



Hermantown City Council Meeting - Tuesday, January 17, 2023

Hermantown's upcoming City Council meeting will include both remote access and in-person access to Council Chambers. The remote access will be available through the platform, "Zoom," which allows the public to view and participate in the meeting via phone or computer. Interested parties can also choose to attend the City Council meetings in person at City Hall.

Remote access to the 6:30 p.m. City Council Meeting is available at:

1st Meeting of Month (usually 1st Monday; if Monday is a holiday, then Tuesday):

<https://us02web.zoom.us/j/89153092971?pwd=eVdVNkRBUlhKMzVSODJGUlFXVWJtZz09>

and/or by calling the number (312) 626-6799 and utilizing the meeting ID number of 891-5309-2971 and the passcode of 051670.

2nd Meeting of Month (usually 3rd Monday; if Monday is a holiday, then Tuesday):

<https://us02web.zoom.us/j/89884167165?pwd=Z3FhVdxVVFsOHdvelQrUFdZUXR5Zz09>

and/or by calling the number (312) 626-6799 and utilizing the meeting ID number of 898-8416-7165 and the passcode of 340936.

Public comment may also be submitted in advance of the meeting. Comments, questions, or concerns can be e-mailed to Community Engagement Director, Joe Wicklund, at jwicklund@hermantownmn.com up to 3:30 p.m. the day of the meeting with the e-mail title "City Council Meeting." It is important to note that all comments regarding this 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
- Everyone has varying levels of comfort regarding remote technology, so grace and understanding are appreciated

The 4:30 p.m. Pre-Agenda Meeting will be available in-person only at City Hall. Public comment is not a factor in the pre-agenda meeting, but the meeting is open and members of the public are invited and welcome to attend to this meeting.



AGENDA

Pre-Agenda Meeting Tuesday, January 17, 2023 at 4:30 p.m. Council Chambers, 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 Meeting Tuesday, January 17, 2023 at 6:30 p.m. Council Chambers, City Hall - Hermantown Governmental Services Building

Invitation to participate:

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

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

Order of discussion

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

**CITY OF HERMANTOWN
AGENDA**

**Pre-Agenda Meeting Tuesday, January 17, 2023 at 4:30 p.m.
Council Chambers, City Hall - Hermantown Governmental Services Building**

**City Council Meeting Tuesday, January 17, 2023 at 6:30 p.m.
Council Chambers, City Hall - Hermantown Governmental Services Building**

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **ANNOUNCEMENTS**
Council Members may make announcements as needed.
5. **PUBLIC HEARING**
Only when necessary. The rule adopted three minutes per person if necessary. Any action required after the public hearing will be taken immediately following the closing of the public hearing.
6. **COMMUNICATIONS**
 - A. Correspondence 22-137 through 22-139 and 23-01 through 23-10 placed on file 6
 - B. **23-02** 9
From: Adam Schminski, Building Official
TO: Mayor & City Council
RE: 2022 Building Permits
 - C. **23-03** 10
From: Adam Schminski, Building Official
TO: Mayor & City Council
RE: Building Permit Comparison 2020 - 2022
7. **PRESENTATIONS**
 - A. **2023 Legislative Ask & SLC Days at the Capitol** 14
Joe Wicklund, Communications and Community Engagement Director
(Pre-Agenda Only)
 - B. **American Rescue Funds (ARPA) Update** 16
Kevin Orme, Director of Finance & Administration
(Pre-Agenda Only)
 - C. **Ehler's Financial Management Plan (FMP) Recap** 17
Kevin Orme, Director of Finance & Administration
(Pre-Agenda Only)

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. **MOTIONS**

10. **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 requests, in which event the item will be removed from the Consent Agenda and considered at the end of the Consent Agenda.

A. **Minutes** - Approval or correction of January 3rd, 2023 City Council Continuation Minutes **38**

B. **Accounts Payable** - Approve general city warrants from January 1, 2023 through January 15, 2023 in the amount of \$791,219.74 **41**

11. **ORDINANCES**

A. **2023-01 An Ordinance Extending A Temporary Moratorium On Edible Cannabinoid Products Derived From Hemp Within The City Of Hermantown - one read only** **47**

(motion, roll call)

12. **RESOLUTIONS**

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

A. **2023-07 Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver Agreement For Professional Services With Northland Consulting Engineers, LLP (City Engineering Services)** **50**

(motion, roll call)

B. **2023-08 Resolution Approving Final Plans And Specifications And Ordering Advertisement For Bids For The Removal Of The Lindahl Road Bridge** **68**

(motion, roll call)

C. **2023-09 Resolution Receiving Bids And Awarding Contract For Road Improvement District No. 534 (Ugstad & Arrowhead Roads) In The Amount Of \$4,198,470** **77**

(motion, roll call)

D. **2023-10 Resolution Authorizing And Directing Mayor And City Clerk to Execute And Deliver An Agreement For Materials Testing** **88**

Services For Street Improvement District No. 534 (Ugstad & Arrowhead Roads)

(motion, roll call)

- E. **2023-11 Resolution Authorizing A Contract For Professional Services With Clifton Larson Allen LLP For Audit Services In The Amount Of \$31,900 For The Financial Statement Audit And Additional Money For Lease Calculations** **102**

(motion, roll call)

- F. **2023-12 Resolution Authorizing And Directing The Mayor And City Clerk To Execute And Deliver An Agreement For Consulting Services With The Costin Group, Inc. In An Amount Not To Exceed \$18,000.00** **114**

(motion, roll call)

13. **RECESS**



Date: January 11, 2023
To: City Council
From: John Mulder, City Administrator
RE: Correspondence

In your agenda 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.

I have included in the agenda packet only the correspondence that we believe to be of special interest.

Working together to serve and build our community.

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

2022 CORRESPONDENCE

<u>DATE</u>	<u>LOG #</u>	<u>FROM</u>	<u>TO</u>	<u>REGARDING</u>	<u>FILED</u>
12/28/2022	22-137	Gunnar Johnson, Overom Law	Jenna Lipmna, office of MN Sec. of State	City of Hermantown Local Option Sales Tax	12/21/2022
12/28/2022	22-138	Gunnar Johnson, Overom Law	John Sisterman, MN Dept. of Revenue	Local Option Sales Tax Increase Implementation	12/22/2022
12/28/2022	22-139	Brian Kabat, Buell Consulting	John Mulder, City Administrator	Verizon Hawk Cir. Dr. Water Tower Installation	12/20/2022

2023 CORRESPONDENCE

<u>DATE</u>	<u>LOG #</u>	<u>FROM</u>	<u>TO</u>	<u>REGARDING</u>	<u>FILED</u>
1/4/2023	23-01	MN Dept. of Revenue	John Mulder, City Administrator	Sales & Use Tax Agreements	12/29/2022
1/4/2023	23-02	Adam Schminski, Building Official	City Officials	2022 Building Permits	1/4/2023
1/4/2023	23-03	Adam Schminski, Building Official	City Officials	Building Permit Comparison 2020-2022	1/4/2023
1/5/2023	23-04	Grant Hauschild, Councilor	John Mulder, City Administrator	Resignation	1/4/2023
1/5/2023	23-05	Dept. of the Army	John Mulder, City Adminiustrator	Lindah Road Bridge Replacement	1/4/2023
1/5/2023	23-06	Jackie Dolentz, City Clerk	City Councilors	City Council Orientation	1/4/2023
1/10/2023	23-07	Jason Janesich, Mediacom	John Mulder, City Administrator	Field of Dreams Grant	1/9/2023
1/10/2023	23-08	Bruce Gluckman Mediacom	John Mulder, City Administrator	Cable Franchise Renewal	1/10/2023
1/10/2023	23-09	Jolyln Hoffman Malueg Minnesota Energy Resources	John Mulder, City Administrator	Notice of and Order for Hearing (Increase Rates for Natural Gas)	1/10/2023
1/10/2023	23-0710	Tom Sowinski US Corps of Engineers	John Mulder, City Administrator	Lindal Road Bridge Removal Review	1/9/2023

CITY OF HERMANTOWN 2022 BUILDING PERMITS

Commercial

4 @ \$2,270,200

Commercial/Addition/Remodel

14 @ \$2,075,562

New Homes

26 @ \$10,723,945

Multi-Family

1 @ \$17,715,703

Residential Remodel/Repair

112 @ \$2,342,633

Garages/Sheds/Decks

36 @ \$1,371,962

Other (plumbing, mechanical, etc.)

34 @ \$3,787,994

TOTAL

227 @ \$40,287,999

BUILDING PERMIT COMPARISON

	<u>2020</u>		<u>2021</u>		<u>2022</u>	
	#	\$	#	\$	#	\$
January						
New Homes						
Multi-Family						
Garages/Sheds/Decks	1	18,000	1	8,400		
Res. Remodel/Repair	2	40,000	2	7,500	3	114,177
Commercial					1	395,200
Com'l Add/Remodel			1	8,400		
Other	2	9,263			5	39,320
TOTAL	5	67,263	4	24,300	9	548,697
February						
New Homes	2	590,100	1	300,390		
Multi-Family					1	17,715,703
Garages/Sheds/Decks	1	36,000	2	44,400		
Res. Remodel/Repair	2	8,500	3	43,402	4	177,411
Commercial	2	3,690,611				
Com'l Add/Remodel	1	40,000			2	185,000
Other	3	26,119	2	14,400		
TOTAL	11	4,391,330	8	402,592	7	18,078,114
March						
New Homes	3	962,851	10	2,681,975		
Multi-Family						
Garages/Sheds/Decks	1	19,760	4	84,160	2	33,600
Res. Remodel/Repair	3	24,557	3	13,399	2	28,440
Commercial						
Com'l Add/Remodel	2	167,894	1	36,000		
Other			7	167,268	4	403,500
TOTAL	9	1,175,062	25	2,982,802	8	465,540

23-03

BUILDING PERMIT COMPARISON

April					
New Homes	3	750,000		4	1,013,940
Multi-Family					
Garages/Sheds/Decks	1	124,280		3	21,600
Res. Remodel/Repair	8	105,600		15	357,067
Commercial				2	2,006,374
Com'l Add/Remodel	1	0		1	80,000
Other				1	4,450
TOTAL	13	979,880		26	3,483,431
May					
New Homes	3	932,360		6	1,203,240
Multi-Family					
Garages/Sheds/Decks	4	35,650		4	53,520
Res. Remodel/Repair	16	135,913		24	364,013
Commercial					
Com'l Add/Remodel					630,000
Other				4	50,897
TOTAL	23	1,103,923		38	1,671,670
June					
New Homes	2	459,430		3	328,120
Multi-Family					
Garages/Sheds/Decks	5	51,480		5	246,600
Res. Remodel/Repair	16	404,005		19	367,660
Commercial	1	60,000			150,000
Com'l Add/Remodel	3	746,012		2	30,000
Other	1	7640		3	17,655
TOTAL	28	1,728,567		32	990,035

BUILDING PERMIT COMPARISON

July							
New Homes	1	303,757		1	267,270	2	1,025,000
Multi-Family				1	22,526,092		
Garages/Sheds/Decks	6	66,020				4	415,500
Res. Remodel/Repair	8	55,820		8	100,577	13	225,962
Commercial				1	354,000		
Com'l Add/Remodel	2	440,000		2	680,975	1	567,331
Other				5	50,295	4	33,644
TOTAL	17	865,597		18	23,979,209	24	2,267,437
August							
New Homes	3	895,150		1	317,900	5	2,496,276
Multi-Family							
Garages/Sheds/Decks	2	5,300		2	23,920	7	236,574
Res. Remodel/Repair	10	138,766		15	293,686	11	230,876
Commercial	1	137,000		1	2,007,450	1	225,000
Com'l Add/Remodel				2	62,875	2	457,750
Other	5	34,210		5	23,046	4	28,482
TOTAL	21	1,210,426		26	2,728,877	30	3,674,958
September							
New Homes	1	195,930		1	258,300	3	955,000
Multi-Family							
Garages/Sheds/Decks	4	31,800		1	18,000	7	257,712
Res. Remodel/Repair	12	239,178		15	206,155	17	581,399
Commercial							
Com'l Add/Remodel	1	2,500				2	90,981
Other	3	16,925		10	64,934	4	43,242
TOTAL	21	486,333.00		27	547,389	33	1,928,334

BUILDING PERMIT COMPARISON

October							
New Homes	3	904,945		2	471,980	1	650,000
Multi-Family							
Garages/Sheds/Decks	3	41,390		1	3,900	1	33,100
Res. Remodel/Repair	6	144,000		11	347,195	11	262,346
Commercial							
Com'l Add/Remodel	2	50,000		1	35,000	1	1,500,000
Other				3	17,234	2	63,513
TOTAL	14	1,140,335		18	875,309	16	2,508,959
November							
New Homes	3	714,100		3	1,294,220	3	1,031,200
Multi-Family							
Garages/Sheds/Decks	3	35,200				3	85,000
Res. Remodel/Repair	4	56,895		3	115,809	6	124,921
Commercial	3	1,520,232					
Com'l Add/Remodel				1	20,000	3	34,500
Other	5	17,680		4	40,338	1	3,000,000
TOTAL	18	2,344,107		11	1,470,367	16	4,275,621
December							
New Homes	2	507,465		1	222,900	2	944,000
Multi-Family							
Garages/Sheds/Decks				1	22,500	1	35,600
Res. Remodel/Repair	3	39,700		5	110,159	6	18,192
Commercial				1	447,626		
Com'l Add/Remodel							
Other	1	4,393		3	10,547		
TOTAL	6	551,558		11	813,732	9	997,792
TOTAL FOR YEAR	186	14,904,157		244	39,969,713	227	40,287,999



NEEDED PROJECTS

RESOUNDING VOTER SUPPORT

STATE BONDING

THE CITY OF HERMANTOWN IS ASKING FOR \$7.475 MILLION IN BONDING TO TAKE THE RECENTLY-PASSED ICE ARENA ADDITION - OUR NEWEST REGIONAL AMENITY - TO THE HIGHEST LEVEL WITH THE MOST IMPACT. WE'VE BUILT THE MOMENTUM, BUT NEED STATE SUPPORT TO CROSS THE FINISH LINE!



City passes resolution making a formal request to have sales tax fund recreation initiative, price of arena addition set at \$12.245 million.

2020

Progress on the sales tax initiative does not move forward as the pandemic continues to limit all local, state, and national governmental efforts.

2020-2021

Hermantown resubmits its initial sales tax request, but changes regarding inflation and pandemic impacts are not able to be included.

2021-2022

Election results are clear as all sales tax questions resoundingly pass, but costs associated with the arena have risen to \$20.415 million.

2022

Pre-2019

Community members spend years planning for needed arena addition, partner with outside firm to determine feasibility, pricing, funding, etc.

2020

Days after residents, staff, and elected officials lobby at the capital for the recreation initiative, COVID-19 shutdowns begin nationwide.

2020-2021

Despite the numerous negative impacts of the pandemic, sales tax numbers in Hermantown remain strong, even through shutdowns.

2022

In a possible bonding bill and tax bill, added funding for the arena and overall initiative stalls as the legislative session ends without action.

2023

Hermantown requests \$7.475 million in bonding to deliver the best arena addition combined with sales tax dollars and \$2.1 million in fundraising.

ARPA Dollars

(Must use by 12/31/24)

	Broadband	Fire Dept	Admininstration, Facilities, Mower	Misc – HEDA Police Equip, Other	Keene Creek Park	Police Body Cams	Comprehensive Plan	Total
Budget:	200,000	100,000	100,000	100,000	150,000	200,000	150,000	1,000,000
Expenditures through 12/15/22:	19,112	-	37,335	15,383	-	129,447	11,460	212,737
Remaining:	180,888	100,000	62,665	84,617	150,000	70,554	138,540	787,263

Financial Management Plan

City of Hermantown, Minnesota

What is a Financial Management Plan?

- A multi-year fiscal plan for all tax-supported funds
- Integrates:
 - Existing debt
 - Capital improvement plans
 - Future debt
 - Tax base growth
 - Future operating expenses
 - Staff additions

Why is it Important?

- Helps to manage expectations
 - New spending proposals evaluated against other identified priorities
 - Weigh proposals vs. predefined affordability parameters
- Used to refine tax impacts
- Guides spending and capital planning
- Helps maintain assets and appropriate fund balances
- Reduces stress during budget process
- Rating agencies like multi-year planning

Why is it Important? - Continued

- Council can focus on big picture and policy issues
 - Long-term financial health of the City
 - Prioritize good roads, facilities, services, etc.
- Identify financial issues that will require multi-year solutions
 - Tools help staff monitor performance
- Create a vehicle to inform residences on City goals and priorities
 - Enhance transparency
 - Provide framework for perspective on projects/issues

Process of Developing Plan

- Ehlers and Staff reviewed historical financial reports
- Identified future budget and project needs
- Developed model to forecast expenditure levels and revenue needs
- Sought Staff input on key assumptions and funding goals
- **Tonight: Review findings to generate feedback**
- Next: Refine model for preferred strategies and policies
- Future: Incorporate FMP within City processes

What is Funded?

- Maintain healthy General Fund balances
- Expected city services
- Four additional staff positions
- Capital plan
 - Street improvements - \$31.5M from 2023-32
 - Equipment replacement - \$6.3M from 2023-32
 - Utility infrastructure via Sales Tax - \$21.8M from 2023-32

Key Assumptions

- City's existing tax base grows 2-3% annually
 - In addition, assumes 20 new single-family homes built annually, and 1 commercial development and 14 new multi-family homes biennially
- Non-capital expenses inflated 5-6% annually
- Capital expenses inflated 4% annually
- Non-property tax revenues increase 2% annually
- HEDA Levy increases 5% annually beginning in 2024
- Average value home for 2022 is \$323,000

Key Assumptions - Continued

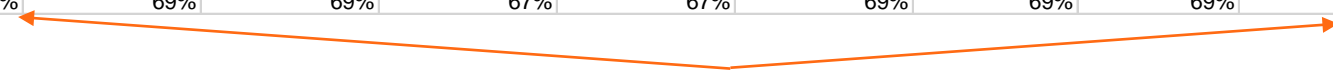
- Projects in the Community Recreation Initiative are not included
- Continue transfers out from the General Fund
 - Supports parks, building and equipment needs
- Bonds will be issued to pay for street improvements
 - \$38M of capital is financed through cash and bonding (\$31.2M)

Bonding Summary										
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Street Construction	2,000,000	4,370,000	3,110,000	2,730,000	4,770,000	1,940,000	3,065,000	3,065,000	3,065,000	3,065,000
Total	2,000,000	4,370,000	3,110,000	2,730,000	4,770,000	1,940,000	3,065,000	3,065,000	3,065,000	3,065,000
Capital Outlay Summary										
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Building Reserve	-	-	168,730	-	-	-	-	239,500	-	-
Equipment Acquisition	584,220	554,185	1,006,753	382,544	504,911	451,226	686,404	549,631	927,445	483,462
Street Construction	2,156,800	4,274,656	3,041,632	2,672,330	4,668,463	1,897,979	3,000,000	3,120,000	3,244,800	3,374,592
Total	2,741,020	4,828,841	4,217,115	3,054,874	5,173,374	2,349,204	3,686,404	3,909,130	4,172,245	3,858,054

General Fund

- Maintain healthy fund balance reserves through additional levy/contingency
 - Reserves would decrease to 43% by 2031 without contingency

GENERAL FUND	Proposed	Projected								
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
REVENUE										
Total Revenue	7,266,219	7,871,066	8,301,825	8,721,074	9,574,815	10,173,198	10,528,664	11,086,336	11,712,324	12,234,540
EXPENSES										
Total Expenses	6,525,219	6,940,066	7,410,825	7,780,074	8,433,815	9,032,198	9,387,664	9,945,336	10,571,324	11,093,540
Revenues Over / (Under) Expenses	741,000	931,000	891,000	941,000	1,141,000	1,141,000	1,141,000	1,141,000	1,141,000	1,141,000
OTHER FINANCING SOURCES / (USES)										
Contingency	-	(350,000)	(250,000)	(300,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)
Total Other Sources / (Uses)	(741,000)	(931,000)	(891,000)	(941,000)	(1,141,000)	(1,141,000)	(1,141,000)	(1,141,000)	(1,141,000)	(1,141,000)
Ending General Fund Balance (FB)	4,748,462	5,098,462	5,348,462	5,648,462	6,048,462	6,448,462	6,848,462	7,248,462	7,648,462	8,048,462
Restricted	-	-	-	-	-	-	-	-	-	-
Unassigned	4,748,462	5,098,462	5,348,462	5,648,462	6,048,462	6,448,462	6,848,462	7,248,462	7,648,462	8,048,462
Fund Balance as a % of Next Year's Expenditures	68%	69%	69%	67%	67%	69%	69%	69%	69%	69%



General Fund - Continued

- Transfer out will continue to support park, building, and capital replacements and improvements
- New planned transfers for Emergency Road Improvement and EWC Long-term Maintenance

GENERAL FUND	Proposed	Projected									
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
Transfers Out - Park Improvement	(25,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Transfers Out - Municipal Building	(125,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Transfers Out - Capital Improvements	(585,000)	(475,000)	(535,000)	(535,000)	(535,000)	(535,000)	(535,000)	(535,000)	(535,000)	(535,000)	(535,000)
Transfers Out - Emergency Road Improvement	-	-	-	-	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Transfers Out - EWC Long-term Maintenance	-	-	-	-	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)



\$700,000 average

Street Improvement Fund

- Funded by special assessments, bonding, and utility fees
- Average of \$3.1M in streets annually
 - Annual placeholder of \$3M-\$3.4M from 2029-32
- Will require annual bonding in order to finance improvements

Street Improvement Fund	Projected									
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
REVENUE										
Total Revenue	29,637	211,882	618,314	892,197	1,133,624	1,596,658	1,790,568	2,102,626	2,418,511	2,738,166
EXPENSES										
Total Expenses	2,199,131	4,542,037	3,671,276	3,575,607	5,866,503	3,483,332	4,794,179	5,211,467	5,638,583	6,075,760
Revenues Over / (Under) Expenses	(2,169,494)	(4,330,155)	(3,052,962)	(2,683,410)	(4,732,879)	(1,886,674)	(3,003,611)	(3,108,842)	(3,220,072)	(3,337,594)
OTHER FINANCING SOURCES / (USES)										
Bond Proceeds	2,000,000	4,370,000	3,110,000	2,730,000	4,770,000	1,940,000	3,065,000	3,065,000	3,065,000	3,065,000
Transfers In-Stormwater Utility	181,000	-	-	20,376	41,938	47,641	47,641	47,641	47,641	47,641
Transfers In-Sewer Utility	165,000									
Total Other Sources / (Uses)	2,346,000	4,370,000	3,110,000	2,750,376	4,811,938	1,987,641	3,112,641	3,112,641	3,112,641	3,112,641
Ending Fund Balance	90,520	130,365	187,403	254,369	333,428	434,395	543,425	547,225	439,794	214,842

Capital Equipment Fund

- Funded by General Fund transfer and utility fees
- Average of \$670,000 in expenses annually
 - Annual placeholder of \$350,000-\$410,000 from 2028-32 in addition to planned expenses for those years

Equipment Acquisition Fund	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Projected									
REVENUE										
Total Revenue	-	-	-	-	-	-	-	-	-	-
EXPENSES										
Total Expenses	671,690	643,245	1,097,218	474,484	537,430	485,371	722,256	587,276	966,972	524,965
Revenue Over / (Under) Expenses	(671,690)	(643,245)	(1,097,218)	(474,484)	(537,430)	(485,371)	(722,256)	(587,276)	(966,972)	(524,965)
OTHER FINANCING SOURCES / (USES)										
Transfers In - Water Fund	31,750	17,035	61,868	90,079	133,832		85,536		142,331	
Transfers In - Storm Fund		61,853								
Transfers In - Sewer Fund	31,750	43,399	61,868		133,832		85,536		142,331	
Transfers In - General Fund	585,000	475,000	535,000	535,000	535,000	535,000	535,000	535,000	535,000	535,000
Total Other Sources / (Uses)	648,500	597,288	658,735	625,079	802,664	535,000	706,071	535,000	819,662	535,000
Ending Fund Balance	674,677	628,720	190,237	340,832	606,066	655,695	639,511	587,235	439,925	449,960

Building Reserve Fund

- Funded by General Fund transfer
- Average of \$57,000 in expenses annually
 - Fund balance pays for unexpected repairs and maintenance

Building Maintenance	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Projected									
REVENUE										
Total Revenue	-	-	-	-	-	-	-	-	-	-
EXPENSES										
Total Expenses	13,250	14,045	183,477	15,484	16,258	17,071	17,925	258,321	19,762	20,750
Revenue Over / (Under) Expenses	(13,250)	(14,045)	(183,477)	(15,484)	(16,258)	(17,071)	(17,925)	(258,321)	(19,762)	(20,750)
OTHER FINANCING SOURCES / (USES)										
Transfers In General Fund	125,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total Other Sources / (Uses)	125,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Ending Fund Balance	474,546	510,501	377,024	411,540	445,282	478,211	510,286	301,966	332,204	361,454

Sales Tax Fund

- Assumes \$3.3M in sales tax collected in 2023, inflated at 2% annually thereafter
- Average of \$2.4M in water and sewer improvements annually
 - Current expenditures represent engineering costs

SALES TAX FUND	Projected									
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
REVENUE										
Total Revenue	3,594,198	3,481,296	3,530,591	3,610,050	3,700,401	3,720,818	3,768,118	3,816,730	3,866,476	3,960,268
EXPENSES										
Current	150,000	159,000	166,950	175,298	184,062	193,265	202,929	213,075	223,729	234,915
Capital Outlay	613,600	1,946,880	168,730	350,958	5,231,607	3,669,425	3,816,202	3,968,850	1,000,000	1,040,000
Total Expenses	763,600	2,105,880	335,680	526,255	5,415,669	3,862,690	4,019,131	4,181,925	1,223,729	1,274,915
Revenues Over / (Under) Expenses	2,830,598	1,375,416	3,194,911	3,083,794	(1,715,269)	(141,873)	(251,012)	(365,196)	2,642,747	2,685,353
OTHER FINANCING SOURCES / (USES)										
Total Other Sources / (Uses)	(2,757,402)	(2,577,109)	(2,475,376)	(1,729,728)	(1,686,328)	(1,562,666)	(1,463,379)	(1,458,916)	(1,458,916)	(1,458,024)
Ending Fund Balance (FB)	7,686,394	6,484,701	7,204,235	8,558,302	5,156,705	3,452,166	1,737,775	(86,337)	1,097,494	2,324,823

