, the Hermantown City Council has identified the expansion of broadband and improved internet as a City Council priority; and

WHEREAS, the City Council wishes to establish a Broadband Task Force to inventory existing broadband infrastructure and providers and create a strategy for providing broadband to areas that are unserved and underserved; and

WHEREAS, the City Council wishes to provide grants to providers to improve service in those unserved and underserved areas; and

WHEREAS, City Staff has prepared a written policy to establish a Broadband Task Force to create a strategy and make recommendations; and

WHEREAS, the proposed policy also provides a grant program to improve broadband services.

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

1. The City Council approves the Broadband Policy as shown on Exhibit A.

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 April 19, 2021.

EXHIBIT A

Handbook for the City of Hermantown		
X Policy Resolution 2021-xx		Procedure
Date Adopted	Title: City of Hermantown Broadband Policy	Section: General Government
Revision Dates:		Page: 1 of 4

1. **Introduction.** The City of Hermantown recognizes that the State of Minnesota has by Minnesota Statutes § 237.012, a copy of which is attached hereto, established broadband goals for the State of Minnesota (“Broadband Goals”). The City Council of the City of Hermantown desires to assist the State in reaching the Broadband Goals by:

1.1. Providing grants to assist with broadband infrastructure acquisition and installation costs.

1.2. By creating a Hermantown Broadband Task Force to inventory existing broadband infrastructure and existing broadband providers in Hermantown, identify areas within the City of Hermantown that are underserved or unserved by broadband and create a strategy for providing broadband service to underserved and unserved areas.

2. Broadband Task Force

2.1. Creation.

2.1.1. **Task Force Creation and Duration.** A Hermantown Broadband Task Force is hereby created. The term of the Broadband Task Force shall end on December 31, 2024, unless the term is extended by resolution of the Hermantown City Council.

2.1.2. **Membership.** The Broadband Task Force shall consist of seven (7) members. The members must live within the City of Hermantown. Members shall be appointed by the Council following nomination by the Mayor, provided that at least one (1) City Councilor or Mayor shall be a member of the Broadband Task Force. The City Councilor or Mayor member of the Broadband Task Force shall have the right to vote. The City Councilor or Mayor member shall be appointed by the Mayor. A Chairperson and the Secretary of the Broadband Task Force shall be chosen from and by the Broadband Task Force annually to serve for one year. Members, other than the City Councilor or Mayor member, may be removed by a majority vote of the City Council. The City Council may remove any member, other than the City Councilor or Mayor member, for good cause. For purposes of this section, “good cause” shall include failure to regularly attend meetings of the Broadband Task Force or the failure to live in the City of Hermantown.

2.1.3. **Terms.** Members of the Broadband Task Force, except a City Councilor or Mayor, shall be appointed for a term expiring on December 31, 2024. Any vacancy occurring in the membership of the Broadband Task Force, other than a City Councilor or Mayor member, shall be filled, for the unexpired term only, by the City Council upon the nomination of the Mayor. The terms of the City Councilor or Mayor member shall be until his/her successor is appointed or his/her term as City Councilor or Mayor expires, whichever is shorter.

EXHIBIT A

Handbook for the City of Hermantown		
X Policy Resolution 2021-xx		Procedure
Date Adopted	Title: City of Hermantown Broadband Policy	Section: General Government
Revision Dates:		Page: 1 of 4

2.1.4. **Compensation.** Members of the Broadband Task Force shall serve without pay. Mileage and expenses shall be reimbursed according to existing City of Hermantown policy.

2.1.5. **Legal Counsel.** The City Attorney shall act as the legal adviser to the Broadband Task Force.

2.1.6. **Meetings.** All meetings of the Broadband Task Force shall be open to the public, unless any meeting or portion thereof may be closed pursuant to the Minnesota Open Meeting Law, as it may be amended from time to time. The Broadband Task Force shall make available to the public attending the meeting any materials required by law. The Broadband Task Force shall make and keep minutes of its meetings identifying the time, location, and members present. The Broadband Task Force shall make and keep records of any votes or decisions or any other official actions.

2.1.7. **Quorum.** No action of the Broadband Task Force may be taken without a quorum. For purposes of this section, “quorum” shall mean a majority of the members of the Broadband Task Force.

2.1.8. **Rules and Procedures.** The Broadband Task Force shall adopt rules and procedures for the conduct of business, and amend such rules and procedures, as it becomes necessary.

2.1.9. **Reports/Applicable Law.** The Broadband Task Force shall submit an annual report to the City Council in December, detailing the Broadband Task Force’s activities. In exercising its authority, the Broadband Task Force shall proceed in accordance with applicable Hermantown Ordinances, State or Federal Law.

2.2. **Jurisdiction and Duties.** The Broadband Task Force shall be charged with the following duties:

2.2.1. Inventory existing broadband infrastructure.

2.2.2. Inventory existing broadband providers.

2.2.3. Identify areas within the City of Hermantown that are underserved or unserved by broadband.

2.2.4. Create a strategy for providing broadband service to underserved or unserved areas of the City of Hermantown.

EXHIBIT A

Handbook for the City of Hermantown		
X Policy Resolution 2021-xx		Procedure
Date Adopted	Title: City of Hermantown Broadband Policy	Section: General Government
Revision Dates:		Page: 1 of 4

2.2.5. Subject to the approval by the City Council, apply for and accept grants to provide funds to enable it to perform its duties. Any grant agreement must be approved by the City Council.

2.2.6. Make recommendations for modifications to the Grant Program described in Section 4 hereof that are needed from time-to-time.

3. **Funding.** The City Council hereby creates the Broadband Task Force Account within the City of Hermantown and hereby transfers Fifty Thousand and No/100 Dollars (\$50,000.00) to such account for use by the Broadband Task Force in performing its duties. All expenditures from the Broadband Task Force Account are subject to all rules governing expenditures by the City of Hermantown and are subject to approval by the City Council.

4. **Grant Program.**

4.1. **Authority.** The City of Hermantown is authorized by Minnesota Statutes § 412.221, Subd. 32, to provide benefits for residents, trade and commerce and pursuant to Minnesota Statutes § 412.221, enter into such contracts as may be deemed necessary if desirable to provide such benefits.

4.2. **Grant Program.** The City of Hermantown shall provide broadband infrastructure grants in the amount up to Forty Thousand and No/100 Dollars (\$40,000.00) (“Hermantown Broadband Grants”) per applicant. Notwithstanding the foregoing, the maximum number of grants provided by the City of Hermantown under this Section 4 shall not exceed five (5) and the aggregate amount of grants provided by the City of Hermantown under this Section 4 shall not exceed Two Hundred Thousand and No/100 Dollars (\$200,000.00).

4.3. **Purpose and Intent.** The purpose and intent of the Hermantown Broadband Grants is to provide funds to be used as a match required to obtain a Border to the Border Broadband Development Grant (“State Grant”) from the Department of Employment and Economic Development’s office of Broadband Development for the construction of broadband infrastructure within the City of Hermantown.

