



## **Hermantown City Council Meeting - Monday, May 1, 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 via Zoom:**

<https://us02web.zoom.us/j/84409952143?pwd=cGdaNzZmU2NYdGxsUDIQVDVxeU9LQT09>

and/or by calling the number (312) 626-6799 and utilizing the meeting ID number of 844 0995 2143 and the passcode of 0260647091.

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](mailto: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 Monday, May 1, 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 Monday, May 1, 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 Monday, May 1, 2023 at 4:30 p.m.  
Council Chambers, City Hall - Hermantown Governmental Services Building**

**City Council Meeting Monday, May 1, 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 23-57 through 23-74 placed on file 6
7. **PRESENTATIONS**
  - A. **First Quarter Financial Report** 9  
Kevin Orme, Director of Finance & Administration  
*(Pre-Agenda Only)*
  - B. **Ice Arena Design Discussion**  
John Gerzina, Architect DSGW  
*(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 April 17, 2023 City Council Continuation Minutes 11
- B. **Accounts Payable** - Approve general city warrants from April 16, 2023 through April 30, 2023 in the amount of \$428,562.93 18

11. **ORDINANCES**

12. **RESOLUTIONS**

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

- A. **2023-53 Resolution Approving Preliminary Plat Of Peyton Acres Phase 2A And Imposing Conditions On The Final Plat** 26  
  
*(motion, roll call)*
- B. **2023-54 Resolution Approving A Special Use Permit For The Construction Of A Two-Family Home In A R-3 Residential Zoning District** 38  
  
*(motion, roll call)*
- C. **2023-55 Resolution Approving A Special Use Permit For Grading And Filling Within A Recreational Shoreland Overlay Area** 52  
  
*(motion, roll call)*
- D. **2023-56 Resolution Adopting The Hermantown Business Park Alternative Urban Areawide Review (AUAR) Scoping Document And Authorizing Publication Of The AUAR Scoping Document With The Minnesota Environmental Quality Board (EQB)** 69  
  
*(motion, roll call)*
- E. **2023-57 Resolution Authorizing The Disposal Of Surplus City Property** 77  
  
*(motion, roll call)*
- F. **2023-58 Resolution Of The City Of Hermantown, Minnesota, Providing For The Sale Of \$1,600,000 General Obligation Improvement Bonds, Series 2023A** 80  
  
*(motion, roll call)*
- G. **2023-59 Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver Agreement Between The Minnesota Department Of Transportation And City Of Hermantown For Federal Participation In Construction** 94  
  
*(motion, roll call)*
- H. **2023-60 Resolution Approving The Employment Of \_\_\_\_\_** 109



**As The Utility & Infrastructure Director**

*(motion, roll call)*

- I. **2023-61 Resolution Authorizing And Directing Mayor And City Clerk To Execute An Acceptance Of Permanent Easement Agreement And Temporary Easement Agreement To The City Of Hermantown From Allete, Inc. And Waiving Costs And Assessment** 112

*(motion, roll call)*

13. **RECESS**

**Date:** April 25, 2022  
**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.

## 2023 CORRESPONDENCE

<u>DATE</u>	<u>LOG #</u>	<u>FROM</u>	<u>TO</u>	<u>REGARDING</u>	<u>FILED</u>
4/14/2023	23-57	Candice Pierce	Jackie Dolentz, City Clerk	Appeal Market Value of Property 395-0070-00743	4/13/2023
4/24/2023	23-58	Patricia & Keith Fink	Jackie Dolentz, City Clerk	Appeal Market Value of Property 395-0010-06590	4/14/2023
4/24/2023	23-59	MN Pollution Control Agency	Wherley Moving Systems, Inc.	Petroleum Storage Tank Release	4/17/2023
4/24/2023	23-60	St. Louis County Sheriff's Office	City of Hermantown	Spring Flooding 2023	4/19/2023
4/24/2023	23-61	Marlene Van Loon	Board of Appeals, St. Louis County	Appeal Market Value of Property 395-0070-00755	4/19/2023
4/24/2023	23-62	Mary Garness, St. Louis County	Jackie Dolentz, City Clerk	Valuation Notice & Process for Appeals	4/19/2023
4/24/2023	23-63	John Mulder, City Administrator	Derik Budig, Mammoth Sports Construction, LLC	Hermantown Stebner Park Development	4/20/2023
4/24/2023	23-64	James Coyle, Short Elliott Hendrickson, Inc.	Brian Kabal, Buell Consulting	Verizon New Build at Hawk Circle Dr.	4/20/2023
4/24/2023	23-65	MN Energy Resources	City of Hermantown	Natural Gas Updates	4/24/2023
4/25/2023	23-66	MN Energy Resources	City of Hermantown	Rate Increase Notice	4/17/2023
4/25/2023	23-67	Eric Johnson, Comm. Dev. Dir.	Park Board	Keene Creek Park Improvements	4/18/2023
4/25/2023	23-68	Eric Johnson, Comm. Dev. Dir.	Planning Commission	JLG Enterprises, Phase 2 Preliminary & Final Plat	4/18/2023

## 2023 CORRESPONDENCE

<u>DATE</u>	<u>LOG #</u>	<u>FROM</u>	<u>TO</u>	<u>REGARDING</u>	<u>FILED</u>
4/25/2023	23-69	Eric Johnson, Comm. Dev. Dir.	Planning Commission	Peter & Jodi Stauber, SUP	4/18/2023
4/25/2023	23-70	Eric Johnson, Comm. Dev. Dir.	Planning Commission	Peter & Jodi Stauber, SUP for Filling & Grading	4/18/2023
4/25/2023	23-71	Eric Johnson, Comm. Dev. Dir.	Planning Commission	Peter & Jodi Stauber, SUB	4/18/2023
4/25/2023	23-72	Eric Johnson, Comm. Dev. Dir.	Planning Commission	Five Star Storage, CIDP	4/18/2023
4/25/2023	23-73	Eric Johnson, Comm. Dev. Dir.	Planning Commission	Coffee Holdings, LLC, CIDP	4/18/2023
4/25/2023	23-74	Eric Johncon, Comm. Dev. Dir.	Planning Commission	Zoning Text Amendment to Chapter 14 - Signs & Ground Signs	4/18/2023

# City of Hermantown

As of 03/31/2023

## Cash/Investments per Fund

City Sales Tax Fund	9,528,466
Water Fund	5,553,376
Sewer Fund	6,111,902
General Fund	3,863,574
Other Funds	8,401,328
Total	<u>33,458,646</u>

## Who holds our money

4M	3,692,594
RBC	27,835,339
NBC	1,930,713
Total	<u>33,458,646</u>














## How our money is invested

	<u>3/31/2023</u>	<u>12/31/2022</u>	<u>9/30/2022</u>	<u>6/30/2022</u>
Cash	1,930,713	7,132,594	4,834,103	3,641,081
Short Term Inv (Money Market)	3,692,594	3,759,722	5,598,084	5,228,839
Inv - Bonds (Richard Lindgren)	0	0	0	0
Long Term Investment	27,835,339	26,560,590	23,557,796	21,188,795
Total	<u>33,458,646</u>	<u>37,452,906</u>	<u>33,989,983</u>	<u>30,058,716</u>

## Year(s) our Investments mature

2023	7,317,576
2024	6,667,271
2025	7,380,751
2026	3,121,763
2027 & Later	3,347,978
Total	<u>27,835,339</u>

**City of Hermantown**  
**Select Departmental and Funds Expenditure Actual to Budget Report (Unaudited)**

		<b>TARGET (Q1 2023 )</b>	<b>ACTUAL (Q1 2023)</b>	<b>PERCENT UNDER (OVER)</b>
Administration & Finance		189,913	179,338	6%
Community Development		82,958	47,726	42%
Police Administration		809,519	801,567	1%
Fire Administration		140,909	143,212	(2%)
Street Dept. (Incl. Gen Eng)		200,116	209,552	(5%)
Parks		32,153	1,988	94%
Capital Equipment Transfer		183,750		100%
Facilities		82,474	78,806	4%
Other		94,764	73,573	22%
<b>General Fund Expenditure Total</b>		<b>1,816,555</b>	<b>1,535,761</b>	<b>15%</b>
Water		507,739	210,263	59%
Sewer		526,894	177,755	66%
Stormwater		169,025	21,967	87%
<b>Sales Tax Revenue</b>		550,000	547,732	0%

Streets - Red due to Motor fuel, lubricants, overtime

**CITY OF HERMANTOWN  
CITY COUNCIL MEETING**

Monday, April 17, 2023  
6:30 PM Central

**MEETING CONDUCTED IN PERSON & VIA ZOOM**

Mayor Wayne Boucher: Present  
Councilor John Geissler: Present  
Councilor Andy Hjelle: Present  
Councilor Ellie Jones: Present  
Councilor Brian LeBlanc: Present

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

**VISITORS:** 10

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **ANNOUNCEMENTS**

Congratulations to the Hermantown Talons Robotic Team on their trip to World Championships in Houston, TX!

5. **PUBLIC HEARING**

**A. Public Hearing: Road Improvement District No. 541 (Hermantown Road and Old Midway Road)**

The Public Hearing held Monday, April 17, 2023 regarding Road Improvement District No. 541 has been recorded but not transcribed. The following three residents spoke regarding this project:

Dennis Lofald, 5464 Hermantown Road, spoke about his concerns regarding the road once completed (speeding traffic and keeping pedestrians and bicycle riders safe, ditch drainage) and inquired if the bridge being replace would actually be a 'bridge' or a culvert (it will be a bridge).

Susan Anderson, 3959 Old Midway Road, expressed her concerns regarding the quality of road repairs that were made after the 2012 flood and to keep the road project as simple as possible. She is also concerned about the speed of vehicles after the road is completed.

Alan Van Loon, 5426 Hermantown Road, inquired about how the assessments would be determined (per parcel depending on location, what if someone owns more than one parcel

but not on the Road). He also inquired if high speed internet would be added during construction (it is coming).

Public Hearing closed at 6:54 p.m.

**B. 2023-43 Resolution Ordering Improvement And Directing Preparation Of Final Plans And Specifications For 2024 Road Improvement District No. 541 (Hermantown Road And Old Midway Road)**

*(motion, roll call)*

Motion to approve 2023-43 Resolution Ordering Improvement And Directing Preparation Of Final Plans And Specifications For 2024 Road Improvement District No. 541 (Hermantown Road And Old Midway Road). Motion, made by Councilor John Geissler and seconded by Councilor Brian LeBlanc, Carried.

Councilor Andy Hjelle: Yea  
Councilor Brian LeBlanc: Yea  
Councilor Ellie Jones: Yea  
Councilor John Geissler: Yea  
Mayor Wayne Boucher: Yea  
Yea: 5, Nay: 0

6. **COMMUNICATIONS**

A. Correspondence 23-46 through 23-56 placed on file

**B. 23-50**

From: Theresa Sunde, Mediacom  
To: John Mulder, City Administrator  
Re: Expansion of Broadband Services

7. **PRESENTATIONS**

8. **PUBLIC DISCUSSION**

9. **MOTIONS**

10. **CONSENT AGENDA**

A. **Minutes** - Approval or correction of April 3, 2023 City Council Continuation Minutes

B. **Accounts Payable** - Approve general city warrants from April 1, 2023 through April 15, 2023 in the amount of \$437,305.90

Motion to the approve the Consent Agenda. This motion, made by Councilor Andy Hjelle and seconded by Councilor Ellie Jones, Carried.

Councilor Andy Hjelle: Yea  
Councilor Brian LeBlanc: Yea  
Councilor Ellie Jones: Yea



Councilor John Geissler: Yea  
Mayor Wayne Boucher: Yea  
Yea: 5, Nay: 0

11. **ORDINANCES**

12. **RESOLUTIONS**

**A. 2023-44 Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver An Agreement For Engineering Services With A Total Not To Exceed Contract Amount Of \$339,140 For 2024 Road Improvement District No. 541 (Hermantown Road And Old Midway Road) With Northland Consulting Engineers**

*(motion, roll call)*

Motion to approve 2023-44 Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver An Agreement For Engineering Services With A Total Not To Exceed Contract Amount Of \$339,140 For 2024 Road Improvement District No. 541 (Hermantown Road And Old Midway Road) With Northland Consulting Engineers. This motion, made by Councilor Brian LeBlanc and seconded by Councilor Ellie Jones, Carried.

Councilor Andy Hjelle: Yea  
Councilor Brian LeBlanc: Yea  
Councilor Ellie Jones: Yea  
Councilor John Geissler: Yea  
Mayor Wayne Boucher: Yea  
Yea: 5, Nay: 0

**B. 2023-45 Resolution Approving Authorization For Professional Services For Geotechnical Evaluation Services By EPC Engineering & Testing**

*(motion, roll call)*

Motion to approve 2023-45 Resolution Approving Authorization For Professional Services For Geotechnical Evaluation Services By EPC Engineering & Testing. This motion, made by Councilor John Geissler and seconded by Councilor Andy Hjelle, Carried.