Hermantown Economic Development Authority (HEDA) Fund

- Assumes \$150,000 property tax levy in 2023, increasing 5% annually thereafter
- Current expenditures projected to match the tax levy
- \$130,000 in capital expenditures planned from 2023-32

HEDA Fund	Projected									
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
REVENUE										
Total Revenue	162,666	168,448	176,531	185,010	193,906	203,241	213,035	223,312	234,096	245,412
EXPENSES										
Total Expenses	280,000	157,500	165,375	173,644	182,326	191,442	201,014	211,065	221,618	232,699
Revenues Over / (Under) Expenses	(117,334)	10,948	11,156	11,366	11,580	11,799	12,021	12,247	12,478	12,713
Ending Fund Balance (FB)	539,631	550,578	561,734	573,100	584,680	596,479	608,500	620,747	633,226	645,938

Park Dedication Fund

- Funded by park dedication fees and General Fund transfers
 - Assumes \$75,000 in additional major development park dedication fees received every other year
- Annual expenditure placeholder averaging \$70,000 from 2025-2032
 - More planning will be done based on the outcome of the November sales tax referendum

Park Dedication Fund	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Projected									
REVENUE										
Total Revenue	110,190	35,894	111,612	37,697	114,141	40,693	117,203	43,746	120,323	46,934
EXPENSES										
Total Expenses	5,300	5,618	80,899	41,194	111,504	41,829	117,170	42,529	117,905	48,300
Revenue Over / (Under) Expenses	104,890	30,276	30,713	(3,497)	2,637	(1,136)	33	1,217	2,418	(1,366)
OTHER FINANCING SOURCES / (USES)										
Transfers In-General Fund	25,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total Other Sources / (Uses)	25,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Ending Fund Balance	(137,460)	(57,184)	23,529	70,332	122,669	171,533	221,566	272,783	325,201	373,835

Summary

- Hermantown is on a sustainable track to finance City needs
- General Fund reserves maintained at approximately 68% is healthy and maintained through additional levy dollars
 - OSA guideline is 35% to 50%
 - Rating agencies prefer 70%
- Long-term capital needs should be further identified
 - Placeholders for future years included

Summary - Continued

GENERAL FUND	Proposed	Projected								
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
REVENUE										
Total Revenue	7,266,219	7,871,066	8,301,825	8,721,074	9,574,815	10,173,198	10,528,664	11,086,336	11,712,324	12,234,540
EXPENSES										
Total Expenses	6,525,219	6,940,066	7,410,825	7,780,074	8,433,815	9,032,198	9,387,664	9,945,336	10,571,324	11,093,540
Revenues Over / (Under) Expenses	741,000	931,000	891,000	941,000	1,141,000	1,141,000	1,141,000	1,141,000	1,141,000	1,141,000
Total Other Sources / (Uses)	(741,000)	(931,000)	(891,000)	(941,000)	(1,141,000)	(1,141,000)	(1,141,000)	(1,141,000)	(1,141,000)	(1,141,000)
Ending General Fund Balance (FB)	4,748,462	5,098,462	5,348,462	5,648,462	6,048,462	6,448,462	6,848,462	7,248,462	7,648,462	8,048,462
Restricted	-	-	-	-	-	-	-	-	-	-
Unassigned	4,748,462	5,098,462	5,348,462	5,648,462	6,048,462	6,448,462	6,848,462	7,248,462	7,648,462	8,048,462
Fund Balance as a % of Next Year's Expenditures	68%	69%	69%	67%	67%	69%	69%	69%	69%	69%
General Fund Operating Tax Levy	6,974,566	7,582,362	8,021,393	8,448,072	9,330,698	9,944,924	10,303,805	10,874,716	11,517,066	12,050,157
Annual Increase	8.8%	8.7%	5.8%	5.3%	10.4%	6.6%	3.6%	5.5%	5.9%	4.6%
Total Other Special Levies	631,767	787,533	1,208,395	1,432,904	1,617,930	1,921,785	2,079,719	2,287,999	2,494,537	2,713,381
Total Tax Levy	7,606,333	8,369,895	9,229,788	9,880,976	10,948,628	11,866,710	12,383,524	13,162,715	14,011,603	14,763,539
Increase/(Decrease) in Total Tax Levy	6.91%	10.04%	10.27%	7.06%	10.81%	8.39%	4.36%	6.29%	6.45%	5.37%
Total Net Tax Capacity	16,391,160	16,940,847	17,863,649	18,278,874	18,771,528	19,204,911	19,716,086	20,168,360	20,698,804	21,170,732
Tax Rate on Tax Capacity	46.405%	49.407%	51.668%	54.057%	58.326%	61.790%	62.809%	65.264%	67.693%	69.736%
Tax Rate % Change	-3.36%	6.47%	4.58%	4.62%	7.90%	5.94%	1.65%	3.91%	3.72%	3.02%
City Taxes on \$323,000 Residential Homestead	1,510	1,662	1,795	1,921	2,118	2,293	2,382	2,529	2,681	2,823
\$ Tax Increase/(Decrease)	\$ (2)	\$ 152	\$ 134	\$ 125	\$ 197	\$ 175	\$ 89	\$ 147	\$ 152	\$ 142
% Tax Increase / (Decrease)	-0.10%	10.03%	8.06%	6.97%	10.27%	8.27%	3.87%	6.18%	6.00%	5.31%

Average increase is \$131/year for average value home
 Average annual tax rate increase is 3.84%



Important Disclosures

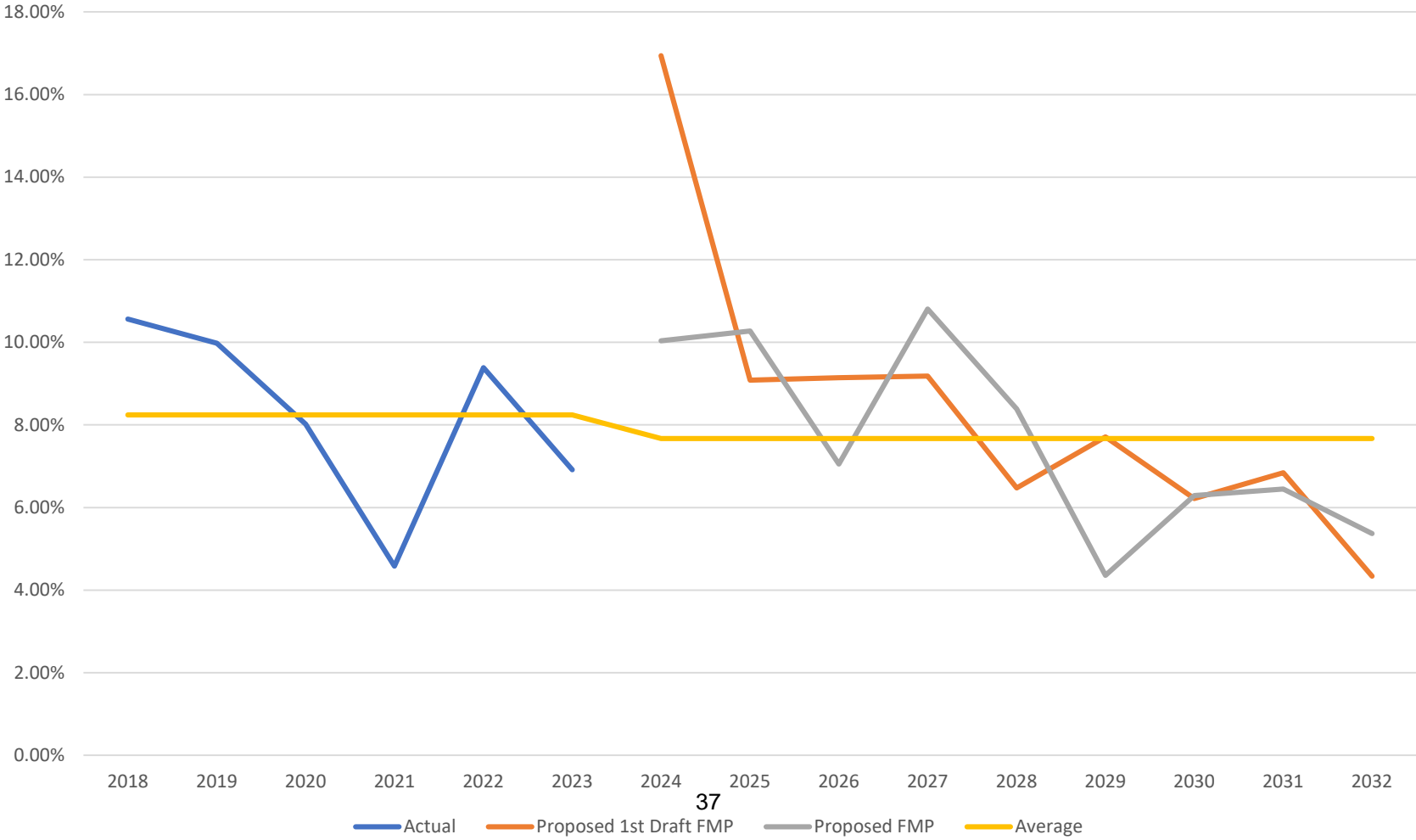
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Total Levy Percentage Increase

(actual and projected)



CITY OF HERMANTOWN
CITY COUNCIL MEETING
January 3, 2023
6:30 p.m.

MEETING CONDUCTED IN PERSON & VIA ZOOM

PLEDGE OF ALLEGIANCE

OATH OF OFFICE

Andy Hjelle and Brian LeBlanc were sworn in; welcome to the City Council!

ROLL CALL: Councilors Geissler, Hjelle, LeBlanc, Mayor Boucher

CITY STAFF: John Mulder, City Administrator; Jackie Dolentz, City Clerk; Eric Johnson; Community Development Director; Joe Wicklund, Communications & Community Engagement Director; Gunnar Johnson, City Attorney

ABSENT: None

VISITORS: 3

ANNOUNCEMENTS

PUBLIC HEARING

COMMUNICATIONS

Communications 22-132 through and including 22-139 were read and placed on file.

PRESENTATIONS

John Mulder, City Administrator, presented the orientation handbook for city council members.

PUBLIC DISCUSSION

CONSENT AGENDA

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

- A. Approve December 19, 2022 City Council Continuation Minutes
- B. Approve general city warrants from December 16, 2022 through December 31, 2022 in the amount of \$504,398.14
- C. Appointment of Official Newspaper – Hermantown Star
- D. Appointment of Depositories – Multi Bank Securities; Wells Fargo Securities; RBC Dain Rauscher; US Bank; PMA Financial Network, Inc.; National Bank of Commerce; 4-M Fund; TD Ameritrade Institutional (Custodian)/Ehlers Investment Partners (Advisor)

- E. Appointment of Mayor Boucher as the city’s designated representative to the Hermantown Area Chamber of Commerce
- F. Appointment of Mayor Boucher as City Representative on the Metropolitan Interstate Council with John Mulder, City Administrator on the Transportation Advisory Committee with David Bolf, City Engineer as alternate
- G. Appointment of the following for a three-year term:

Planning & Zoning Commission

Val Ouellette
Sam Clark

Park Board

Michael Miller
Jenna Warmuth

Utility Commission

Jim Samberg

HEDA

Dwayne Haapanen

Board of Appeals & Adjustments

Cyndy Reno
Joe Peterson
Michael Boese
James Nelson

- H. **2023-01** Resolution Appointing Councilor Geissler As Acting Mayor
- I. **2023-02** Resolution Appointing Council Ex Officio Members To Various Boards, Commissions And Other Appointments For 2023
- J. **2032-03** Resolution Authorizing And Directing Mayor Wayne Boucher And City Administrator John Mulder To Sign Checks And Drafts For The City Of Hermantown With Alternates Acting Mayor Geissler And Director Of Finance & Administration Kevin Orme

Roll Call: Councilors Geissler, Hjelle, LeBlanc, and Mayor Boucher, aye. Motion carried.

MOTIONS

ORDINANCES

RESOLUTIONS

2023-04 Resolution Accepting Resignation And Declaring A Vacancy

Motion made by Councilor Geissler, seconded by Councilor Hjelle, to adopt Resolution 2022-04 Resolution Accepting Resignation And Declaring A Vacancy. Roll Call: Councilors Geissler, Hjelle, LeBlanc and Mayor Boucher, aye. Motion carried.

2023-05 Resolution Establishing Procedures Relating To Compliance With Reimbursement Bond Regulations Under The Internal Revenue Code

Motion made by Councilor Geissler, seconded by Councilor LeBlanc, to adopt Resolution 2022-05 Resolution Establishing Procedures Relating To Compliance With Reimbursement Bond Regulations Under The Internal Revenue Code. Roll Call: Councilors Geissler, Hjelle, LeBlanc and Mayor Boucher, aye. Motion carried.

2023-06 Resolution Approving Wage Rates For Part Time Employees In 2023

Motion made by Councilor LeBlanc, seconded by Councilor Geissler, to adopt Resolution 2022-06 Resolution Approving Wage Rates For Part Time Employees In 2023. Roll Call: Councilors Geissler, Hjelle, LeBlanc and Mayor Boucher, aye. Motion carried.

Motion made by Councilor Hjelle, seconded by Geissler, to recess the meeting at 6:41 p.m. Motion carried.

Mayor

ATTEST:

City Clerk

CITY OF HERMANTOWN

CHECKS #69543-69590
01/01/2023-01/15/2023

PAYROLL CHECKS

Electronic Checks - #-68324-68380 \$84,628.21

LIABILITY CHECKS

Electronic Checks - #-68383-68384 \$80,922.06

Electronic Checks - #-68319-68323 \$53,470.28

Checks - #69543-69546 \$2,451.13

PAYROLL EXPENSE TOTAL \$221,471.68

ACCOUNTS PAYABLE

Checks - #69547-69590 \$416,786.60

Electronic Payments #-99540-99563 \$152,961.46

ACCOUNTS PAYABLE TOTAL \$569,748.06

TOTAL \$791,219.74

CITY OF HERMANTOWN, MN 01/01/2023-01/15/2023
Check # is between 69547 and 69590 or Check # is between -99563 and -99540

1/13/2023

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Fun d	Account	Department	Vendor Name	Description	Amount	Check #
101	421100	Police Administration	EMPOWER RETIREMENT	Cops 10hr Comp to HCSP	3,647.80	-99563
101	414100	Elections	WEX HEALTH INC	1st Qtr VEBA 2023	37.50	-99562
101	415300	Administration & Finance	WEX HEALTH INC	1st Qtr VEBA 2023	4,743.75	-99562
101	419100	Community Development	WEX HEALTH INC	1st Qtr VEBA 2023	1,250.00	-99562
101	419901	City Hall & Police Building Maintenance	WEX HEALTH INC	1st Qtr VEBA 2023	812.50	-99562
101	421100	Police Administration	WEX HEALTH INC	1st Qtr VEBA 2023	20,850.00	-99562
101	422901	Firehall #1 Maple Grove Road	WEX HEALTH INC	1st Qtr VEBA 2023	250.00	-99562
101	424100	Building Inspection	WEX HEALTH INC	1st Qtr VEBA 2023	1,437.50	-99562
101	431100	Street Department	WEX HEALTH INC	1st Qtr VEBA 2023	3,787.50	-99562
101	431901	City Garage	WEX HEALTH INC	1st Qtr VEBA 2023	250.00	-99562
101	452100	Parks	WEX HEALTH INC	1st Qtr VEBA 2023	250.00	-99562
260	456101	Cable	WEX HEALTH INC	1st Qtr VEBA 2023	37.50	-99562
230	465100	HEDA	WEX HEALTH INC	1st Qtr VEBA 2023	212.50	-99562
101	490100	Cemetery	WEX HEALTH INC	1st Qtr VEBA 2023	25.00	-99562
601	494300	Water Distribution	WEX HEALTH INC	1st Qtr VEBA 2023	2,875.00	-99562
601	494400	Water Administration and General	WEX HEALTH INC	1st Qtr VEBA 2023	1,250.00	-99562
602	494500	Sewer Maintenance	WEX HEALTH INC	1st Qtr VEBA 2023	1,687.50	-99562
602	494900	Sewer Administration and General	WEX HEALTH INC	1st Qtr VEBA 2023	837.50	-99562
101	452200	Community Building	WEX HEALTH INC	1st Qtr VEBA 2023	125.00	-99562
603	441100	Storm Water	WEX HEALTH INC	1st Qtr VEBA 2023	2,006.25	-99562
101	217450	Employee Flexplan	WEX HEALTH INC	Claim Reimbursement- Dep FSA	185.00	-99561
101	421100	Police Administration	EMERGENCY AUTOMOTIVE TECHNOLOGIES INC	New Squad Build - #18	5,662.44	-99560
101	421100	Police Administration	EMERGENCY AUTOMOTIVE TECHNOLOGIES INC	New Squad #12 In-House Build	4,750.12	-99560
601	494400	Water Administration and General	GOPHER STATE ONE-CALL INC	Dec 22 Locates	29.16	-99559
602	494900	Sewer Administration and General	GOPHER STATE ONE-CALL INC	Dec 22 Locates	19.44	-99559
101	419901	City Hall & Police Building Maintenance	HARTEL'S/DBJ DISPOSAL CO LLC	Garbage Recycling December	300.29	-99558
101	431901	City Garage	HARTEL'S/DBJ DISPOSAL CO LLC	Yard Trash Disposal December	180.30	-99558
101	415300	Administration & Finance	BLACK MOUNTAIN SOFTWARE INC	Annual Service and Support 202	15,861.50	-99557
601	494400	Water Administration and General	BLACK MOUNTAIN SOFTWARE INC	Annual Service and Support 202	7,000.00	-99557
602	494900	Sewer Administration and General	BLACK MOUNTAIN SOFTWARE INC	Annual Service and Support 202	7,000.00	-99557
603	441100	Storm Water	BLACK MOUNTAIN SOFTWARE INC	Annual Service and Support 202	1,861.50	-99557
230	465100	HEDA	CREATIVE ARCADE	Website Monthly Maintenance	250.03	-99556
230	465100	HEDA	HTB PROJECT NAVIGATION, LLC	Proposed Hermantown Business P	500.00	-99555
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	1,273.13	-99554
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	1,456.80	-99554
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	2,130.43	-99554
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	1,329.17	-99554
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	752.76	-99554

CITY OF HERMANTOWN, MN 01/01/2023-01/15/2023
Check # is between 69547 and 69590 or Check # is between -99563 and -99540

1/13/2023

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Fun d	Account	Department	Vendor Name	Description	Amount	Check #
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	1,107.56	-99554
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	653.13	-99554
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	2,476.36	-99554
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	955.90	-99554
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	1,738.55	-99554
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	823.06	-99554
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	1,176.20	-99554
101	419901	City Hall & Police Building Maintenance	TELCOLOGIX	Jan 2023 Maintenance	237.85	-99553
101	422901	Firehall #1 Maple Grove Road	TELCOLOGIX	Jan 2023 Maintenance	70.35	-99553
101	431100	Street Department	TELCOLOGIX	Jan 2023 Maintenance	16.75	-99553
101	452200	Community Building	TELCOLOGIX	Jan 2023 Maintenance	10.05	-99553
603	441100	Storm Water	LHB INC	Predesign & Survey/Design - He	1,615.50	-99552
230	465100	HEDA	MAMMOTH SPORTS CONSTRUCTION, LLC	Stebner Farms	5,000.00	-99551
101	415300	Administration & Finance	VC3	HP Monitors	567.85	-99550
101	431100	Street Department	M-R SIGN CO INC	Street sign	62.14	-99549
101	431100	Street Department	NORTHERN STATES SUPPLY INC	Plow Bolts/Nuts	91.60	-99548
101	415300	Administration & Finance	PITNEY BOWES GLOBAL FINANCIAL SVCS	Quarterly Postage Meter Lease	269.13	-99547
101	421100	Police Administration	PER MAR SECURITY SERVICES INC	CCTV 01-01-2023 - 03/31/2023	91.89	-99546
101	419100	Community Development	NORTHLAND CONSULTING ENGINEERS L.L.P.	Getchell - Radar Rd Developmen	320.00	-99545
230	465100	HEDA	NORTHLAND CONSULTING ENGINEERS L.L.P.	HWY 53 Business Park	260.00	-99545
601	494400	Water Administration and General	NORTHLAND CONSULTING ENGINEERS L.L.P.	Water System Modeling	160.00	-99545
402	431150	Street Improvements	NORTHLAND CONSULTING ENGINEERS L.L.P.	Ugstad Rd - SP 202-101-014	960.00	-99545
603	441100	Storm Water	NORTHLAND CONSULTING ENGINEERS L.L.P.	Lindah Rd Bridge Removal	6,596.00	-99545
101	431130	City Engineer	NORTHLAND CONSULTING ENGINEERS L.L.P.	Preagenda/Four Square	640.00	-99545
240	432510	Trunk Sewer Construction	NORTHLAND CONSULTING ENGINEERS L.L.P.	Oak Ridge Dr. Sanitary Sewer E	1,552.50	-99545
101	415300	Administration & Finance	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	149.08	-99544
101	419901	City Hall & Police Building Maintenance	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	44.79	-99544
101	421100	Police Administration	AT&T MOBILITY	Cell Phones PD	1,382.03	-99544
101	431100	Street Department	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	156.77	-99544
601	494400	Water Administration and General	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	227.95	-99544
602	494900	Sewer Administration and General	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	181.82	-99544
101	415300	Administration & Finance	GREATAMERICA FINANCIAL SERVICES	Copier Lease/Konica C458	207.37	-99543
101	419901	City Hall & Police Building Maintenance	MN ENERGY RESOURCES CORP	Natural Gas -CH/PD	1,966.55	-99542
101	419901	City Hall & Police Building Maintenance	MN ENERGY RESOURCES CORP	Natural Gas CH/PD	2,043.57	-99542
101	422901	Firehall #1 Maple Grove Road	MN ENERGY RESOURCES CORP	Natural Gas -FH #1	2,403.56	-99542
101	431901	City Garage	MN ENERGY RESOURCES CORP	Natural Gas old CH	108.56	-99542
101	431901	City Garage	MN ENERGY RESOURCES CORP	Natural Gas Comm Building	172.68	-99542
101	431901	City Garage	MN ENERGY RESOURCES CORP	Natural Gas Lightning Dr	489.62	-99542

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Fun d	Account	Department	Vendor Name	Description	Amount	Check #
601	494400	Water Administration and General	MN ENERGY RESOURCES CORP	Natural Gas Lightning Dr	559.56	-99542
602	494900	Sewer Administration and General	MN ENERGY RESOURCES CORP	Natural Gas Lightning Dr	349.73	-99542
101	452200	Community Building	MN ENERGY RESOURCES CORP	Natural Gas old CH	977.00	-99542
275	452200	Community Building	MN ENERGY RESOURCES CORP	Natural Gas EWC	12,131.18	-99542
101	421100	Police Administration	NORTHEAST SERVICE COOPERATIVE	Health Ins Jan Inactives	3,717.68	-99541
101	134000	Retiree Insurance/Telephone Reimb.	NORTHEAST SERVICE COOPERATIVE	Health Ins Jan Inactives	1,167.72	-99541
101	134000	Retiree Insurance/Telephone Reimb.	NORTHEAST SERVICE COOPERATIVE	Dental Ins Jan Inact-Volk	44.00	-99540
101	134000	Retiree Insurance/Telephone Reimb.	NORTHEAST SERVICE COOPERATIVE	Dental Ins Jan Inact-Rich	113.00	-99540
101	431100	Street Department	BATTERIES PLUS BULBS	Battery - H25	437.37	69547
101	431100	Street Department	BENSON ELECTRIC COMPANY	PW Emergency Generator	2,233.34	69548
601	494300	Water Distribution	BENSON ELECTRIC COMPANY	PW Emergency Generator	2,233.33	69548
602	494500	Sewer Maintenance	BENSON ELECTRIC COMPANY	PW Emergency Generator	2,233.33	69548
251	421100	Police Administration	BLUEPEARL VETERINARY - EDEN PRAIRIE	Vet Bill - Jack	410.44	69549
230	465100	HEDA	BRAUN INTERTEC CORPORATION	Future Business Park Site	36,809.56	69550
602	494500	Sewer Maintenance	BRAUN INTERTEC CORPORATION	Sanitary Sewer Inspections	1,952.50	69550
101	431100	Street Department	CAPITAL ONE TRADE CREDIT	Snowplow replacement handle &	84.98	69551
101	422903	Firehall #3 Midway Road	CENTURYLINK	Internet FH #3 12/22/22-01/21/	79.98	69552
101	419901	City Hall & Police Building Maintenance	CINTAS CORPORATION	Mats at CH	8.88	69553
101	419901	City Hall & Police Building Maintenance	CINTAS CORPORATION	Mats at FD/PD	30.72	69553
101	431100	Street Department	CINTAS CORPORATION	Uniforms	26.93	69553
101	431100	Street Department	CINTAS CORPORATION	Uniforms	26.93	69553
101	431100	Street Department	CINTAS CORPORATION	Uniforms	9.72	69553
101	431100	Street Department	CINTAS CORPORATION	Uniforms	9.72	69553
101	431901	City Garage	CINTAS CORPORATION	Supplies	37.50	69553
101	431901	City Garage	CINTAS CORPORATION	Mats at PW	10.35	69553
101	431901	City Garage	CINTAS CORPORATION	Supplies	22.50	69553
101	431901	City Garage	CINTAS CORPORATION	Mats at PW	30.03	69553
101	421100	Police Administration	CITY OF DULUTH	Annual Subscription-Records Mg	21,356.00	69554
101	415300	Administration & Finance	CNA SURETY	Notary Errors/2023	22.50	69555
101	421100	Police Administration	CNA SURETY	Notary Errors/2023	33.75	69555
101	415300	Administration & Finance	DULUTH AREA CHAMBER OF COMMERCE	St. Louis Cty at Capital Spons	4,000.00	69556
230	465100	HEDA	EDAM	2023 Mem Dues- Johnson/Mulder	545.00	69557
101	415300	Administration & Finance	EHLERS' 2023 PUBLIC FINANCE SEMINAR	Seminar - Kevin Orme	295.00	69558
101	415300	Administration & Finance	EHLERS' 2023 PUBLIC FINANCE SEMINAR	Seminar - Dana Cunningham	295.00	69558
230	465100	HEDA	EHLERS' 2023 PUBLIC FINANCE SEMINAR	Seminar - Eric Johnson	295.00	69558
601	494300	Water Distribution	FERGUSON WATERWORKS #2516 44	Water Repair Band	1,148.90	69559
601	494300	Water Distribution	FERGUSON WATERWORKS #2516	11.74x20 Repair CL OI:0487832	-1,148.90	69559
101	419100	Community Development	GREATER MINNESOTA PARKS & TRAILS	Membership Eric Johnson 2023	165.00	69560