4.4. **Maximum Grant.** The maximum Grant to a provider receiving a Grant is limited to Two Hundred and No/100 Dollars (\$200.00) per person who is able to be served by the infrastructure constructed with the proceeds of the Grant up to a maximum Forty thousand and no/100 Dollars (\$40,000.00)

4.5. **Distribution.** The Hermantown Broadband Grants will be distributed after the project funded by the State Grant is fully completed.

4.6. **Grant Recipient Requirements.** The Grant recipient must demonstrate that it has the financial and technical capability to construct the Project to be funded with the State Grant

EXHIBIT A

Handbook for the City of Hermantown		
X Policy Resolution 2021-xx		Procedure
Date Adopted	Title: City of Hermantown Broadband Policy	Section: General Government
Revision Dates:		Page: 1 of 4

and provide the internet service to the individuals or businesses who will be able to be served by the broadband infrastructure.

- 4.7. **Grant Agreement.** The Hermantown Broadband Grant recipient will enter into a Grant Agreement with respect to the Hermantown Broadband Grant that includes provisions required by law and that incorporates the required terms of this policy.
- 4.8. **Amendment.** This Grant Program may be amended from time-to-time to reflect the needs and resources available in and to the City of Hermantown from time-to-time.

237.012 BROADBAND GOALS.

Subdivision 1. Universal access and high-speed goal.

It is a state goal that:

(1) no later than 2022, all Minnesota businesses and homes have access to high-speed broadband that provides minimum download speeds of at least 25 megabits per second and minimum upload speeds of at least three megabits per second; and

(2) no later than 2026, all Minnesota businesses and homes have access to at least one provider of broadband with download speeds of at least 100 megabits per second and upload speeds of at least 20 megabits per second.

Subd. 2. State broadband leadership position.

It is a goal of the state that by 2022 and thereafter, the state be in:

(1) the top five states of the United States for broadband speed universally accessible to residents and businesses;

(2) the top five states for broadband access; and

(3) the top 15 when compared to countries globally for broadband penetration.

Subd. 3.

[Repealed, [2013 c 85 art 3 s 28](#)]

History:

[2010 c 277 s 1](#); [2016 c 189 art 5 s 9](#)

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



DATE: April 14, 2021 **Meeting Date:** 4/19/21

SUBJECT: Road Improvement Program **Agenda Item: 12-B** **Resolution 2021-51**
Special Assessments Policy

REQUESTED ACTION

Approve an amended policy in the city handbook regarding special assessments for the Road Improvement Program.

BACKGROUND

On July 1, 2019, the City Council adopted a Special Assessment Policy for the Road Improvement Program. As we have looked at this, we have identified some additional information that was needed to exempt certain properties from the assessments. Those exemptions are listed and marked in Section 8. 3. We are proposing that the following three types of property be exempt from the assessments:

- **Subdivision Outlots:** When land is platted, there may be instances where a certain parcel is identified as an outlot. This means that this lot is not considered buildable at the time of the plat approval. There may be several reasons why a lot is considered an outlot. Quite often it is considered unbuildable given the terrain or the presence of wetlands.
- **Tax Forfeited land:** It is recommended to exempt tax forfeited land, as there is not a taxpayer to pay the assessment.
- **Land Owned by the City:** We are recommending that City owned land be exempt from the assessment. The City pays a large portion of the road improvement program costs through other sources of revenue. Exempting the city owned parcels reduces the paperwork, and then does not put a lien on the property.

There are a number of each of these types of parcels in the Road Improvement Project for 2022 (Ugstad Road)

SOURCE OF FUNDS (if applicable)

ATTACHMENTS

Handbook Section

Resolution No. 2021-51

**RESOLUTION APPROVING AN AMENDMENT TO THE CITY HANDBOOK REGARDING
RESIDENTIAL ROAD IMPROVEMENT PROGRAM SPECIAL ASSESSMENT POLICY**

WHEREAS, the Hermantown City Council adopting Resolution 2019-106 approving a residential road improvement program special assessment policy on July 1, 2019; and

WHEREAS, City staff have reviewed the policy and have made recommendations to amend the policy; and

WHEREAS, the City Council has considered this matter and believes that it is in the best interests of the City of Hermantown to approve the amended residential road improvement program special assessment policy and authorize the use by Hermantown Administrative staff.

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

1. The City Council approves and amended “Residential Road Improvement Program Special Assessment Policy” as shown on Exhibit A.

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 April 19, 2021.

EXHIBIT A

Handbook for the City of Hermantown		
X Policy Resolution 2019-106		Procedure
Date Adopted 7/1/19	Title: Road Improvement Program Special Assessment Policy	Section: Public Works
Revision Dates:		Page: 1 of 6

1.0 Purpose and Intent Statement

The purpose of this Special Assessment Policy is to set forth the policies and procedures outlined in accordance with Minnesota Statutes, Chapter 429 for the determination of special benefit and the assessment of cost of the various residential street improvements as part of the City’s Road Improvement Program which are constructed and installed by the City of Hermantown pursuant to law or order of the City Council. These policies should serve as a guideline for the City Council, City Staff, and the general public.

The City recognizes that city streets have a finite design life. The purpose and intent of these policies is to ensure consistent, uniform, fair, and equitable treatment when practical to all property owners in regards to the assessment of costs for special benefits to property from the City’s Road Improvement Plan.

2.0 Scope and Limits

- A. This policy will be limited to the City’s Road Improvement Plan when assessments are used as one of the methods to finance the improvements. This policy is not intended for the new street construction as part of new development and/or subdivision. This policy does not apply to water and sewer improvements even if those improvements may involve street reconstruction.
- B. The City Council reserves the right to vary from these policies if the policies act to create obvious inequities, or where the assignment of special benefit to a particular property is difficult because of an extreme or unusual situation, or if it is deemed to be in the best interest of the City.
- C. The Council may deviate from these policies if there is a written developer’s agreement between the developer and the City that specifies how the cost of public improvements are to be paid.

3.0 Definitions

Definitions adopted in Minnesota Statute 429.011 shall be applicable under this Policy.

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4.0 Project Initiation and Hearing Process

This section describes the initiation of improvement projects and the procedures to be followed to receive final City Council action, pursuant to the requirements of Minnesota Statutes Chapter 429.

4.1 Project Initiation

- A. By Council Action: If the Council determines that an improvement is in the best interest of the City, it can, without petition, initiate the improvement with a four-fifths vote of the Council (per chapter 429). The City of Hermantown five-member council requires a four-fifths vote of all of the members of the City Council for approval.

Generally, initiation will be based upon an inspection of City street conditions conducted by The City Engineer and City Staff. The result of the evaluation shall then be used by the City Administration to determine the priority of street improvements in the City’s Five Year Capital Improvement Plan (CIP). The City will typically improve streets that have the highest priority first. However, circumstances may exist which would require deviation from this objective.

- B. By Petition: Citizen petition forms for initiating a street improvement will be provided by City staff upon request by property owner(s). Such petitions circulated by the affected property owners shall bear the signatures of property owners of not less than 35% of the affected frontage as measured on a lineal footage basis.