Councilor Andy Hjelle: Yea  
Councilor Brian LeBlanc: Yea  
Councilor Ellie Jones: Yea  
Councilor John Geissler: Yea  
Mayor Wayne Boucher: Yea  
Yea: 5, Nay: 0

**C. 2023-46 Resolution Creating A Prioritized Bridge Replacement List For The City Of Hermantown**

*(motion, roll call)*

Motion to approve 2023-46 Resolution Creating A Prioritized Bridge Replacement List For The City Of Hermantown. This motion, made by Councilor Andy Hjelle and seconded by Councilor Ellie Jones, Carried.

Councilor Andy Hjelle: Yea  
Councilor Brian LeBlanc: Yea  
Councilor Ellie Jones: Yea  
Councilor John Geissler: Yea  
Mayor Wayne Boucher: Yea  
Yea: 5, Nay: 0

**D. 2023-47 Resolution Receiving Bids And Awarding Contract For Road Improvement District No. 538 (Richard Avenue, Lindgren Road, Stevie Drive & A Frontage Road & Sam's Way) In The Amount Of \$2,209,180**

*(motion, roll call)*

Motion to approve 2023-47 Resolution Receiving Bids And Awarding Contract For Road Improvement District No. 538 (Richard Avenue, Lindgren Road, Stevie Drive & A Frontage Road & Sam's Way) In The Amount Of \$2,209,180. This motion, made by Councilor Andy Hjelle and seconded by Councilor Ellie Jones, Carried.

Councilor Andy Hjelle: Yea  
Councilor Brian LeBlanc: Yea  
Councilor Ellie Jones: Yea  
Councilor John Geissler: Yea  
Mayor Wayne Boucher: Yea  
Yea: 5, Nay: 0

**E. 2023-48 Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver An Agreement For Materials Testing Services For Road Improvement District No. 538 (Richard Avenue, Lindgren Road, Stevie Drive & A Frontage Road & Sam's Way)**

*(motion, roll call)*

Motion to approve 2023-48 Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver An Agreement For Materials Testing Services For Road Improvement District No. 538 (Richard Avenue, Lindgren Road, Stevie Drive & A Frontage Road & Sam's Way). This motion, made by Councilor Brian LeBlanc and seconded by Councilor John Geissler, Carried.

Councilor Andy Hjelle: Yea  
Councilor Brian LeBlanc: Yea  
Councilor Ellie Jones: Yea  
Councilor John Geissler: Yea  
Mayor Wayne Boucher: Yea  
Yea: 5, Nay: 0

**F. 2023-49 Resolution Requesting Advance Funding For The City Of Hermantown From Municipal State Aid Funds For S.A. P. 202-101-014 And S.A.P. 202-104-012 In The Amount Of \$1,480,000.00**

*(motion, roll call)*

Motion to approve 2023-49 Resolution Requesting Advance Funding For The City Of Hermantown From Municipal State Aid Funds For S.A. P. 202-101-014 And S.A.P. 202-104-012 In The Amount Of \$1,480,000.00. This motion, made by Councilor Andy Hjelle and seconded by Councilor Ellie Jones, Carried.

Councilor Andy Hjelle: Yea  
Councilor Brian LeBlanc: Yea  
Councilor Ellie Jones: Yea  
Councilor John Geissler: Yea  
Mayor Wayne Boucher: Yea  
Yea: 5, Nay: 0

**G. 2023-50 Resolution Receiving Bids And Awarding Contract For A Second Water Connection To The City Of Duluth In The Amount Of \$42,400**

*(motion, roll call)*

Motion to approve 2023-50 Resolution Receiving Bids And Awarding Contract For A Second Water Connection To The City Of Duluth In The Amount Of \$42,400. This motion, made by Councilor Brian LeBlanc and seconded by Councilor Andy Hjelle, Carried.

Councilor Andy Hjelle: Yea  
Councilor Brian LeBlanc: Yea  
Councilor Ellie Jones: Yea  
Councilor John Geissler: Yea  
Mayor Wayne Boucher: Yea  
Yea: 5, Nay: 0

**H. 2023-51 Resolution Approving A Grant Agreement Between The City Of Hermantown And The Twins Community Fund And Authorizing And Directing The Mayor And City Clerk To Execute And Deliver Such Grant Agreement**

*(motion, roll call)*

Motion to approve 2023-51 Resolution Approving A Grant Agreement Between The City Of Hermantown And The Twins Community Fund And Authorizing And Directing The Mayor And City Clerk To Execute And Deliver Such Grant Agreement. This motion, made by Councilor John Geissler and seconded by Councilor Brian LeBlanc, Carried.

Councilor Andy Hjelle: Yea  
Councilor Brian LeBlanc: Yea  
Councilor Ellie Jones: Yea  
Councilor John Geissler: Yea  
Mayor Wayne Boucher: Yea  
Yea: 5, Nay: 0

13. **CLOSED SESSION**

A. Motion to close the meeting of the Hermantown City Council pursuant to Minnesota Statutes § Section 13D.05 Subd. 3 (b) to consider confidential information under the attorney-client privilege in regard to the City of Hermantown's settlement negotiations of a

PERA health insurance claim. Following this closed session, the Hermantown City Council will re-convene in an open session.

*(motion, roll call)*

Motion at 7:20 p.m. to close the meeting of the Hermantown City Council pursuant to Minnesota Statutes § Section 13D.05 Subd. 3 (b) to consider confidential information under the attorney-client privilege in regard to the City of Hermantown's settlement negotiations of a PERA health insurance claim. Following this closed session, the Hermantown City Council will re-convene in an open session.

Councilor Andy Hjelle: Yea  
Councilor Brian LeBlanc: Yea  
Councilor Ellie Jones: Yea  
Councilor John Geissler: Yea  
Mayor Wayne Boucher: Yea  
Yea: 5, Nay: 0

Motion to reconvene into open session at 7:43 p.m. made by Councilor Andy Hjelle, seconded by Councilor John Geissler, Carried.

Councilor Andy Hjelle: Yea  
Councilor Brian LeBlanc: Yea  
Councilor Ellie Jones: Yea  
Councilor John Geissler: Yea  
Mayor Wayne Boucher: Yea  
Yea: 5, Nay: 0

**B. 2023-52 Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver A Settlement Agreement And Release Of Claims Between The City Of Hermantown And Lisa J. Volk**

*(motion, roll call)*

Motion to approve 2023-52 Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver A Settlement Agreement And Release Of Claims Between The City Of Hermantown And Lisa J. Volk. This motion, made by Councilor Brian LeBlanc and seconded by Councilor Ellie Jones, Carried.

Councilor Andy Hjelle: Yea  
Councilor Brian LeBlanc: Yea  
Councilor Ellie Jones: Yea  
Councilor John Geissler: Yea  
Mayor Wayne Boucher: Yea  
Yea: 5, Nay: 0

14. **RECESS**

Motion to recess at 7:45 p.m. This motion, made by Councilor Ellie Jones and seconded by Councilor Andy Hjelle, Carried.

Councilor Andy Hjelle: Yea

Councilor Brian LeBlanc: Yea  
Councilor Ellie Jones: Yea  
Councilor John Geissler: Yea  
Mayor Wayne Boucher: Yea  
Yea: 5, Nay: 0

---

Mayor

ATTEST:

---

City Clerk

**CITY OF HERMANTOWN**

CHECKS #69815-69864  
04/16/2023-04/30/2023

PAYROLL CHECKS

Electronic Checks - #-67968-68007 80,790.49

Electronic Checks - #-67955-37962 3,768.74

LIABILITY CHECKS

Electronic Checks - #-67963-67967 \$62,593.06

Electronic Checks - #-67952-67954 \$780.23

Checks - #69858-69864 \$5,700.68

**PAYROLL EXPENSE TOTAL \$153,633.20**

ACCOUNTS PAYABLE

Checks - #69815-69857 \$73,060.84

Electronic Payments #-99405-99432 \$201,868.89

**ACCOUNTS PAYABLE TOTAL \$274,929.73**

**TOTAL \$428,562.93**

**CITY OF HERMANTOWN, MN 04/16/2023-04/30/2023**  
**Check # is between 69815 and 69857 or Check # is between -99432 and -99405**

4/25/2023

Page 1

Fun d	Account	Department	Vendor Name	Description	Amount	Check #
101	421100	Police Administration	AT&T MOBILITY	Cell Phones PD	601.84	-99432
101	415300	Administration & Finance	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	149.26	-99431
101	419901	City Hall & Police Building Maintenance	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	44.88	-99431
101	431100	Street Department	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	157.08	-99431
601	494400	Water Administration and General	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	269.34	-99431
602	494900	Sewer Administration and General	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	181.94	-99431
101	421100	Police Administration	GREATAMERICA FINANCIAL SERVICES	Copier Lease/Konica C300&C3320	119.58	-99430
101	415300	Administration & Finance	GREATAMERICA FINANCIAL SERVICES	Copier Lease/Konica bizhubC308	96.00	-99429
101	419901	City Hall & Police Building Maintenance	MN ENERGY RESOURCES CORP	Natural Gas CH/PD	1,441.44	-99428
101	419901	City Hall & Police Building Maintenance	MN ENERGY RESOURCES CORP	Natural Gas CH/PD	1,323.47	-99428
101	422901	Firehall #1 Maple Grove Road	MN ENERGY RESOURCES CORP	Natural Gas FH #1	1,761.77	-99428
101	431901	City Garage	MN ENERGY RESOURCES CORP	Natural Gas Comm Building	251.32	-99428
101	431901	City Garage	MN ENERGY RESOURCES CORP	Natural Gas old CH	109.33	-99428
101	431901	City Garage	MN ENERGY RESOURCES CORP	Natural Gas Lightning Dr	463.01	-99428
601	494400	Water Administration and General	MN ENERGY RESOURCES CORP	Natural Gas Lightning Dr	529.15	-99428
602	494900	Sewer Administration and General	MN ENERGY RESOURCES CORP	Natural Gas Lightning Dr	330.72	-99428
101	452200	Community Building	MN ENERGY RESOURCES CORP	Natural Gas old CH	984.01	-99428
275	452200	Community Building	MN ENERGY RESOURCES CORP	Natural Gas EWC	10,347.21	-99428
101	414100	Elections	PITNEY BOWES PURCHASE POWER	Refill Postage Meter	201.79	-99427
101	415300	Administration & Finance	PITNEY BOWES PURCHASE POWER	Refill Postage Meter	0.57	-99427
101	415300	Administration & Finance	PITNEY BOWES PURCHASE POWER	Refill Postage Meter	210.99	-99427
101	419100	Community Development	PITNEY BOWES PURCHASE POWER	Refill Postage Meter	-57.98	-99427
101	421100	Police Administration	PITNEY BOWES PURCHASE POWER	Refill Postage Meter	60.18	-99427
101	424100	Building Inspection	PITNEY BOWES PURCHASE POWER	Refill Postage Meter	49.16	-99427
101	452100	Parks	PITNEY BOWES PURCHASE POWER	Refill Postage Meter	-9.40	-99427
601	494400	Water Administration and General	PITNEY BOWES PURCHASE POWER	Refill Postage Meter	80.90	-99427
602	494900	Sewer Administration and General	PITNEY BOWES PURCHASE POWER	Refill Postage Meter	45.60	-99427
603	441100	Storm Water	PITNEY BOWES PURCHASE POWER	Refill Postage Meter	123.69	-99427
101	421100	Police Administration	APPLIED CONCEPTS INC	Radar	757.00	-99426
601	494400	Water Administration and General	BLACK MOUNTAIN SOFTWARE INC	AMR Vendor Change	1,125.00	-99425
602	494500	Sewer Maintenance	BRAUN INTERTEC CORPORATION	Sanitary Sewer Inspections	1,290.00	-99424
416	452100	Parks	BRAUN INTERTEC CORPORATION	Fitchner Park Improvements	3,095.00	-99423
230	465100	HEDA	BRAUN INTERTEC CORPORATION	Future Business Park Site - AU	12,505.46	-99423
415	465200	Community Development	BRAUN INTERTEC CORPORATION	Geo Eval - Areana	8,500.00	-99423
101	421100	Police Administration	BRAY & REED LTD.	Prosecution Services Mar 2023	4,500.00	-99422
230	465100	HEDA	CREATIVE ARCADE	Website Monthly Maintenance	250.03	-99421
101	421100	Police Administration	EMERGENCY AUTOMOTIVE TECHNOLOGIES INC	Install Push Bar & Lights - SD	759.00	-99420
101	431100	Street Department	ESC SYSTEMS SOUND AND LIFE SAFETY	Monitoring CH Apr 23-March 24	600.00	-99419