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Fun d	Account	Department	Vendor Name	Description	Amount	Check #
230	465100	HEDA	HERMANTOWN AREA CHAMBER OF COMMERCE	Annual Membership	500.00	69561
101	411300	Ordinance, Public Notice and Proceedings	HERMANTOWN STAR LLC	12/5/22 Minutes	99.00	69562
101	411300	Ordinance, Public Notice and Proceedings	HERMANTOWN STAR LLC	Ordinance 2022-13	99.00	69562
101	421100	Police Administration	HERMANTOWN STAR LLC	Dog/Cat License	86.62	69562
101	422100	Fire Administration	HERMANTOWN VOLUNTEER FIRE DEPT	1st QTR Fire Protection	140,908.50	69563
101	421100	Police Administration	HOLIDAY COMPANIES	Dec Car Washes	5.00	69564
101	421100	Police Administration	IACP	Dues Crace 01595858 01/01-12/3	190.00	69565
101	419901	City Hall & Police Building Maintenance	KWIK TRIP EXTENDED NETWORK	Gas Building	64.98	69566
101	421100	Police Administration	KWIK TRIP EXTENDED NETWORK	Gas PD	3,490.24	69566
101	421100	Police Administration	KWIK TRIP EXTENDED NETWORK	Car Wash PD	193.00	69566
101	431100	Street Department	KWIK TRIP EXTENDED NETWORK	Gas Street	536.28	69566
601	494300	Water Distribution	KWIK TRIP EXTENDED NETWORK	Gas Utility 60%	716.74	69566
602	494500	Sewer Maintenance	KWIK TRIP EXTENDED NETWORK	Gas Utility 40%	477.82	69566
101	411100	Council	LEAGUE OF MINNESOTA CITIES	2023 Elected Leaders Institute	350.00	69567
101	431100	Street Department	LINDE GAS & EQUIPMENT INC.	Cyl/SafeEnvFee 11/20-12/20/22	70.07	69568
260	456101	Cable	MEDIACOM	Field of Dreams Grant	37,789.62	69569
101	431100	Street Department	MENARD INC	Hose Fitting	1.36	69570
101	421100	Police Administration	MN CHIEFS OF POLICE ASSN	2023 Membership - Esterbrooks	193.00	69571
101	421100	Police Administration	MN CHIEFS OF POLICE ASSN	2023 Membership - Crace	434.00	69571
101	421100	Police Administration	MN CHIEFS OF POLICE ASSN	2023 Membership - Gunderson	193.00	69571
101	421100	Police Administration	MN POLICE & PEACE OFFICERS ASSN	MPPOA MembDues-Crace/Gunderson	120.00	69572
101	419901	City Hall & Police Building Maintenance	MN TELECOMMUNICATIONS	Jan 2023 Internet	360.00	69573
101	422901	Firehall #1 Maple Grove Road	MN TELECOMMUNICATIONS	Jan 2023 Internet	90.00	69573
601	494300	Water Distribution	MONARCH PAVING COMPANY	Cold Mix - Water Breaks	2,048.20	69574
101	431100	Street Department	NAPA AUTO PARTS	Hydraulic Hose - H-0	66.54	69575
101	431100	Street Department	NAPA AUTO PARTS	Hydraulic Hose Fitting	72.60	69575
101	421100	Police Administration	NORTH COUNTRY CHEVROLET	2022 Chev Tahoe - SQD 12	31,673.68	69576
101	431100	Street Department	O'REILLY FIRST CALL	Gear Oil - H-4	45.98	69577
101	431100	Street Department	O'REILLY FIRST CALL	Starting Fluid	16.98	69577
251	421100	Police Administration	RR PROFESSIONAL DOG TRAINING AND BOARDIN	Boarding for Jack	360.00	69578
101	424100	Building Inspection	SCHMINSKI, ADAM	Continuing Education	480.00	69579
101	415300	Administration & Finance	ST LOUIS COUNTY AUDITOR	2023 TINT	797.67	69580
101	431100	Street Department	ST LOUIS COUNTY AUDITOR	Brine Solution Dec 2022	911.25	69581
101	419901	City Hall & Police Building Maintenance	STACK BROS MECHANICAL, INC.	Boiler Service - CH/PW/FH1 & 2	2,932.00	69582
101	422902	Firehall #2 Morris Thomas Road	STACK BROS MECHANICAL, INC.	Boiler Service - CH/PW/FH1 & 2	261.00	69582
101	422903	Firehall #3 Midway Road	STACK BROS MECHANICAL, INC.	Boiler Service - CH/PW/FH1 & 2	261.00	69582
101	431901	City Garage	STACK BROS MECHANICAL, INC.	Boiler Service - CH/PW/FH1 & 2	1,911.99	69582

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Fun d	Account	Department	Vendor Name	Description	Amount	Check #
101	421100	Police Administration	SUN CONTROL OF MN	2021 Tahoe - Graphics Kit SQD	1,500.00	69583
101	422902	Firehall #2 Morris Thomas Road	SUPERIOR FUEL COMPANY	Propane FH #2	1,040.63	69584
101	422903	Firehall #3 Midway Road	SUPERIOR FUEL COMPANY	Propane FH #3	1,051.54	69584
101	431100	Street Department	TENET	Polarized Mirror Safety Glasse	519.80	69585
101	421100	Police Administration	TROY'S BP AMOCO INC	Oil & Filter	43.93	69586
101	421100	Police Administration	TROY'S BP AMOCO INC	Vehicle Repair	1,429.80	69586
101	431100	Street Department	UNITED TRUCK BODY COMPANY INC	Boss Plow Parts	95.92	69587
602	494500	Sewer Maintenance	WLSSD	Wastewater Charges	47,633.00	69588
101	431100	Street Department	ZIEGLER INC	Returned Cutting Edges	-45.14	69589
101	431100	Street Department	ZIEGLER INC	Fuel Cap	45.14	69589
401	431100	Street Department	DEERE CREDIT INC	2022 Motor Grader Lease	60,969.50	69590

Totals: 162 records printed

569,748.06



CITY COUNCIL MEETING DATE: January 17, 2023

TO: Mayor & City Council

FROM: John Mulder, City Administrator

SUBJECT: Extension of Moratorium

RESOLUTION: **ORDINANCE:** 2023-01 **OTHER:**

REQUESTED ACTION

Approve extending the moratoriums on edible cannabinoids for an additional 120 days.

BACKGROUND

The six-month moratorium, as defined by Ordinance 2022-09 (approved on August 1, 2022) is set to expire in February. It is recommended that the moratorium be extended 120 days to provide staff time to prepare a possible ordinance regarding licensure and to determine what actions may be taken by the Minnesota Legislature.

SOURCE OF FUNDS (if applicable)

ATTACHMENTS

Ordinance

Ordinance No. 2023-01

The City Council of the City of Hermantown Does Ordain:

**AN ORDINANCE EXTENDING A TEMPORARY
MORATORIUM ON EDIBLE CANNABINOID PRODUCTS
DERIVED FROM HEMP WITHIN THE CITY OF HERMANTOWN**

SECTION I. Purpose and Intent. The purpose and intent of this Ordinance is to extend the study period authorized under Ordinance No. 2022-09. By this Ordinance, the City intends to exercise its authority under Minnesota Statutes 462.355, Subd. 4 by the creation of an interim ordinance which has the effect of creating a moratorium on the sale, construction, development or creation of a business, or the issuance of a new permit, for the conduct any activity involving edible cannabinoid products derived from hemp.

SECTION II. Preliminary Findings. The City Council hereby makes the following preliminary findings to serve as the basis for the necessary study to be made during the moratorium. These preliminary findings serve as the reasons why it is in the public interest for the City to so declare a moratorium by virtue of this Ordinance:

- 2.1. The current regulations and controls of the City may not adequately address the unique needs and impact of edible cannabinoid products being made available within the City of Hermantown.
- 2.2. The City has not fully studied the impacts of such edible cannabinoid products in relationship to zoning and comprehensive planning due to the rapidly changing regulatory environment surrounding edible cannabinoids, medical marijuana, and the possible legalization of marijuana in Minnesota. The public interest requires that the City further study, analyze and evaluate the impacts of the sale and development of edible cannabinoids, future developments related to hemp and marijuana in Minnesota and in relationship to the zoning districts that are located nearby.
- 2.3. The City seeks guidance from the League of Minnesota Cities and law enforcement organizations due to the uncertain regulatory environment and related public policy issues.
- 2.4. This moratorium will ensure that ordinance changes will not need to be rushed through and that all the issues can be completely examined.

SECTION III. Moratorium. Until the additional studies have been completed by the City, as previously authorized by Ordinance No. 2022-09 and by other actions, related to the aforementioned findings of fact, and is able to provide analysis and recommendations on the regulatory environment and public policy issues, the City shall not issue any permits for the conduct of any business or individuals to sell, construct or develop any edible cannabinoid products derived from hemp. The extended study period authorized hereunder will last no longer

than 120 days from the expiration of Ordinance No. 2022-09, unless further extended by the City in accordance with Minnesota Statutes 462.355, Subd. 4.

SECTION IV. Study. During the period of this moratorium, City staff will diligently seek input from its residents, study the effects edible cannabinoids would have on its residents and businesses and consider any studies or recommendations developed regarding hemp-derived cannabinoids and other products related to marijuana, which may become legalized or otherwise regulated, to help determine the regulatory controls which may need to be adopted or revised to protect the public’s health, safety and welfare. This study may include appropriate locations that would be permitted to sell, construct or develop edible cannabinoids and the conditions under which it may be allowed within the City. Study participants may include, but not be limited to, members of the public, those authorized to sell tobacco, tobacco products and tobacco related devices, and elected and appointed officials.

SECTION V. Effective Date. This interim ordinance shall be in full force and effect from and after its passage and publication according to law.

Dated the _____ day of _____, 2023.

Mayor

ATTEST:

City Clerk

Adopted: _____

Published: _____

Filed: _____

Effective Date: _____



CITY COUNCIL MEETING DATE: January 17, 2023

TO: Mayor & City Council

FROM: John Mulder, City Administrator

SUBJECT: 2023 Engineering Services

RESOLUTION: 2023-07 **ORDINANCE:** **OTHER:**

REQUESTED ACTION

Approve the City Engineer Contract for 2023

BACKGROUND

David Bolf of Northland Consulting Engineers has been the City Engineer since 2015.

Hourly rates are as follows:

Position	2022 Rates	2023 Rates
Professional Engineer	\$160.00	\$180.00
Project Engineer	\$140.00	\$145.00
Engineer, EIT	\$120.00	\$130.00
Surveyor	\$105.00	\$105.00
Technician/Inspector	\$85.00	\$85.00
Clerical/Office Manager	\$50.00	\$50.00

The current rates were increased in 2022. Prior to Jan 1, 2022, the rates had not increased since the beginning of 2019. Prior to 2019, the rates had not increased for 4 years (2015-2018).

SOURCE OF FUNDS (if applicable)

ATTACHMENTS

Resolution
Contract

Resolution No. 2023-07

**RESOLUTION AUTHORIZING AND DIRECTING MAYOR
AND CITY CLERK TO EXECUTE AND DELIVER AGREEMENT
FOR PROFESSIONAL SERVICES WITH NORTHLAND CONSULTING ENGINEERS, LLP
(CITY ENGINEERING SERVICES)**

WHEREAS, the City is in need of engineering services during 2023; and

WHEREAS, an Agreement for Professional Services between the City of Hermantown and Northland Consulting Engineers, LLP with respect to such services is attached hereto; and

WHEREAS, the City Council has duly considered the attached Agreement for Professional Services and believes that it is in the best interests of the City of Hermantown for it to enter into such Agreement with Northland Consulting Engineers, LLP

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hermantown that the Mayor and City Clerk are hereby authorized and directed to execute and deliver on behalf of the City of Hermantown the Agreement for Professional Services attached hereto between the City of Hermantown and Northland Consulting Engineers, LLP.

Councilor _____ introduced the foregoing resolution and moved its adoption.

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

and the following voted in opposition thereto:

WHEREUPON, such resolution was declared duly passed and adopted January 17, 2023.

AGREEMENT FOR PROFESSIONAL SERVICES
CITY OF HERMANTOWN
(CITY ENGINEER SERVICES - INDEPENDENT CONTRACTOR)

Dated: January _____, 2022

THIS AGREEMENT is by and between the CITY OF HERMANTOWN, MINNESOTA, a statutory city under the laws of the State of Minnesota, hereinafter referred to as "City", and NORTHLAND CONSULTING ENGINEERS, LLP, hereinafter referred to as "City Engineer" in response to the following situation:

- A. Engineering services will from time to time be needed by the City.
- B. The City desires that City Engineer provide such engineering services to it as its City Engineer.
- C. City Engineer is willing to provide such engineering services to the City as its City Engineer.

NOW, THEREFORE, the City and the City Engineer do mutually agree as follows:

1. Services to be Performed.

1.1 The engineering services to be performed shall be the responsibility of David Bolf.

1.2 City Engineer shall provide engineering services to the City as its City Engineer including the services described in Exhibit A attached hereto.

1.3 City Engineer will prepare preliminary engineering reports for projects for which City intends to utilize the provisions of Chapter 429 of the Minnesota Statutes ("429 Projects"). City Engineer acknowledges that there are statutory required special rules that must be followed with respect to 429 Projects and agrees to follow such rules which are described on Exhibit B attached hereto.

1.4 The City Administrator shall be responsible for the day-to-day administration of this contract. City Engineer will perform services described on Exhibit A upon receipt of an email or other written communication from the City Administrator authorizing and requesting that the engineering services be performed. City will not be obligated to pay for engineering services performed by the City Engineer that are not authorized and requested by the City Administrator.

2. Personnel.

City Engineer will secure, at its own expense, all personnel required to perform the engineering services under this contract, and such personnel shall not be the employees of, nor have a contractual relationship with, the City.

3. Assignability.

City Engineer shall not assign any interest in this contract and shall not transfer any interest in the same without the prior written approval of the City.

4. Contract Period.

This Agreement shall be effective as of January 1, 2022 and shall continue until December 31, 2022 unless sooner terminated as provided in paragraph 5 hereof.

5. Termination of Contract.

Either the City Engineer or the City may, by giving written notice specifying the effective date which shall not be less than thirty (30) days from the date such notice is given, terminate this contract in whole or in part. In the event of termination, all property and finished or unfinished documents and other writings prepared by the City Engineer under this contract shall be delivered to the City and City Engineer shall be entitled to compensation for time expended to the date of termination and expenses incurred.

6. Independent Contractor.

The relationship between the City Engineer and the City shall be that of an independent contractor. Nothing herein shall in any way make or create any employer-employee relationship between the City and City Engineer.

7. Standard of Performance and Insurance.

All services to be performed by the City Engineer hereunder shall be performed in a skilled, professional and non-negligent manner. City Engineer shall obtain and maintain at their cost and expense:

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

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

7.3 Worker's compensation insurance covering City Engineer (if an individual) all of City Engineer's employees with overages and limits of coverage required by law.

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

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

City Engineer shall deliver to City, concurrent with the execution of this Agreement, one or more certificate(s) of insurance evidencing that City Engineer has the insurance required by this Agreement in full force and effect. City shall be named as additional insured under the policy(ies) described in Section 7.1 above. The insurer of all policies will provide at least thirty (30) days prior written notice to City, without fail, of any cancellation, non-renewal, or modification of any policy(ies) or coverage evidenced by said certificate(s) for any cause, except for nonpayment of premium. The insurer of all policies will provide at least ten (10) days prior written notice to City, without fail, of any cancellation of any of the policy(ies) or coverage evidenced by said certificate(s) for nonpayment of premium. City Engineer shall provide City with appropriate endorsements to its policy(ies) reflecting the status of City as an additional insured and requiring that the foregoing required notice of cancellation, material alteration or non-renewal be provided City by the insurance company providing such insurance policy(ies).

City Engineer shall require any subcontractor permitted by City under Section 3 hereof to perform work for City to have in full force and effect the insurance coverage required of the City Engineer under this Agreement before any subcontractor(s) begin(s) work for the City Engineer or City. City Engineer shall require any such subcontractor to provide City Engineer and City a Certificate of Insurance evidencing that such subcontractor has the insurance required by this Agreement in full force and effect. City Engineer and City shall be named as additional insured under such policies described in Section 7.1. The insurer of all policies will provide a thirty (30) written notice to City and City Engineer, without fail, of any cancellation, non-renewal, or modification of the policy(ies) or coverage evidenced by said certificate(s) for any cause, except for nonpayment of premium. The insurer of all policies will provide at least ten (10) days prior written notice to City and City Engineer, without fail, of any cancellation of any of the policy(ies) or coverage evidenced by said certificate(s) for nonpayment of premium. City and City Engineer shall also be provided with appropriate endorsements to its

policy(ies) reflecting the status of City and City Engineer as an additional insured and requiring that the foregoing required notice of cancellation material alteration or non-renewal be provided to City and City Engineer by the insurance company providing such insurance policy(ies).

8. Special Projects.

City Engineer and City may, by separate agreement, identify special projects for which the services of the City Engineer are desired and that are outside the scope of this Agreement. Such separate agreement shall specify the work to be performed on such separate projects and the fees to be paid to the City Engineer in connection with such special projects.

9. Compensation.

City Engineer shall be compensated for the services to be performed hereunder as set forth in Exhibit C. Engineer shall submit to the City itemized statements of services rendered during each month setting forth the date such services were rendered, a description of the services rendered, the person performing such services and the amount of time expended in performing such services.

10. Confidentiality.

City Engineer agrees that, at all times, both during the term of this Agreement and after the termination of this contract, it will be faithful to City by not divulging, disclosing or communicating to any person, firm or corporation, in any manner whatsoever, except in furtherance of the business of City or as required by an applicable law, rule, regulation or ordinance of City or any other governmental authority, any information of any kind, nature or description concerning any matters affecting or relating to the business, employees, agents, customers of City, or parties contracting with City.

11. Intellectual Property Rights.

For the purposes of this contract, Project Materials means copyrights and all works developed in the performance of this contract, including, but not limited to, the finished product and any deliverables, including any software or data whether in written or electronic format.

Project materials do not include any materials that City Engineer developed, acquired or otherwise owned or had a license to use prior to the date of this contract.

All Project Materials are agreed by City Engineer to be “works made for hire” as defined under 17 U.S.C. §101, for which City has the sole and exclusive right, title and interest, including all rights to ownership and copyright and/or patent. In addition, City

Engineer hereby assigns all right, title and interest, including rights of ownership and copyright in the Project Materials to City no matter what their status might be under federal law.

City Engineer shall provide City with copies of all Project Materials.

Upon request by City Engineer, City may authorize City Engineer to use specified Project Materials to evidence City Engineer's progress and capability. In all such uses of Project Materials by City Engineer, reference shall be made to City and the Project and that the Project Materials are owned by City.

City Engineer also acknowledges and agrees that all names and logos provided to City Engineer by City for use in connection with the Project are and shall remain the sole and exclusive property of City.

12. Notices.

Any notice required to be given under this contract shall be deemed sufficient if in writing, sent by mail to the last known office address of City Engineer, or to City at 5105 Maple Grove Road, Hermantown, MN 55811.

13. Miscellaneous.

This contract constitutes the sole and complete agreement relating to the subject matter of this contract between the parties, superseding any and all other agreements between the parties and no verbal or other statements, inducements or representations have been made or relied upon by either party. No modifications hereof shall be binding upon either party unless in writing and properly executed.

14. No Contractual Authority.

City Engineer shall have no authority to enter into any contracts or agreements binding upon City or to create any obligations on the part of City.

15. Data Practices Act.

City Engineer acknowledges that City is subject to the provisions of the Minnesota Government Data Practices Act.

City Engineer must comply with the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, as it applies to all data provided by City in accordance with this contract and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by City Engineer in accordance with this contract. The civil remedies of Minnesota Statutes § 13.08, apply to City Engineer and City.

Minnesota Statutes, Chapter 13, provides that all government data are public unless otherwise classified. If City Engineer receives a request to release the data referred to in this Section, City Engineer must immediately notify City and consult with City as to how City Engineer should respond to the request. City's response shall comply with applicable law, including that the response is timely and, if City Engineer denies access to the data, that City Engineer's response references the statutory basis upon which City Engineer relied. City Engineer does not have a duty to provide public data to the public if the public data is available from City.

16. Choice of Law and Venue.

All matters relating to the validity, construction, performance, or enforcement of this Agreement shall be determined in accordance with the laws of the State of Minnesota. All legal actions initiated with respect to or arising from any provision contained in this Agreement shall be initiated, filed and venued in the State of Minnesota District Court located in the City of Duluth, County of St. Louis, State of Minnesota.

17. Counterparts.

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but such counterparts shall together constitute one and the same instrument.

18. Work For Others

City Engineer agrees to comply with the provisions of Rule 1805.0300 of the Minnesota Code of Agency Rules. A copy of such rule is attached hereto as Exhibit D.

City Engineer shall advise the Hermantown City Council in writing prior to accepting any work within the City of Hermantown and obtain the permission of the City Council prior to accepting any such work. If the City Council believes that the provisions of Rule 1805.0300 are applicable with respect to such proposed work, then City Engineer shall not accept the proposed work.

The following work has been identified as work that would violate the foregoing prohibitions and accordingly the City Engineer is prohibited from accepting such work within the City of Hermantown:

18.1 Any plat for another party within the City of Hermantown.

18.2 Any work for another party within the City of Hermantown that involves any road, waterline or sewerline that will be dedicated to the City of Hermantown.

18.3 Any civil engineering work for another party that is done in satisfaction of any conditions imposed on any permit issued the City of Hermantown.

18.4 Any civil engineering work for another party where such work is subject to inspection by the City of Hermantown.

18.5 Any civil engineering work for other clients within City if the City Engineer would be required to review the work performed for the other client.

19. Limitations on Work within the City

City Engineer will not be permitted to be the design or construction civil engineer for projects for the City with estimated costs that exceed \$500,000 unless specifically authorized in advance by the City Council. The City Engineer will assist the City in soliciting engineering proposals for the design and construction of projects that have estimated costs exceeding \$500,000.

20. Recordkeeping.

City Engineer hereby agrees:

20.1 To maintain all books, documents, papers, accounting records and other evidence pertaining to the fees and expenses for which it seeks payment or reimbursement hereunder and appropriate records with respect to the services performed by him under this Agreement.

20.2 To make such materials available at its office at all reasonable times during the contract period and for three (3) years from the date of final payment under this Agreement for inspection by the City and copies thereof shall be furnished to City upon request by City.

20.3 That no employee, officer or agent of the City, any member of the family of any such person, any partner of any such person or any organization which employs or is about to employ any of the above has a financial or other interest in the business of City Engineer.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, the City and the City Engineer have executed this contract as of the date first above written.

CITY OF HERMANTOWN, MINNESOTA

NORTHLAND CONSULTING
ENGINEERS, LLP

By _____
Its Mayor

By _____
Its _____

ATTEST:

Date: _____

By _____
Its City Clerk

EXHIBIT A

AGREEMENT FOR PROFESSIONAL SERVICES
between
NORTHLAND CONSULTING ENGINEERS, LLP
and
CITY OF HERMANTOWN

The Services to be provided by City Engineer are as follows:

1. City Engineer shall be responsible for the implementation of the Minnesota State Aid program within the City of Hermantown. This will include the following:
 - 1.1 Update the needs reports each year.
 - 1.2 Make the required changes in the status maps.
 - 1.3 Make the annual bridge survey and send in the required reports.
 - 1.4 Keep up the "Highway" manuals and keep a proper file on all memos from Minnesota Department of Transportation St. Paul and Duluth.
 - 1.5 Review all mail from State Aid programs received by the City making the proper reply to those needing an answer. Copies of all response shall be provided to the City Clerk and Mayor.
 - 1.6 Attend all the meetings required to be attended by a City Engineer and the necessary meetings of the T.A.C. and the M.I.C., etc. that are held for the metropolitan area.
2. City Engineer shall prepare "minor" plans, which will include necessary overlays. It shall also supervise the construction and make up the partial and final estimates on these projects.
3. City Engineer shall review all proposed subdivision plats and write up its recommendations for any changes needed to protect the interests of the City. It will be expected to check the specifications for streets and utilities in proposed subdivisions inspect the work that is done in accordance with such specifications and make up a final acceptance report for the City Council.
4. City Engineer will be directly responsible to the Mayor and City Council and will act promptly to any reasonable requests made by them.
5. City Engineer will work with the City and other consultants for the City and provide and develop legal descriptions, plat plans and maps and other information as may from time to time be needed by the City.
6. City Engineer will attend City Council Meetings as directed by the Council.