When projects are initiated through this process, the costs of doing engineering feasibility studies and associated project consideration costs may be required to be paid by the property owner(s) so petitioning. A deposit may be required of the petitioners prior to commencement of the study to cover the costs of same if construction does not proceed. If the project proceeds through construction and assessment, those costs will be considered project costs and any deposit made would be credited accordingly to the depositors.

The City may also, upon resolution of the City Council, determine to have the City pay the costs of feasibility studies and project consideration costs.

4.2 Neighborhood Meeting and Hearing Process

- A. Neighborhood Meeting: After the City Council initiates the project or a valid petition is filed and its adequacy determined, the City Engineer will prepare a Preliminary Feasibility Report. If it is determined necessary, Staff may hold a neighborhood meeting with the owners of the properties who would be benefited by the improvement. The purpose of the neighborhood meeting would be to gather information and feedback

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from residents that may not have been included in the feasibility report, or to answer any questions specific to the project or possible assessments.

- B. Improvement Hearing: After reviewing the feasibility report, a public improvement hearing will be scheduled, notice will be published, and persons benefited by the project will be notified in writing in accordance with applicable State Statutes.

If after the improvement hearing, at which all persons are heard, the Council feels that the project is feasible, then the Council may authorize the preparation of necessary plans and specifications. Upon receipt and acceptance of those plans, the Council will authorize the advertisement for bids for the construction of the project. Following award of a contract, construction of the improvement will commence.

- C. Assessment Hearing: After the project is completed, a determination of the final costs will be calculated and the City will commence the assessment process. The purpose of the second hearing, commonly known as the assessment hearing, is to give property owners an opportunity to express concerns about the actual special assessment to be imposed on his/her property.

At least once, and at least two weeks, before the assessment hearing, the city must publish notice of the hearing in the City’s official newspaper. At least two weeks before the hearing the city must also mail notice of the hearing to each affected property owner.

At the assessment hearing the council shall hear and consider all objections to the proposed assessment, whether presented orally or in writing. The Council has some flexibility before it adopts the assessment roll and may change, or amend, the proposed assessment as to any parcel. The Council must, by resolution, adopt the same as the special assessment against the lands named in the assessment roll. Once the assessment roll is adopted the assessments are set and become liens against the properties listed.

The City also has in place policies and procedures for considering objections to assessments as established by Resolution No. 82-52.

The assessment process must be completed before November 30 each year in order for the assessments to be certified by St Louis County to be payable with the real estate taxes for the succeeding year.

5.0 Financing

- A. The Council shall establish an interest rate of 4% to be paid on unpaid balances that may be necessary to cover bond administration, principal, and interest payments.

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6.0 Term of the Assessment

- A. The term of the assessments shall be determined by the Council for each project. Consideration shall be given to the size of the project, amount of the assessment per parcel, and any other financial factors in determining the length of the assessment terms. In no circumstances will the term be for less than 10 years.

- B. The City will only consider authorized deferred assessments as outlined in Minnesota Statute, Sections 435.193 to 435.195. Deferred assessments are allowed by Statute for the following cause:
 - I. Homesteads of a senior citizen (a person at least 65 years of age) for whom it would be a hardship to make payments on the assessment,
 - II. A person who is retired by virtue of permanent or total disability and for whom it would be hardship to make payments on the assessment.

 - III. A member of the Minnesota National Guard or military reserves ordered into active military service, as defined by Minnesota Statutes § 190.05, Subd, 5b and 5c, as stated in the person’s military orders for whom it would be a hardship to make the payments.

The process and application for deferred assessments is set forth in Hermantown Resolution 2010-99.

7.0 Eligible Costs

Where an improvement is constructed, which is of special benefit to properties within the project area, it is the intent of the City Council that special assessments be levied against the properties receiving the special benefit within that area to the extent of the special benefit.

In the event that city staff has questions as to whether or not the proposed assessments meet the special benefits to the properties in question, the City Council may, at its discretion, order benefit appraisals as deemed necessary to support the proposed assessments.

The City Council shall determine the total cost of the improvements in accordance with Minnesota Statutes, Chapter 429 and as stated below:

- A. The final construction costs;

- B. The cost of labor and materials furnished by the City if not contained in contract costs;

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- C. The cost of engineering, legal, fiscal, and administrative services provided by City staff or other parties;
- D. The cost of acquiring property or right-of-way required by the improvement;
- E. Interest cost incurred by the City between the time money is borrowed for the improvements and special assessments are levied for collection; and
- F. Any other costs which in the opinion of the City Council should be included as part of the total project cost.

8.0 Methods of Assessment

8.1 Per Lot Method

The City will utilize a “per lot” assessment methodology when it appears to result in more equitable treatment of affected properties with similar characteristics in a project area. This amount will be uniform across the project and provide a portion of the costs. The per lot assessment for the first five (5) years of the City’s Road Improvement Program will be \$9,750.

8.2 Residents special specific requests

If residents make a special specific request for an improvement that specifically benefits he/her/their individual property, then the resident will be assessed for the entire cost, including engineering costs of the specific request.

8.3 Exemptions:

Under certain circumstances, individual parcels may be exempt from the assessment, including:

- 8.3.1 parcels labeled as outlots on subdivision plat
- 8.3.2 Tax forfeited land
- 8.3.3 Land owned by the City

9.0 Minimum Standards for Public Improvements

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The following standards are established by the City to provide a uniform guide for improvements within the City. These standards shall be consistent with past practice whenever practical and in accordance with all required local, state, and/or federal guidelines. The minimum standards must also be in accordance with the City's Subdivision Ordinance and follow the guidelines outlined in the Standard Specifications and Construction Requirements Manual prepared by MSA Professional Services, June 2005.

9.1 Surface Improvements

- A.** Surface improvements shall normally include all improvements visible on or above the ground within the right-of-way or on City owned property and include, but not limited to, streets, sidewalks, alleys, trails, public parking lots, trees, signage, parks, and playgrounds.

- B.** Prior to construction or completion of surface improvements, and where applicable, all utilities and utility service lines shall be installed to all planned service locations such as residences or buildings.

- C.** Reconstructed streets, sidewalks and trails will be reconstructed to the existing width and class whenever feasible. Deviations to this will be considered by petition of residents or under advisement from the City Engineer and Public Works Superintendent.

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



DATE: April 14, 2021 **Meeting Date:** 4/19/21

SUBJECT: Trunk Sewer Spur & Munger Trail Spur – Sanitary Sewer Improvement District No. 448 **Agenda Item: 12-C** **Resolution 2021-52**

REQUESTED ACTION

Approve Change Order #6 to have Utility Systems of America construct a sewer stub to accommodate a future sewer connection from Oak Ridge Drive as part of the Trunk Sewer Spur and Munger Trail Spur Project – Sanitary Sewer Improvement District No. 448.

BACKGROUND

Change Order #6 is necessary due to planning for a future connection from Oak Ridge Drive. This future sewer would allow the lift station at the east end of Oak Ridge Drive to be eliminated and also allow for added development flows in the area.

Work will include a 30' 8" PVC stub to be capped. Pipe will need to be cored and booted into MH-216. Existing trail base will be impacted and need to be restored per plan. Work includes all time, materials, and equipment to construct and the sewer stub. Work shall be constructed to City of Hermantown Construction Standards.