**CITY OF HERMANTOWN, MN 04/16/2023-04/30/2023**  
**Check # is between 69815 and 69857 or Check # is between -99432 and -99405**

4/25/2023

Page 2

Fun d	Account	Department	Vendor Name	Description	Amount	Check #
601	494400	Water Administration and General	GOPHER STATE ONE-CALL INC	March 23 Locates	19.44	-99418
602	494900	Sewer Administration and General	GOPHER STATE ONE-CALL INC	March 23 Locates	12.96	-99418
101	419901	City Hall & Police Building Maintenance	HARTEL'S/DBJ DISPOSAL CO LLC	Garbage Recycling Feb 2023	231.01	-99417
101	431901	City Garage	HARTEL'S/DBJ DISPOSAL CO LLC	Yard Trash Disposal Feb 2023	180.30	-99417
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	959.16	-99416
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	943.74	-99416
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	360.54	-99416
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	968.23	-99416
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	512.91	-99416
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	2,212.11	-99416
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	937.86	-99416
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	386.15	-99416
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	1,748.92	-99416
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	746.46	-99416
101	431100	Street Department	INTER CITY OIL CO INC	Fuel	742.07	-99416
101	431100	Street Department	LITTLE FALLS MACHINE, INC.	Plow Parts	27.15	-99415
230	465100	HEDA	HTB PROJECT NAVIGATION, LLC	Proposed Hermantown Business P	438.75	-99414
402	431150	Street Improvements	MSA PROFESSIONAL SERVICES, INC.	Ugstad Rd Reconditioning MSA P	2,570.25	-99413
101	419100	Community Development	NORTHLAND CONSULTING ENGINEERS L.L.P.	PO 2361 Caribuo Coffee	90.00	-99412
101	419100	Community Development	NORTHLAND CONSULTING ENGINEERS L.L.P.	Getchell - Radar Rd Developmen	320.00	-99412
412	419100	Community Development	NORTHLAND CONSULTING ENGINEERS L.L.P.	Hermantown Trail Project	3,310.00	-99412
416	452100	Parks	NORTHLAND CONSULTING ENGINEERS L.L.P.	Fichtner Park Master Plan	10,162.50	-99412
601	494400	Water Administration and General	NORTHLAND CONSULTING ENGINEERS L.L.P.	Haines & Anderson Rd Watermain	7,200.00	-99412
475	431150	Street Improvements	NORTHLAND CONSULTING ENGINEERS L.L.P.	Lindahl Rd Feasibility Study	4,000.00	-99412
402	431150	Street Improvements	NORTHLAND CONSULTING ENGINEERS L.L.P.	Ugstad Rd - SP 202-101-014	640.00	-99412
475	431150	Street Improvements	NORTHLAND CONSULTING ENGINEERS L.L.P.	Hermantown Road Feasibility St	1,600.00	-99412
415	465200	Community Development	NORTHLAND CONSULTING ENGINEERS L.L.P.	PO 2366 Hermantown School Dist	270.00	-99412
603	441100	Storm Water	NORTHLAND CONSULTING ENGINEERS L.L.P.	Rocky Run Bridge Replacement	1,760.00	-99412
603	441100	Storm Water	NORTHLAND CONSULTING ENGINEERS L.L.P.	Lindahl Rd Bridge Removal	210.00	-99412
603	441100	Storm Water	NORTHLAND CONSULTING ENGINEERS L.L.P.	Keene Creek Culvert Replacemen	180.00	-99412
101	431130	City Engineer	NORTHLAND CONSULTING ENGINEERS L.L.P.	Design Engineering Services	450.00	-99412
101	431130	City Engineer	NORTHLAND CONSULTING ENGINEERS L.L.P.	Preagenda/City Council/Four Sq	1,800.00	-99412
240	432510	Trunk Sewer Construction	NORTHLAND CONSULTING ENGINEERS L.L.P.	Oak Ridge Dr. Sanitary Sewer E	4,459.50	-99412
101	214500	Escrow Deposits Payable	NORTHLAND CONSULTING ENGINEERS L.L.P.	Peyton Property Development	320.00	-99412
101	416100	City Attorney	OVEROM LAW, PLLC	General Matters/Retainer	2,000.00	-99411
101	416100	City Attorney	OVEROM LAW, PLLC	Data Practices Procedures	323.00	-99411
101	416100	City Attorney	OVEROM LAW, PLLC	Purchasing Policy Matters	144.00	-99411
101	416100	City Attorney	OVEROM LAW, PLLC	Lindahl Road Right of Way	48.00	-99411



Fun d	Account	Department	Vendor Name	Description	Amount	Check #
101	416100	City Attorney	OVEROM LAW, PLLC	Independent Living Facility -	432.00	-99411
101	416100	City Attorney	OVEROM LAW, PLLC	Small Cell Wireless Matters	443.00	-99411
101	416100	City Attorney	OVEROM LAW, PLLC	Old City Hall Lease Matters	675.25	-99411
101	416100	City Attorney	OVEROM LAW, PLLC	Paul Senst Accident Claim	360.00	-99411
101	416100	City Attorney	OVEROM LAW, PLLC	Opioid Litigation Matters	381.75	-99411
101	416100	City Attorney	OVEROM LAW, PLLC	City Hall Roof Insulation Proj	341.50	-99411
101	419100	Community Development	OVEROM LAW, PLLC	4268 Lavaque Rd Nuisance Matte	41.70	-99411
101	419100	Community Development	OVEROM LAW, PLLC	Hoff/Sydow Development (Engwal	120.00	-99411
101	419100	Community Development	OVEROM LAW, PLLC	Community Development Matters	96.00	-99411
101	419100	Community Development	OVEROM LAW, PLLC	Stebner Farms Projects	3,440.50	-99411
101	419100	Community Development	OVEROM LAW, PLLC	Carlson Homes Dev Agreement	11.00	-99411
412	419100	Community Development	OVEROM LAW, PLLC	2021 Recreation Facility	434.58	-99411
101	421100	Police Administration	OVEROM LAW, PLLC	Gale Rachuy Claim	468.00	-99411
101	421100	Police Administration	OVEROM LAW, PLLC	Police Dept Personnel Matters	948.00	-99411
101	421100	Police Administration	OVEROM LAW, PLLC	Prosecution Contract Matters	36.00	-99411
101	421100	Police Administration	OVEROM LAW, PLLC	Edible Cannabinoids	440.00	-99411
101	422100	Fire Administration	OVEROM LAW, PLLC	Creation of New City Fire Dept	1,303.00	-99411
416	452100	Parks	OVEROM LAW, PLLC	2021 Recreation Facility	434.59	-99411
260	456101	Cable	OVEROM LAW, PLLC	2023 Mediacom Franchise Renewa	156.00	-99411
230	465100	HEDA	OVEROM LAW, PLLC	Hwy 53 Business Park Developme	75.00	-99411
230	465100	HEDA	OVEROM LAW, PLLC	HEDA Sale to Brett Kolquist	60.00	-99411
230	465100	HEDA	OVEROM LAW, PLLC	HEDA Agenda Matters	540.00	-99411
601	494400	Water Administration and General	OVEROM LAW, PLLC	Verizon Water Tower Lease	96.00	-99411
602	494900	Sewer Administration and General	OVEROM LAW, PLLC	Private Sewer Agreements	60.00	-99411
475	431150	Street Improvements	OVEROM LAW, PLLC	Richard Avenue-Lindgren Rd MN	293.50	-99411
475	431150	Street Improvements	OVEROM LAW, PLLC	Hermantown Rd Project	96.00	-99411
475	431150	Street Improvements	OVEROM LAW, PLLC	Hermantown and Old Midway Rd I	89.50	-99411
415	465200	Community Development	OVEROM LAW, PLLC	Naming Rights Agreement Matter	45.00	-99411
415	465200	Community Development	OVEROM LAW, PLLC	Arena Construction	571.00	-99411
415	465200	Community Development	OVEROM LAW, PLLC	2021 Recreation Facility	434.58	-99411
415	465200	Community Development	OVEROM LAW, PLLC	Construction Manager at Risk M	5,729.46	-99411
230	214500	Escrow Deposits Payable	OVEROM LAW, PLLC	P&R Properties Tax Increment M	1,703.50	-99411
245	456201	Broadband	OVEROM LAW, PLLC	Broadband Expansion	135.00	-99411
101	415300	Administration & Finance	PRO PRINT INC	#10 Regular Envelopes	319.48	-99410
101	419901	City Hall & Police Building Maintenance	TELCOLOGIX	Apr 2023 Maintenance	237.85	-99409
101	422901	Firehall #1 Maple Grove Road	TELCOLOGIX	Apr 2023 Maintenance	70.35	-99409
101	431100	Street Department	TELCOLOGIX	Apr 2023 Maintenance	16.75	-99409
101	452200	Community Building	TELCOLOGIX	Apr 2023 Maintenance	10.05	-99409

CITY OF HERMANTOWN, MN 04/16/2023-04/30/2023  
 Check # is between 69815 and 69857 or Check # is between -99432 and -99405

4/25/2023

Page 4

Fun d	Account	Department	Vendor Name	Description	Amount	Check #
101	421100	Police Administration	VC3	Axon Fleet - Tech Config	131.25	-99408
101	421100	Police Administration	VC3	Recycle HP ProDesk - Erika Joh	25.00	-99408
101	411100	Council	VC3	Quarterly Billing Apr-Jun 2023	195.47	-99407
101	413100	Mayor	VC3	Quarterly Billing Apr-Jun 2023	368.54	-99407
101	415300	Administration & Finance	VC3	Quarterly Billing Apr-Jun 2023	3,696.26	-99407
101	419100	Community Development	VC3	Quarterly Billing Apr-Jun 2023	1,105.63	-99407
101	421100	Police Administration	VC3	Quarterly Billing Apr-Jun 2023	7,096.04	-99407
101	424100	Building Inspection	VC3	Quarterly Billing Apr-Jun 2023	368.54	-99407
101	431100	Street Department	VC3	Quarterly Billing Apr-Jun 2023	1,474.16	-99407
601	494400	Water Administration and General	VC3	Quarterly Billing Apr-Jun 2023	1,848.13	-99407
602	494900	Sewer Administration and General	VC3	Quarterly Billing Apr-Jun 2023	1,848.13	-99407
602	494500	Sewer Maintenance	WLSSD	Wastewater Charges	46,175.00	-99406
230	214500	Escrow Deposits Payable	LHB INC	Engwalls TIF District	9,857.50	-99405
101	431100	Street Department	A & S TRUCK AND TRAILER REPAIR	Leaf Spring Repair - H1	1,496.20	69815
101	427100	Poundmaster	ANIMAL ALLIES HUMANE SOCIETY	Mar 2023 Boarding	402.00	69816
605	431160	Street Lighting	BENSON ELECTRIC COMPANY	Troubleshoot Market Street Lig	560.17	69817
101	421100	Police Administration	BULLDOG COLLISION	Deductible	606.50	69818
101	431100	Street Department	CENTRAL PENSION FUND	Training Per Contract	53.65	69819
601	494300	Water Distribution	CENTRAL PENSION FUND	Training Per Contract	53.65	69819
602	494500	Sewer Maintenance	CENTRAL PENSION FUND	Training Per Contract	53.65	69819
101	422902	Firehall #2 Morris Thomas Road	CENTURYLINK	Internet FH2 03/28/23-04/27/23	79.98	69820
101	422903	Firehall #3 Midway Road	CENTURYLINK	Internet FH3 03/22/23-04/21/23	79.98	69820
101	422100	Fire Administration	CHARLES SMITH	SAFER GRANT - HTVFD	1,000.00	69821
101	419901	City Hall & Police Building Maintenance	CINTAS CORPORATION	Mats at FD/PD	30.72	69822
101	419901	City Hall & Police Building Maintenance	CINTAS CORPORATION	Mats at FD/PD	30.72	69822
101	419901	City Hall & Police Building Maintenance	CINTAS CORPORATION	Mats at CH	8.88	69822
101	419901	City Hall & Police Building Maintenance	CINTAS CORPORATION	Mats at CH	8.88	69822
101	431100	Street Department	CINTAS CORPORATION	Uniforms	26.93	69822
101	431100	Street Department	CINTAS CORPORATION	Uniforms	9.72	69822
101	431100	Street Department	CINTAS CORPORATION	Uniforms	26.93	69822
101	431100	Street Department	CINTAS CORPORATION	Uniforms	9.72	69822
101	431100	Street Department	CINTAS CORPORATION	Uniforms	26.93	69822
101	431100	Street Department	CINTAS CORPORATION	Uniforms	26.93	69822
101	431100	Street Department	CINTAS CORPORATION	Uniforms	9.72	69822
101	431100	Street Department	CINTAS CORPORATION	Uniforms	9.72	69822
101	431901	City Garage	CINTAS CORPORATION	1st Aid Cabinets	159.41	69822
101	431901	City Garage	CINTAS CORPORATION	Mats at PW	30.03	69822
101	431901	City Garage	CINTAS CORPORATION	Supplies	30.51	69822