7. City Engineer will provide the following general engineering services:
 - 7.1 Assist in planning, coordinating, supervising and evaluating programs, plans, services, equipment, infrastructure, assist with funding solutions.
 - 7.2 Assist in development and implementation of CIPs (capital improvement plans).
 - 7.3 Manage infrastructure issues for the City through proactive planning, monitoring, and operations and maintenance management.
 - 7.4 Develop and recommend policies and procedures for effective operation of the City consistent with city policies and relevant regulations, including recommendations for ordinance modifications, as directed.
 - 7.5 Formulate short- and long-range plans for design and constructing public works improvements, including streets, water, sanitary, storm sewer, parks, and buildings.
 - 7.6 Assist in implementing all water resource functions.
 - 7.7 Review land use applications and construction plans for private developments for consistency with current development best practices, engineering specifications, city policies and relevant laws, rules and regulations. Responsible for ensuring City Council actions are implemented according to approved specifications
 - 7.8 Update City street and utility maps and records
 - 7.9 Obtain proper approval and documentation from local, state, and federal authorities prior to implementing projects.
 - 7.10 Provide engineering services on projects and oversees project management for constructing municipal public works projects.
 - 7.11 Assist in planning, layout and design of City parks, trails and other recreational amenities.
 - 7.12 Provide professional engineering services in connection with the administration of the state and local stormwater laws, rules, ordinances and regulations
 - 7.13 Act as representation of the City on the MIC/TAC board if designated by the City
 - 7.14 Administer, manage and provide planning services with respect to the City's involvement in the Minnesota Stat Aid street program
 - 7.15 Provide legal descriptions for easements and other rights in land as needed from time to time by the City
 - 7.16 Perform such other services as the City may from time to time request

8. City Engineer will provide the following design and bidding services:
 - 8.1 Prepare plans and specifications for all public works projects as requested with the input of City staff. Present plans and specifications to the City Council for approval.
 - 8.2 Consults with state and federal agencies having jurisdictional authority over the project as warranted.
 - 8.3 Prepare and send Advertisements for Bids to the legal newspaper and the Construction Bulletin for solicitation of bids.
 - 8.4 Reproduce Contract Documents for bidding purposes.
 - 8.5 Review the bids and prepare bid tabulation.

8.6 Evaluate bids, assist staff in preparing a recommendation to the City Council and assemble and award contracts.

9. City Engineer will provide the following project management/construction services:

- 9.1 Convene a pre-construction conference with staff, contractor, utility company representatives, etc.
- 9.2 Perform construction staking and surveying.
- 9.3 Provide construction observation during construction.
- 9.4 Prepare and maintain necessary documentation, including photographs and/or video if warranted, and a log of the contractor's progress.
- 9.5 Convene regular construction progress meetings, as required.
- 9.6 Prepare, review and recommend action for proposed change orders.
- 9.7 Review and recommend final acceptance by the City. Assist the City in ensuring that contractors have been paid and lien waivers have been acquired.
- 9.8 Provide as-built drawings upon conclusion of projects to the City.

10. City Engineer will provide the following engineering reports and technical correspondence:

10.1 Determine the need for preliminary studies, review all preliminary studies for compliance with ordinances, comprehensive plans, engineering standards and financial guidelines including:

- 10.1.1 Feasibility reports
- 10.1.2 Prepare preliminary (and final) assessment rolls.
- 10.1.3 Plat review
- 10.1.4 Utility studies
- 10.1.5 Surface water system analysis and design
- 10.1.6 Capital Improvement Program studies
- 10.1.7 Prepare comments regarding reports, plans and studies of other agencies
- 10.1.8 Presents feasibility studies at public meetings.

10.2 City Engineer shall establish and maintain a library of the following records:

- 10.2.1 Permits and applications
- 10.2.2 Contract documents
- 10.2.3 Addenda
- 10.2.4 Copies of referenced standard specification
- 10.2.5 Project schedules
- 10.2.6 Shop drawings and submittals
- 10.2.7 Applicable correspondence
- 10.2.8 Records of pertinent telephone conversations

- 10.2.9 File memoranda, directives and change orders
- 10.2.10 Requests and recommendations for payment
- 10.2.11 Project budget and cost information
- 10.2.12 Diaries and logs
- 10.2.13 Records of noncompliance
- 10.2.14 Field test results
- 10.2.15 Materials testing reports
- 10.2.16 Record drawings
- 10.2.17 Project photographs
- 10.2.18 Project studies and reports
- 10.2.19 Project progress and meeting minutes
- 10.2.20 Other information as necessary or required

11. Participate in City meetings, including:

11.1 Internal and external meetings with City or other engineering firms involving engineering questions and issues.

11.2 Meet with developers and members of the public on proposed development projects in order to relate the processes and procedures involved with engineering and infrastructure development. Reviews development proposals for conformance with City Standards.

11.3 City Council meetings and work sessions, Planning & Zoning Commission meetings as requested, Utility Commission meetings as requested, and monthly Fast Track meetings with City Staff and consultants, other City meetings as needed.

EXHIBIT B

RULES FOR 429 PROJECTS

1. Services to be Performed. City Engineer agrees that it will provide City with a Preliminary Engineering Report that advises City in a preliminary way as to whether the proposed 429 Project is necessary, cost effective and feasible and as to whether it should best be made as proposed or in connection with some other improvement. The report must also include the estimated cost of the improvement as recommended.

2. Fees. City agreement to compensate City Engineer for the services referred to in paragraph 1 above for fees and expenses for as set forth in Exhibit B-1 attached hereto.

The compensation to the City Engineer for the preparation of requested Preliminary Engineering Reports is and will be based on the following facts.

- 2.1 The time and labor required.
- 2.2 The experience and knowledge of the preparer.
- 2.3 The complexity and novelty of the problems involved.
- 2.4 The extent of the responsibility assumed.

The compensation to the City Engineer for Preliminary Engineering Reports will not and is not based on percentage of the estimated cost of the improvements.

3. Content of Preliminary Engineering Report. No Preliminary Engineering Report is to be prepared except pursuant to a Resolution approved by the Hermantown City Council calling for the preparation of a preliminary engineering report. Pursuant to Minnesota Statutes Section 429.031

The Preliminary Engineering Report must state that it was prepared in accordance with Minnesota Statutes Section 429.031. Specifically the report must advise the City Council, in a preliminary way, as to whether the proposed improvement is necessary, cost-effective and feasible and as to whether it should be best made as proposed or in connection with some other improvement.

The report must also include the estimated cost of the improvement as recommended.

EXHIBIT B-1

429 PROJECTS PRELIMINARY ENGINEERING REPORTS

Hourly rates are as follows:

Position	2022 Rates	2023 Rates
Professional Engineer	\$160.00	\$180.00
Project Engineer	\$140.00	\$145.00
Engineer, EIT	\$120.00	\$130.00
Surveyor	\$105.00	\$105.00
Technician/Inspector	\$85.00	\$85.00
Clerical/Office Manager	\$50.00	\$50.00

EXHIBIT C

FEE SCHEDULE

Position	2022 Rate	2023 Rate
Professional Engineer	\$160.00	\$180.00
Project Engineer	\$140.00	\$145.00
Engineer, EIT	\$120.00	\$130.00
Surveyor	\$105.00	\$105.00
Technician/Inspector	\$80.00	\$85.00
Clerical/Office Manager	\$50.00	\$50.00

The hourly rate for the City Engineer will be ~~\$160.00~~ \$180.00 for hours spent in meetings which will include: City Council Meetings, Staff Meetings, Utility Commission meetings, MIC/TAC Meetings and other meetings.

EXHIBIT D

1805.300 **CONFLICT OF INTEREST.**

Subp. 1. **Employment.** A licensee shall avoid accepting a commission where duty to the client or the public would conflict with the personal interest of the licensee or the interest of another client. Prior to accepting such employment the licensee shall disclose to a prospective client such facts as may give rise to a conflict of interest.

Subp. 2. **Compensation.** A licensee shall not accept compensations for services relating or pertaining to the same project from more than one party unless there is a unity of interest between or among the parties to the project and unless the licensee makes full disclosure and obtains the express consent of all parties from whom compensation will be received.

Subp. 3. **Gifts.** A licensee shall not, directly or indirectly, solicit or accept any compensation, gratuity, or item of value from contractors, their agents, or other persons dealing with the client or employer in connection with the work for which the licensee has been retained without the knowledge and approval of the client or the employer.



CITY COUNCIL MEETING DATE: January 17, 2023

TO: Mayor & City Council

FROM: John Mulder, City Administrator

SUBJECT: Removal of Lindahl Road Bridge

RESOLUTION: 2023-08 **ORDINANCE:** **OTHER:**

REQUESTED ACTION

Approve Plans and authorize advertisement for bids to remove the Lindahl Road Bridge.

BACKGROUND

In 2019, the City conducted a feasibility study to consider options for the structurally deficient bridge on Lindahl Road over the Midway River. This bridge is south of Morris Thomas road and north of Hwy 2. The City Council held a public hearing on December 16, 2019 on the possibility of eliminating the bridge. There was no opposition to that proposal. Since that time, the bridge has been closed with barriers put in place to prevent traffic from using the bridge.

In August of 2022, the City Council hired Northland Consulting Engineers LLP to prepare plans and specifications to have the bridge removed. The plan includes the removal of the bridge and altering the road to provide a place for traffic to turn around if necessary. A complete plan set is available from the City Clerk. This work would be done in the summer of 2023.

The Council is asked to prepare the plans and authorize the advertisement for bids to remove the bridge. If approved, bids would be accepted and the Council will be asked to award a contract for the bridge removal on March 6, 2023.

SOURCE OF FUNDS (if applicable)

Stormwater Fund
603-441100-530

ATTACHMENTS

Resolution & Ads
Plan set excerpts

Resolution No. 2023-08

**RESOLUTION APPROVING FINAL PLANS AND
SPECIFICATIONS AND ORDERING ADVERTISEMENT
FOR BIDS FOR THE REMOVAL OF THE LINDAHL ROAD BRIDGE**

WHEREAS, Northland Consulting Engineers, LLP, the City Engineer has prepared final plans and specifications for the removal of the Lindahl Road Bridge; and

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

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

WHEREAS, by law the City of Hermantown is obligated to advertise for bids for construction of the improvements described in such final plans and specifications; and

WHEREAS, the City Council believes that it is in the best interest of the City of Hermantown that such bids be advertised for at the earliest possible time.

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

1. The final plans and specifications prepared by Northland Consulting Engineers, LLP are hereby approved and ordered placed on file in the office of the City Clerk.

2. The City Clerk is hereby directed to file such final plans and specifications in the permanent records of the City.

3. The City Clerk is hereby further authorized and directed to prepare and cause to be inserted in the Hermantown Star, the official newspaper an advertisement for bids for removal of the Lindahl Road Bridge in accordance with the plans and specifications approved by the City Council. The advertisement for bids shall be published in the Hermantown Star on January 26, 2023, February 2, 2023, and February 9, 2023

4. Such advertisement shall specify the work to be done, shall state that the bids will be publicly opened and tabulated by the Consulting Engineer and the City Clerk on **Thursday, February 16, 2023, at 10:00 a.m.**, that the tabulated bids will be considered at the City Council meeting on **March 6, 2023 at 6:30 p.m.**, and shall state that no bids will be considered unless sealed and filed with the City Clerk and accompanied by a cash deposit, cashier's check, bid bond or certified check payable to the City of Hermantown for five percent (5%) of the amount bid.

5. The notice to be published shall be substantially in the form of the one attached hereto as 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:

and the following voted in opposition thereto:

WHEREUPON, such resolution was declared duly passed and adopted January 17, 2023.

EXHIBIT A

ADVERTISEMENT FOR BIDS

NOTICE IS HEREBY GIVEN that the City Council of the City of Hermantown, Minnesota, will receive bids at the office of the City Clerk until **10:00 a.m. Local Time, Thursday, February 16th, 2023** for the Lindahl Road Bridge Removal project. The project takes place in the City of Hermantown in accordance with the specifications on file in the office of the City Clerk, Minnesota Builders Exchange and QuestCDN. Major work items include: Removal of the Lindahl Road bridge over the Midway River, construction of (2) hammerheads on both the north and south side of the bridge, and re-establishment of the flood plain.

All bids shall be made on the proposal form contained in the specifications and shall be accompanied by a cashier's check, bid bond or certified check payable to the order of the City of Hermantown for not less than five percent (5%) of the amount bid.

Digital image copies of the Bidding Documents are available QuestCDN. These documents may be downloaded by selecting this project from the PROJECT BID INFORMATION on the SEARCH PROJECTS page. For assistance and free membership registration, contact QuestCDN at 952.233.1632 or info@questcdn.com.

Bids shall be mailed or delivered to the City Clerk, securely sealed and endorsed upon the outside wrapper with a brief statement or summary as to the work for which the bid is made.

The City Council reserves the right to reject all bids. All bids and the award of bid shall be subject to the Competitive Bidding Rules of the City of Hermantown.

Bids will be opened and compiled by the City Clerk and the City Engineer at **10:00 a.m. Local Time, Thursday, February 16th, 2023** at the Hermantown Government Services Building. **A bid abstract will be prepared and sent to all bidders via email by the end of the day of the opening.** Any questions regarding the project should be directed to the City Engineer, David Bolf at 218-727-5995 or david@nce-duluth.com.

Authorized by the City Council.

JACKIE DOLENTZ, CLERK
City of Hermantown

CITY OF HERMANTOWN

DEPARTMENT OF PUBLIC WORKS AND UTILITIES

CONSTRUCTION PLANS FOR:

LINDAHL ROAD BRIDGE REMOVAL AND HAMMERHEADS

LOCATION: BETWEEN MORRIS THOMAS ROAD AND US HWY 2
LENGTH: 600 FEET 0.114 MILES

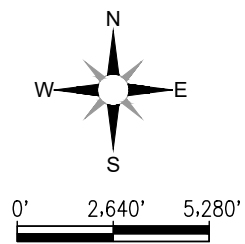
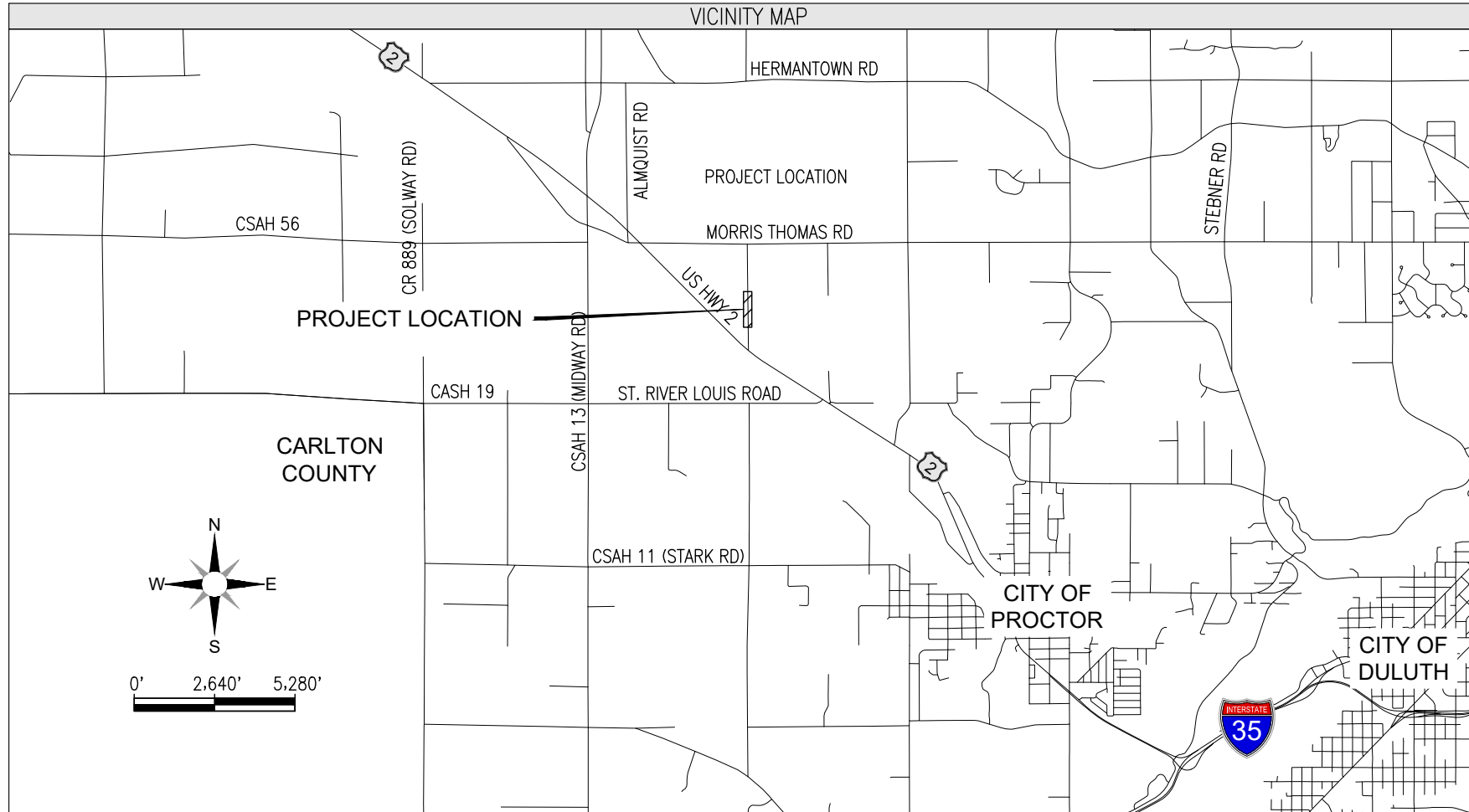


1-800-252-1166



PROJECT LOCATION
ST. LOUIS COUNTY
CITY OF HERMANTOWN

VICINITY MAP



DEFINITIONS

ABBREVIATION	DESCRIPTION
EG	EXISTING GRADE
FFE	FINISH FLOOR ELEVATION
FG	FINISH GRADE
N/A	NOT AVAILABLE
PC	POINT OF CURVATURE
PI	POINT OF INTERSECTION
PT	POINT OF TANGENT

GOVERNING SPECIFICATIONS

THE 2020 EDITION OF THE MINNESOTA DEPARTMENT OF TRANSPORTATION 'STANDARD SPECIFICATIONS FOR CONSTRUCTION' SHALL GOVERN. AVAILABLE AT: <http://www.dot.state.mn.us/pre-letting/spec/>

THE 2022 EDITION OF THE CITY OF HERMANTOWN STANDARD CONSTRUCTION SPECIFICATIONS AND SUPPLEMENTS OR ADDENDUMS SHALL APPLY. AVAILABLE AT: GOVERNMENTAL SERVICES BUILDING

UTILITY DETAIL LEVEL

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

WARNING:

LOCATION OF UNDERGROUND UTILITIES TO BE VERIFIED BY CONTRACTOR. CALL BEFORE DIGGING. GOPHER STATE ONE CALL 1-800-252-1166 REQUIRED BY LAW.

BASIS OF BEARING/CONTROL

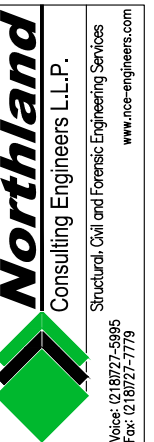
CONTROL BASED ON THE ST. LOUIS COUNTY TRANSVERSE MERCATOR COORDINATE SYSTEM OF 1996

POINT NAME:	NORTHING:	EASTING:	ELEVATION:
TOP OF SPIKE	3337433.16	4805009.45	1252.71

SHEET INDEX

SHEET NO	DESCRIPTION
1	TITLE
2	REMOVALS PLAN
3	SITE AND GRADING PLAN
4	EROSION CONTROL PLAN
5	EROSION CONTROL NOTES

---THIS PLAN CONTAINS 5 SHEETS---



LINDAHL ROAD BRIDGE
REMOVAL AND HAMMERHEADS
HERMANTOWN, MN

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly licensed Professional Engineer under the laws of the State of Minnesota.
01/17/23
Lic. No: 40926
Engineer: David G. Boff

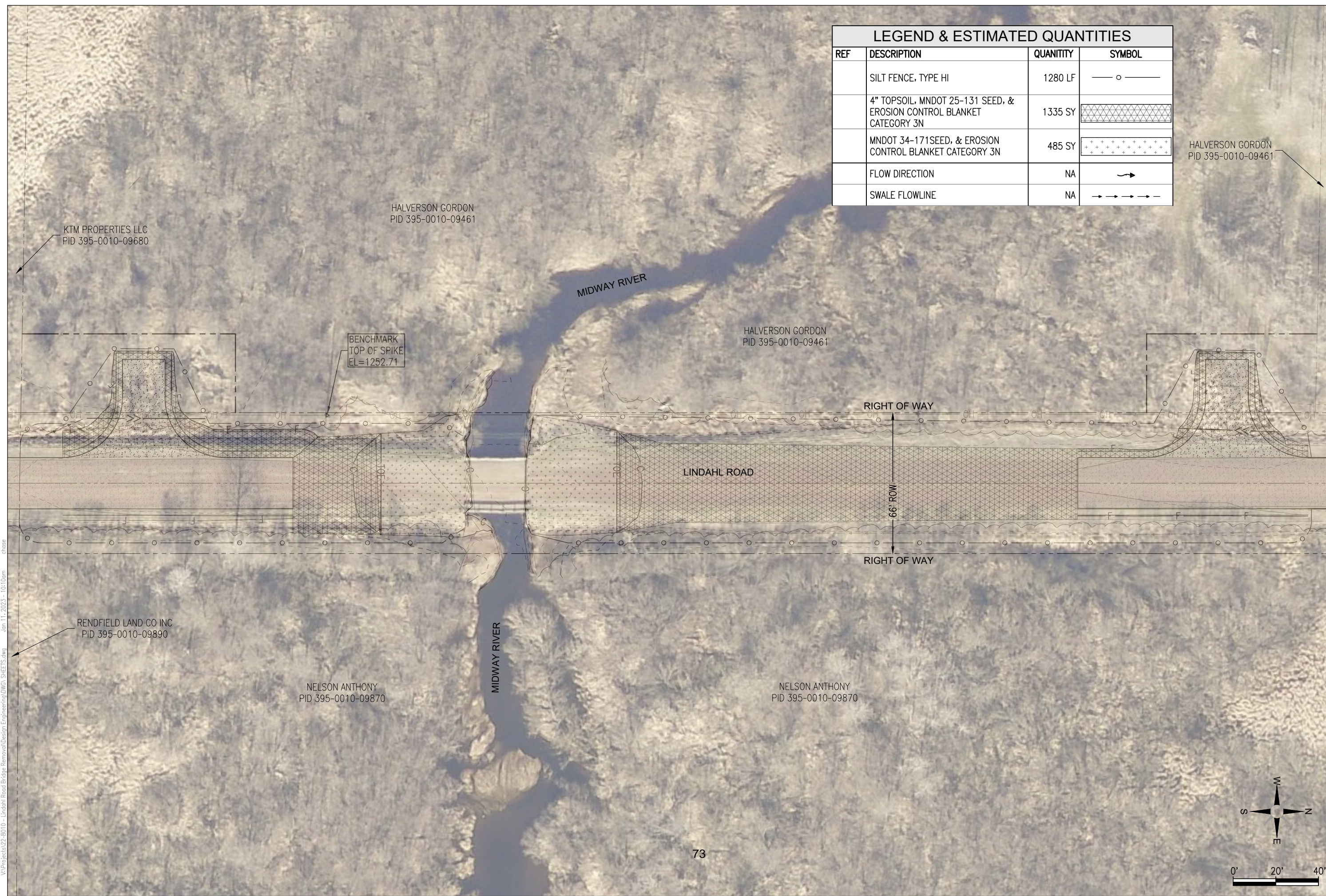
revision
Proj: 22-8010
Date: 01/17/23
Drawn: TTP
Checked: DGB

CITY APPROVAL

APPROVED  HERMANTOWN CITY ENGINEER DATE

TITLE

Sheet Title
Sheet Number



LEGEND & ESTIMATED QUANTITIES			
REF	DESCRIPTION	QUANTITY	SYMBOL
	SILT FENCE, TYPE HI	1280 LF	— ○ —
	4" TOPSOIL, MNDOT 25-131 SEED, & EROSION CONTROL BLANKET CATEGORY 3N	1335 SY	[Cross-hatched pattern]
	MNDOT 34-171SEED, & EROSION CONTROL BLANKET CATEGORY 3N	485 SY	[Dotted pattern]
	FLOW DIRECTION	NA	→
	SWALE FLOWLINE	NA	→ → → →

Northland
 Consulting Engineers L.L.P.
 Structural, Civil and Forensic Engineering Services
 Voice: (612) 977-5995
 Fax: (612) 777-7779
 www.nce-engineers.com

LINDAHL ROAD BRIDGE
 REMOVAL AND HAMMERHEADS
 HERMANTOWN, MN

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly licensed Professional Engineer under the laws of the State of Minnesota.
 01/17/23
 Lic. No: 40926
 Engineer: David G. Bolf

revision _____

Proj: 22-8010
 Date: 01/17/23
 Drawn: TTP
 Checked: DGB

EROSION CONTROL
 PLAN
 Sheet Title

Sheet Number
4



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KEY NOTES:

1. BRIDGE 88790 IS 29.5' LONG BY 24.5' WIDE. THE DECK AND SUPERSTRUCTURE IS ASPHALT OVER TIMBER ON STEEL BEAMS. SUBSTRUCTURE IS COMPOSED OF TIMBER PILE CAP ON TIMBER PILES WITH LAMINATED BACKING BOARDS & TIMBER WING WALLS.



Northland
 Consulting Engineers L.L.P.
 Structural, Civil and Forensic Engineering Services
 Voice: (612) 777-5995
 Fax: (612) 777-7779
 www.nce-engineers.com

**LINDAHL ROAD BRIDGE
 REMOVAL AND HAMMERHEADS
 HERMANTOWN, MN**

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly licensed Professional Engineer under the laws of the State of Minnesota.