NCE has reviewed the estimated costs and recommends approval of the Change Order amount of **\$4,500.00**. I recommend this Change Order be approved in the amount noted at the April 19, 2021 City Council Meeting.

SOURCE OF FUNDS (if applicable)

Grant/Sales Tax

ATTACHMENTS

Change Order #6

Resolution No. 2021-52

RESOLUTION APPROVING CHANGE ORDER NUMBER 6 FOR SEWER IMPROVEMENT DISTRICT NO. 448

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 submitted Change Order No. 6 for:

1. Construct sanitary sewer stub out of MH-216 to service future Oak Ridge Drive Sewer Extension Construction.

Work will include a 30’ 8” PVC stub to be capped. Pipe will need to be cored and booted into MH-216. Existing trail base will be impacted and need to be restored per plan. Work includes all time, materials, and equipment to construct and the sewer stub. Work shall be constructed to City of Hermantown Construction Standards.

Lump Sum Price (assuming no bedrock encountered) \$4,500.00

WHEREAS, Utility Systems of America, Inc. has recommended such Change Order No. 6, and;

WHEREAS, Northland Consulting Engineers LLP has approved such Change Order No. 6.

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

1. Change Order No. 6 is hereby approved.

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 April 5, 2021.

Date of Issuance: 4/13/21	Effective Date:
Owner: City of Hermantown	Owner's Contract No.: 16-808
Contractor: Utility Systems of America	Contractor's Project No.:
Engineer: Northland Consulting Engineers	Engineer's Project No.: 16-808
Project: Hermantown Trunk Sewer Spur & Munger Trail Spur	SSID: 448

The Contract is modified as follows upon execution of this Change Order:

Description:

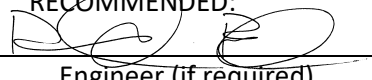
Construct sanitary sewer stub out of MH-216 to service future Oak Ridge Drive Sewer Extension Construction

Work will include a 30' 8" PVC stub to be capped. Pipe will need to be cored and booted into MH-216. Existing trail base will be impacted and need to be restored per plan. Work includes all time, materials, and equipment to construct and the sewer stub. Work shall be constructed to City of Hermantown Construction Standards.

Lump Sum Price (assuming no bedrock encountered) \$4,500.00

Attachments: 1) *Email Thread with USA's Jim Pucel, Project Manager.*

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIMES
Original Contract Price: \$ 4,209,784.30	
Increase from previously approved Change Orders: \$ 176,883.57	No change in contract time associated with this change order.
Contract Price prior to this Change Order: \$ 4,386,667.87	
Increase of this Change Order: \$ 4,500.00	
Contract Price incorporating this Change Order: \$ 4,391,167.87	

By: <u></u> Engineer (if required)	By: _____ Owner (Authorized)	By: _____ Contractor (Authorized Signature)
Title: City Engineer	Title: _____	Title: _____
Date: 4/13/21	Date: _____	Date: _____

CH-Bonnie Engseth

From: Utility Systems Inc. <usainc@mchsi.com>
Sent: Friday, April 9, 2021 1:27 PM
To: Adam Zwak
Subject: Re: Oak Ridge Drive Stub

Adam,

Our quote to complete the stub without any rock is \$4,500.00 Lump Sum.

If we have to remove any rock – our lump sum quote for the stub and the rock removal is \$10,000.00.

FYI, Adam did walk the project earlier this week and inspected the SWPPP. I requested a copy of the inspection report and will email it to you once received.

Jim Pucel

From: Adam Zwak
Sent: Thursday, April 8, 2021 4:32 PM
To: Utility Systems of America Inc.
Cc: David Bolf
Subject: FW: Oak Ridge Drive Stub

Hi Jim,

Couple things for you:

Checking in on the Oak Ridge Change Order. We are looking for it tomorrow per previous email. I reviewed the CB shop yesterday so I know you're working on it, but just a reminder.

Did Adam or someone from USA make it on site this week to inspect the SWPPP bmps following the rain events this week? These should be completed every 7 days or following a 0.5" event. Please send your inspection reports following each inspection moving forward so we can track it moving forward.

Keep us updated on your tentative construction schedule and when you plan to be on site.

Thanks,

Adam Zwak, P.E. – Partner
Northland Consulting Engineers, LLP
102 South 21st Avenue West, Suite 1
Duluth, MN 55806
adam@nce-duluth.com
(218) 727-5995 (office)
(218) 348-0910 (cell)



From: Adam Zwak
Sent: Tuesday, March 30, 2021 10:35 AM
To: Utility Systems of America Inc. <usainc@mchsi.com>
Cc: David Bolf <david@nce-duluth.com>; Paul Senst - City of Hermantown (psenst@hermantownmn.com) <psenst@hermantownmn.com>
Subject: Oak Ridge Drive Stub

Hi Jim,

Please see attached plan for a stub to be constructed for a future main extension to tie into the trunk sewer.

Work will include a 30' 8" PVC stub to be capped. Pipe will need to be cored and booted into MH-216. Existing trail based will be impacted and need to be restored per plan. Please review the sketch and provide a price to complete this work.

Let me know if you have any questions. Feel free to give me or Dave a call. Goal will be to get this on the April 19th CC meeting agenda which means we need a price by April 9th.

Thanks,

Adam Zwak, P.E. – Partner
Northland Consulting Engineers, LLP
102 South 21st Avenue West, Suite 1
Duluth, MN 55806
adam@nce-duluth.com
(218) 727-5995 (office)
(218) 348-0910 (cell)



Resolution No. 2021-53

**RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF
\$4,035,000 GENERAL OBLIGATION IMPROVEMENT AND REFUNDING
BONDS, SERIES 2021A, AND AWARDING THE SALE THEREOF**

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

Section 1. Bond Purpose, Authorization and Award.

1.01 Prior Bonds; Projects.

A. Pursuant to Minnesota Statutes, Sections 115.45 and 444.075 and Chapters 429 and 475, the Issuer:

(i) previously issued \$3,155,000 General Obligation Improvement Bonds, Series 2012A, dated September 27, 2012 (the “2012 Bonds”) of which \$2,175,000 in stated principal amount of the 2012 Bonds (the “Refunded Bonds”) is subject to redemption and prepayment on May 25, 2021 (the “Redemption Date”); and

(ii) is authorized to issue its general obligation bonds for the purpose of providing funds for financing a portion of the costs of local public improvements, including improvements to the 2021 Lavaque Junction Road improvements (said improvements described herein are referred to as the “2021 Project”).

B. The 2012 Bonds were issued for the purpose of financing a portion of the costs of construction of (i) the Project 442 Sewer, Miller Trunk Water, and Lavaque Sewer projects; (ii) expenses incurred by the Issuer related to the issuance of the 2012 Bonds; and (iii) a portion of the interest cost of the 2012 Bonds (the “2012 Project”).