**CITY OF HERMANTOWN, MN 04/16/2023-04/30/2023**  
**Check # is between 69815 and 69857 or Check # is between -99432 and -99405**

4/25/2023

Page 5

Fun d	Account	Department	Vendor Name	Description	Amount	Check #
101	431901	City Garage	CINTAS CORPORATION	Mats at PW	10.35	69822
101	431901	City Garage	CINTAS CORPORATION	Supplies	46.51	69822
101	431901	City Garage	CINTAS CORPORATION	Supplies	30.51	69822
101	431901	City Garage	CINTAS CORPORATION	Mats at PW	30.03	69822
101	431901	City Garage	CINTAS CORPORATION	Mats at PW	10.35	69822
101	431901	City Garage	CINTAS CORPORATION	Supplies	30.51	69822
101	431100	Street Department	COMPASS MINERALS AMERICA	Road Salt	1,797.88	69823
601	494300	Water Distribution	CORE & MAIN LP	Water Meters	2,676.43	69824
245	465100	HEDA	COSTIN GROUP MN	City Lobbyist - March 2023	1,500.00	69825
601	494400	Water Administration and General	CUSTOMER ELATION INC	03/14 - 04/10/23 Answering	30.93	69826
602	494900	Sewer Administration and General	CUSTOMER ELATION INC	03/14 - 04/10/23 Answering	20.62	69826
101	419901	City Hall & Police Building Maintenance	DALCO	TP/Kleenex/Soap/Floor Cleaner/	508.85	69827
101	419901	City Hall & Police Building Maintenance	DALCO	Ice Melter	77.34	69827
101	431901	City Garage	DALCO	Hand Soap	111.14	69827
101	431100	Street Department	DSC COMMUNICATIONS	2 Way Radio Charger	85.00	69828
101	421100	Police Administration	DULUTH NEWS-TRIBUNE	Newspaper PD 12 Months	298.88	69829
101	431100	Street Department	DULUTH READY MIX INC	Road Sand	1,427.30	69830
601	494300	Water Distribution	FERGUSON WATERWORKS #2516	Tapping Sleeve	1,845.77	69831
601	494300	Water Distribution	FERGUSON WATERWORKS #2516	Water Pipe	1,366.76	69831
601	494300	Water Distribution	FERGUSON WATERWORKS #2516	Alpha Water Line Couplers	1,417.70	69831
101	219150	Building Surcharge Funds Payable	HERITAGE WINDOW AND DOOR	Refund MN Building Surcharge	4.00	69832
101	431100	Street Department	HERMANTOWN HYDRAULICS	Hydraulic Hose - H1	34.12	69833
101	411300	Ordinance, Public Notice and Proceedings	HERMANTOWN STAR LLC	City Council Minutes	107.25	69834
101	411300	Ordinance, Public Notice and Proceedings	HERMANTOWN STAR LLC	Fee Schedule	82.50	69834
101	411300	Ordinance, Public Notice and Proceedings	HERMANTOWN STAR LLC	Ordinance 2023-02	82.50	69834
101	411300	Ordinance, Public Notice and Proceedings	HERMANTOWN STAR LLC	City Council Minutes	111.38	69834
412	419100	Community Development	HERMANTOWN STAR LLC	Bids ROW Acquisition Trail Sys	57.75	69834
101	421100	Police Administration	HOLIDAY COMPANIES	Car Washes - Mar 2023	60.00	69835
101	421100	Police Administration	INTEGRATED OFFICE SOLUTIONS	Konica C258	184.64	69836
101	421100	Police Administration	INTEGRATED OFFICE SOLUTIONS	Konica C368	78.41	69836
101	431100	Street Department	INTERSTATE ALL BATTERY CENTER	Batteries - Exc 135	259.90	69837
101	431100	Street Department	KOLAR	Sway Link - H5	395.05	69838
101	419901	City Hall & Police Building Maintenance	KWIK TRIP EXTENDED NETWORK	Gas Building	133.70	69839
101	421100	Police Administration	KWIK TRIP EXTENDED NETWORK	Car Wash PD	241.00	69839
101	421100	Police Administration	KWIK TRIP EXTENDED NETWORK	Gas PD	4,210.55	69839
101	431100	Street Department	KWIK TRIP EXTENDED NETWORK	Gas Street	689.57	69839
601	494300	Water Distribution	KWIK TRIP EXTENDED NETWORK	Gas Utility 60%	727.04	69839
602	494500	Sewer Maintenance	KWIK TRIP EXTENDED NETWORK	Gas Utility 40%	484.69	69839

4/25/2023

Page 6

Fun d	Account	Department	Vendor Name	Description	Amount	Check #
603	441100	Storm Water	LEAGUE OF MINNESOTA CITIES	Stormwater Coalition Contribut	820.00	69840
101	431100	Street Department	LINDE GAS & EQUIPMENT INC.	Cyl/SafeEnvFee 2/20-3/20/23	67.59	69841
101	419901	City Hall & Police Building Maintenance	MENARD INC	Batteries/Clipboard	22.86	69842
101	431100	Street Department	MENARD INC	Mailbox	29.94	69842
101	431100	Street Department	MENARD INC	Sand Bags for Signs	65.88	69842
101	431901	City Garage	MENARD INC	Floor Fan	59.99	69842
101	431100	Street Department	MILLER, ROBERT	Reimburse Boot Allowance	112.50	69843
601	494300	Water Distribution	MILLER, ROBERT	Reimburse Boot Allowance	56.25	69843
602	494500	Sewer Maintenance	MILLER, ROBERT	Reimburse Boot Allowance	56.25	69843
101	419901	City Hall & Police Building Maintenance	MN TELECOMMUNICATIONS	April 2023 Internet	360.00	69844
101	422901	Firehall #1 Maple Grove Road	MN TELECOMMUNICATIONS	April 2023 Internet	90.00	69844
101	431100	Street Department	MONARCH PAVING COMPANY	Pothole Mix	2,048.21	69845
602	494500	Sewer Maintenance	MWOA	Six Year Membership	60.00	69846
101	431100	Street Department	NAPA AUTO PARTS	Electric Pin Clip - H3	46.95	69847
101	431100	Street Department	NAPA AUTO PARTS	Elec Connector Steamer	13.88	69847
601	494300	Water Distribution	NAPA AUTO PARTS	Oil Filter/Oil/Wiper Blades	141.82	69847
101	421100	Police Administration	NORTH COUNTRY CHEVROLET	2023 Chev Tahoe - SQD 15	32,719.88	69848
601	494300	Water Distribution	POLLARD WATER	Valve Wrench	273.44	69849
101	431100	Street Department	ST LOUIS COUNTY AUDITOR	Brine Solution March 2023	905.85	69850
101	419100	Community Development	ST LOUIS COUNTY RECORDERS OFFICE	Engwalls - PUD Extension	46.00	69851
101	419100	Community Development	ST LOUIS COUNTY RECORDERS OFFICE	Maple Grove Homesites - Final	106.00	69851
101	419100	Community Development	ST LOUIS COUNTY RECORDERS OFFICE	Stebner Woods - Prelim/Final P	46.00	69851
101	421100	Police Administration	STREICHER'S	Ammo	3,013.30	69852
101	422903	Firehall #3 Midway Road	SUPERIOR FUEL COMPANY	Propane FH #3	937.10	69853
101	421100	Police Administration	TROY'S BP AMOCO INC	Oil & Filter - SQD 19	38.04	69854
101	421100	Police Administration	TROY'S BP AMOCO INC	Brakes - SQD 21	490.69	69854
101	421100	Police Administration	TROY'S BP AMOCO INC	Repair Alternator Drive Belt -	140.36	69854
601	494400	Water Administration and General	VALLI INFORMATION SYSTEMS, INC	Mar 2023 Bill Print	544.46	69855
602	494900	Sewer Administration and General	VALLI INFORMATION SYSTEMS, INC	Mar 2023 Bill Print	544.45	69855
603	441100	Storm Water	VALLI INFORMATION SYSTEMS, INC	Mar 2023 Bill Print	544.45	69855
230	465100	HEDA	WICKLUND, JOE	Reimburse Food/Mileage	628.76	69856
415	465200	Community Development	WICKLUND, JOE	Reimburse Food/Mileage	211.50	69856
101	417200	Communications	WICKLUND, JOE	Reimburse Subscription	126.00	69856
101	417200	Communications	WICKLUND, JOE	Reimburse Drinks	100.00	69856
101	417200	Communications	WICKLUND, JOE	Reimburse Registration	140.00	69856
101	431100	Street Department	WINTER EQUIPMENT COMPANY	Cutting Edge Guards	1,354.00	69857

---

Totals: 226 records printed

274,929.73



**CITY COUNCIL MEETING DATE:** May 1, 2023

**TO:** Mayor & City Council

**FROM:** Eric Johnson, Community Development Director

**SUBJECT:** Preliminary Plat – Peyton Acres Phase 2A

**RESOLUTION:** 2023-53       **ORDINANCE:**                       **OTHER:**

**REQUESTED ACTION**

Council approval of a preliminary plat with conditions for Peyton Acres Phase 2A, a 13 lot, 2 outlots single family phased residential subdivision in an R-3 zoning district.

**BACKGROUND**

Applicant is requesting approval of a Preliminary Plat for construction of a 13 lot, 2 outlot residential development at 3956 Stebner Road. The property has a zoning of R-3, Residential.

**SITE INFORMATION:**

<b>Parcel Size:</b>	+/-35 acres
<b>Legal Access:</b>	3956 Stebner Road
<b>Wetlands:</b>	Yes, delineation approved in 2019; Impacts approved in 2020
<b>Existing Zoning:</b>	R-3, Residential (1/2 acre minimum)
<b>Airport Overlay:</b>	None
<b>Shoreland Overlay:</b>	None
<b>Comprehensive Plan:</b>	Suburban

**Development Details**

JLG Enterprises (Applicant) is proposing to construct the fourth phase of the Peyton Acres development. In 2020, JLG proposed a preliminary plat of phase 1A and 1B for a total of 19 lots and 2 outlots. In June 2020, JLG submitted for a final plat for phase 1A which included six residential lots and 2 outlots over five existing parcels totaling 65.0 acres. The initial preliminary plat and final plat were both recommended for approval by the Planning Commission and were ultimately approved by the City Council.

Phase 1B consisted of 10 single family residential lots and one outlot which contained the remainder of the overall property. Phase 1B was consistent with the previously approved preliminary plat and met the requirements associated with the R-3, Residential zoning district. Phase 1B was approved in August 2, 2021 with an amendment to the plat occurring in May 16, 2022.

Phase 1C, consisted of 8 lots and 2 outlots. Outlot A contains the stormwater pond for the phase and Outlot B contained the remaining +/- 35 acres of the overall property. Phase 1C was approved in July 2022.

The Applicant is now bringing forward Phase 2A of the project consisting of 13 lots and two outlots. Outlot A contains the stormwater pond for this phase with Outlot B containing the remaining +/-21 acres.

A public hearing for this application was held on Tuesday, April 18, 2023. There were no members of the public who spoke regarding the application. The Planning and Zoning Commission unanimously recommended the application to the City Council for approval.

### **Peyton Acres Master Plan**

The Applicant has proposed a multi-phase residential development of approximately 65 acres. To date, the Applicant has constructed the infrastructure (road base, watermain and sewermain for Phase 1A and 1B has received approval for Phase 1C infrastructure. Future additions to the subdivision will require an additional road connection on the eastern portion of the property connecting to Oak Ridge Drive for public safety, road maintenance, and traffic improvements. In addition, the City will be requiring a right of way access to the adjoining +/- 100 acres to the east.

### **Zoning Analysis**

The entirety of the Peyton Acres development is zoned R-3, Residential.

Should the Applicant wish to construct another housing product, other than single family housing, within the development, they would be required to pursue a Planned Unit Development for the work.

### **Lot Size**

The proposed preliminary and final plat meets the R-3, Residential dimensional standards for single-family homes connected to City water and sanitary sewer of ½ acre in area with 100 feet wide frontage at lot line and at the 50' building setback line of lots on cul-de-sacs.

### **Setbacks**

The proposed site plan shows the building setbacks associated with the R-3, Residential dimensional standards for single-family homes.

### **Utilities**

The project will connect to City water lines located within the right-of-way of Peyton Drive. New sewer and water lines will be via City mains constructed to City standards. The Applicant will provide engineered plans to the City Engineer for utility connections prior to beginning such work on this phase. Preliminary engineering plans are in the process of being developed by the Applicant's engineer.