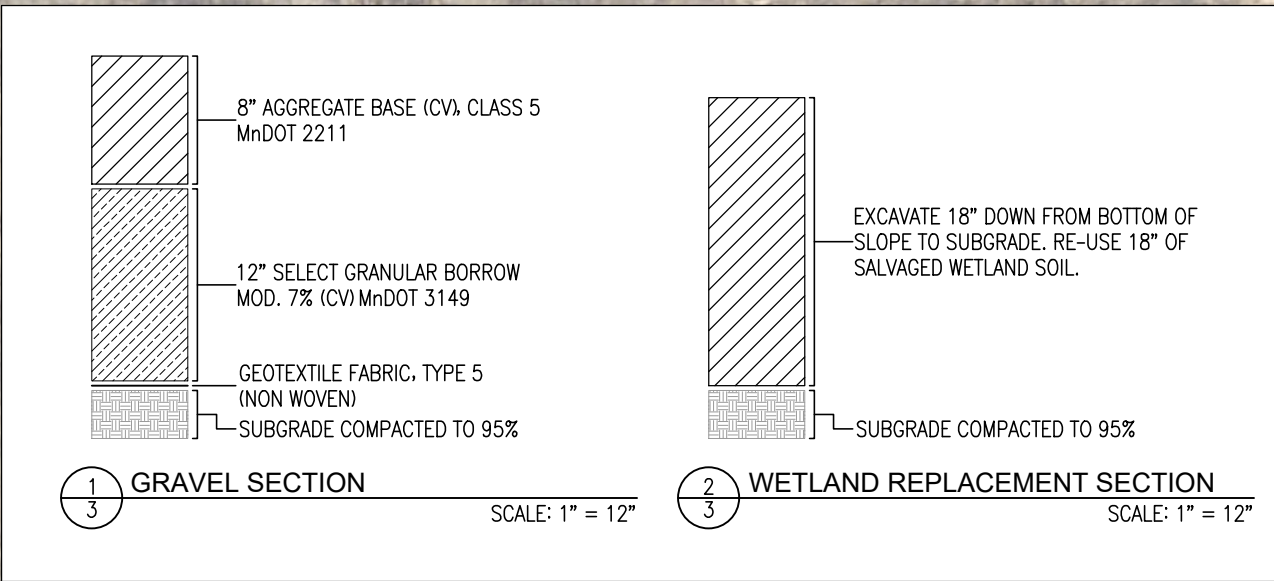
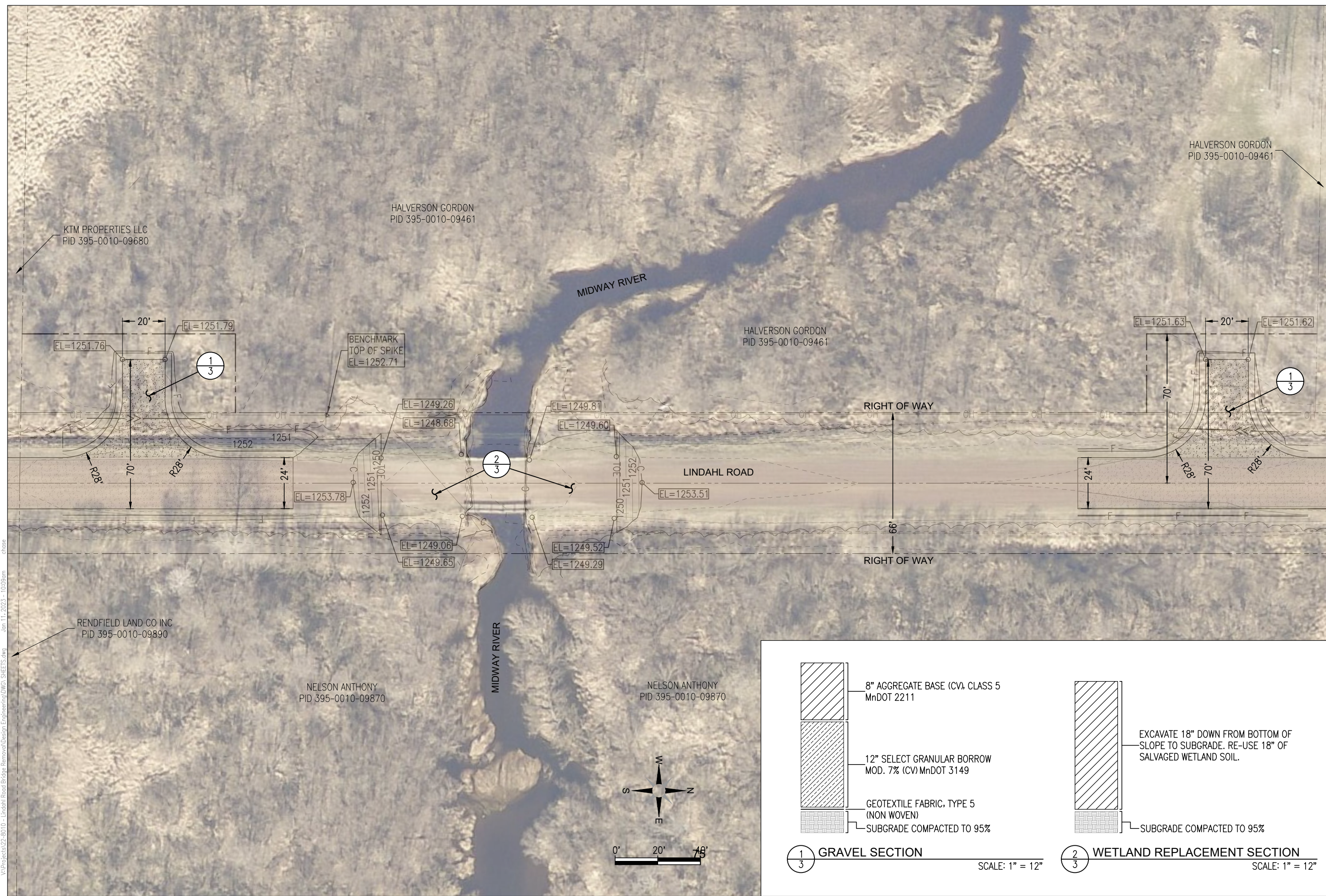
[Signature]
 Engineer: David G. Bolf
 Lic. No.: 40926
 01/17/23

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Proj: 22-8010	
Date: 01/17/23	
Drawn: TTP	
Checked: DGB	
REMOVALS PLAN	
Sheet Title	
Sheet Number	2



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 Jan 11, 2023 - 10:09am
 chase

TOPOGRAPHIC SURVEY
 PROVIDED BY ALTA LAND SURVEY INC



I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly licensed Professional Engineer under the laws of the State of Minnesota.
 01/17/23
 Lic. No: 40926
 Engineer: David G. Bolf

revision	
Proj: 22-8010	
Date: 01/17/23	
Drawn: TTP	
Checked: DGB	
SITE AND GRADING PLAN	
Sheet Title	
Sheet Number	3

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 Jan 11, 2023 - 10:09am
 chase

EROSION PREVENTION PRACTICES

CONTRACTOR SHALL MINIMIZE THE NEED FOR DISTURBANCE OF PORTIONS OF THE PROJECT WITH STEEP SLOPES. WHEN STEEP SLOPES MUST BE DISTURBED, CONTRACTOR MUST USE TECHNIQUES SUCH AS PHASING AND STABILIZATION PRACTICES DESIGNED FOR STEEP SLOPES.

CONTRACTOR SHALL STABILIZE ALL EXPOSED SOIL AREAS, INCLUDING STOCKPILES. STABILIZATION MUST BE INITIATED IMMEDIATELY TO LIMIT SOIL EROSION WHEN CONSTRUCTION ACTIVITY HAS PERMANENTLY OR TEMPORARILY CEASED ON ANY PORTION OF THE SITE AND WILL NOT RESUME FOR A PERIOD EXCEEDING 14 CALENDAR DAYS. STABILIZATION MUST BE COMPLETED NO LATER THAN 14 CALENDAR DAYS AFTER THE CONSTRUCTION ACTIVITY HAS CEASED.

FOR PUBLIC WATERS THAT THE MNDNR HAS PROMULGATED "WORK IN WATER RESTRICTIONS" DURING SPECIFIED FISH SPAWNING TIME FRAMES, CONTRACTOR MUST COMPLETE STABILIZATION OF ALL EXPOSED SOIL AREAS WITHIN 200 FEET OF THE WATER'S EDGE, AND THAT DRAIN TO THESE WATERS, WITHIN 24 HOURS DURING THE RESTRICTION PERIOD.

CONTRACTOR MUST STABILIZE THE NORMAL WETTED PERIMETER OF THE LAST 200 LINEAR FEET OF TEMPORARY OR PERMANENT DRAINAGE DITCHES OR SWALES THAT DRAIN WATER FROM THE SITE WITHIN 24 HOURS AFTER CONNECTING TO A SURFACE WATER OR PROPERTY EDGE. CONTRACTOR MUST COMPLETE STABILIZATION OF REMAINING PORTIONS OF TEMPORARY OR PERMANENT DITCHES OR SWALES WITHIN 14 CALENDAR DAYS AFTER CONNECTING TO A SURFACE WATER OR PROPERTY EDGE AND CONSTRUCTION IN THAT PORTION OF THE DITCH TEMPORARILY OR PERMANENTLY CEASES.

TEMPORARY OR PERMANENT DITCHES OR SWALES BEING USED AS SEDIMENT CONTAINMENT SYSTEM DURING CONSTRUCTION DO NO NEED TO BE STABILIZED. CONTRACTOR MUST STABILIZE THESE AREAS WITHIN 24 HOURS AFTER THEIR USE AS A SEDIMENT CONTAINMENT SYSTEM CEASES.

CONTRACTOR MUST NOT USE MULCH, HYDROMULCH, TACKIFIER, POLYACRYLAMIDE OR SIMILAR EROSION PREVENTION PRACTICES WITHIN ANY PORTION OF THE NORMAL WETTED PERIMETER OF A TEMPORARY OR PERMANENT DRAINAGE DITCH OR SWALE SECTION WITH A CONTINUOUS SLOPE OF GREATER THAN 2 PERCENT.

CONTRACTOR MUST PROVIDE TEMPORARY OR PERMANENT ENERGY DISSIPATION AT ALL PIPE OUTLETS WITHIN 24 HOURS AFTER CONNECTION TO A SURFACE WATER OR PERMANENT STORMWATER TREATMENT SYSTEM.

CONTRACTOR MUST NOT DISTURB MORE LAND (I.E., PHASING) THAN CAN BE EFFECTIVELY INSPECTED AND MAINTAINED.

SEDIMENT CONTROL PRACTICES

CONTRACTOR MUST ESTABLISH SEDIMENT CONTROL BMPs ON ALL DOWNGRAIENT PERIMETERS OF THE SITE AND DOWNGRAIENT AREAS OF THE SITE THAT DRAIN TO ANY SURFACE WATER, INCLUDING CURB AND GUTTER SYSTEMS. CONTRACTOR MUST LOCATE SEDIMENT CONTROL PRACTICES UPGRADIENT OF ANY BUFFER ZONES. CONTRACTOR MUST INSTALL SEDIMENT CONTROL PRACTICES BEFORE ANY UPGRADIENT LAND-DISTURBING ACTIVITIES BEGIN AND MUST KEEP THE SEDIMENT CONTROL PRACTICES IN PLACE UNTIL THEY ESTABLISH PERMANENT COVER.

IF DOWNGRAIENT SEDIMENT CONTROLS ARE OVERLOADED, BASED ON FREQUENT FAILURE OR EXCESSIVE MAINTENANCE REQUIREMENTS, CONTRACTOR MUST INSTALL ADDITIONAL UPGRADIENT SEDIMENT CONTROL PRACTICES OR REDUNDANT BMPs TO ELIMINATE THE OVERLOADING AND AMEND THE SWPPP TO IDENTIFY THESE ADDITIONAL PRACTICES AS REQUIRED IN ITEM 6.3.

CONTRACTOR MUST RE-INSTALL ALL SEDIMENT CONTROL PRACTICES ADJUSTED OR REMOVED TO ACCOMMODATE SHORT-TERM ACTIVITIES SUCH AS CLEARING OR GRUBBING, OR PASSAGE OF VEHICLES, IMMEDIATELY AFTER THE SHORT-TERM ACTIVITY IS COMPLETED. CONTRACTOR MUST RE-INSTALL SEDIMENT CONTROL PRACTICES BEFORE THE NEXT PRECIPITATION EVENT EVEN IF THE SHORT-TERM ACTIVITY IS NOT COMPLETE.

CONTRACTOR MUST PROTECT ALL STORM DRAIN INLETS USING APPROPRIATE BMPs DURING CONSTRUCTION UNTIL THEY ESTABLISH PERMANENT COVER ON ALL AREAS WITH POTENTIAL FOR DISCHARGING TO THE INLET.

CONTRACTOR MAY REMOVE INLET PROTECTION FOR A PARTICULAR INLET IF A SPECIFIC SAFETY CONCERN IS IDENTIFIED.

CONTRACTOR MUST PROVIDE SILT FENCE OR OTHER EFFECTIVE SEDIMENT CONTROLS AT THE BASE OF STOCKPILES ON THE DOWNGRAIENT PERIMETER.

CONTRACTOR MUST LOCATE STOCKPILES OUTSIDE OF NATURAL BUFFERS OR SURFACE WATERS, INCLUDING STORMWATER CONVEYANCES SUCH AS CURB AND GUTTER SYSTEMS UNLESS THERE IS A BYPASS IN PLACE FOR THE STORMWATER.

CONTRACTOR MUST INSTALL A VEHICLE TRACKING BMP TO MINIMIZE THE TRACK OUT OF SEDIMENT FROM THE CONSTRUCTION SITE OR ONTO PAVED ROADS WITHIN THE SITE.

CONTRACTOR MUST USE STREET SWEEPING IF VEHICLE TRACKING BMPs ARE NOT ADEQUATE TO PREVENT SEDIMENT TRACKING ONTO THE STREET.

CONTRACTOR MUST INSTALL TEMPORARY SEDIMENT BASINS AS REQUIRED IN SECTION 14.

IN ANY AREAS OF THE SITE WHERE FINAL VEGETATIVE STABILIZATION WILL OCCUR, CONTRACTOR MUST RESTRICT VEHICLE AND EQUIPMENT USE TO MINIMIZE SOIL COMPACTION.

CONTRACTOR MUST PRESERVE TOPSOIL ON THE SITE, UNLESS INFEASIBLE.

CONTRACTOR MUST DIRECT DISCHARGES FROM BMPs TO VEGETATED AREAS UNLESS INFEASIBLE.

CONTRACTOR MUST PRESERVE A 50 FOOT NATURAL BUFFER OR, IF A BUFFER IS INFEASIBLE ON THE SITE, PROVIDE REDUNDANT PERIMETER SEDIMENT CONTROLS WHEN A SURFACE WATER IS LOCATED WITHIN 50 FEET OF THE PROJECT'S EARTH DISTURBANCES AND STORMWATER FLOWS TO THE SURFACE WATER. CONTRACTOR MUST INSTALL PERIMETER SEDIMENT CONTROLS AT LEAST 5 FEET APART UNLESS LIMITED BY LACK OF AVAILABLE SPACE. NATURAL BUFFERS ARE NOT REQUIRED ADJACENT TO ROAD DITCHES, JUDICIAL DITCHES, COUNTY DITCHES, STORMWATER CONVEYANCE CHANNELS, STORM DRAIN INLETS, AND SEDIMENT BASINS.

DEWATERING AND BASIN DRAINING

CONTRACTOR MUST DISCHARGE TURBID OR SEDIMENT-LADEN WATERS RELATED TO DEWATERING OR BASIN DRAINING TO A TEMPORARY OR PERMANENT SEDIMENT BASIN ON THE PROJECT SITE UNLESS INFEASIBLE. CONTRACTOR MAY DEWATER TO SURFACE WATERS IF THEY VISUALLY CHECK TO ENSURE ADEQUATE TREATMENT HAS BEEN OBTAINED AND NUISANCE CONDITIONS WILL NOT RESULT FROM THE DISCHARGE. IF CONTRACTOR CANNOT DISCHARGE THE WATER TO A SEDIMENTATION BASIN PRIOR TO ENTERING A SURFACE WATER, CONTRACTOR MUST TREAT IT WITH APPROPRIATE BMPs SUCH THAT THE DISCHARGE DOES NOT ADVERSELY AFFECT THE SURFACE WATER OR DOWNSTREAM PROPERTIES.

IF CONTRACTOR MUST DISCHARGE WATER CONTAINING OIL OR GREASE, THEY MUST USE AN OIL-WATER SEPARATOR OR SUITABLE FILTRATION DEVICE (E.G., CARTRIDGE FILTERS, ABSORBENTS PADS) PRIOR TO DISCHARGE.

CONTRACTOR MUST DISCHARGE ALL WATER FROM DEWATERING OR BASIN-DRAINING ACTIVITIES IN A MANNER THAT DOES NOT CAUSE EROSION OR SCOUR IN THE IMMEDIATE VICINITY OF DISCHARGE POINTS OR INUNDATION OF WETLANDS IN THE IMMEDIATE VICINITY OF DISCHARGE POINTS THAT CAUSES SIGNIFICANT ADVERSE IMPACT TO THE WETLAND.

IF CONTRACTOR USE FILTERS WITH BACKWASH WATER, THEY MUST HAUL THE BACKWASH WATER AWAY FOR DISPOSAL, RETURN THE BACKWASH WATER TO THE BEGINNING OF THE TREATMENT PROCESS, OR INCORPORATE THE BACKWASH WATER INTO THE SITE IN A MANNER THAT DOES NOT CAUSE EROSION.

INSPECTIONS AND MAINTENANCE

CONTRACTOR MUST INSPECT AND MAINTAIN ALL PERMANENT STORMWATER TREATMENT BMPs.

CONTRACTOR MUST INSPECT ALL EROSION PREVENTION AND SEDIMENT CONTROL BMPs AND POLLUTION PREVENTION MANAGEMENT MEASURES TO ENSURE INTEGRITY AND EFFECTIVENESS. CONTRACTOR MUST REPAIR, REPLACE OR SUPPLEMENT ALL NONFUNCTIONAL BMPs WITH FUNCTIONAL BMPs BY THE END OF THE NEXT BUSINESS DAY AFTER DISCOVERY. CONTRACTOR MAY TAKE ADDITIONAL TIME IF FIELD CONDITIONS PREVENT ACCESS TO THE AREA.

DURING EACH INSPECTION, CONTRACTOR MUST INSPECT SURFACE WATERS, INCLUDING DRAINAGE DITCHES AND CONVEYANCE SYSTEMS BUT NOT CURB AND GUTTER SYSTEMS, FOR EVIDENCE OF EROSION AND SEDIMENT DEPOSITION. CONTRACTOR MUST REMOVE ALL DELTAS AND SEDIMENT DEPOSITED IN SURFACE WATERS, INCLUDING DRAINAGE WAYS, CATCH BASINS, AND OTHER DRAINAGE SYSTEMS AND RESTABILIZE THE AREAS WHERE SEDIMENT REMOVAL RESULTS IN EXPOSED SOIL. CONTRACTOR MUST COMPLETE REMOVAL AND STABILIZATION WITHIN SEVEN (7) CALENDAR DAYS OF DISCOVERY UNLESS PRECLUDED BY LEGAL, REGULATORY, OR PHYSICAL ACCESS CONSTRAINTS. CONTRACTOR MUST USE ALL REASONABLE EFFORTS TO OBTAIN ACCESS. IF PRECLUDED, REMOVAL AND STABILIZATION MUST TAKE PLACE WITHIN SEVEN (7) DAYS OF OBTAINING ACCESS.

CONTRACTOR MUST INSPECT CONSTRUCTION SITE VEHICLE EXIT LOCATIONS, STREETS AND CURB AND GUTTER SYSTEMS WITHIN AND ADJACENT TO THE PROJECT FOR SEDIMENTATION FROM EROSION OR TRACKED SEDIMENT FROM VEHICLES. CONTRACTOR MUST REMOVE SEDIMENT FROM ALL PAVED SURFACES WITHIN ONE (1) CALENDAR DAY OF DISCOVERY OR, IF APPLICABLE, WITHIN A SHORTER TIME TO AVOID A SAFETY HAZARD TO USERS OF PUBLIC STREETS.

CONTRACTOR MUST REPAIR, REPLACE OR SUPPLEMENT ALL PERIMETER CONTROL DEVICES WHEN THEY BECOME NONFUNCTIONAL OR THE SEDIMENT REACHES 1/2 OF THE HEIGHT OF THE DEVICE.

CONTRACTOR MUST DRAIN TEMPORARY AND PERMANENT SEDIMENTATION BASINS AND REMOVE THE SEDIMENT WHEN THE DEPTH OF SEDIMENT COLLECTED IN THE BASIN REACHES 1/2 THE STORAGE VOLUME.

POLLUTION PREVENTION MANAGEMENT MEASURES

CONTRACTOR MUST PLACE BUILDING PRODUCTS AND LANDSCAPE MATERIALS THAT ARE CONSIDERED TO BE A SOURCE OF CONTAMINATION, PESTICIDES, FERTILIZERS, AND CHEMICALS UNDER COVER TO MINIMIZE CONTACT WITH STORMWATER.

CONTRACTOR MUST STORE HAZARDOUS MATERIALS AND TOXIC WASTE IN SEALED CONTAINERS TO PREVENT SPILLS, LEAKS OR OTHER DISCHARGE. STORAGE AND DISPOSAL OF HAZARDOUS WASTE MATERIALS MUST BE IN COMPLIANCE WITH MINN. R. CH. 7045 INCLUDING SECONDARY CONTAINMENT AS APPLICABLE.

CONTRACTOR MUST PROPERLY STORE, COLLECT AND DISPOSE SOLID WASTE IN COMPLIANCE WITH MINN. R. CH. 7035.

CONTRACTOR MUST POSITION PORTABLE TOILETS SO THEY ARE SECURE AND WILL NOT TIP OR BE KNOCKED OVER.

CONTRACTOR MUST TAKE REASONABLE STEPS TO PREVENT THE DISCHARGE OF SPILLED OR LEAKED CHEMICALS, INCLUDING FUEL, FROM ANY AREA WHERE CHEMICALS OR FUEL WILL BE LOADED OR UNLOADED INCLUDING THE USE OF DRIP PANS OR ABSORBENTS UNLESS INFEASIBLE. CONTRACTOR MUST ENSURE ADEQUATE SUPPLIES ARE AVAILABLE AT ALL TIMES TO CLEAN UP DISCHARGED MATERIALS AND THAT AN APPROPRIATE DISPOSAL METHOD IS AVAILABLE FOR RECOVERED SPILLED MATERIALS. CONTRACTOR MUST REPORT AND CLEAN UP SPILLS IMMEDIATELY AS REQUIRED BY MINN. STAT. 115.061, USING DRY CLEAN UP MEASURES WHERE POSSIBLE.

CONTRACTOR MUST LIMIT VEHICLE EXTERIOR WASHING AND EQUIPMENT TO A DEFINED AREA OF THE SITE. CONTRACTOR MUST CONTAIN RUNOFF FROM THE WASHING AREA IN A SEDIMENT BASIN OR OTHER SIMILARLY EFFECTIVE CONTROLS AND MUST DISPOSE WASTE FROM THE WASHING ACTIVITY PROPERLY. CONTRACTOR MUST PROPERLY USE AND STORE SOAPS, DETERGENTS, OR SOLVENTS.

CONTRACTOR MUST PROVIDE EFFECTIVE CONTAINMENT FOR ALL LIQUID AND SOLID WASTES GENERATED BY WASHOUT OPERATIONS RELATED TO THE CONSTRUCTION ACTIVITY. CONTRACTOR MUST PREVENT LIQUID AND SOLID WASHOUT WASTES FROM CONTACTING THE GROUND AND MUST DESIGN THE CONTAINMENT SO IT DOES NOT RESULT IN RUNOFF FROM THE WASHOUT OPERATIONS OR AREAS. CONTRACTOR MUST PROPERLY DISPOSE LIQUID AND SOLID WASTES IN COMPLIANCE WITH MPCA RULES. CONTRACTOR MUST INSTALL A SIGN INDICATING THE LOCATION OF THE WASHOUT FACILITY.

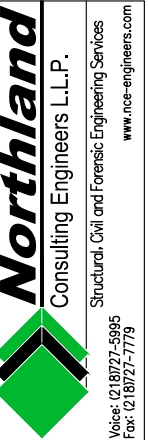
PERMANENT COVER

CONTRACTOR MUST COMPLETE ALL CONSTRUCTION ACTIVITY AND MUST INSTALL PERMANENT COVER OF ALL AREAS. PERMANENT (VEGETATIVE) COVER MUST CONSIST OF A UNIFORM PERENNIAL VEGETATION WITH A DENSITY OF 70 PERCENT OF ITS EXPECTED FINAL GROWTH.

CONTRACTOR MUST CLEAN THE PERMANENT STORMWATER TREATMENT SYSTEM OF ANY ACCUMULATED SEDIMENT AND MUST ENSURE THE SYSTEM IS OPERATING AS DESIGNED.

CONTRACTOR MUST REMOVE ALL SEDIMENT FROM CONVEYANCE SYSTEMS

CONTRACTOR MUST REMOVE ALL TEMPORARY SYNTHETIC EROSION PREVENTION AND SEDIMENT CONTROL BMPs. CONTRACTOR MAY LEAVE BMPs DESIGNED TO DECOMPOSE ON-SITE IN PLACE.



LINDAHL ROAD BRIDGE
REMOVAL AND HAMMERHEADS
HERMANTOWN, MN

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly licensed Professional Engineer under the laws of the State of Minnesota.

01/17/23
Lic. No: 40926
Engineer: David G. Bolf

revision

Proj: 22-8010
Date: 01/17/23
Drawn: TTP
Checked: DGB
EROSION CONTROL NOTES
Sheet Title
Sheet Number

5



CITY COUNCIL MEETING DATE: January 17, 2023

TO: Mayor & City Council

FROM: John Mulder, City Administrator

SUBJECT: Ugstad Road Contract Award

RESOLUTION: 2023-09 **ORDINANCE:** **OTHER:**

REQUESTED ACTION

Award bid to Ulland Brothers, Inc. for the Ugstad Road project in the amount of \$4,198,170.

BACKGROUND

Bids for the Ugstad Road Project were opened on December 8th.

Firm	Bid
Ulland Brothers, Inc	\$4,198,170.00
Veit & Company, Inc	\$5,223,000.00
Northland Constructors of Duluth, Inc	\$4,753,055.10
KGM Contractor, Inc.	\$4,676,379.46
Engineers Estimate	\$4,304,689.50

MSA, the project engineer recommends Ulland Brothers Inc, as the low qualified bidder. The Bid amount was below the engineer’s estimate of \$4,304,689.

SOURCE OF FUNDS (if applicable)

Federal, & State Aid, assessments

402-431150-530

ATTACHMENTS

Resolution
MSA Recommendation

Resolution No. 2023-09

**RESOLUTION RECEIVING BIDS AND AWARDING CONTRACT FOR
ROAD IMPROVEMENT DISTRICT NO. 534 (UGSTAD & ARROWHEAD ROADS)
IN THE AMOUNT OF \$4,198,470**

WHEREAS, the City of Hermantown duly advertised for bids for Road Improvement District No. 534 (Ugstad & Arrowhead Roads) (“Project”) within the City of Hermantown; and

WHEREAS, the City will finance the Project from road improvement funds; and

WHEREAS, bids on such Project were publicly opened and tabulated by the Consulting Engineer and City Clerk on December 8, 2022; and

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

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

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

WHEREAS, on the basis of such review, the Consulting Engineer has recommended that the lowest bidder, Ulland Brothers, Inc. (“Contractor”) be awarded the contract for Road Improvement District No. 534 (Ugstad & Arrowhead Roads) (“Project”); and

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

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

1. Contractor is hereby found, determined and declared to be the lowest responsible bidder for Road Improvement District No. 534 (Ugstad & Arrowhead Roads).