C. The portion of the Bonds to be used to finance the 2021 Project, along with a *pro rata* portion of the costs of issuance of the Bonds is referred to herein as the “Improvement Portion.” The portion of the Bonds to be used to refund the 2012 Bonds, along with a *pro rata* portion of the costs of issuance of the Bonds is referred to herein as the “Refunding Portion.”

1.02 Authority.

A. Under and pursuant to the provisions of Minnesota Statutes, Section 475.67, the Issuer is authorized to issue and sell its general obligation bonds to refund the Refunded Bonds on a current refunding basis, if consistent with covenants made with the holders thereof, when determined by the Issuer to be necessary or desirable for the reduction of debt service cost to the Issuer.

B. Under and pursuant to the provisions of Minnesota Statutes, Chapters 429 and 475, the Issuer is authorized to issue and sell its general obligation bonds to finance the Improvement Project. Work on the Project shall proceed with due diligence to completion. The Issuer covenants that it shall do all things and perform all acts required of it to assure that work on the Project proceeds with due diligence to completion and that any and all permits and studies required under law for the Project are obtained. The Improvement Project is ordered as required by Minnesota Statutes, Section 429.091, Subdivision 1.

1.03 Findings.

A. The City Council determines that it is necessary, expedient and in the best interest of the Issuer's residents in order to reduce debt service costs to the Issuer, that the Issuer issue, sell and deliver its \$4,035,000 General Obligation Improvement and Refunding Bonds, Series 2021A (the "Bonds"), to refund the Refunded Bonds and finance the Improvement Project.

B. The principal of and interest on the Bonds shall be paid primarily from (i) with respect to the Improvement Portion, special assessments levied or to be levied against property specially benefitted by the Improvement Project (the "2021 Special Assessments"), revenues of the sanitary sewer utility in excess of claims duly approved and allowed for payment of expenses which, under generally accepted accounting principles, constitute normal, reasonable, and current expenses of operating and maintaining the utility, and to maintain such reasonable reserves for such expenses as the City Council shall determine to be necessary from time to time (the "Sewer Net Revenues"), revenues of the water utility in excess of claims duly approved and allowed for payment of expenses which, under generally accepted accounting principles, constitute normal, reasonable, and current expenses of operating and maintaining the utility, and to maintain such reasonable reserves for such expenses as the City Council shall determine to be necessary from time to time (the "Water Net Revenues"); (ii) with respect to the Refunding Portion, special assessments levied or to be levied against property specially benefitted by the 2012 Project (the "2012 Special Assessments and together with the 2021 Special Assessments, the "Special Assessments"), and with respect to the LaVaque Sewer improvements, Sewer Net Revenues and (iii) ad valorem taxes hereinafter levied (the "Taxes," and along with the Sewer Net Revenues, Water Net Revenues and Special Assessments, the "Pledged Revenues.").

1.04 Municipal Advisor. The Issuer has retained the services of Ehlers & Associates, Inc., as its municipal advisor.

1.05 Award of Sale. The Issuer has received an offer from _____ of _____, _____ (the "Purchaser"), to purchase the Bonds at a cash price of \$_____, upon the terms and conditions hereafter specified in this Resolution. The City Council, after due consideration, finds such offer reasonable and proper and the offer of the Purchaser is accepted. The Mayor and the City Clerk are authorized and directed to execute on the part of the Issuer a contract for the sale of the Bonds in accordance with the Purchaser's proposal, and to acknowledge receipt of the security given for the proposal, if any.

Section 2. Terms of the Bonds.

2.01 Date, Maturities and Interest Rates.

A. The Bonds to be issued hereunder shall be issued as fully-registered bonds designated "\$4,035,000 General Obligation Improvement and Refunding Bonds, Series 2021A," dated the date of closing and delivery, as the date of original issue, issued in the denominations of \$5,000, or any integral multiple thereof, in fully registered form and lettered and numbered R-1 and upward.

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

Year	Improvement Portion	Refunding Portion	Total	Interest Rate

2.02 Interest Payment Dates; Record Date.

A. The Bonds shall bear interest at the annual rates stated therefor in Section 2.01. The interest shall be payable semiannually on February 1 and August 1 in each year (each referred to herein as an “Interest Payment Date”) commencing on February 1, 2022. Interest will be computed upon the basis of a 360-day year of twelve, 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

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

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

2.03 Redemption.

A. The Bonds maturing on and prior to February 1, 2030, shall not be subject to redemption before maturity, but those maturing on and after such date and in subsequent years shall each be subject to redemption and prepayment at the option of the Issuer on February 1, 2030, and on any day thereafter, in whole or in part and by lot as to the Bonds maturing in the same year, at a price equal to the principal amount thereof plus accrued interest to the redemption date.

B. The Bonds maturing on February 1 in the years 20___, 20___ and 20___ shall be subject to mandatory redemption prior to maturity pursuant to the requirements of this section at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Bond Registrar, as designated below, shall select for redemption, by lot or other manner deemed fair, on February 1 in each of the following years the following stated principal amounts:

For Bonds maturing on February 1, 20___:

Year	Principal Amount

For Bonds maturing on February 1, 20___:

Year	Principal Amount

For Bonds maturing on February 1, 20___:

Year	Principal Amount

C. In the event of mandatory redemption described above, notice thereof identifying the portion of the Bonds to be redeemed will be given by the Bond Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) not more than 60 and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond or portion thereof to be redeemed at the address shown on the registration books kept by the Bond Registrar; provided however, that so long as the Bonds are registered in the name of Cede & Co., notice of redemption shall be given in accordance with the terms of the Representation Letter. Failure to give notice by mail to any registered owner, or any defect therein, will not affect the validity of any proceeding for the redemption of Bonds not affected by such defect or failure. Bonds or portion thereof so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

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

Section 3. Registration; Global Book-Entry System.

3.01 Designation of Bond Registrar. The City Council appoints Bond Trust Services Corporation, as registrar, authenticating agent and transfer agent for the Bonds (such entity or its successors is herein referred to as the "Bond Registrar"), and shall do so until a successor Bond Registrar is duly

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

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

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

3.04 Bond Register; Transfer; Exchange.

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

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

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

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

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

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

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

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

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

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

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

(iv) in the event that (a) the Depository shall resign or discontinue its services for the Bonds or be declared no longer able to carry out its functions and the Issuer is unable to locate a Substitute Depository within two months following the resignation or discontinuance or determination of noneligibility, or (b) the Issuer determines in its sole discretion that (1) the continuation of the book-entry system described herein might adversely affect the interests of the beneficial owners of the Bonds, or (2) it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, then the Issuer shall notify the Holders of its determination and of the availability of replacement Bonds to Holders. The Issuer, the Bond Registrar and the Depository shall cooperate in providing Replacement Bonds to Holders requesting the same and the registration, transfer and exchange of such Bonds shall thereafter be conducted as provided in Section 3 of this Resolution.

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

3.05 Persons Deemed Owners; Payment.

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

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

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

3.06 Use of Global Book-Entry System.

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

B. All of the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest on and principal of any Bond registered in the name of Cede & Co. shall be made by wire transfer or New York Clearing House or equivalent same day funds by 10:00 a.m. CT or as soon as possible thereafter following the Bond Registrar's receipt of funds from the Issuer on each Interest Payment Date to the account of Cede & Co. on each Interest Payment Date at the address indicated in or pursuant to the Representation Letter.