**Stormwater**

The applicant is proposing to treat stormwater in a separate retention treatment pond on Outlot A. Final location, sizing, and design of permanent stormwater control will be subject to approval of final stormwater plans and MS4 Letter of Compliance by the City Engineer.

**Roadway**

The applicant will construct a +/-1675', 28' wide curb face to curb face bituminous roadway with curb and gutter with a sidewalk on one side with a cul-de-sac in accordance with the City of Hermantown Urban Section design standards and City design speed standards as approved by the City Engineer. This new road will connect the previous built Peyton Drive section with Oak Ridge Drive.

**Wetlands**

There are 13.5 acres of wetlands on the overall property. The preliminary and final plat for this phase impacts approximately 4,383 square feet of wetland. The previous three phases impacted approximately 5,776 square feet. The combined wetland impacts are approximately 9,801 square feet, which is under the TEP and City Staff supported de minimis exemption of 10,000 square feet of wetland impacts over the whole 65 acres of the property for a 1.6% permanent wetland impact. If the impacted wetlands exceed 10,000 square feet, the Applicant will need to purchase wetland replacement credits for all of the project wetland impacts.

**Park Dedication Fees**

The Applicant will be required to pay park dedication fees consistent with the requirements of the City Zoning Ordinance. Park dedication fees will be paid according to the Hermantown Fee Schedule. Those fees currently are:

Development Type	Recommended
Single Family, Two Family, Three Family Residential Parcel/CIC Unit	\$1,100/lot
Per bedroom fee	\$150

---

**SOURCE OF FUNDS (if applicable)**

N/A

---

**ATTACHMENTS**

- Resolution
- Location Map
- Preliminary Plat
- Master Site Plan



**Resolution No. 2023-53**

**RESOLUTION APPROVING PRELIMINARY PLAT OF PEYTON ACRES PHASE 2A AND IMPOSING CONDITIONS ON THE FINAL PLAT**

WHEREAS, JLG Enterprises of Hermantown LLP (Applicant) has requested a preliminary plat for Peyton Acres comprised of 13 single family lots and 2 outlots on the overall property described in Exhibit A, in an R-3 zoning district; and

WHEREAS, the Hermantown Planning and Zoning Commission recommended the approval of the preliminary plat following a public hearing on April 18, 2023; and

WHEREAS, upon the satisfaction of the conditions set forth herein, the preliminary plat will satisfy the requirements of the Hermantown Zoning Code; and

WHEREAS, the City Council has duly considered this matter and believes that it is in the best interests of the City of Hermantown that the preliminary plat be approved, subject to certain conditions being met.

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

1. The preliminary plat is in accordance with and conformity to the Hermantown Comprehensive Plan and Hermantown Zoning Ordinance.
2. The preliminary plat of Peyton Acres Phase 2A is hereby approved.
3. The Applicant shall have one year to prepare and submit a final plat application for Peyton Acres Phase 2A.
4. The following conditions are imposed upon the final plat:
  - a. Final plat approval will be void if: (1) a final plat is not recorded with St. Louis County within one calendar year of preliminary plat approval; and (2) the City has not received and approved a written request for a time extension within one calendar year of final plat approval.
  - b. The title of the land underlying the plat shall be approved by the City Attorney.
  - c. Applicant shall enter into a development agreement with the City that outlines development responsibilities and provide financial securities for site improvements and utility installation which includes:
    - i. Letter of Credit or other financial surety acceptable to the City Attorney for 125% of the construction value of the road and infrastructure improvements to be made at the time of approval of the Final Plat, or
    - ii. Installation of road and infrastructure facilities prior to obtaining the Final Plat for the development.
    - iii. Letter of Credit or other financial surety acceptable to the City Attorney for 125% of the construction value of the stormwater facilities to be made at the time of approval of the Final Plat.
  - d. Applicant agrees to construct, at their own expense, a connection between the proposed road and Oak Ridge Drive in a manner and time to be determined via development

agreement with City in the event of further subdivision of the property as generally shown on Exhibit B.

- e. Regardless of the impact on the number of approved lots, all lots will meet the minimum standards for lot area (1/2 acre) and width (100'), all other design standards of the Hermantown Zoning Ordinance, including but not limited to:
    - i. Section 1020.02.2. Frontage. The entire required frontage of each lot must abut on a street that has been officially accepted by the City of Hermantown or other governmental body with jurisdiction over such street, except as provided for flag lots and cul-de-sacs; and
    - ii. 1020.04.3. When a lot completely abuts a cul-de-sac, the required frontage may be measured at the building setback line provided that the frontage at the street line is at least 75% of the required frontage.
  - f. The applicant shall provide a plan to impact 10,000 square feet or less of wetland impacts or an application for wetland replacement plan.
  - g. The applicant shall submit and receive approval from the City Engineer of a permanent stormwater treatment plan that meets the City standards codified in Sections 1080 and 1060 of the City Code.
  - h. The applicant shall submit and receive approval from the City Engineer a road design meeting the Hermantown Urban Section Road Standards with a 28' wide curb face to curb face bituminous paved road with a sidewalk on at least one side and all other Hermantown road design standards including 30 mph speed design.
  - i. The applicant shall submit and receive approval from the City Engineer a road design meeting the Hermantown Urban Section Road Standards with cul-de-sacs designed to R/W width of 130' with a paved surface of 100' paved surface.
  - j. The applicant shall sign a consent form assenting to all conditions of this approval.
  - k. The applicant shall pay an administrative fine of \$750 per violation of any condition of this approval.
5. The lots will be served by public water and sewer which will be constructed by the applicant. The new water and sewer main will be constructed by the applicant, reviewed and approved by the City Engineer then turned over to the City.
  6. A 5 foot wide sidewalk on one side of the roadway providing connection to Stebner Road and continuing along the proposed roadway and cul-de-sac.
  7. Prior to starting any site work, the Applicant shall hold a preconstruction meeting with the appropriate development, construction, and City representatives.
  8. Prior to issuance of a building permit:
    - a. All necessary permits shall be obtained.
  9. Erosion control measures shall be utilized and remain in place throughout the construction period, and shall not be removed until vegetation is established on the site.
  10. Not conduct any on-site burning or burial of brush or other site debris on the Property.
  11. Prior to issuance of a building permit, all necessary permits shall be obtained, including, without limitation, any stormwater permits required by the Minnesota Pollution Control Agency.
  12. The Applicant shall comply with the following conditions during construction:

- a. Development activity shall comply with all City noise ordinances. There shall be no construction activity between the hours of 10 p.m. and 7 a.m.
  - b. Loud equipment shall be kept as far as possible from adjacent residences.
  - c. The site shall be kept free of dust and debris that could blow onto neighboring properties.
  - d. Public streets shall be maintained free of dirt and shall be cleaned as necessary.
  - e. The City shall be contacted a minimum of 72 hours prior to any work in a public street or right-of-way. Work in a public street shall take place only upon the determination by the Public Works Director that appropriate safety measures have been taken to ensure motorist and pedestrian safety.
  - f. The Zoning Administrator may impose additional conditions if it becomes necessary in order to mitigate the impact of construction on surrounding properties.
13. Prior to the issuance of any temporary or permanent occupancy permit the following shall be completed:
- a. All exterior building improvements shall be completed.
  - b. All disturbed areas on the site shall be have erosion control measures in place.
14. The Applicant shall pay a park dedication fee of \$14,300 (\$1,100/lot for 13 lots) in lieu of dedicated park land. This fee will be paid at the time of plat approval. The applicant/builder will be responsible for the \$150/bedroom park dedication at the time of building permit.
15. The Applicant shall sign a consent form assenting to all conditions of this approval.
16. The Applicant shall pay an administrative fine of \$750 per violation of any condition of this approval.

Councilor \_\_\_\_\_ introduced the foregoing resolution and moved its adoption.

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

Councilors \_\_\_\_\_, Mayor Boucher, aye.

And the following voted in opposition thereto:

None

WHEREUPON, such resolution was declared duly passed and adopted May 1, 2023.

**ACCEPTANCE OF RESOLUTION**

JLG Enterprises of Hermantown LLP (“Applicant”) hereby acknowledges and accepts the conditions specified on the foregoing Resolution and covenants and agrees to comply with each and every such condition.

Applicant acknowledges that the failure to comply with all of the modifications and conditions shall constitute a violation of the Hermantown Zoning Ordinance and that the City of Hermantown may, in such event, exercise and enforce its rights against the undersigned by instituting any appropriate action or proceeding to prevent, restrain, correct or abate the violation including, without limitation, exercising and enforcing its rights against any security that the undersigned may provide to the City to insure its compliance with the conditions contained in the foregoing Resolution.

Applicant acknowledges that this Resolution shall be recorded with the title to the property described in the text of the Resolution.

IN WITNESS WHEREAS, JLG Enterprises of Hermantown LLP has executed this acceptance this \_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
JLG Enterprises of Hermantown LLP

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

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2023, by JLG Enterprises of Hermantown LLP.

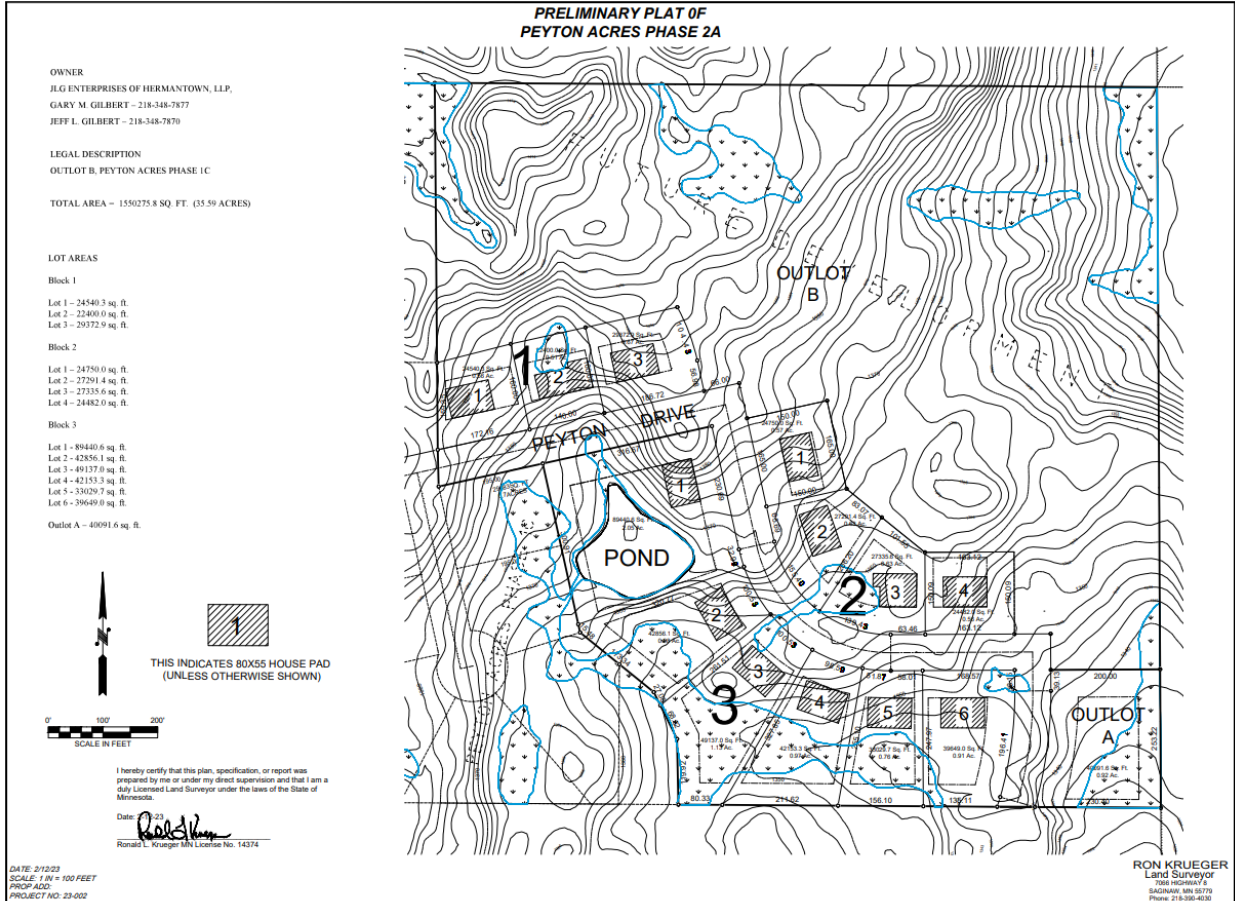
\_\_\_\_\_  
Notary Public

**EXHIBIT A**

Outlot B, Peyton Acres Phase 1C of Section 24, Township 50, Range 15, St. Louis County, Minnesota.