2. The bid of Contractor is in the amount of \$4,198,470.00 for Road Improvement District No. 534 (Ugstad & Arrowhead Roads) for such bid option in accordance with the plans and specifications and advertisements for bids shall be and hereby is accepted.

3. The Consulting Engineer is hereby directed to prepare a contract between the City of Hermantown and Contractor as soon as possible and submit it to Contractor for execution by it.

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

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

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

Councilor _____ introduced the foregoing resolution and moved its adoption.

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

and the following voted in opposition thereto:

WHEREUPON, such resolution was declared duly passed and adopted January 17, 2023.

EXHIBIT A



STATE AID FOR LOCAL TRANSPORTATION
PRE-AWARD CONTRACT INFORMATION (DCP 04)

Rev. July 2020

DATE: December 8, 2022

TO: MnDOT Office of Civil Rights
Transportation Building
395 John Ireland Blvd, MS 170
St Paul, MN 55155

FROM: *City of Hermantown*
5105 Maple Grove Road
Hermantown, MN 55811

SUBJECT: SP 202-101-014, SP 202-104-012, Minn Proj No STBG 6922(198)

Project Location: UGSTAD RD FROM MAPLE GROVE RD TO MILLER TRUNK HIGHWAY 194 (US 53) AND ARROWHEAD RD FROM 1300 FT WEST OF UGSTAD RD TO 800 FT EAST OF UGSTAD RD.

City: Hermantown

County: Saint Louis

MnDOT District: 1

Project Engineer: David Bolf

Phone: 218.727.5995

Email Address david@nce-duluth.com

Bid Date: December 8, 2022

Low Bidder: Ulland Brothers, Inc.

Low Bid Amount: \$4,198,170.00

DBE Goal Contractor Certified 3.0 %

ENCLOSED:

Bid Abstract (with DBE Commitment for each bidder)
(complete bid proposal is no longer required)

Please email a copy of this form (with attachments) to:
OCRFormSubmissions.dot@state.mn.us

Please email a copy of this form (without attachments) to:
Mark.Channer@state.mn.us for projects in Greater MN
Colleen.Brown@state.mn.us for Metro Projects

BID TABULATION

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNITS	Engineer's Estimate		Ulland Brothers, Inc.		Veit & Company, Inc.		Northland Constructors of Duluth, Inc.		KGM Contractors, Inc.	
				UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE
1	MOBILIZATION		1 LUMP SUM	\$ 150,000.00	\$ 150,000.00	\$ 24,996.80	\$ 24,996.80	\$ 358,681.65	\$ 358,681.65	\$ 180,294.15	\$ 180,294.15	\$ 316,000.00	\$ 316,000.00
2	CLEARING AND GRUBBING		1 LUMP SUM	\$ 10,000.00	\$ 10,000.00	\$ 1,600.00	\$ 1,600.00	\$ 2,000.00	\$ 2,000.00	\$ 2,500.00	\$ 2,500.00	\$ 15,100.00	\$ 15,100.00
3	REMOVE CASTING	50	EACH	\$ 300.00	\$ 15,000.00	\$ 100.00	\$ 5,000.00	\$ 240.00	\$ 12,000.00	\$ 270.00	\$ 13,500.00	\$ 360.00	\$ 18,000.00
4	REMOVE DRAINAGE STRUCTURE	19	EACH	\$ 700.00	\$ 13,300.00	\$ 400.00	\$ 7,600.00	\$ 650.00	\$ 12,350.00	\$ 400.00	\$ 7,600.00	\$ 725.00	\$ 13,775.00
5	REMOVE MAIL BOX SUPPORT	58	EACH	\$ 25.00	\$ 1,450.00	\$ 130.00	\$ 7,540.00	\$ 75.00	\$ 4,350.00	\$ 55.00	\$ 3,190.00	\$ 158.00	\$ 9,164.00
6	REMOVE SIGN TYPE C	113	EACH	\$ 100.00	\$ 11,300.00	\$ 50.00	\$ 5,650.00	\$ 62.00	\$ 7,006.00	\$ 52.50	\$ 5,932.50	\$ 53.00	\$ 5,989.00
7	SALVAGE PIPE APRON	2	EACH	\$ 700.00	\$ 1,400.00	\$ 600.00	\$ 1,200.00	\$ 255.00	\$ 510.00	\$ 300.00	\$ 600.00	\$ 716.48	\$ 1,432.96
8	SALVAGE SIGN TYPE C	20	EACH	\$ 50.00	\$ 1,000.00	\$ 50.00	\$ 1,000.00	\$ 75.00	\$ 1,500.00	\$ 52.50	\$ 1,050.00	\$ 53.00	\$ 1,060.00
9	REMOVE BITUMINOUS CURB	605	LIN FT	\$ 15.00	\$ 9,075.00	\$ 3.00	\$ 1,815.00	\$ 4.00	\$ 2,420.00	\$ 2.35	\$ 1,421.75	\$ 2.60	\$ 1,573.00
10	REMOVE CURB AND GUTTER	11,676	LIN FT	\$ 5.00	\$ 58,380.00	\$ 2.70	\$ 31,525.20	\$ 4.00	\$ 46,704.00	\$ 6.50	\$ 75,894.00	\$ 3.60	\$ 42,033.60
11	REMOVE PIPE CULVERTS	70	LIN FT	\$ 20.00	\$ 1,400.00	\$ 14.00	\$ 980.00	\$ 18.00	\$ 1,260.00	\$ 20.00	\$ 1,400.00	\$ 15.00	\$ 1,050.00
12	REMOVE SEWER PIPE (STORM)	1,224	LIN FT	\$ 20.00	\$ 24,480.00	\$ 15.00	\$ 18,360.00	\$ 20.00	\$ 24,480.00	\$ 28.00	\$ 34,272.00	\$ 11.00	\$ 13,464.00
13	REMOVE BITUMINOUS PAVEMENT	19,064	SQ YD	\$ 4.00	\$ 76,256.00	\$ 3.75	\$ 71,490.00	\$ 4.15	\$ 79,115.60	\$ 7.50	\$ 142,980.00	\$ 3.40	\$ 64,817.60
14	REMOVE CONCRETE WALK	6,725	SQ YD	\$ 15.00	\$ 55,875.00	\$ 11.00	\$ 40,975.00	\$ 4.00	\$ 14,900.00	\$ 12.00	\$ 44,700.00	\$ 24.00	\$ 89,400.00
15	GRANULAR EMBANKMENT (CV) (P)	3,700	CU YD	\$ 25.00	\$ 16,750.00	\$ 29.00	\$ 19,430.00	\$ 28.00	\$ 18,760.00	\$ 45.00	\$ 30,150.00	\$ 20.00	\$ 13,400.00
16	COMMON EMBANKMENT (CV) (P)	4,075	CU YD	\$ 10.00	\$ 40,750.00	\$ 5.20	\$ 21,190.00	\$ 2.50	\$ 10,187.50	\$ 10.00	\$ 40,750.00	\$ 5.60	\$ 22,820.00
17	EXCAVATION - COMMON (P)	16,540	CU YD	\$ 12.00	\$ 198,480.00	\$ 12.00	\$ 198,480.00	\$ 14.30	\$ 236,522.00	\$ 21.00	\$ 347,340.00	\$ 17.90	\$ 296,066.00
18	SELECT GRANULAR EMBANKMENT MOD 7% (CV) (P)	7,165	CU YD	\$ 30.00	\$ 214,950.00	\$ 24.00	\$ 171,960.00	\$ 28.30	\$ 202,769.50	\$ 30.00	\$ 214,950.00	\$ 27.65	\$ 198,112.25
19	HAUL & DISPOSE OF CONTAMINATED SOIL	25	CU YD	\$ 200.00	\$ 5,000.00	\$ 105.00	\$ 2,625.00	\$ 85.00	\$ 2,125.00	\$ 100.00	\$ 2,500.00	\$ 100.00	\$ 2,500.00
20	GEOTEXTILE FABRIC TYPE 5	17,405	SQ YD	\$ 3.50	\$ 60,917.50	\$ 3.20	\$ 55,696.00	\$ 2.25	\$ 39,161.25	\$ 3.00	\$ 52,215.00	\$ 3.55	\$ 61,787.75
21	STREET SWEEPER (WITH PICKUP BROOM)	150	HOUR	\$ 150.00	\$ 22,500.00	\$ 205.00	\$ 30,750.00	\$ 355.00	\$ 53,250.00	\$ 160.00	\$ 24,000.00	\$ 155.00	\$ 22,500.00
22	AGGREGATE BASE (CV) CLASS 5 (P)	7,545	CU YD	\$ 50.00	\$ 377,250.00	\$ 41.00	\$ 309,345.00	\$ 40.90	\$ 308,590.50	\$ 54.00	\$ 407,430.00	\$ 39.25	\$ 296,141.25
23	AGGREGATE SURFACING (CV) CLASS 5 (P)	265	CU YD	\$ 40.00	\$ 10,600.00	\$ 95.00	\$ 25,175.00	\$ 40.90	\$ 10,838.50	\$ 88.00	\$ 23,320.00	\$ 48.00	\$ 12,720.00
24	FULL DEPTH RECLAMATION	10,445	SQ YD	\$ 3.00	\$ 31,335.00	\$ 1.20	\$ 12,534.00	\$ 1.50	\$ 15,667.50	\$ 2.00	\$ 20,890.00	\$ 1.50	\$ 15,667.50
25	HAUL FULL DEPTH RECLAMATION (LV)	430	CU YD	\$ 35.00	\$ 15,050.00	\$ 17.00	\$ 7,310.00	\$ 11.00	\$ 4,730.00	\$ 8.00	\$ 3,440.00	\$ 30.23	\$ 12,998.90
26	MILL BITUMINOUS SURFACE (3.0")	23,670	SQ YD	\$ 3.00	\$ 71,010.00	\$ 2.50	\$ 59,175.00	\$ 2.00	\$ 47,340.00	\$ 3.50	\$ 82,845.00	\$ 1.65	\$ 39,055.50
27	TYPE 12.5 BIT MIXTURE FOR PATCHING	900	SQ YD	\$ 50.00	\$ 45,000.00	\$ 29.50	\$ 26,550.00	\$ 33.30	\$ 29,970.00	\$ 32.00	\$ 28,800.00	\$ 18.50	\$ 16,650.00
28	TYPE SP 9.5 BITUMINOUS MIXTURE FOR PATCHING	306	TON	\$ 200.00	\$ 61,200.00	\$ 355.00	\$ 108,630.00	\$ 196.00	\$ 59,976.00	\$ 165.00	\$ 50,490.00	\$ 108.00	\$ 33,048.00
29	TYPE SP 9.5 WEARING COURSE MIXTURE (3, B)	4,220	TON	\$ 80.00	\$ 337,600.00	\$ 88.00	\$ 371,360.00	\$ 107.00	\$ 451,540.00	\$ 77.00	\$ 324,940.00	\$ 75.00	\$ 316,500.00
30	TYPE SP 9.5 WEARING COURSE MIXTURE (3, C)	5,185	TON	\$ 85.00	\$ 440,725.00	\$ 94.00	\$ 487,390.00	\$ 125.00	\$ 648,125.00	\$ 92.00	\$ 477,020.00	\$ 85.00	\$ 440,725.00
31	TYPE SP 12.5 NON WEARING COURSE MIXTURE (3, C)	1,885	TON	\$ 85.00	\$ 160,225.00	\$ 96.00	\$ 180,960.00	\$ 126.00	\$ 237,510.00	\$ 94.00	\$ 177,190.00	\$ 85.50	\$ 161,167.50
32	12" RC PIPE APRON	4	EACH	\$ 1,000.00	\$ 4,000.00	\$ 1,400.00	\$ 5,600.00	\$ 2,300.00	\$ 9,200.00	\$ 1,450.00	\$ 5,800.00	\$ 1,505.00	\$ 6,020.00
33	15" RC PIPE APRON	7	EACH	\$ 1,100.00	\$ 7,700.00	\$ 1,500.00	\$ 10,500.00	\$ 2,385.00	\$ 16,695.00	\$ 1,550.00	\$ 10,850.00	\$ 1,575.00	\$ 11,025.00
34	24" RC PIPE APRON	4	EACH	\$ 1,300.00	\$ 5,200.00	\$ 1,800.00	\$ 7,200.00	\$ 2,750.00	\$ 11,000.00	\$ 2,130.00	\$ 8,520.00	\$ 1,900.00	\$ 7,600.00
35	30" RC PIPE APRON	2	EACH	\$ 1,600.00	\$ 3,200.00	\$ 2,300.00	\$ 4,600.00	\$ 3,800.00	\$ 7,600.00	\$ 2,570.00	\$ 5,140.00	\$ 2,425.00	\$ 4,850.00
36	28" SPAN RC PIPE-ARCH APRON	7	EACH	\$ 1,800.00	\$ 12,600.00	\$ 2,000.00	\$ 14,000.00	\$ 3,600.00	\$ 25,200.00	\$ 2,050.00	\$ 14,350.00	\$ 2,025.00	\$ 14,175.00
37	36" SPAN RC PIPE-ARCH APRON	4	EACH	\$ 2,000.00	\$ 8,000.00	\$ 2,800.00	\$ 11,200.00	\$ 4,800.00	\$ 19,200.00	\$ 3,100.00	\$ 12,400.00	\$ 3,250.00	\$ 13,000.00
38	4" PERF PVC PIPE DRAIN	8,594	LIN FT	\$ 6.00	\$ 51,564.00	\$ 11.00	\$ 94,534.00	\$ 13.75	\$ 118,167.50	\$ 13.50	\$ 116,019.00	\$ 14.00	\$ 120,316.00
39	12" RC PIPE SEWER DESIGN 3006	110	LIN FT	\$ 75.00	\$ 8,250.00	\$ 96.00	\$ 10,560.00	\$ 87.00	\$ 9,570.00	\$ 84.00	\$ 9,240.00	\$ 92.00	\$ 10,120.00
40	15" RC PIPE SEWER DESIGN 3006	366	LIN FT	\$ 80.00	\$ 29,280.00	\$ 100.00	\$ 36,600.00	\$ 97.00	\$ 35,502.00	\$ 105.00	\$ 38,430.00	\$ 99.00	\$ 36,234.00
41	18" RC PIPE SEWER DESIGN 3006	79	LIN FT	\$ 90.00	\$ 7,110.00	\$ 105.00	\$ 8,295.00	\$ 105.00	\$ 8,295.00	\$ 124.00	\$ 9,796.00	\$ 110.00	\$ 8,690.00
42	24" RC PIPE SEWER DESIGN 3006	109	LIN FT	\$ 105.00	\$ 11,445.00	\$ 130.00	\$ 14,170.00	\$ 149.00	\$ 16,241.00	\$ 131.00	\$ 14,279.00	\$ 130.00	\$ 14,170.00
43	30" RC PIPE SEWER DESIGN 3006	16	LIN FT	\$ 155.00	\$ 2,480.00	\$ 190.00	\$ 3,040.00	\$ 215.25	\$ 3,444.00	\$ 330.00	\$ 5,280.00	\$ 215.00	\$ 3,440.00
44	28" SPAN RC PIPE-ARCH SEWER CLASS IIA	575	LIN FT	\$ 175.00	\$ 100,625.00	\$ 170.00	\$ 97,750.00	\$ 203.00	\$ 116,725.00	\$ 178.00	\$ 102,350.00	\$ 170.00	\$ 97,750.00
45	36" SPAN RC PIPE-ARCH SEWER CLASS IIA	187	LIN FT	\$ 200.00	\$ 37,400.00	\$ 220.00	\$ 41,140.00	\$ 269.00	\$ 50,303.00	\$ 247.00	\$ 46,189.00	\$ 250.00	\$ 46,750.00
46	CONNECT TO EXISTING STORM SEWER	6	EACH	\$ 1,000.00	\$ 6,000.00	\$ 2,300.00	\$ 13,800.00	\$ 1,400.00	\$ 8,400.00	\$ 1,400.00	\$ 8,400.00	\$ 1,800.00	\$ 10,800.00
47	3" POLYSTYRENE INSULATION	100	SQ YD	\$ 40.00	\$ 4,000.00	\$ 36.00	\$ 3,600.00	\$ 65.00	\$ 6,500.00	\$ 57.00	\$ 5,700.00	\$ 42.50	\$ 4,250.00
48	ADJUST VALVE BOX	21	EACH	\$ 700.00	\$ 14,700.00	\$ 500.00	\$ 10,500.00	\$ 750.00	\$ 15,750.00	\$ 360.00	\$ 7,560.00	\$ 375.00	\$ 7,875.00
49	ADJUST CURB STOP	2	EACH	\$ 500.00	\$ 1,000.00	\$ 250.00	\$ 500.00	\$ 750.00	\$ 1,500.00	\$ 330.00	\$ 660.00	\$ 500.00	\$ 1,000.00
50	CONNECT TO EXISTING WATER MAIN	2	EACH	\$ 5,000.00	\$ 10,000.00	\$ 6,000.00	\$ 12,000.00	\$ 10,000.00	\$ 20,000.00	\$ 5,600.00	\$ 11,200.00	\$ 8,100.00	\$ 16,200.00
51	HYDRANT	5	EACH	\$ 10,000.00	\$ 50,000.00	\$ 11,000.00	\$ 55,000.00	\$ 12,000.00	\$ 60,000.00	\$ 11,100.00	\$ 55,500.00	\$ 11,600.00	\$ 58,000.00
52	CASTING ASSEMBLY	51	EACH	\$ 1,000.00	\$ 51,000.00	\$ 830.00	\$ 42,330.00	\$ 1,500.00	\$ 76,500.00	\$ 1,000.00	\$ 51,000.00	\$ 1,105.00	\$ 56,355.00
53	CONSTRUCT DRAINAGE STRUCTURE DESIGN 48-4020	8	EACH	\$ 5,000.00	\$ 40,000.00	\$ 5,300.00	\$ 42,400.00	\$ 4,600.00	\$ 36,800.00	\$ 4,370.00	\$ 34,960.00	\$ 5,025.00	\$ 40,200.00
54	CONSTRUCT DRAINAGE STRUCTURE DESIGN 60-4020	11	EACH	\$ 8,000.00	\$ 88,000.00	\$ 7,100.00	\$ 78,100.00	\$ 7,000.00	\$ 77,000.00	\$ 6,110.00	\$ 67,210.00	\$ 7,200.00	\$ 79,200.00
55	CONSTRUCT DRAINAGE STRUCTURE DESIGN 72-4020	4	EACH	\$ 10,000.00	\$ 40,000.00	\$ 9,100.00	\$ 36,400.00	\$ 9,400.00	\$ 37,600.00	\$ 8,620.00	\$ 34,480.00	\$ 10,000.00	\$ 40,000.00
56	CONSTRUCT DRAINAGE STRUCTURE DESIGN 84-4020	1	EACH	\$ 12,000.00	\$ 12,000.00	\$ 11,900.00	\$ 11,900.00	\$ 13,000.00	\$ 13,000.00	\$ 11,900.00	\$ 11,900.00	\$ 13,600.00	\$ 13,600.00
57	CONSTRUCT DRAINAGE STRUCTURE DESIGN G	20	EACH	\$ 3,500.00	\$ 70,000.00	\$ 4,000.00	\$ 80,000.00	\$ 3,300.00	\$ 66,000.00	\$ 3,350.00	\$ 67,000.00	\$ 3,625.00	\$ 72,500.00
58	CONSTRUCT DRAINAGE STRUCTURE DESIGN H	1	EACH	\$ 3,300.00	\$ 3,300.00	\$ 3,400.00	\$ 3,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,130.00	\$ 2,130.00	\$ 2,450.00	\$ 2,450.00
59	RANDOM RIPRAP CLASS II	61	CU YD	\$ 70.00	\$ 4,270.00	\$ 69.00	\$ 4,209.00	\$ 100.00	\$ 6,100.00	\$ 67.00	\$ 4,087.00	\$ 79.00	\$ 4,819.00
60	4" CONCRETE WALK	57,662	SQ FT	\$ 5.00	\$ 288,310.00	\$ 4.90	\$ 282,543.80	\$ 6.05	\$ 348,855.10	\$ 5.15	\$ 296,959.30	\$ 5.50	\$ 317,141.00
61	6" CONCRETE WALK	7,742	SQ FT	\$ 11.00	\$ 85,162.00	\$ 9.50	\$ 73,549.00	\$ 8.60	\$ 66,581.20	\$ 10.00	\$ 77,420.00	\$ 9.65	\$ 74,710.30
62	DRILL AND GROUT REINF BAR (EPOXY COATED)	556	EACH	\$ 16.00	\$ 8,896.00	\$ 8.50	\$ 4,726.00	\$ 10.85	\$ 6,032.60	\$ 9.00	\$ 5,004.00	\$ 13.00	\$ 7,228.00
63	CONCRETE CURB AND GUTTER DESIGN S524	16,169											

BID TABULATION

PROJECT: Ugstad Road & W Arrowhead Road | S.P. 202-101-014 & S.P. 202-104-012
 OWNER: City of Hermantown

PROJECT NUMBER: SP 202-101-014, SP 202-104-012
 BID DATE: 8-Dec-22

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNITS	Engineer's Estimate		Ulland Brothers, Inc.		Veit & Company, Inc.		Northland Constructors of Duluth, Inc.		KGM Contractors, Inc.	
				UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE
70	INSTALL SIGN TYPE C	16	EACH	\$ 110.00	\$ 1,760.00	\$ 250.00	\$ 4,000.00	\$ 305.00	\$ 4,880.00	\$ 265.00	\$ 4,240.00	\$ 263.00	\$ 4,208.00
71	SIGN PANELS TYPE C	260	SQ FT	\$ 150.00	\$ 39,000.00	\$ 96.00	\$ 24,960.00	\$ 120.00	\$ 31,200.00	\$ 101.00	\$ 26,260.00	\$ 101.00	\$ 26,260.00
72	FLASHING BEACON SYSTEM	4	SYS	\$ 6,000.00	\$ 24,000.00	\$ 8,750.00	\$ 35,000.00	\$ 10,260.00	\$ 41,040.00	\$ 9,150.00	\$ 36,600.00	\$ 9,500.00	\$ 38,000.00
73	PEDESTRIAN CROSSWALK FLASHER SYSTEM	4	SYS	\$ 10,000.00	\$ 40,000.00	\$ 9,100.00	\$ 36,400.00	\$ 10,700.00	\$ 42,800.00	\$ 9,600.00	\$ 38,400.00	\$ 9,700.00	\$ 38,800.00
74	STABILIZED CONSTRUCTION EXIT	1	LUMP SUM	\$ 5,000.00	\$ 5,000.00	\$ 7,000.00	\$ 7,000.00	\$ 10,000.00	\$ 10,000.00	\$ 7,500.00	\$ 7,500.00	\$ 3,000.00	\$ 3,000.00
75	STORM DRAIN INLET PROTECTION	68	EACH	\$ 200.00	\$ 13,600.00	\$ 190.00	\$ 12,920.00	\$ 233.00	\$ 15,844.00	\$ 200.00	\$ 13,600.00	\$ 200.00	\$ 13,600.00
76	SILT FENCE, TYPE MS	8,305	LIN FT	\$ 4.00	\$ 33,220.00	\$ 2.50	\$ 20,762.50	\$ 3.10	\$ 25,745.50	\$ 2.60	\$ 21,593.00	\$ 2.60	\$ 21,593.00
77	COMMON TOPSOIL BORROW	1,214	CU YD	\$ 40.00	\$ 48,560.00	\$ 39.00	\$ 47,346.00	\$ 50.00	\$ 60,700.00	\$ 39.00	\$ 47,346.00	\$ 41.00	\$ 49,774.00
78	FERTILIZER TYPE 3	802	LBS	\$ 1.00	\$ 802.00	\$ 1.00	\$ 802.00	\$ 1.30	\$ 1,042.60	\$ 1.05	\$ 842.10	\$ 1.05	\$ 842.10
79	SODDING TYPE LAWN	1,915	SQ YD	\$ 10.00	\$ 19,150.00	\$ 12.20	\$ 23,363.00	\$ 15.00	\$ 28,725.00	\$ 9.35	\$ 17,905.25	\$ 12.90	\$ 24,703.50
80	ROLLED EROSION PREVENTION CATEGORY 25	10,610	SQ YD	\$ 3.00	\$ 31,830.00	\$ 2.05	\$ 21,750.50	\$ 2.65	\$ 28,116.50	\$ 2.15	\$ 22,811.50	\$ 2.15	\$ 22,811.50
81	SEEDING	2.4	ACRE	\$ 500.00	\$ 1,200.00	\$ 550.00	\$ 1,320.00	\$ 675.00	\$ 1,620.00	\$ 575.00	\$ 1,380.00	\$ 585.00	\$ 1,404.00
82	SEED MIXTURE 25-141	173	LBS	\$ 5.00	\$ 865.00	\$ 10.00	\$ 1,730.00	\$ 12.25	\$ 2,119.25	\$ 10.50	\$ 1,816.50	\$ 10.50	\$ 1,816.50
83	INTERIM PAVEMENT MARKING	27,210	LIN FT	\$ 0.30	\$ 8,163.00	\$ 0.30	\$ 8,163.00	\$ 0.75	\$ 20,407.50	\$ 0.21	\$ 5,714.10	\$ 0.13	\$ 3,537.30
84	4" DOUBLE SOLID LINE MULTI-COMPONENT GROUND IN	13,005	LIN FT	\$ 1.10	\$ 14,305.50	\$ 1.05	\$ 13,655.25	\$ 1.30	\$ 16,906.50	\$ 1.10	\$ 14,305.50	\$ 1.10	\$ 14,305.50
85	4" SOLID LINE MULTI-COMPONENT GROUND IN	26,159	LIN FT	\$ 0.50	\$ 13,079.50	\$ 0.55	\$ 14,387.45	\$ 0.65	\$ 17,003.35	\$ 0.55	\$ 14,387.45	\$ 0.55	\$ 14,387.45
86	12" SOLID LINE MULTI-COMPONENT GROUND IN	210	LIN FT	\$ 1.00	\$ 210.00	\$ 12.30	\$ 2,583.00	\$ 15.00	\$ 3,150.00	\$ 13.00	\$ 2,730.00	\$ 13.10	\$ 2,751.00
87	24" SOLID LINE MULTI-COMPONENT GROUND IN	110	LIN FT	\$ 14.00	\$ 1,540.00	\$ 13.20	\$ 1,452.00	\$ 16.00	\$ 1,760.00	\$ 14.00	\$ 1,540.00	\$ 14.10	\$ 1,551.00
88	4" BROKEN LINE MULTI-COMPONENT GROUND IN	160	LIN FT	\$ 0.60	\$ 96.00	\$ 0.55	\$ 88.00	\$ 0.65	\$ 104.00	\$ 0.55	\$ 88.00	\$ 0.55	\$ 88.00
89	CROSSWALK MULTI-COMPONENT GROUND IN	462	SQ FT	\$ 17.00	\$ 7,854.00	\$ 12.30	\$ 5,682.60	\$ 15.00	\$ 6,930.00	\$ 13.00	\$ 6,006.00	\$ 13.10	\$ 6,052.20
90	PAVEMENT MESSAGE MULTI-COMPONENT GROUND IN	656	SQ FT	\$ 20.00	\$ 13,120.00	\$ 12.30	\$ 8,068.80	\$ 14.90	\$ 9,774.40	\$ 13.00	\$ 8,528.00	\$ 13.10	\$ 8,593.60
TOTAL: Items #1-#90					\$ 4,304,689.50		\$ 4,198,170.00		\$ 5,226,000.00		\$ 4,753,055.10		\$ 4,676,379.46

State Project No. 202-101-014

4,198,170.00 P.T.S.