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

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

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

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

Section 4. Form of the Bonds.

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

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

CITY OF HERMANTOWN
GENERAL OBLIGATION IMPROVEMENT AND REFUNDING
BOND, SERIES 2021A

R-__ \$_____

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
____%	February 1, 20__	May 6, 2021	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

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

above, and to pay interest thereon from the date of original issue set forth above, or from the most recent Interest Payment Date (defined below) to which interest has been paid or duly provided for, until the principal amount is paid, said interest being at the rate per annum specified above. Interest is payable semiannually on February 1 and August 1 of each year (each referred to herein as an “Interest Payment Date”) commencing on February 1, 2022, at the rate per annum specified above, calculated on the basis of a 360 day year of twelve, 30-day months, until the principal amount is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue hereof set forth above.

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

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

Redemption. The Bonds maturing on and prior to February 1, 2030, shall not be subject to redemption before maturity, but those maturing on and after such date are each subject to redemption and prepayment at the option of the Issuer on February 1, 2030, and on any day thereafter, in whole or in part, and if in part at the option of the Issuer and in such manner as the Issuer shall determine and by lot as to Bonds maturing in the same year, at a price of par plus accrued interest to the date of redemption.

Mandatory Redemption. The Bonds maturing in the years 20___, 20___ and 20___ shall be subject to mandatory redemption prior to maturity pursuant to the requirements of the Resolution at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium.

Notice of and Selection of Bonds for Redemption. Not less than 30 nor more than 60 days prior to the date fixed for redemption and prepayment of any Bonds, notice of redemption shall be mailed to each registered owner of a Bond to be redeemed; provided, however, that so long as the Bonds are registered in the name of Cede & Co., as nominee for The Depository Trust Company, Jersey City, New Jersey (“DTC”), notice of redemption shall be given in accordance with the terms of the Blanket Issuer Letter of Representations which has been executed by the Issuer (the “Representation Letter”).

If less than all the Bonds of a maturity are called for redemption while the Bonds are registered in the name of Cede & Co., the Issuer or the Bond Registrar designated below will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed. If less than all the Bonds of a maturity are called for redemption and the Bonds are not registered in the name of Cede & Co., the Bond Registrar will determine by lot or other manner deemed fair, the amount of each maturity to be redeemed. All prepayments shall be at a price equal to the principal amount thereof plus accrued interest. If any Bond is redeemed in part, upon surrender of the Bond being redeemed, the Issuer shall deliver or cause to be delivered to the registered owner of such Bond, a Bond in like form in the principal amount equal to that portion of the Bond so surrendered not being redeemed.

Issuance; Purpose. This Bond is one of a series issued by the Issuer in the total aggregate amount of \$4,035,000, all of like original issue date and tenor, except as to number, maturity date, redemption privilege, denomination and interest rate, pursuant to: (i) the authority contained in Minnesota Statutes, Sections 115.46 and 444.075 and Chapters 429 and 475; (ii) the Constitution of the State of Minnesota and all other laws thereunto enabling; and (iii) an authorizing resolution adopted by the governing body of the Issuer on April 19, 2021 (the “Resolution”), and is issued for the purpose of providing money to refund the outstanding principal amount of certain general obligation bonds of the Issuer and finance certain assessable local improvement projects. The Bonds are payable primarily from net revenues (the “Net Revenues”) to be derived from operation of the Issuer’s sanitary sewer and water utilities in excess of normal, reasonable and current costs of the operation and maintenance of said utilities (the “Utilities”); special assessments (the “Special Assessments”) and ad valorem taxes (the “Taxes”), which Net Revenues, Special Assessments and Taxes are sufficient to pay the interest on and principal of the Bonds as the same become due and payable. The Issuer has covenanted and agreed in the Resolution that it will impose and collect just and equitable charges for all use and for the availability of all facilities of the Utilities at the times and in the amounts required to pay the normal, reasonable and current expenses of operating and maintaining said Utilities, and also to produce Net Revenues which, along with the Special Assessments, and Taxes will be at least adequate at all times to pay the principal and interest due on the Bonds. Reference is made to the Resolution for a full statement of rights and powers thereby conferred.

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

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

Registration; Transfer. This Bond shall be registered in the name of the payee on the books of the Issuer by presenting this Bond for registration to the Bond Registrar, whose representative will endorse his or her name and note the date of registration opposite the name of the payee in the Registration Certificate attached hereto. Thereafter this Bond may be transferred by delivery with an assignment duly executed by the Holder or the Holder's legal representative, and the Issuer and Bond Registrar may treat the Holder as the person exclusively entitled to exercise all the rights and powers of an owner until this Bond is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted hereon by the Bond Registrar, all subject to the terms and conditions provided in the Resolution and the Representation Letter and to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar. Thereupon the Issuer shall execute (if required by law or the Resolution) and the Bond Registrar shall authenticate (if required by law or the Resolution) and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee, of an authorized denomination, in an aggregate principal amount equal to the principal amount of this Bond, of the same maturity, and bearing interest at the same rate.

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

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

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until either (i) the Bond Registrar's Authentication Certificate hereon shall have been executed by the Bond

Registrar by one of its authorized representatives or (ii) the Bond has been manually executed by at least one officer of the governing body of the Issuer.

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

IT IS CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the Issuer enforceable in accordance with its terms, have been done, have happened and have been performed in regular and due form, time and manner as so required; that, if necessary for payment of principal of and interest on the Bonds of this issue, ad valorem taxes may be levied upon all taxable property in the Issuer without limitation as to rate or amount; and that the issuance of this Bond on the date of original issue hereof and the date of its actual original issuance and delivery, does not exceed any charter, constitutional or statutory limitation of indebtedness.

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

ATTEST:

(form-no signature needed) _____
City Clerk

(form-no signature needed) _____
Mayor

Date of Authentication: _____

BOND REGISTRAR’S AUTHENTICATION CERTIFICATE

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

BOND TRUST SERVICES CORPORATION
Bond Registrar

By _____
Authorized Representative

REGISTRATION CERTIFICATE

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

<u>Date</u>	<u>Registered Owner</u>	<u>Signature of Bond Registrar</u>
5/6/2021	Cede & Co. c/o The Depository Trust Company 570 Washington Blvd. Jersey City, NJ 07310 Federal Taxpayer I.D. No. 13-2555119	_____

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

_____ Social Security or Other
_____ Identifying Number of Assignee

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

Dated: _____

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

Signature Guaranteed:

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

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

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

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

Section 5. Covenants, Accounts and Tax Levies.

5.01 Covenants.

A. *Covenants Related to the Improvement Portion.* It is determined that the Improvement Project benefits abutting property, and the Issuer further covenants with the holders from time to time of the Bonds as follows:

(i) The Issuer has caused the special assessments (the “Special Assessments”) for the 2021 Project and 2012 Project to be promptly levied and will take all steps necessary to assure prompt collection of the Special Assessments.