Parcel ID: 395-0157-00100

# EXHIBIT B

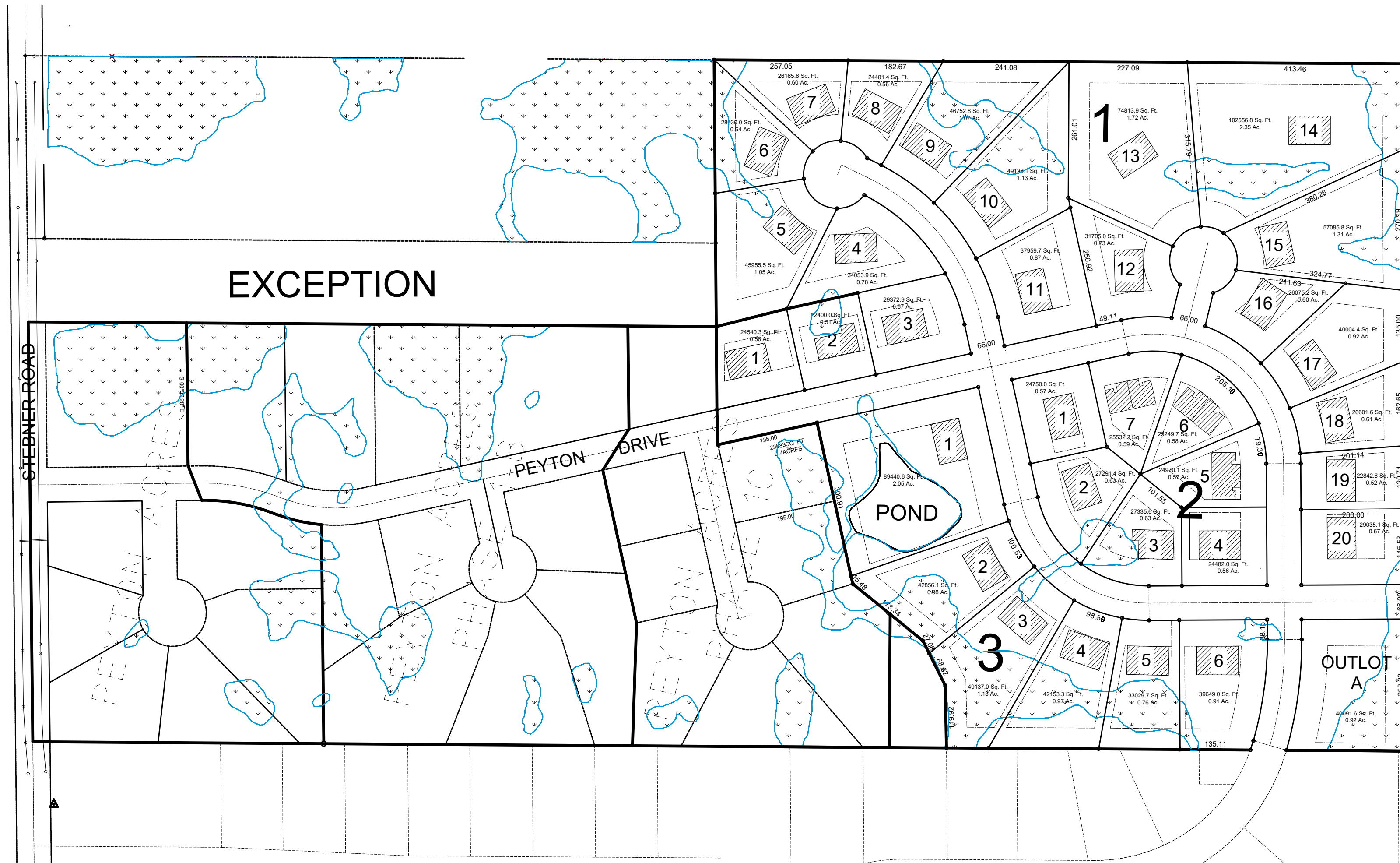


**Location Map**





# PEYTON ACRES PHASING PLAN





**PRELIMINARY PLAT OF  
PEYTON ACRES PHASE 2A**

**OWNER**  
JLG ENTERPRISES OF HERMANTOWN, LLP,  
GARY M. GILBERT – 218-348-7877  
JEFF L. GILBERT – 218-348-7870

**LEGAL DESCRIPTION**  
OUTLOT B, PEYTON ACRES PHASE 1C

TOTAL AREA = 1550275.8 SQ. FT. (35.59 ACRES)

**LOT AREAS**

**Block 1**

Lot 1 – 24540.3 sq. ft.  
Lot 2 – 22400.0 sq. ft.  
Lot 3 – 29372.9 sq. ft.

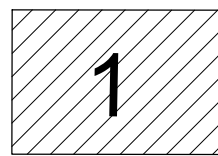
**Block 2**

Lot 1 – 24750.0 sq. ft.  
Lot 2 – 27291.4 sq. ft.  
Lot 3 – 27335.6 sq. ft.  
Lot 4 – 24482.0 sq. ft.

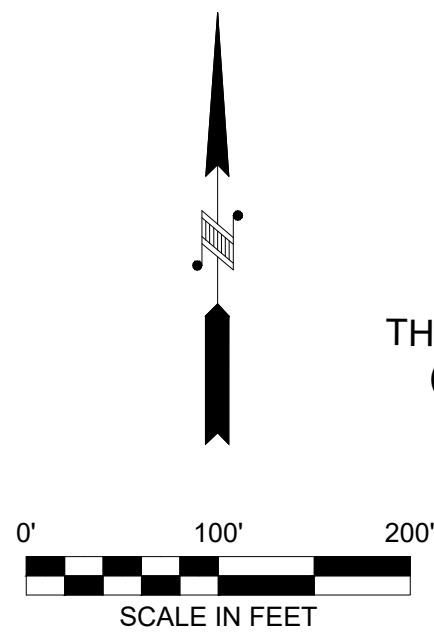
**Block 3**

Lot 1 - 89440.6 sq. ft.  
Lot 2 - 42856.1 sq. ft.  
Lot 3 - 49137.0 sq. ft.  
Lot 4 - 42153.3 sq. ft.  
Lot 5 - 33029.7 sq. ft.  
Lot 6 - 39649.0 sq. ft.

Outlot A – 40091.6 sq. ft.



THIS INDICATES 80X55 HOUSE PAD  
(UNLESS OTHERWISE SHOWN)



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 Land Surveyor under the laws of the State of Minnesota.

Date: 2-12-23  
*Ronald L. Krueger*  
Ronald L. Krueger MN License No. 14374

DATE: 2/12/23  
SCALE: 1 IN = 100 FEET  
PROP ADD:  
PROJECT NO: 23-002

**RON KRUEGER**  
Land Surveyor  
7066 HIGHWAY 8  
SAGINAW, MN 55779  
Phone: 218-390-4030



**CITY COUNCIL MEETING DATE:** May 1, 2023

**TO:** Mayor & City Council

**FROM:** Eric Johnson, Community Development Director

**SUBJECT:** Special Use Permit – Construction of a two-family structure in a R-3 zoning district

**RESOLUTION:** 2023-54       **ORDINANCE:**                       **OTHER:**

**REQUESTED ACTION**

Council approval of a Special Use Permit for construction of a two-family residential structure in a R-3, Residential zoning district.

**BACKGROUND**

Peter and Jodi Stauber (Applicant) requests a special use permit to construct a two-family dwelling unit in an R-3 Residential zone. The property is located at 5068 W. Arrowhead Road.

**SITE INFORMATION:**

Parcel Size:	1.72 acres
Legal Access:	5068 W. Arrowhead Road
Wetlands:	Yes per the National Wetland Inventory – no impacts required
Existing Zoning:	R-3, Residential
Airport Overlay:	C Zone – Height restrictions only
Shoreland Overlay:	Yes – Recreational Development Shoreland
Comprehensive Plan:	Residential

**BACKGROUND**

The applicant owns adjacent properties of 5068 and 5078 W. Arrowhead Road. The two parcels share a common driveway which has an existing easement which has been in place for many years. The purpose of the shared driveway was to avoid the existing drainage conveyance which runs across the NE corner of the 5078 parcel.

There is an existing single family home located on the 5068 parcel which will be removed prior to the construction of the proposed two-family home.

A public hearing for this application was held on Tuesday, April 18, 2023. There was one member of the public who spoke regarding the application who asked a question regarding site drainage. The Planning and Zoning Commission unanimously recommended the application to the City Council for approval.

**ZONING ANALYSIS**

Two-family dwellings are allowed by Special Use Permit (SUP) in the R-3 – Residential Zoning District. There are specific conditions which apply to two-family dwellings in addition to the

standard regulations in the zoning district. The existing property meets the minimum lot dimensions associated with the construction of a two-family dwelling.

Table 1. Twin Home Requirements	Requirement	Provided
Minimum lot area	1.0 acre	1.72 acre
Minimum lot width	150 feet	150 feet
Minimum depth of front yard	50 feet	50 feet minimum
Minimum side yard	40 feet	40 feet minimum
Minimum distance from nearest condominiums, town homes, two-family dwellings	200 feet	Greater than 200 feet.
Minimum living area per unit	792 sq. ft.	1,000 sq. ft.

**Utilities**

There are existing water and sanitary sewer service in W. Arrowhead Road. The applicant is required to provide new lateral services to the proposed two-family structure as well as being responsible for any connection or availability fees.

**Wetlands**

Per the National Wetland Inventory (NWI) there is a wetland associated with the drainage conveyance on the 5078 parcel. There are no proposed impacts to this wetland for the proposed two-family structure on the 5068 parcel.

**Shoreland Area**

The majority of the property is located within a Recreational Shoreland Area and is subject to the requirements of the City’s Shoreland Ordinance as it pertains to grading a filling within a shoreland area.

**Special Use Permit**

The Special Use Permit is for construction of a two-family residential structure in a R-3, Residential zoning district. Staff finds the following in regard to the criteria for Special Use Permits in the Zoning Ordinance:

No special use permit shall be approved unless positive findings are made with respect to each and every one of the following criteria:

- 1. The proposed development is likely to be compatible with development permitted under the general provisions of this chapter on substantially all land in the vicinity of the proposed development;**

The proposed use is compatible with development within the vicinity which is characterized by low and medium density residential and residential compatible uses.

- 2. The proposed use will not be injurious to the use and enjoyment of the environment, or detrimental to the rightful use and enjoyment of other property in the immediate vicinity of the proposed development;**

The proposed use will not interfere with the use and enjoyment of surrounding properties which consists of low density residential. The property and setbacks are of sufficient size to not interfere with neighboring properties.

- 3. The proposed use is consistent with the overall Hermantown Comprehensive Plan and with the spirit and intent of the provisions of this chapter;**

The property is in an area marked for residential development in the Comprehensive Plan. A two- family home is consistent with the density and purpose of the R-3 – Residential zoning district.

- 4. The proposed use will not result in a random pattern of development with little contiguity to existing programmed development and will not cause negative fiscal and environmental effects upon the community.**

The proposed use is similar to uses of nearby properties in density and style.

- 5. Other criteria required to be considered under the provisions of this code for any special use permit.**

The project will meet requirements for minimum distance from other two-family dwellings and minimum living area per unit. Refer to Table 1 for specifics of the zoning analysis.

### **Findings of Fact and Recommendations**

Staff recommends approval of the special use application to construct a two-family dwelling in a Recreational Shoreland Area, subject to the following:



1. The applicant shall connect to public sewer and water services at their own cost and be responsible for any connection or availability fees.
2. Prior to issuance of a building permit, the applicant will submit a site plan showing the lot dimensions and location of the two-family residence relative to the side lot lines.
3. Erosion control measures shall be utilized and remain in place throughout the construction period, and shall not be removed until vegetation is established on the site.
4. Prior to issuance of a building permit, all necessary permits shall be obtained.
5. The approval is for a Special Use Permit for filling and grading in a Recreational Environment Shoreland area for the purpose of constructing a two-family structure. The Community Development Director may approve minor variations to filling and grading as long as the variations do not result in any wetland impacts.
6. The applicant shall sign a consent form assenting to all conditions of this approval.
7. The applicant shall pay an administrative fine of \$750 per violation of any condition of this approval.

---

**SOURCE OF FUNDS (if applicable)**

N/A

---

**ATTACHMENTS**

Resolution  
Location Map  
Proposed Site Plan  
Proposed Building Elevation

**Resolution No. 2023-54**

**RESOLUTION APPROVING A SPECIAL USE PERMIT FOR THE CONSTRUCTION OF A TWO-FAMILY HOME IN A R-3 RESIDENTIAL ZONING DISTRICT**

WHEREAS, Peter and Jodi Stauber, a married couple, (“Applicant”), owner of the property at 395-0010-03980 submitted an application for a Special Use Permit for the construction of a two-family home in a R-3 Residential District (the “Project”), with a legal description as follows:

**Property ID:** 395-0010-03980

WEST 1/2 OF NORTHEAST 1/4 OF NORTHWEST 1/4 OF NORTHWEST 1/4 EX EASTERLY 125 FT & EX WESTERLY 100 FT OF SECTION 14, TOWNSHIP 50 RANGE 15

WHEREAS, The Hermantown Planning and Zoning Commission held a public hearing on the Special Use Permit application at its meeting on April 18, 2023 and recommended approval of the Special Use Permit at such meeting; and

WHEREAS, after due consideration of the entire City file, the testimony at the public hearing and all other relevant matters the City Council hereby makes the following findings related to the Special Use Permit.