GRAND TOTAL \$ 4,208,170.00

The undersigned hereby acknowledges that all requirements included in the proposal, addenda, amendments, plans, standard specifications, and supplemental specifications are a part of this bid and contract.

Signed: [Signature]

PROPOSAL GUARANTY required by 1208 of the Specifications: "A (certified check) (bond), prepared as required by 1208 of the Specifications and payable to the Hermantown City Treasurer, in an amount equal to at least 5% of the total amount of the bid is submitted herewith as a proposal guaranty.

DISADVANTAGED BUSINESS ENTERPRISE CERTIFICATION: Our firm will meet a minimum goal of 3 % of this contract to Disadvantaged Business Enterprises. A bidder who fails to indicate a specific goal above must fulfill the total goals indicated in the proposal.

NON-COLLUSION AFFIDAVIT: A Non-Collusion Affidavit is found in this proposal which must be signed by each bidder.

RECEIPT OF ADDENDA as required by 1210 of the Specifications:

The undersigned hereby acknowledges receipt of and has considered:

Addendum No. 1 Dated Dec. 6, 2022 Addendum No. Dated

Addendum No. Dated Addendum No. Dated

Signed: [Signature]

EXECUTION OF PROPOSAL as required by 1206 of the Specifications:

This proposal dated the 8 day of December, 20 22

Signed: , P.O. Address as an individual.

Signed: , P.O. Address as an individual.

doing business under the name and style of

Signed: , for a partnership.

NAME BUSINESS ADDRESS

Signed: [Signature], for Viland Brothers a corporation, incorporated under the laws of the State of Minnesota

Name of President	<u>Jack Carlson</u>	Business Address	<u>PO Box 840, Cloquet MN 55720</u>
Name of Vice-President	<u>Ryan Swanson</u>	Business Address	<u>PO Box 840, Cloquet MN 55720</u>
Name of Secretary	<u>Tiffany Sathre</u>	Business Address	<u>PO Box 840, Cloquet MN 55720</u>
Name of Treasurer	<u>Tiffany Sathre</u>	Business Address	<u>PO Box 840, Cloquet MN 55720</u>

(NOTE: Signatures shall comply with 1206 of the Specifications.)

State Project No. 202-101-014

GRAND TOTAL \$ 5,226,000.00

The undersigned hereby acknowledges that all requirements included in the proposal, addenda, amendments, plans, standard specifications, and supplemental specifications are a part of this bid and contract.

Signed: [Signature]

PROPOSAL GUARANTY required by 1208 of the Specifications: "A (certified check) (bond), prepared as required by 1208 of the Specifications and payable to the Hermantown City Treasurer, in an amount equal to at least 5% of the total amount of the bid is submitted herewith as a proposal guaranty.

DISADVANTAGED BUSINESS ENTERPRISE CERTIFICATION: Our firm will meet a minimum goal of 3 % of this contract to Disadvantaged Business Enterprises. A bidder who fails to indicate a specific goal above must fulfill the total goals indicated in the proposal.

NON-COLLUSION AFFIDAVIT: A Non-Collusion Affidavit is found in this proposal which must be signed by each bidder.

RECEIPT OF ADDENDA as required by 1210 of the Specifications:

The undersigned hereby acknowledges receipt of and has considered:

Addendum No. 1 Dated 12/6/22 Addendum No. Dated

Addendum No. Dated Addendum No. Dated

Signed: [Signature]

EXECUTION OF PROPOSAL as required by 1206 of the Specifications:

This proposal dated the 8th day of December, 2022

Signed: , P.O. Address as an individual.

Signed: , P.O. Address as an individual.

doing business under the name and style of

Signed: , for a partnership.

NAME BUSINESS ADDRESS

Veit & Company, Inc. 14000 Veit Place Rogers, MN 55374

Signed: [Signature], for Veit & Company, Inc. a corporation,

incorporated under the laws of the State of Minnesota

Name of President Tim Reimann Business Address 14000 Veit Place Rogers, MN 55374

Name of Vice-President Mike Cook Business Address 14000 Veit Place Rogers, MN 55374

Name of Secretary Peter J. Williams Business Address 14000 Veit Place Rogers, MN 55374

Name of Treasurer Brian Volk Business Address 14000 Veit Place Rogers, MN 55374

(NOTE: Signatures shall comply with 1206 of the Specifications.)

State Project No. 202-101-014

GRAND TOTAL \$ 4,747,400.10

The undersigned hereby acknowledges that all requirements included in the proposal, addenda, amendments, plans, standard specifications, and supplemental specifications are a part of this bid and contract.

Signed: [Signature]

PROPOSAL GUARANTY required by 1208 of the Specifications: "A (certified check) (bond), prepared as required by 1208 of the Specifications and payable to the Hermantown City Treasurer, in an amount equal to at least 5% of the total amount of the bid is submitted herewith as a proposal guaranty.

DISADVANTAGED BUSINESS ENTERPRISE CERTIFICATION: Our firm will meet a minimum goal of 3 % of this contract to Disadvantaged Business Enterprises. A bidder who fails to indicate a specific goal above must fulfill the total goals indicated in the proposal.

NON-COLLUSION AFFIDAVIT: A Non-Collusion Affidavit is found in this proposal which must be signed by each bidder.

RECEIPT OF ADDENDA as required by 1210 of the Specifications:

The undersigned hereby acknowledges receipt of and has considered:

Addendum No. 1 Dated 12/06/2022 Addendum No. Dated

Addendum No. Dated Addendum No. Dated

Signed: [Signature]

EXECUTION OF PROPOSAL as required by 1206 of the Specifications:

This proposal dated the 8th day of December, 20 22

Signed: , P.O. Address as an individual.

Signed: , P.O. Address as an individual.

doing business under the name and style of

Signed: , for a partnership.

NAME BUSINESS ADDRESS

Signed: [Signature], for Northland Constructors of Duluth, Inc a corporation,

incorporated under the laws of the State of Minnesota

Name of President Greg Fredlund Business Address 4843 Ricc Lake Road Duluth, MN 55803

Name of Vice-President Craig Ploetz Business Address 4843 Rice Lake Road Duluth, MN 55803

Name of Secretary Business Address

Name of Treasurer Business Address

(NOTE: Signatures shall comply with 1206 of the Specifications.)

State Project No. 202-101-014

GRAND TOTAL \$ 4,676,379,46

The undersigned hereby acknowledges that all requirements included in the proposal, addenda, amendments, plans, standard specifications, and supplemental specifications are a part of this bid and contract.

Signed: [Signature]

PROPOSAL GUARANTY required by 1208 of the Specifications: "A (certified check) (bond), prepared as required by 1208 of the Specifications and payable to the Hermantown City Treasurer, in an amount equal to at least 5% of the total amount of the bid is submitted herewith as a proposal guaranty.

DISADVANTAGED BUSINESS ENTERPRISE CERTIFICATION: Our firm will meet a minimum goal of 3.0 % of this contract to Disadvantaged Business Enterprises. A bidder who fails to indicate a specific goal above must fulfill the total goals indicated in the proposal.

NON-COLLUSION AFFIDAVIT: A Non-Collusion Affidavit is found in this proposal which must be signed by each bidder.

RECEIPT OF ADDENDA as required by 1210 of the Specifications:

The undersigned hereby acknowledges receipt of and has considered:

Addendum No. 1 Dated 12/6/22 Addendum No. ____ Dated ____
Addendum No. ____ Dated ____ Addendum No. ____ Dated ____

Signed: [Signature]

EXECUTION OF PROPOSAL as required by 1206 of the Specifications:

This proposal dated the 8 day of December, 2022

Signed: _____, P.O. Address _____ as an individual.

Signed: _____, P.O. Address _____ as an individual.

doing business under the name and style of

Signed: _____, for _____ a partnership.

NAME	BUSINESS ADDRESS
------	------------------

Signed: [Signature], for KGM Contractors, Inc. a corporation,

incorporated under the laws of the State of Minnesota

Name of President <u>Kerry Abramson</u>	Business Address <u>9211 Hwy 53 Angora, MN 55213</u>
---	--

Name of Vice-President <u>Pouline Rutchasky</u>	Business Address <u>9211 Hwy 53 Angora, MN 55213</u>
---	--

Name of Secretary <u>Thomas Kvas</u>	Business Address <u>9211 Hwy 53 Angora, MN 55213</u>
--------------------------------------	--

Name of Treasurer _____	Business Address _____
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(NOTE: Signatures shall comply with 1206 of the Specifications.)



CITY COUNCIL MEETING DATE: January 17, 2023

TO: Mayor & City Council

FROM: John Mulder, City Administrator

SUBJECT: Material Testing – Ugstad Road Project

RESOLUTION: 2023-10 **ORDINANCE:** **OTHER:**

REQUESTED ACTION

Approve contract with Braun Intertec for Material Testing as part of the Ugstad Road Project

BACKGROUND

The City will need a contract for material testing for the Ugstad Road Project. The City has a Master Services Agreement with Braun Interec for geo-technical and material testing.

SOURCE OF FUNDS (if applicable)

State and Federal Road Aid, and Assessments
402-431150-319

ATTACHMENTS

Resolution
Braun Intertec Proposal

Resolution No. 2023-10

RESOLUTION AUTHORIZING AND DIRECTING MAYOR AND CITY CLERK TO EXECUTE AND DELIVER AN AGREEMENT FOR MATERIALS TESTING SERVICES FOR STREET IMPROVEMENT DISTRICT NO. 534 (UGSTAD & ARROWHEAD ROADS)

WHEREAS, the City of Hermantown (“City”) desires to obtain a Material Testing Services for Street Improvement District No. 534 (Ugstad & Arrowhead Roads) ; and

WHEREAS, City and Braun Intertec desire to enter into an Agreement for Professional Services for Material Testing Services for Street Improvement District No. 534 (“Agreement”) as shown on Exhibit A attached hereto in which Braun Intertec provides Material Testing Services to the City not to exceed \$80,020.00 pursuant to the terms of the Agreement; and

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

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

1. The Mayor and City Clerk are hereby authorized and directed to execute and deliver to Braun Intertec the Agreement for Material testing for Street Improvement District No. 534 (Ugstad & Arrowhead Roads) substantially in the form attached hereto as Exhibit A.
1. The source of payment for the geotechnical services will be City Fund No. 402-431150-319.

Councilor _____ introduced the foregoing resolution and moved its adoption.

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

and the following voted in opposition thereto:

WHEREUPON, such resolution was declared duly passed and adopted on January 17, 2023.

EXHIBIT A

January 9, 2023

Proposal QTB169659

Mr. John Mulder
City of Hermantown
5105 Maple Grove Road
Hermantown, MN 55811

Re: Proposal for Construction Materials Testing Services
Ugstad Road and Arrowhead Road Improvements
SP 202-101-014, SP 202-104-012
Ugstad Road, from Maple Grove Road to US Highway 52 and Arrowhead Road
Hermantown, Minnesota

Dear Mr. Mulder:

Braun Intertec Corporation is pleased to submit this proposal to provide construction materials testing services for the Ugstad Road and Arrowhead Road Improvements in Hermantown, Minnesota.

Our Understanding of Project

We understand this project will include the construction of aggregate base placement, full depth reclamation, new concrete curb and gutter, sidewalk, and driveways along with new bituminous pavements. Improvements to the storm sewer utilities will also be part of this project.

This project is a City of Hermantown with state funding. Projects that are constructed with state funding are required to perform Quality Control and Quality Assurance (QC/QA) testing in accordance with the Minnesota Department of Transportation's (MnDOT's) 2020 Standard Specifications for Construction and MnDOT's Schedule of Materials Control. This project is using MnDOT's 2022 State Aid for Local Transportation (SALT) Schedule of Materials Control. Personnel with MnDOT certifications must complete the monitoring and testing. Braun Intertec will perform the QA field testing and plant monitoring on the project as listed in our scope of services and as shown on our attached cost estimate table. The contractor will be responsible for performing all of the required QC testing and submitting all the documentation upon completion of the project. An audit of the project could be conducted upon completion. The audit may include reviewing tests and paperwork provided by your QC/QA representative.

Available Project Information

This proposal was prepared using the following documents and information.

- Project plans and specifications prepared by MSA Professional Services, Inc., dated March 4, 2022 and November 7, 2022, respectively.
- A geotechnical evaluation report prepared by Braun Intertec Corporation, under project number B2010676 and dated May 21, 2021.

Braun Intertec Project Personnel

For this project, we will provide technicians that are MnDOT certified in each specialized field. For the proposed scope of services, our staff will have the following certifications:

- Aggregate Production
- Grading & Base
- Concrete Field
- Concrete Plant
- Bituminous Plant
- MnDOT or ACI Strength Testing

Accredited Laboratory

In the 2022 SALT Schedule of Material Control, which is part of this project's testing requirements, MnDOT requires laboratories performing acceptance tests for payment to be accredited by the AASHTO Resource (formerly AASHTO Materials Reference Laboratory [AMRL]) for all test procedures performed.

Scope of Services

Testing services will be performed on an on-call, as-needed basis as requested and scheduled by you or your on-site project personnel. Based on our understanding of the project, we propose the following services.

Soil Related Services

- Perform nuclear gauge density tests on embankment and utility backfill materials.
- Perform Dynamic Cone Penetrometer (DCP) tests on granular embankment, aggregate base, and aggregate surfacing materials.
- Perform Full Depth Reclaim Dynamic Cone Penetrometer (DCP) tests on full depth reclaim (FDR) materials.
- Perform moisture content tests at time of compaction on backfill, aggregate base, and aggregate surfacing, and full depth reclamation materials.
- Perform gradation tests on granular embankment, select granular borrow, full depth reclaim, aggregate base and surfacing materials.
- Perform laboratory standard Proctor tests on backfill and fill materials.
- Prepare the preliminary and final grading and base report along with assembling the random sampling locations report for the aggregate base and surfacing according to MnDOT Specifications.

Concrete Field Testing Related Services

- Sample and test the plastic concrete for slump, air content, temperature prior to placement. We assume that we will be able to appropriately dispose of excess concrete (and associated wash water) on site at no additional cost to us.
- Prepare 4-inch by 8-inch cylinders for compressive strength testing. A set of three cylinders will be tested at 28 days for each set cast. If field cure cylinders are requested, each additional cylinder will be charged at the unit price listed in our cost estimate.
- Laboratory compressive strength testing of cylinders.
- Perform concrete ready-mix batch plant inspections which include periodic observations of plant operations, collecting and submitting aggregate samples, cement samples and admixture samples for testing. Review and periodically observe contractor's quality control

gradation and moisture testing of coarse and fine aggregates. Perform concrete plant monitoring per MnDOT 2461 specification.

- Perform coarse and fine aggregate verification gradation tests. Compare agency test results with contractor's test results for compliance with MnDOT 2461 specification.

Bituminous Related Services

- Perform bituminous plant inspections which includes periodically observing the contractor's quality control testing, observing one set of contractor tests per day and collecting companion samples for quality assurance tests. Perform bituminous plant monitoring per MnDOT's 2360 specification.
- Collect a verification sample per MnDOT's 2360 specification to run quality assurance tests on. Perform quality assurance tests on the verification samples which include the following tests: Rice specific gravity, asphalt content, extracted aggregate gradation, gyratory density, coarse aggregate angularity, and fine aggregate angularity. Compare agency test results with contractor's test results for compliance with MnDOT 2360 specification.
- Randomly determine bituminous core locations by using MnDOT's random core worksheet and mark pavement core locations.
- Observe the contractor coring and core testing in accordance with MnDOT 2360 specification, which include watching quality control personnel weigh the cores at their laboratory.
- Collect companion cores and test for thickness and density of pavement cores. Compare agency test results with contractor's test results for compliance with MnDOT 2360 specification. Review incentive and disincentive sheets completed by contractor.

MnDOT Independent Assurance (IA)

On Federal funded projects, MnDOT requires one of their IA personnel observe the QC/QA representative performing soil, concrete and bituminous tests. We will schedule the IA visits as required for Braun Intertec Personnel.

Reporting and Project Management

Test results will be issued weekly for the project as the various tasks are performed. If, at any time, there are failing tests which do not appear to be in accordance with the plans and specifications or MnDOT's Schedule of Materials Control, we will notify the engineer's representative and any others that we are directed to notify.

Before the final project closeout, we will issue a final report. The report will include the following:

- Braun Intertec technician roster for technicians that conducted testing on the project.
- Completed MnDOT Materials Certification Exceptions Summary for items tested by Braun Intertec.
- Completed Preliminary and Final Grading and Base Report.
- Completed IA Summary Report.
- Moisture, Density, DCP, Proctor and Gradation tests.
- Concrete mix designs.
- Concrete compressive strength results.
- Concrete batch plant inspection field forms.
- Concrete contractor's gradation, moisture and #200 wash test results.
- Concrete contractor's copies of cement and fly-ash bill of ladings.
- Completed test reports for samples sent to the MnDOT Materials Lab.
- Bituminous mix designs.
- Bituminous batch plant inspection field forms.

- Bituminous verification test results.
- Bituminous contractor's summary sheets.
- Random core log location worksheets.
- Completed density incentive/disincentive worksheets.
- Copies of concrete and bituminous plant certifications.

Basis of Scope of Work

The costs associated with the proposed scope of services were estimated using the following assumptions. If the construction schedule is modified or the contractor completes the various phases of the project at different frequencies or durations than shown in this proposal, we may need to adjust the overall cost accordingly. The scope of work and number of trips required to perform these services are as shown in the attached table. Notable assumptions in developing our estimate include:

- We assume it will take 20 trips to complete the nuclear density gauge testing on this project.
- We understand compaction testing on granular materials will be performed using the Dynamic Cone Penetration (DCP) method; we assume a minimum of 8 trips will be required to complete the testing.
- We understand compaction testing on aggregate base, aggregate surfacing, full depth reclamation, and walks and trails base will be performed using the Dynamic Cone Penetration (DCP) method; we assume 15 trips will be required to complete the testing.
- We assume 36 sets of concrete tests will be required to complete the project.
- We assume concrete tests for the curb and gutter will represent 80 cubic yards placed per test; the sidewalks tests will represent 60 cubic yards placed per test; the driveway tests will represent 40 cubic yards placed per test.
- We assume one coarse aggregate and one fine aggregate in the ready mix concrete.

- We assume bituminous paving will be completed in 14 days for this project, which assumes a minimum placement of 1,000 tons per day of paving.
- We assume MnDOT will calibrate and certify the ready mix concrete plant.
- We assume your full time on-site construction observer will observe the test rolling for this project.
- We assume the project engineer of record will review and approve the contractor's quality control submittals and test results.
- You, or others you may designate, will provide us with current and approved plans and specifications for the project. Modification to these plans must also be sent to us so we can review their incorporation into the work.
- We will require a minimum of 24 hours' notice for scheduling inspections for a specific time. Shorter than 24 hours' notice may impact our ability to perform the requested services, and the associated impacts will be the responsibility of others.

If the work is completed at different rates than described above, this proposal should be revised.

Cost and Invoicing

We will furnish the services described herein for an estimated fee of **\$80,020**. **Our estimated costs are based on industry averages for construction production. Depending on the contractor's performance, our costs may be significantly reduced or slightly higher than estimated.** A tabulation showing our estimated hourly and/or unit rates associated with our proposed scope of services is also attached. The actual cost of our services will be based on the actual units or hours expended to meet the requirements of the project documents.

This cost estimate was developed with the understanding that the scope of services defined herein will be required and requested during our normal work hours of 6:00 a.m. to 4:00 p.m., Monday through Friday. Services that we are asked to provide to meet the project requirements or the contractor's construction schedule **outside** our normal business hours will be invoiced using an overtime rate factor. The factor for services provided outside our normal work hours or on Saturday will be 1.25 times the listed hourly rate for the service provided. The factor for services provided on Sunday or legal holidays

will be 1.5 times the listed hourly rate for the service provided. We have not included premiums for overtime in our cost estimate; however, we recommend that allowances and contingencies be made for overtime charges based on conversations with the contractor. You will be billed only for services provided on a time and materials basis.

Because our services are directly controlled by the schedule and performance of others, the actual cost may vary from our estimate. It is difficult to project all of the services and the quantity of services that may be required for any project. If services are required that are not discussed above, we will provide them at the rates shown in the attached table or, if not shown, at our current Schedule of Charges. We will invoice you on a monthly basis.

General Remarks

We will be happy to meet with you to discuss our proposed scope of services further and clarify the various scope components.

We appreciate the opportunity to present this proposal to you. After reviewing this proposal, **please sign and return one copy to our office as notification of acceptance and authorization to proceed.** If anything in this proposal is not consistent with your requirements, please let us know immediately. Braun Intertec will not release any written reports until we have received a signed agreement. Also, ordering services from Braun Intertec constitutes acceptance of the terms of this proposal.

The proposed fee is based on the scope of services described and the assumption that our services will be authorized within 30 days and that others will not delay us beyond our proposed schedule.

Our services will be provided under the terms of the Master Services Agreement for Professional Services.

To have questions answered or schedule a time to meet and discuss our approach to this project further, please contact Mickale Endres (507.514.0514 or MEndres@braunintertec.com) or Joe Butler (218.969.3179 or JButler@braunintertec.com).

Sincerely,

BRAUN INTERTEC CORPORATION



Mickale L. Endres, PE
Business Unit Manager, Project Engineer



Joseph C. Butler, PE
Business Unit Leader, Senior Engineer

Attachments:
Project Proposal

c: Mr. David Bolf, Northland Consulting Engineers

The proposal is accepted. We will reimburse you in accordance with this agreement, and you are authorized to proceed:

Authorizer's Firm

Authorizer's Signature

Authorizer's Name (please print or type)

Authorizer's Title

Date

Client: City of Hermantown 5105 Maple Grove Road Hermantown, MN 55811	Work Site Address: Ugstad Road, from Maple Grove Road to Miller Trunk Highway 194 Hermantown, MN 55811	Service Description: Construction Materials Testing
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	Description	Quantity	Units	Unit Price	Extension
Phase 1	MnDOT Testing				
Activity 1.1	Soil Testing				\$14,680.00
207	Compaction Testing - Nuclear	48.00	Hour	80.00	\$3,840.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	Common Embankment	2.00	Trips	2.00	4.00
	Utility Trenches	10.00	Trips	2.00	20.00
	Walks & Trails - Subgrade	8.00	Trips	3.00	24.00
1308	Nuclear moisture-density meter charge, per hour	48.00	Each	20.00	\$960.00
217	Compaction Testing - DCP's	54.00	Hour	80.00	\$4,320.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	Granular Embankment	3.00	Trips	2.00	6.00
	Select Granular Embankment	5.00	Trips	2.00	10.00
	Aggregate Base	5.00	Trips	2.00	10.00
	Full Depth Reclamation	2.00	Trips	2.00	4.00
	Walks & Trails - Aggregate Base	8.00	Trips	3.00	24.00
1530AG	Asphalt Content of Aggregate Base, per sample	1.00	Each	150.00	\$150.00
209	Sample pick-up	10.00	Hour	80.00	\$800.00
1318	Moisture Density Relationship (Proctor)	10.00	Each	175.00	\$1,750.00
1162	Sieve Analysis with 200 wash, per sample	12.00	Each	140.00	\$1,680.00
1152	Moisture content, per sample	10.00	Each	20.00	\$200.00
1861	CMT Trip Charge	49.00	Each	20.00	\$980.00
Activity 1.2	Concrete Testing				\$25,680.00
261	Concrete Testing	72.00	Hour	80.00	\$5,760.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	Curb & Gutter	16.00	Trips	2.00	32.00
	Sidewalks	15.00	Trips	2.00	30.00
	Driveways	5.00	Trips	2.00	10.00
1364	Compressive strength of concrete cylinders, per specimen	108.00	Each	30.00	\$3,240.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	Curb & Gutter	16.00	Sets	3.00	48.00
	Sidewalks	15.00	Sets	3.00	45.00
	Driveways	5.00	Sets	3.00	15.00
1162CO	Sieve Analysis, per sample	20.00	Each	140.00	\$2,800.00
215	Concrete Ready Mix Plant Monitoring	80.00	Hour	100.00	\$8,000.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	Ready Mix Plant Monitoring	10.00	Trips	8.00	80.00
278	Concrete Cylinder Pick up	48.00	Hour	90.00	\$4,320.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	Cylinder Pickup	32.00	Trips	1.50	48.00
1861	CMT Trip Charge	78.00	Each	20.00	\$1,560.00
Activity 1.3	Pavement Testing				\$31,445.00

Project Proposal

QTB169659

Ugstad Rd & Arrowhead Rd Improvements (SAP 202-101-014)

222	Bituminous Verification Testing	112.00	Hour	100.00	\$11,200.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	Bituminous Plant Monitoring	14.00	Trips	8.00	112.00
221	Bituminous Coring	84.00	Hour	100.00	\$8,400.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	Mark & Observe Contractor Coring & Testing	14.00	Trips	6.00	84.00
2689	MnDOT Bituminous Verification, per sample	14.00	Each	700.00	\$9,800.00
1542	Thickness and Density of Bituminous Core	27.00	Each	55.00	\$1,485.00
1861	CMT Trip Charge	28.00	Each	20.00	\$560.00
Activity 1.4	Project Management				\$8,215.00
226	Project Manager	32.00	Hour	145.00	\$4,640.00
228	Senior Project Manager	5.00	Hour	175.00	\$875.00
238	Project Assistant	15.00	Hour	80.00	\$1,200.00
1230	MnDOT Final Report	1.00	Each	1,500.00	\$1,500.00
				Phase 1 Total:	\$80,020.00

Proposal Total:	\$80,020.00
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Resolution No. 2023-11

RESOLUTION AUTHORIZING A CONTRACT FOR PROFESSIONAL SERVICES WITH CLIFTONLARSONALLEN LLP FOR AUDIT SERVICES IN THE AMOUNT OF \$31,900 FOR THE FINANCIAL STATEMENT AUDIT AND ADDITIONAL MONEY FOR LEASE CALCULATIONS

WHEREAS, the City of Hermantown (“City”) desires to have a City audit (“Project”); and

WHEREAS, CliftonLarsonAllen LLP submitted a proposal dated December 19, 2022 (“Proposal”) in the amount of \$31,900; and

WHEREAS, the City Council believes that it is in the best interests of the City of Hermantown to approve the Proposal; and

WHEREAS, City and CliftonLarsonAllen LLP desire to enter into a Professional Services Agreement attached hereto.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Hermantown, Minnesota that the Mayor and City Clerk are hereby authorized and directed to execute and deliver the Professional Services Agreement with CliftonLarsonAllen LLP substantially in the form of the one attached hereto as **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:

and the following voted in opposition thereto:

WHEREUPON, such resolution was declared duly passed and adopted January 17, 2023.