(ii) The Issuer will keep complete and accurate books and records showing: receipts and disbursements in connection with the Improvement Project and Special Assessments levied therefor and other funds appropriated for their payment, collections and disbursements thereof, moneys on hand and the balance of unpaid Special Assessments.

(iii) The Issuer will cause its books and records to be audited and will furnish copies of such audit reports to any interested person upon request.

(iv) The City Council covenants and agrees with the holders of the Bonds and with its taxpayers that it has assessed against benefitted property not less than 20% of the cost of the assessable projects financed or refinanced by the Bonds.

(v) The Issuer further covenants and agrees that it will do and perform as soon as they may be done all acts and things necessary, in the event that any such assessment be at any time held invalid with respect to any lot, piece or parcel of land due to any error, defect, or irregularity in any

action or proceedings taken or to be taken by the Issuer or the City Council, or any of the Issuer officers or employees, either in the making of the Special Assessments or in the performance of any condition precedent thereto, as may be required by law to make the assessments a valid and binding lien upon such property.

B. *Sewer Fund.* The Issuer covenants and agrees with the holder of the Bonds and with its taxpayers as follows:

(1) It will impose and collect just and equitable charges for all use and for the availability of all facilities of the Sewer Utility at the times and in the amounts required to pay the normal, reasonable, and current expenses of operating and maintaining such Sewer Utility, and also to produce net revenues that will be at least adequate, at all times to pay the principal and interest due on the Bonds and on all other notes and bonds heretofore or hereafter issued and made payable from said net revenues, and will operate the Sewer Utility and segregate and account for the revenues thereof as provided in this Section.

(2) It will place all such charges for the use and availability of the Sewer Utility, when collected, and all money received from the sale of any facilities or equipment of the Sewer Utility in the Sewer Fund (the "Sewer Fund"). Except as provided in this Section, this fund shall be used only to pay claims duly approved and allowed for payment of expenses which, under generally accepted accounting principles, constitute normal, reasonable, and current expenses of operating and maintaining the Sewer Utility, and to maintain such reasonable reserves for such expenses as the City Council shall determine to be necessary from time to time. Sums in excess of those required to make such payments and maintain such reserves constitute the net revenues (the "Sewer Utility Net Revenues") which are herein pledged and appropriated first to pay the principal of and interest when due on a portion of the Bonds.

(3) Surplus Sewer Utility revenues from time to time received in the Sewer Fund, in excess of payments due from and reserves required to be maintained in the Sewer Fund and in the Debt Service Account, may be used for necessary capital expenditures for the improvement of the Sewer Utility, for the prepayment and redemption of notes and bonds constituting a lien on the Sewer Utility, and for any other proper municipal purpose consistent with policies established by resolution of the City Council.

C. *Water Fund.* The Issuer covenants and agrees with the holder of the Bond and with its taxpayers as follows:

(1) It will impose and collect just and equitable charges for all use and for the availability of all facilities of the Water Utility at the times and in the amounts required to pay the normal, reasonable, and current expenses of operating and maintaining such Water Utility, and also to produce net revenues that will be at least adequate, together with the Sewer Utility, at all times to pay the principal and interest due on the Bonds and on all other notes and bonds heretofore or hereafter issued and made payable from said net revenues, and will operate the Water Utility and segregate and account for the revenues thereof as provided in this Section.

(2) It will place all such charges for the use and availability of the Water Utility, when collected, and all money received from the sale of any facilities or equipment of the Water Utility in the Water Fund (the "Water Fund"). Except as provided in this Section, this fund shall be used only to pay claims duly approved and allowed for payment of expenses which, under generally accepted accounting principles, constitute normal, reasonable, and current expenses of operating and maintaining the Water Utility, and to maintain such reasonable reserves for such expenses as

the City Council shall determine to be necessary from time to time. Sums in excess of those required to make such payments and maintain such reserves constitute the net revenues (“Water Utility Net Revenues” and together with the Sewer Utility Net Revenues, the “Net Revenues”) which are herein pledged and appropriated first to pay the principal of and interest when due on a portion of the Bonds.

(3) Surplus Water Utility revenues from time to time received in the Water Fund, in excess of payments due from and reserves required to be maintained in the Water Fund and in the Debt Service Account, may be used for necessary capital expenditures for the improvement of the Water Utility, for the prepayment and redemption of notes and bonds constituting a lien on the Water Utility, and for any other proper municipal purpose consistent with policies established by resolution of the City Council.

5.02 2021A General Obligation Improvement and Refunding Bonds Fund. There is created a special fund to be designated the “2021A General Obligation Improvement and Refunding Bonds Fund” (the “Fund”) to be administered and maintained by the Finance Director as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the Issuer. The Fund shall be maintained in the manner herein specified until all of the Bonds and the interest thereon have been fully paid. There shall be maintained in the Fund four separate accounts, to be designated the “Project Account,” the “Refunding Account,” the “Costs of Issuance Account,” and the “Debt Service Account” respectively (together, the “Accounts”):

A. Project Account. On receipt of the purchase price of the Bonds, the Issuer shall credit proceeds from the sale of the Bonds less amounts allocated as capitalized interest funded from bond proceeds, if any (the “Capitalized Interest”); less amounts used to pay part of the interest cost of the issue as allowed by Section 475.56 of the Act (the “Additional Interest”); and less amounts allocated to accrued interest paid by the Purchaser upon closing and delivery of the Bonds (the “Accrued Interest”), less the amounts to be deposited in the Refunding Account, Costs of Issuance Account and Debt Service Account, to the Project Account. Proceeds of the Bonds on deposit in the Project Account shall be used to pay construction costs of the 2021 Project.

B. Refunding Account. On receipt of the purchase price of the Bonds, the Issuer shall credit proceeds from the sale of the Bonds, less the Capitalized Interest, Additional Interest and Accrued Interest, and less any amounts allocated to the Project Account, Costs of Issuance Account and the Debt Service Account, to the Refunding Account. Any moneys on deposit in the 2012B General Obligation Bonds Fund Debt Service Account established in the 2012 Resolution (the “2012 Debt Service Account”) shall be transferred to the Refunding Account for payment of the Refunded Bonds on the Redemption Date. Upon redemption of the Refunded Bonds on the Redemption Date, the 2012 Debt Service Account shall be terminated, and all monies remaining therein not required to refund the Refunded Bonds shall be transferred to the Debt Service Account. Any taxes levied under the 2012 Resolution and collected after the Redemption Date shall be deposited in the Debt Service Account.

C. Costs of Issuance Account. On receipt of the purchase price of the Bonds, the Issuer shall credit to the Costs of Issuance Account the proceeds from the sale of the Bonds in an amount necessary to pay the costs of issuance of the Bonds. In the event the proceeds of the Bonds, after meeting the requirements for deposits to the other Accounts, are insufficient for payment of costs of issuance of the Bonds, the Issuer will appropriate available funds to meet any deficiency. Any balance remaining in the Costs of Issuance Account after payment in full of the costs of issuance of the Bonds shall be transferred to the Debt Service Account.