**FINDINGS OF FACT**

- 1. The proposed development is likely to be compatible with development permitted under the general provisions of this chapter on substantially all land in the vicinity of the proposed development;**

The development of a two family residential home is allowed with a special use permit under the R-3, Residential zoning district. The proposed use is compatible with development within the vicinity which is characterized by low and medium density residential and residential compatible uses.

- 2. The proposed use will not be injurious to the use and enjoyment of the environment, or detrimental to the rightful use and enjoyment of other property in the immediate vicinity of the proposed development;**

The proposed use will not interfere with the use and enjoyment of surrounding properties which consists of low density residential. The property and setbacks are of sufficient size to not interfere with neighboring properties.

- 3. The proposed use is consistent with the overall Hermantown Comprehensive Plan and with the spirit and intent of the provisions of this chapter;**

The property is in an area marked for residential development in the Comprehensive Plan. A two- family home is consistent with the density and purpose of the R-3 – Residential zoning district.

- 4. The proposed use will not result in a random pattern of development with little contiguity to existing programmed development and will not cause negative fiscal and environmental effects upon the community.**

The proposed use is similar to uses of nearby properties in density and style.

- 5. Other criteria required to be considered under the provisions of this code for any special use permit.**

The project will meet requirements for minimum distance from other two-family dwellings and minimum living area per unit.

### **CONCLUSION**

On the basis of the foregoing Findings of Fact, the City Council of the City of Hermantown is hereby resolved as follows:

1. The applicant shall connect to public sewer and water services at their own cost and be responsible for any connection or availability fees.
2. Prior to issuance of a building permit, the applicant will submit a site plan showing the lot dimensions and location of the two-family residence relative to the side lot lines.
3. Erosion control measures shall be utilized and remain in place throughout the construction period, and shall not be removed until vegetation is established on the site.
4. Prior to issuance of a building permit, all necessary permits shall be obtained.
5. The applicant shall sign a consent form assenting to all conditions of this approval.
6. The applicant shall pay an administrative fine of \$750 per violation of any condition of this approval.

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:  
None

WHEREUPON, such resolution was declared duly passed and adopted May 1, 2023.

(TOP THREE INCHES RESERVED FOR RECORDING DATA)

---

## SPECIAL USE PERMIT

**Permission is hereby granted to Peter and Jodi Stauber, a married couple (“Applicant”), owner of the property located at 395-0010-03980, submitted an application for construction of a two-family home at 395-0010-03980 (“Project”), and legally described in Attachment A.**

The permission hereby granted is expressly conditioned as follows:

- a. That the Project will be constructed as described in the plans accompanying the application and the conditions contained herein.
- b. The Zoning Officer of the City of Hermantown shall be notified at least five (5) days in advance of the commencement of the work authorized hereunder and shall be notified of its completion within (5) days thereafter.
- c. No change shall be made in the Project without written permission being previously obtained from the City of Hermantown.
- d. Applicant shall grant access to the site at all reasonable times during and after construction to authorized representatives of the City of Hermantown for inspection of the Project to see the terms of this permit are met.
- e. The permit is permissive only. No liability shall be imposed upon or incurred by the City of Hermantown or any of its officers, agents or employees, officially or personally, on account of the granting hereof or on account of any damage to any person or property resulting from any act or omission of Applicant or any of Applicant’s agents, employees or contractors relating to any matter hereunder. This permit shall not be construed as estopping or limiting any legal claims or right of action of any person against Applicant, its agents, employees of contractors, for any damage or injury resulting from any such act or omission, or as estopping or limiting any legal claim or right of action of the City of Hermantown against Developer, its agents, employees or contractors for violation of or failure to comply with the permit or applicable provisions of law.
- f. This permit may be terminated by the City of Hermantown at any time it deems necessary for the conservation of water resources, or in the interest of public health and



welfare, or for violation of any of the provisions of this permit.

- g. Applicant is initially and continually in compliance with all of the ordinances and regulations of the City of Hermantown Building Code and the Hermantown Fire Code.
- h. All state licenses and other permits required for the Project have been obtained by the Applicant and copies are provided to the City of Hermantown.
- i. That Applicant pay all direct costs incurred by the City of Hermantown in connection with the enforcement and administration of this permit within fifteen (15) days of Applicant being invoiced by the City for such costs.
- j. The approval is for a Special Use Permit for construction of a two family home within a at the applicants property located at 395-0010-03980.
- k. The applicant shall connect to public sewer and water services at their own expense and pay any applicable connection or availability fees.
- l. Prior to issuance of a building permit, the applicant will submit a site plan showing the lot dimensions and location of the two-family residence relative to the side lot lines.
- m. Erosion control measures shall be utilized and remain in place throughout the construction period, and shall not be removed until vegetation is established on the site.
- n. Prior to issuance of a building permit, all necessary permits shall be obtained.
- o. The applicant shall sign a consent form assenting to all conditions of this approval.
- p. The applicant shall pay an administrative fine of \$750 per violation of any condition of this approval.





**ATTACHMENT A**

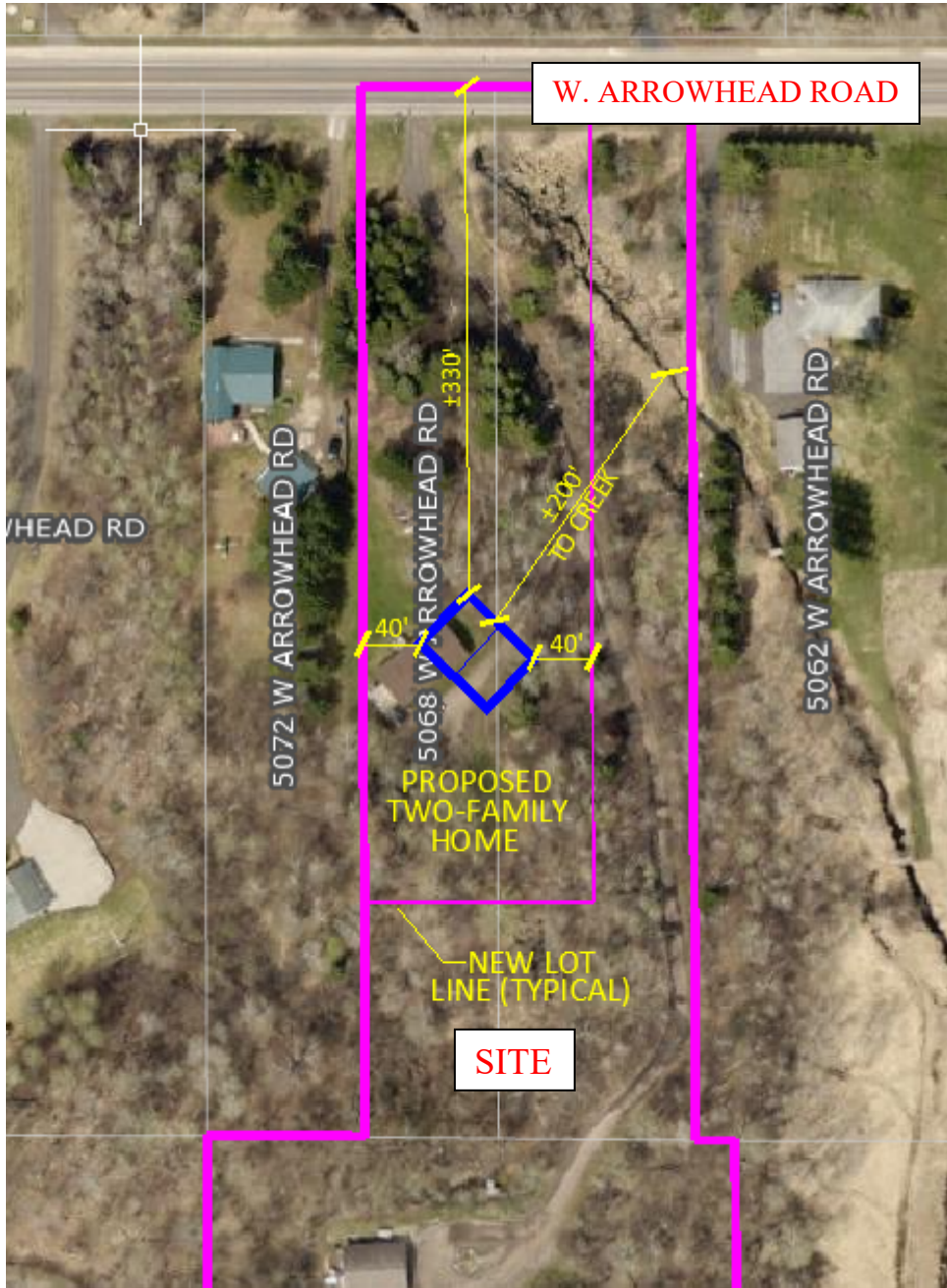
WEST 1/2 OF NORTHEAST 1/4 OF NORTHWEST 1/4 OF NORTHWEST 1/4 EX EASTERLY 125 FT & EX  
WESTERLY 100 FT OF SECTION 14, TOWNSHIP 50 RANGE 15

Property ID: 395-0010-03980

# Location Map



Site Map







51



**CITY COUNCIL MEETING DATE:** May 1, 2023

**TO:** Mayor & City Council

**FROM:** Eric Johnson, Community Development Director

**SUBJECT:** Special Use Permit – Grading and filling within a Recreational Environment Shoreland Overlay for construction of a two-family home and associated driveway

**RESOLUTION:** 2023-55       **ORDINANCE:**                       **OTHER:**

**REQUESTED ACTION**

Council approval of a Special Use Permit for filling and grading within a Recreational Environment Shoreland Overlay Zone.

**BACKGROUND**

Peter and Jodi Stauber (Applicant) desires to build a two family residence on a future lot split associated with their property at 5068 W. Arrowhead Road. The proposed two-family home and driveway are within a Recreational Environment Shoreland Area and will require filling and grading within an approximatley 2,700 square feet area of disturbance.

**SITE INFORMATION:**

Parcel Size:	1.72 acres
Legal Access:	5068 W. Arrowhead Road
Wetlands:	Yes per the National Wetland Inventory – no impacts required
Existing Zoning:	R-3, Residential
Airport Overlay:	C Zone – Height restrictions only
Shoreland Overlay:	Yes – Recreational Development Shoreland
Comprehensive Plan:	Residential

**BACKGROUND**

The applicant owns adjacent properties of 5068 and 5078 W. Arrowhead Road. The two parcels share a common driveway which has an existing easement which has been in place for many years. The purpose of the shared driveway was to avoid the existing drainage conveyance which runs across the NE corner of the 5078 parcel.

There is an existing single family home located on the 5068 parcel which will be removed prior to the construction of the proposed two-family home.



A public hearing for this application was held on Tuesday, April 18, 2023. There were no members of the public who spoke regarding the application. The Planning and Zoning Commission unanimously recommended the application to the City Council for approval.

### **Wetlands**

Per the National Wetland Inventory (NWI) there is a wetland associated with the drainage conveyance on the 5078 parcel. There are no proposed impacts to this wetland for the proposed two-family structure on the 5068 parcel.

### **Shoreland Area**

The majority of the property is located within a Recreational Shoreland Area and is subject to the requirements of the City's Shoreland Ordinance as it pertains to grading a filling within a shoreland area.

### **Special Use Permit**

The Special Use Permit is for construction of a two-family residential structure in a R-3, Residential zoning district. Staff finds the following in regard to the criteria for Special Use Permits in the Zoning Ordinance:

No special use permit shall be approved unless positive findings are made with respect to each and every one of the following criteria:

- 1. The proposed development is likely to be compatible with development permitted under the general provisions of this chapter on substantially all land in the vicinity of the proposed development;**

The proposed use is compatible with development within the vicinity which is characterized by low and medium density residential and residential compatible uses.

- 2. The proposed use will not be injurious to the use and enjoyment of the environment, or detrimental to the rightful use and enjoyment of other property in the immediate vicinity of the proposed development;**

Conditions placed on the SUP to minimize the clearing and grading within the shoreland area meet the intent of the zoning ordinance to protect natural resources. The development of a two-family residence is an allowed use within the R-3 zoning district.