EXHIBIT A



Statement of Work - Audit Services

December 19, 2022

This document constitutes a statement of work ("SOW") under the master service agreement ("MSA") dated December 19, 2022, or superseding MSA, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and City of Hermantown ("you," "your," or "the entity"). We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the year ended December 31, 2022.

Christopher Knopik is responsible for the performance of the audit engagement.

Scope of audit services

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of City of Hermantown, and the related notes to the financial statements.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity's basic financial statements.

The RSI will be subjected to certain limited procedures, but will not be audited.

We will also evaluate and report on the presentation of the following supplementary information other than RSI accompanying the financial statements in relation to the financial statements as a whole:

The combining and individual fund financial statements

The following supplementary information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements and our auditors' report will not provide an opinion or any assurance on that information:

Listing of elected and appointed officials

Nonaudit services

We will also provide the following nonaudit services:

- Preparation of your financial statements and the related notes.
- Preparation of the required supplementary information (RSI).

- Preparation of lease schedules

Audit objectives

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Our audit will be conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Our audit will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinions.

We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) other than RSI accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

We will issue a written report upon completion of our audit of your financial statements.

Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from the engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming opinions on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue a report, or withdrawing from the engagement.

We will also provide a report (which does not include an opinion) on internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements, as required by Government Auditing Standards. The report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe

the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the entity is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit conducted in accordance with U.S. GAAS and the standards for financial audits contained in Government Auditing Standards may not satisfy the relevant legal, regulatory, or contractual requirements.

As part of our audit, we will also perform the procedures and provide the report required by the Minnesota Legal Compliance Audit Guide for Political Subdivisions.

Auditor responsibilities, procedures, and limitations

We will conduct our audit in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*.

Those standards require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and evaluate whether audit evidence obtained is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on our evaluation of audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management override of controls
- Revenue recognition

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS and Government Auditing Standards. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected. Because the determination of waste and abuse is subjective, Government Auditing Standards do not require auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. An audit is not designed to provide assurance on internal control or to identify deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to Government Auditing Standards.

We will include in our report on internal control over financial reporting and on compliance relevant information about any identified or suspected instances of fraud and any identified or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements that may have occurred that are required to be communicated under Government Auditing Standards.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Management responsibilities

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements and RSI in accordance with U.S. GAAP.

Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for 12 months beyond the financial statement date.

You are responsible for the design, implementation, and maintenance of effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities and safeguarding assets to help ensure that appropriate goals and objectives are met. You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered. You are responsible for taking timely and appropriate steps to remedy any fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we may report.

You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including amounts and disclosures, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, and for the accuracy and completeness of that information (including information from within and outside of the general and subsidiary ledgers); (2)

additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for the preparation of the supplementary information in accordance with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies to us of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit objectives" section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Responsibilities and limitations related to nonaudit services

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services.

Use of financial statements

Should you decide to include or incorporate by reference these financial statements and our auditors' report(s) thereon in a future private placement or other offering of equity or debt securities, you agree that we are under no obligation to re-issue our report or provide consent for the use of our report in such a registration or offering document. We will determine, at our sole discretion, whether we will re-issue our report or provide consent for the use of our report only after we have performed the procedures we consider necessary in the circumstances. If we decide to re-issue our report or consent to the use of our report, we will be required to perform certain procedures including, but not limited to, (a) reading other information incorporated by reference in the registration statement or other offering document and (b) subsequent event procedures. These procedures will be considered an engagement separate and distinct from our audit engagement, and we will bill you separately. If we decide to re-issue our report or consent to the use of our report, you agree that we will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to re-issue our report or decide to withhold our consent to the use of our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our workpapers for those periods, we are under no obligation to permit such access.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Engagement administration and other matters

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

We will provide copies of our reports to the entity; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing confidential or sensitive information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the sole and exclusive property of CLA and constitutes confidential and proprietary information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Minnesota Office of the State Auditor, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of CLA personnel. Furthermore, upon request, we may provide copies or electronic versions of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the Minnesota Office of the State Auditor. If we are aware that a federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our audit engagement ends on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific SOW for that service.

Government Auditing Standards require that we make our most recent external peer review report publicly available. The report is posted on our website at www.CLAconnect.com/Aboutus/.

Fees

Our professional fees are detailed in the table below. The fees below include all out of pocket costs (including travel, internal and administrative charges). The fees below will also have plus a technology and client support fee of five percent (5%) of all professional fees billed. This estimate is based on anticipated cooperation from your personnel and their assistance with locating requested documents and preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the fees and expenses will likely be higher. Our invoices, including applicable state and local taxes, will be rendered each month as work progresses and are payable on presentation. **Service Professional Fee**

Financial Statement Audit	\$31,900
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Lease Calculations (estimated)

\$5,100

Unexpected circumstances

We will advise you if unexpected circumstances require significant additional procedures resulting in a substantial increase in the fee estimate.

Changes in accounting and audit standards

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in the SOW increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

Agreement

We appreciate the opportunity to provide to you the services described in this SOW under the MSA and believe this SOW accurately summarizes the significant terms of our audit engagement. This SOW and the MSA constitute the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA related to audit services. If you have any questions, please let us know. Please sign, date, and return this SOW to us to indicate your acknowledgment and understanding of, and agreement with, the arrangements for our audit of your financial statements including the terms of our engagement and the parties' respective responsibilities.

Sincerely,

CliftonLarsonAllen LLP

Response:

This letter correctly sets forth the understanding of City of Hermantown.

CLA

ORG: CliftonLarsonAllen LLP

NAME: Christopher G. Knopik

TITLE: Principal

SIGN: *Christopher G. Knopik*

DATE: 12/30/2022

Client

ORG: _____

NAME: _____

TITLE: _____

SIGN: _____

DATE: _____

ORG: _____

NAME: _____

TITLE: _____

SIGN: _____

DATE: _____

ORG: _____

NAME: _____

TITLE: _____

SIGN: _____

DATE: _____



CITY COUNCIL MEETING DATE: January 17, 2023

TO: Mayor & City Council

FROM: John Mulder, City Administrator

SUBJECT: City Lobbyist

RESOLUTION: 2023-12 **ORDINANCE:** **OTHER:**

REQUESTED ACTION

Approve contract with The Costin Group, Inc to serve as a lobbyist for the City in 2023.

BACKGROUND

The City is seeking state bonding money to provide additional funding for the community recreation initiative along with the recently passed sales tax. With two representatives in state legislature, it would be beneficial to hire a lobbyist to represent the City’s interest and legislative request in St. Paul.

This cost was not included in the 2023 City Budget, so we are proposing to use the one-time American Rescue Funds to cover the costs.

SOURCE OF FUNDS (if applicable)

American Rescue Funds
245-465100-319

ATTACHMENTS

Resolution
Contract and Proposal

Resolution No. 2023-12

**RESOLUTION AUTHORIZING AND DIRECTING THE MAYOR
AND CITY CLERK TO EXECUTE AND DELIVER AN AGREEMENT FOR
CONSULTING SERVICES WITH THE COSTIN GROUP, INC.
IN AN AMOUNT NOT TO EXCEED \$18,000.00**

WHEREAS, the City of Hermantown (“City”) staff have been working to secure funding sources to, including capital investment bonding, for the development of the multi-use sports facility in the City of Hermantown (“Project”); and

WHEREAS, a proposal was received from The Costin Group, Inc. (“Costin Group”) with regard Project; and

WHEREAS, City’s staff reviewed the proposal and on the basis of such review, City’s staff has recommended that Costin Group be awarded a contract for Project; and

WHEREAS, a form of proposed Consulting Agreement to be entered into between Costin Group and City for the Project is attached hereto as Exhibit A; and

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

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

1. The proposal of Costin Group for a payment in the amount of \$18,000.00 from City for the Project shall be and hereby is accepted.
2. The Consulting Agreement substantially in the form of the one attached hereto as Exhibit A is hereby approved.
3. Upon execution of such Consulting Agreement by Costin Group, the work pursuant to the Consulting Agreement may proceed.

Councilor _____ introduced the foregoing resolution and moved its adoption.

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

and the following voted in opposition thereto:

WHEREUPON, such resolution was declared duly passed and adopted on January 17, 2023

EXHIBIT A

AGREEMENT FOR CONSULTING SERVICES

THIS AGREEMENT FOR CONSULTING SERVICES (“Agreement”) is made effective as of the ____ day of _____, 2023 by and between the **City of Hermantown**, a Minnesota statutory city, (“Owner”) and **The Costin Group, Inc.**, a Minnesota corporation, (“Consultant”) in response to the following situation:

A. Owner desires to obtain consulting services to assist Owner with developing a plan and seeking capital investment bonding for the development of the multi-use sports facility to be constructed in Hermantown, Minnesota (“Project”).

B. Consultant is willing to provide consulting services to Owner pursuant to these terms of this Agreement.

NOW, THEREFORE, Owner and the Consultant do mutually agree as follows:

1. Services to be Performed.

1.1. The services to be performed by Consultant shall be performed by Gary Cerkvenik and Jeff Anderson.

1.2. The scope of services to be provided to Owner by Consultant is as set forth on Exhibit A and Exhibit B attached hereto. If there is any conflict between Exhibit A, Exhibit B or this Agreement, the Agreement shall control.

2. Personnel. Consultant will secure, at her own expense, all personnel required to perform the services under this Agreement, and such personnel shall not be the employee(s) of, nor have a contractual relationship with, Owner.

3. Assignability. Consultant shall not assign any interest in this Agreement, shall not contract with others to perform Consultant’s services and shall not transfer any interest in this Agreement without the prior written approval of Owner.

4. Agreement Period. This Agreement shall be effective as of the date hereof and shall continue until terminated as provided in paragraph 5 hereof.

5. Termination of Agreement. Either Consultant or Owner may, by giving written notice specifying the effective date which shall not be less than ninety (90) days from the date such notice is given, terminate this Agreement in whole or in part. In the event of termination, all property and finished or unfinished documents and other writings prepared by the Consultant under this Agreement shall be delivered to Owner and Consultant shall be entitled to compensation for time expended and expenses incurred to the date of termination.

6. **Independent Contractor.** The relationship between the Consultant and Owner shall be that of an independent contractor. Nothing herein shall in any way make or create any employer employee relationship between Owner and Consultant.

7. **Standard of Performance and Insurance; Indemnity.** All services to be performed by Consultant hereunder shall be performed in a skilled, professional and non-negligent manner.

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

8. **Compensation.** Consultant shall be compensated for the services to be performed hereunder as set forth in Exhibit A. Consultant shall submit to Owner itemized statements of services rendered during each month setting forth the date such services were rendered, a description of the services rendered, the person performing such services and the amount of time expended in performing such services. The total amount of the contract is not to exceed Eighteen Thousand and No/100 Dollars (\$18,000.00) without prior written authorization by Owner.

9. **Recordkeeping.** Consultant hereby agrees:

9.1. To maintain all books, documents, papers, accounting records and other evidence pertaining to the fees and expenses for which it seeks payment or reimbursement hereunder and appropriate records with respect to the services performed by it under this Agreement.

9.2. To make such materials available at its office at all reasonable times during the Agreement Term and for three (3) years from the date of final payment under this Agreement for inspection by Owner and copies thereof shall be furnished to Owner upon request by Owner.

10. **No Prohibited Interest.** Consultant represents and warrants to Owner that no employee, officer or agent of Owner, any member of the family of any such person, any partner of any such person or any organization which employs or is about to employ any of the above has a financial or other interest in the business of Consultant.

11. **Confidentiality.** Consultant agrees that, at all times, both during the term of this Agreement and after the termination of this Agreement, it will be faithful to Owner by not divulging, disclosing or communicating to any person, firm or corporation, in any manner whatsoever, except in furtherance of the business of Owner or as required by any applicable law, rule, regulation or ordinance of Owner or any other governmental authority, any information of

any kind, nature or description concerning any matters affecting or relating to the business, employees, agents, customers of Owner, or parties contracting with Owner.

12. **Notices.** Any notice required to be given under this Agreement shall be deemed sufficient if in writing, sent by mail to the following names and addresses:

If to Consultant:	The Costin Group, Inc. P.O. Box 385 Duluth, MN 55801 Attn: Gary E. Cerkvenik Email: gcerk@me.com
If to Owner:	City of Hermantown 5105 Maple Grove Road Hermantown, MN 55811 Attn: John Mulder Email: jmulder@hermantownmn.com
With a copy to:	Gunnar B. Johnson Overom Law, PLLC 802 Garfield Avenue Suite 101 Duluth, MN 55802 Email: gjohnson@overomlaw.com

Any notice delivered by email shall request a receipt thereof confirmed by email or in writing by the recipient and followed by personal or mail delivery of such correspondence and any attachments as may be requested by the recipient, and the effective date of such notice shall be the date of receipt, provided such receipt has been confirmed by the recipient.

13. **Miscellaneous.** This Agreement constitutes the sole and complete agreement relating to the subject matter of this Agreement between the parties, superseding any and all other agreements between the parties and no verbal or other statements, inducements or representations have been made or relied upon by either party. No modifications hereof shall be binding upon either party unless in writing and properly executed.

14. **No Contractual Authority.** Consultant shall have no authority to enter into any contracts or agreements binding upon Owner or to create any obligations on the part of Owner.

15. **Data Practices Act.** Consultant acknowledges that Owner is subject to the provisions of the Minnesota Government Data Practices Act. Consultant must comply with the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, as it applies to all data provided by Owner in accordance with this Agreement and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by Consultant in accordance with this Agreement. The civil remedies of Minnesota Statutes § 13.08, apply to Consultant and Owner. Minnesota Statutes, Chapter 13, provides that all government data are public unless

otherwise classified. If Consultant receives a request to release the data referred to in this Section, Consultant must immediately notify Owner and consult with Owner as to how Consultant should respond to the request. Consultant's response shall comply with applicable law, including that the response is timely and, if Consultant denies access to the data, that Consultant's response references the statutory basis upon which Consultant relied. Consultant does not have a duty to provide public data to the public if the public data is available from Owner.

16. **Choice of Law and Venue.** All matters relating to the validity, construction, performance, or enforcement of this Agreement shall be determined in accordance with the laws of the State of Minnesota. All legal actions initiated with respect to or arising from any provision contained in this Agreement shall be initiated, filed and venued in the State of Minnesota District Court located in the City of Duluth, County of St. Louis, State of Minnesota.

17. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but such counterparts shall together constitute one and the same instrument.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, Owner and Consultant have executed this Agreement for Consulting Services as of the date first above written.

OWNER:

City of Hermantown

By _____
Its Mayor

And By _____
Its City Clerk

CONSULTANT:

The Costin Group, Inc.

By _____
Gary E Cerkvnik
Its Chief Executive Officer

EXHIBIT A



To: John Mulder, City Administrator, City of Hermantown
Fr: Jeff Anderson, Gary Cerkvenik
Re: Consulting Proposal – City of Hermantown

January 6, 2023

Proposal

The Costin Group will work with City of Hermantown leadership and local legislators to develop a plan and seek capital investment bonding of \$7.475 for Hermantown's recreational facility expansion.

The Costin Group team will explore other funding sources as well and serve as your consultant in working with groups, businesses, and individuals to expand the success of the project. We will provide other government relations services as needed.

Our Team, The Costin Group, Inc.

Jeff Anderson is a successful political operative, former elected official, leader in a Congressional office, and business owner. Jeff is a seasoned professional, success focused, and an aggressive advocate for his clients' objectives. Under his leadership, The Costin Group's clients are afforded crucial insights to the legislative process and offered insightful recommendations on moving the legislature and bureaucracy to achieve their goals. Jeff worked in radio and television media before serving in government and learned the importance of focused and effective communications.

Jeff has served as the President of the Duluth City Council and District Director and Deputy Chief of Staff for Congressman Rick Nolan. He has worked with numerous elected officials in Minnesota and Washington, DC, including former Minnesota Attorney Generals Lori Swanson and Mike Hatch.

Gary Cerkvenik is a hands-on organizer who brings creativity and passion to issues. A strong communicator and consensus builder with broad experience in the private and public sectors.

Gary has been a consultant in politics, economic development, and federal/state lobbying. His client work has included achieving a \$100 million incentive package to jump start the Vision Northland \$800 million new hospital complex in Duluth, \$142 million Laurentian Energy Authority funding package, funding over \$25 million for the creation of the Mesabi Trail running from the Mississippi to the Boundary Waters, the creation of Minnesota's only solar module

manufacturer, and securing \$30 million in new funding for the Voyageurs National Park Clean Water Project amount many other legislative projects.

In politics, he was elected the youngest Chair of the St. Louis County Board and played a lead role in the Dukakis for President campaign. He has worked for Congressman Jim Oberstar, Governor Rudy Perpich, Senator Paul Wellstone, Senator John Kerry, the Carter-Mondale campaign, and was the first Executive Director of the Minnesota DFL Party.

From organizing the largest event in the history of New England—Earth Day 1990 in Boston under Earth Day Founder Denis Hayes to managing the first two stages of the Nature Valley Grand Prix professional bike races, Gary has had a wide and varied career. He taught government and philosophy at the local college and was a co-founder/patent holder at Spring Creek Outfitters. He holds the distinction of winning the Minnesota Border to Border Triathlon and has been a track and cross-country coach and a track and soccer official with the MSHSL.

Compensation

We try to make it simple. No expenses. No unnecessary charges. No surprises.

\$1,500 per month. One-year contract (January 2023-December 2023) to reflect the timelines mandatory in the funding being sought. 90 day cancellation clause if we aren't doing the job to your satisfaction.

EXHIBIT B



CONSULTANT AGREEMENT

THIS AGREEMENT, by and between COSTIN GROUP MINNESOTA, INC. hereinafter referred to as “Consultant,” and the CITY OF HERMANTOWN, a political subdivision of the State of Minnesota, hereinafter referred to as “Hermantown.”

RECITALS

WHEREAS, Consultant will provide government relations, public relations, and other related services assistance to Hermantown; and

WHEREAS, Hermantown has asked for advice from the Consultant;

NOW, THEREFORE, Hermantown and Consultant, for good and valuable mutual consideration and with the intent of being legally bound, agree as follows:

1. **Scope of Services:** Consultant shall perform government relations, public relations, and related services directed and approved by the Hermantown City Administrator.

2. **Compensation to Consultant:** In consideration of the services to be performed by Consultant pursuant to this Agreement, Hermantown agrees to make payment to Consultant at the rate of \$ 1,500 per month retainer. Consultant shall bill Hermantown monthly for retainer. Payment shall be made upon approval of Hermantown at its next regular monthly meeting following receipt of Consultant’s billing.

3. **Conditions of Payment:** All services provided by Consultant pursuant to this Agreement shall be performed by Jeffery D. Anderson and/or Gary Cerkvenik personally, unless Hermantown has given advance approval for services to be performed by another representative of Consultant. All services provided shall be performed to the satisfaction of Hermantown, and in accordance with all applicable federal, state and local laws, ordinances, rules and regulations.

All items of work to be performed by the Consultant shall be done in accordance with the requirements and recommendations of, and subject to the approval of, Hermantown. Consultant shall be responsible for the professional quality, technical

accuracy and the coordination of all services furnished by Consultant under this Agreement. Consultant shall, without additional compensation, correct or revise any errors or deficiencies in Consultant's final work product or services.

Hermantown shall not be obligated to pay for, nor shall consultant claim for, any services not specifically authorized pursuant to the terms of this Agreement, except upon advance written approval of Hermantown. Such approval shall be a modification of this Agreement. Consultant shall notify Hermantown in writing before it begins any work which will be the basis for a claim for extra compensation. If such notification is not given or is not approved by Hermantown in writing before Consultant commences the work, then Consultant hereby waives and releases forever any claim or costs for such extra compensation. However, such notice shall not in any way be construed as proving the validity of any claim by Consultant except where approved in advance by Hermantown.

4. **Ownership of Work Product:** All data gathered, prepared or recorded by Consultant pursuant to the terms of this Agreement shall be the property of Hermantown. Upon request of any duly authorized agent of Hermantown, Consultant shall make every reasonable effort to explain or clarify the meaning of the data contained in the materials delivered to Hermantown.

5. **Term:** The term of this Agreement shall be from January 15, 2023, through January 31, 2024, unless earlier terminated in accordance with the provisions of this Agreement.

6. **Cancellation of Agreement:** Either party may cancel this Agreement at any time by giving written notice to the other party with a 90-day notice. Consultant shall receive just and equitable compensation for all work satisfactorily performed pursuant to this Agreement. Notice to Hermantown shall be mailed or delivered to, City Administrator, City of Hermantown, 5105 Maple Grove Road, Hermantown, MN 55811. Notice to Consultant shall be mailed or delivered to Jeffery D. Anderson, Costin Group Minnesota, Inc., P.O. Box 385, Duluth, MN 55801.

7. **Independent Contractor:** It is agreed that nothing contained in this Agreement is intended or should be construed as creating the relationship of co-partner, joint venturer or an association with the Consultant and Hermantown. Consultant is an independent contractor and neither it, its employees, agents, subcontractors, or representatives shall be considered employees, agents or representatives of Hermantown. Except as otherwise provided herein, Consultant shall maintain, in all respects, its present control over the means and personnel by which this Agreement is performed. From any amounts due consultant, there shall be no deductions for federal income tax or FICA payments nor for any state income tax, nor for any other purposes which are associated with an employer/employee relationship unless otherwise required by law. Payment of

federal income tax, FICA payments, state income tax, unemployment compensation taxes, and other payroll deductions and taxes are the sole responsibility of Consultant.

8. **Assignment or Transfer:** No portion of the work or services required under this Agreement shall be transferred, assigned, or otherwise disposed of except with the prior written consent of Hermantown.

9. **Indemnity:** Consultant agrees, to the fullest extent permitted by law, to indemnify and hold Hermantown harmless from any damage, liability or cost (including reasonable attorneys' fees and costs of defense) to the extent caused by or arising from any professional errors and omissions and/or negligent acts and omissions of Consultant in performance of this Agreement and those of Consultant's sub-consultants or anyone for whom Consultant is legally liable. Consultant's indemnification obligation includes, but is not limited to, infringement of patent or copyright laws.

10. **Non-Discrimination:** Consultant shall not discriminate against employees or applicants for employment or in the rendering of work or services under this Agreement based on race, creed, color, national origin, religion, sex, marital status, disability, sexual orientation, or status with respect to public assistance.

11. **Data Practices Act Compliance:** Consultant agrees to comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by Hermantown in accordance with this Agreement, and as it applies to all data created, collected, received, stored, used, maintained or disseminated by Consultant in accordance with this Agreement. The civil remedies of Minnesota Statutes Section 13.08 apply to the release of the data referred to herein by either Consultant or Hermantown. If the Consultant receives a request to release the data referred to above, Consultant shall immediately notify Hermantown. Hermantown will provide instructions to Consultant concerning the release of the data to the requesting party before the data is released.

12. **Access to Records/Audit:** Hermantown, its authorized representative(s), or the State Auditor shall have full access to all records relating to the performance of this Agreement. Consultant agrees to maintain records relating to all services provided by it under the terms of this Agreement and shall retain all such records for one (1) year following the termination of this Agreement. Such records shall be made available for audit or inspection upon request of Hermantown or its authorized representative.

13. **Separability:** In the event any provision of this Agreement shall be held invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties unless such invalidity or non-enforceability would cause the Agreement to fail of its purpose. One or more waivers by either party of any provision, term, condition, or covenant shall not be construed by the other party as a waiver of a subsequent breach of the Agreement.

14. **Entire Agreement:** It is understood and agreed that the entire agreement of the parties is contained herein, and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof as well as any previous contracts presently in effect between Hermantown and Consultant relating to the subject matter hereof.

15. **Modification of Agreement:** Any alterations, variations, modifications, or waivers of provisions of this Agreement shall only be valid when they have been reduced to writing, signed by authorized representatives of Hermantown and Consultant, and attached to the original of this Agreement.

IN WITNESS WHEREOF, Hermantown and Consultant have executed this Agreement as of this ____ day of _____, 2023.

CITY OF HERMANTOWN, MN

By: _____

Its: _____

COSTIN GROUP, INC.

By: _____

Its: President _____