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

(i) There is pledged and appropriated and there shall be credited to the Debt Service Account: (A) the Accrued Interest; (B) the Additional Interest; (C) the Capitalized Interest (if any); (D) Special Assessments and ad valorem taxes; (E) net revenues of the Water Utility and Sewer Utility in such amounts which will be sufficient to pay the principal of and interest when due; (F) all funds remaining in the Project Account after completion of the 2021 Project and payment of the costs thereof; (G) all funds remaining in the Refunding Account after redemption of the Refunded Bonds on the Redemption Date; (H) all funds remaining in the Costs of Issuance Account after payment of the costs of issuance of the Bonds; (I) any and all other monies which are properly available and are appropriated by the governing body of the Issuer to the Debt Service Account; and (J) investment earnings on the monies identified in the foregoing clauses (A) through (I). The proceeds of the Bonds described in clauses (A) through (C) of the preceding sentence shall be used for payment of interest on the Bonds.

(ii) The money in such account shall be used for no purpose other than the payment of principal and interest and redemption premium, if any; provided, however, that if any payment of principal or interest shall become due when there is not sufficient money in the Debt Service Account, the Finance Director shall pay the same from any other fund of the Issuer, which fund shall be reimbursed from the Debt Service Account when the balance therein is sufficient.

(iii) Immediately prior to each Interest Payment Date, the Finance Director shall transfer to the Debt Service Account amounts of net revenues from the Sewer Utility and Water Utility sufficient, when combined with the other Pledged Revenues, for the payment of all interest and principal then due on the Bonds.

5.03 Tax Levy.

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

B. The tax levies are such that if collected in full, they together with estimated collections of Pledged Revenues and investment earnings herein pledged for payment of the Bonds, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Bonds.

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

5.04 General Obligations. It is recognized that the Issuer's liability on the Bonds is not limited to the Pledged Revenues and investments so pledged, and the City Council covenants and agrees that in the event of any current or anticipated deficiency in the Pledged Revenues, it will levy upon all taxable property

within the Issuer and cause to be extended, assessed, and collected, any additional taxes found necessary for full payment of the principal of and interest on the Bonds, without limitation as to rate or amount.

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

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

6.01 Findings. It is found and determined that:

A. based upon information presently available from the Issuer's financial advisers, that as of the Redemption Date, the issuance of the Bonds will result in a reduction of debt service cost to the Issuer on the Refunded Bonds;

B. the proceeds of the Refunded Bonds have been fully expended for the governmental purpose for which the Refunded Bonds were issued; and

C. the projects financed with the proceeds of the Refunded Bonds are complete.

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

Section 7. Certificate of Proceedings.

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

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

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

7.04 Absent or Disabled Officers. In the event of the absence or disability of the Mayor, the City Clerk or the Finance Director, such officers or members of the City Council as in the opinion of the Issuer's

attorney, may act in their behalf, shall without further act or authorization, execute and deliver the Bonds, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

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

Section 8. Tax Covenants.

8.01 General.

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

B. The Issuer covenants with the Holders from time to time of the Bonds that it will not take, or permit to be taken by any of its officers, employees or agents, any action which would cause the interest payable on the Bonds to become subject to taxation under the Internal Revenue Code; and that it will take, or it will cause its officers, employees or agents to take, all affirmative actions within its powers which may be necessary to insure that such interest will not become subject to taxation under the Code. The term "Internal Revenue Code" or "Code" as used herein includes the Internal Revenue Code of 1986, as amended, and all regulations, amended regulations and proposed regulations issued thereunder, as now existing, or as hereafter amended or proposed.

C. No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued and (ii) in addition to the above in an amount not greater than the lesser of five percent of the proceeds of the Bonds or \$100,000. To this effect any proceeds of the Bonds and any sums from time to time held in the Debt Service Account (or any other Issuer account which will be used to pay principal or interest to become due on the Bonds payable therefrom) in excess of amounts

which under then applicable federal arbitrage restrictions may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable “temporary periods” or “minor portion” made available under the federal arbitrage regulations. Money in those funds shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

8.02 Small-Issuer Rebate Exception. For purposes of qualifying for the small-issuer exception to the federal arbitrage rebate requirements, the Issuer finds, determines and declares:

- A. the Issuer is a governmental unit with general taxing powers;
- B. the Bonds are not “private activity bonds” as defined in Section 141 of the Code;
- C. 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer; and
- D. the aggregate face amount of the tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Bonds are issued is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

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

- A. the Bonds are not “private activity bonds” as defined in Section 141 of the Code;
- B. the Issuer designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code;
- C. the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the Issuer (and all entities whose obligations will be aggregated with those of the Issuer) during the calendar year in which the Bonds are being issued will not exceed \$10,000,000; and
- D. not more than \$10,000,000 of obligations issued by the Issuer during the calendar year in which the Bonds are being issued have been designated for purposes of Section 265(b)(3) of the Code.

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

8.05 Opinion of Counsel. Notwithstanding any other provision of this Section 8, any requirement imposed hereunder or under Section 6 hereof may be deemed inapplicable and of no force or effect if an opinion of counsel is rendered to the Issuer by nationally recognized Bond Counsel to the effect that the failure to impose such requirement will not adversely effect the tax exempt status of interest on the Bonds.

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

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

Adopted: April 19, 2021.

Mayor

Attest:

City Clerk

ATTACHMENT A

**General Obligation Improvement and Refunding Bonds, Series 2021A
City of Hermantown, Minnesota**

Levy Year	Collection Year	Tax Levy
2021	2022	
2022	2023	
2023	2024	
2024	2025	
2025	2026	
2026	2027	
2027	2028	
2028	2029	
2029	2030	
2030	2031	
2031	2032	
2032	2033	
2033	2034	
2034	2035	
2035	2036	

ATTACHMENT B

**NOTICE OF CALL FOR REDEMPTION
City of Hermantown, Minnesota
\$3,155,000 General Obligation Improvement Bonds, Series 2012B
dated September 27, 2012**

NOTICE IS GIVEN that, by order of the City of Hermantown, Minnesota (the “Issuer”), there have been called for redemption and prepayment on *May 25, 2021* (the “Redemption Date”) all outstanding bonds of the Issuer designated above, having stated maturity dates of February 1 in the years 2024, 2026, 2028, 2030 and 2034, totaling \$2,175,000 in outstanding principal amount, and with the following CUSIP numbers:

Bond Number	Maturity (February 1)	Principal Amount*	Interest Rate	CUSIP No.**
R-8	2024	\$445,000	2.000%	427500 MD2
R-9	2026	\$325,000	2.000%	427500 MF7
R-10	2028	\$335,000	2.125%	427500 MH3
R-11	2030	\$350,000	2.250%	427500 MK6
R-12	2034	\$720,000	2.625%	427500 MP5

The Bonds are being called at a price of par plus accrued interest to the Redemption Date on which date all interest on said Bonds will cease to accrue. Holders of the Bonds hereby called for redemption are requested to present their Bonds for payment at the office of Bond Trust Services Corporation, 3060 Centre Pointe Drive, Roseville, MN 55113, on or before the Redemption Date.

Dated: April 19, 2021

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

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

* Indicates full call of stated maturity.

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