- 3. The proposed use is consistent with the overall Hermantown Comprehensive Plan and with the spirit and intent of the provisions of this chapter;**

The property is within an area marked for residential development on the Hermantown Comprehensive Plan. The purpose of the Shoreland Overlay Zone is to protect public waterways. Impervious surface caps are included to prevent excessive runoff from constructed surfaces and the proposed impervious surface is below maximum limits.

- 4. The proposed use will not result in a random pattern of development with little contiguity to existing programmed development and will not cause negative fiscal and environmental effects upon the community.**

The proposed use is similar to uses of nearby properties in density and style.

- 5. Other criteria required to be considered under the provisions of this code for any special use permit.**

The applicant will follow the rules for grading and filling in a Shoreland Overlay Zone established in Section 725.02 and Section 555.07.1 and 555.07.2.

### **Findings of Fact and Recommendations**

Staff recommends approval of the special use application to construct a two-family dwelling in a Recreational Shoreland Area, subject to the following:

1. The approval is for a Special Use Permit for filling and grading in a Recreational Environment Shoreland area for the purpose of constructing a two-family structure. The Community Development Director may approve minor variations to filling and grading as long as the variations do not result in any wetland impacts.
2. The City will follow the rules for grading and filling in a Shoreland Overlay Zone established in Section 725.02 and Section 555.07.1 and 555.07.2 including, but not limited to:
  - a. The smallest amount of bare ground is exposed for as short a time as feasible;
  - b. Temporary groundcover, such as mulch, is used, and permanent groundcover, such as sod, is planted;
  - c. Adequate methods to prevent erosion and trap sediment are employed;
  - d. Fill is stabilized to accepted engineering standards;
  - e. Adequate methods are employed to reduce the runoff and/or flow of water on or over the affected shoreland so that the grading, filling or alteration of the natural topography does not contribute to downstream flooding;
  - f. Adequate methods are employed to preserve water quality so that the grading, filling or alteration of the natural topography will not detrimentally affect the quality of the public waters of the City of Hermantown;
  - g. Adequate methods are employed for the preservation or establishment of local vegetation that provides wildlife habitat and screening; and

- h. Fill used will consist of suitable material free from toxic pollutants in other than trace quantities.
3. The applicant shall sign a consent form assenting to all conditions of this approval.
4. The applicant shall pay an administrative fine of \$750 per violation of any condition of this approval.

---

**SOURCE OF FUNDS (if applicable)**

N/A

---

**ATTACHMENTS**

Resolution  
Location Map  
Proposed Site Plan  
Shoreland Overlay Map  
Shoreland Overlay Detail Map

**Resolution No. 2023-55**

**RESOLUTION APPROVING A SPECIAL USE PERMIT FOR GRADING AND FILLING  
WITHIN A RECREATIONAL SHORELAND OVERLAY AREA**

WHEREAS, Peter and Jodi Stauber, a married couple, (“Applicant”), owner of the property at 395-0010-03980 submitted an application for a Special Use Permit for grading and filling within a Recreational Shoreland Overlay Area for the purpose of constructing a two-family home in a R-3 Residential District (the “Project”), with a legal description as follows:

**Property ID:** 395-0010-03980

WEST 1/2 OF NORTHEAST 1/4 OF NORTHWEST 1/4 OF NORTHWEST 1/4 EX EASTERLY 125 FT & EX WESTERLY 100 FT OF SECTION 14, TOWNSHIP 50 RANGE 15

WHEREAS, The Hermantown Planning and Zoning Commission held a public hearing on the Special Use Permit application at its meeting on April 18, 2023 and recommended approval of the Special Use Permit at such meeting; and

WHEREAS, after due consideration of the entire City file, the testimony at the public hearing and all other relevant matters the City Council hereby makes the following findings related to the Special Use Permit.

**FINDINGS OF FACT**

- 1. The proposed development is likely to be compatible with development permitted under the general provisions of this chapter on substantially all land in the vicinity of the proposed development;**

The development of a two family residential home is allowed with a special use permit under the R-3, Residential zoning district. The proposed use is compatible with development within the vicinity which is characterized by low and medium density residential and residential compatible uses.

- 2. The proposed use will not be injurious to the use and enjoyment of the environment, or detrimental to the rightful use and enjoyment of other property in the immediate vicinity of the proposed development;**

Conditions placed on the SUP restricting wetland impacts and clearing and grading within 50 feet of the unnamed tributary meet the intent of the zoning ordinance to protect natural resources. The development of a two-family residence is allowed in the R-3 zoning district with residential property being the primary use of all surrounding developed land.

- 3. The proposed use is consistent with the overall Hermantown Comprehensive Plan and with the spirit and intent of the provisions of this chapter;**

The property is within an area marked for residential development in the Hermantown Comprehensive Plan. The purpose of the Shoreland Overlay Zone is to protect public waterways. Impervious surface caps are included to prevent excessive runoff from constructed surfaces. The

proposed impervious surface is below maximum limits and the required 50 feet buffer zone will protect the unnamed tributary.

- 4. The proposed use will not result in a random pattern of development with little contiguity to existing programmed development and will not cause negative fiscal and environmental effects upon the community.**

The proposed use is similar to uses of nearby properties in density and style.

- 5. Other criteria required to be considered under the provisions of this code for any special use permit.**

The project will meet requirements for minimum distance from other two-family dwellings and minimum living area per unit. Refer to Table 1 for specifics of the zoning analysis.

The applicant will follow the rules for grading and filling in a Shoreland Overlay Zone established in Section 725.02 and Section 555.07.1 and 555.07.2. Additional details of note include:

- A. No impervious surface or clearing, grubbing and grading will be allowed within 50 feet of the Ordinary High Water Level of the unnamed tributary.
- B. The elevation of the lowest floor level shall be at least three feet above the Ordinary High Water Level of the unnamed tributary

### **CONCLUSION**

On the basis of the foregoing Findings of Fact, the City Council of the City of Hermantown is hereby resolved as follows:

- 1. The applicant shall connect to public sewer and water services at their own expense and pay any applicable connection or availability fees.
- 2. Prior to issuance of a building permit, the applicant will submit a site plan showing the lot dimensions and location of the two-family residence relative to the side lot lines.
- 3. Erosion control measures shall be utilized and remain in place throughout the construction period, and shall not be removed until vegetation is established on the site.
- 4. Prior to issuance of a building permit, all necessary permits shall be obtained.
- 5. The approval is for a Special Use Permit for filling and grading in a Recreational Environment Shoreland area for the purpose of constructing a two-family structure. The Community Development Director may approve minor variations to filling and grading as long as the variations do not result in any wetland impacts.
- 6. The City will follow the rules for grading and filling in a Shoreland Overlay Zone established in Section 725.02 and Section 555.07.1 and 555.07.2 including, but not limited to:
  - a. No impervious surface or clearing, grubbing and grading will be allowed within 50 feet of the Ordinary High Water Level of the unnamed tributary.
  - b. The elevation of the lowest floor level shall be at least three feet above the Ordinary High Water Level of the unnamed tributary.
  - c. The smallest amount of bare ground is exposed for as short a time as feasible;
  - d. Temporary groundcover, such as mulch, is used, and permanent groundcover, such as sod, is planted;
  - e. Adequate methods to prevent erosion and trap sediment are employed;

- f. Fill is stabilized to accepted engineering standards;
  - g. Adequate methods are employed to reduce the runoff and/or flow of water on or over the affected shoreland so that the grading, filling or alteration of the natural topography does not contribute to downstream flooding;
  - h. Adequate methods are employed to preserve water quality so that the grading, filling or alteration of the natural topography will not detrimentally affect the quality of the public waters of the City of Hermantown;
  - i. Adequate methods are employed for the preservation or establishment of local vegetation that provides wildlife habitat and screening; and
  - j. Fill used will consist of suitable material free from toxic pollutants in other than trace quantities.
7. The applicant shall sign a consent form assenting to all conditions of this approval.
8. The applicant shall pay an administrative fine of \$750 per violation of any condition of this approval.

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:

None

WHEREUPON, such resolution was declared duly passed and adopted May 1, 2023.

---

**SPECIAL USE PERMIT**

**Permission is hereby granted to Peter and Jodi Stauber, a married couple (“Applicant”), owner of the property located at 395-0010-03980, submitted an application for grading and filling within a Recreational Shoreland Overlay Area for the purpose of constructing a two-family home at 395-0010-03980 (“Project”), and legally described in Attachment A.**

The permission hereby granted is expressly conditioned as follows:

- a. That the Project will be constructed as described in the plans accompanying the application and the conditions contained herein.
- b. The Zoning Officer of the City of Hermantown shall be notified at least five (5) days in advance of the commencement of the work authorized hereunder and shall be notified of its completion within (5) days thereafter.
- c. No change shall be made in the Project without written permission being previously obtained from the City of Hermantown.
- d. Applicant shall grant access to the site at all reasonable times during and after construction to authorized representatives of the City of Hermantown for inspection of the Project to see the terms of this permit are met.
- e. The permit is permissive only. No liability shall be imposed upon or incurred by the City of Hermantown or any of its officers, agents or employees, officially or personally, on account of the granting hereof or on account of any damage to any person or property resulting from any act or omission of Applicant or any of Applicant’s agents, employees or contractors relating to any matter hereunder. This permit shall not be construed as estopping or limiting any legal claims or right of action of any person against Applicant, its agents, employees of contractors, for any damage or injury resulting from any such act or omission, or as estopping or limiting any legal claim or right of action of the City of Hermantown against Developer, its agents, employees or contractors for violation of or failure to comply with the permit or applicable provisions of law.
- f. This permit may be terminated by the City of Hermantown at any time it deems necessary for the conservation of water resources, or in the interest of public health and welfare, or for violation of any of the provisions of this permit.

- g. Applicant is initially and continually in compliance with all of the ordinances and regulations of the City of Hermantown Building Code and the Hermantown Fire Code.
- h. All state licenses and other permits required for the Project have been obtained by the Applicant and copies are provided to the City of Hermantown.
- i. That Applicant pay all direct costs incurred by the City of Hermantown in connection with the enforcement and administration of this permit within fifteen (15) days of Applicant being invoiced by the City for such costs.
- j. The approval is for a Special Use Permit for construction of a two family home within a at the applicants property located at 395-0010-03980.
- k. The applicant shall connect to public sewer and water services at their own expense and pay any applicable connection or availability fees.
- l. Prior to issuance of a building permit, the applicant will submit a site plan showing the lot dimensions and location of the two-family residence relative to the side lot lines.
- m. Erosion control measures shall be utilized and remain in place throughout the construction period, and shall not be removed until vegetation is established on the site.
- n. Prior to issuance of a building permit, all necessary permits shall be obtained.
- o. The approval is for a Special Use Permit for filling and grading in a Recreational Environment Shoreland area for the purpose of constructing a two-family structure. The Community Development Director may approve minor variations to filling and grading as long as the variations do not result in any wetland impacts.
- p. The City will follow the rules for grading and filling in a Shoreland Overlay Zone established in Section 725.02 and Section 555.07.1 and 555.07.2 including, but not limited to:
  - 1. No impervious surface or clearing, grubbing and grading will be allowed within 50 feet of the Ordinary High Water Level of the unnamed tributary.
  - 2. The elevation of the lowest floor level shall be at least three feet above the Ordinary High Water Level of the unnamed tributary.
  - 3. The smallest amount of bare ground is exposed for as short a time as feasible;
  - 4. Temporary groundcover, such as mulch, is used, and permanent groundcover, such as sod, is planted;
  - 5. Adequate methods to prevent erosion and trap sediment are employed;
  - 6. Fill is stabilized to accepted engineering standards;
  - 7. Adequate methods are employed to reduce the runoff and/or flow of water on or over the affected shoreland so that the grading, filling or alteration of the natural topography does not contribute to downstream flooding;



8. Adequate methods are employed to preserve water quality so that the grading, filling or alteration of the natural topography will not detrimentally affect the quality of the public waters of the City of Hermantown;
  9. Adequate methods are employed for the preservation or establishment of local vegetation that provides wildlife habitat and screening; and
  10. Fill used will consist of suitable material free from toxic pollutants in other than trace quantities.
- q. The applicant shall sign a consent form assenting to all conditions of this approval.
- r. The applicant shall pay an administrative fine of \$750 per violation of any condition of this approval.

IN WITNESS WHEREOF, the Mayor and City Clerk have hereunto set their hands on behalf of the City of Hermantown on the \_\_\_\_ day of \_\_\_\_\_, 2023.

CITY OF HERMANTOWN

By \_\_\_\_\_

Its Mayor

By \_\_\_\_\_

Its Clerk

STATE OF MINNESOTA )  
                                  )ss.

COUNTY OF ST. LOUIS    )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2023, by \_\_\_\_\_, and \_\_\_\_\_, the Mayor and City Clerk respectively of the City of Hermantown on behalf of the City.

\_\_\_\_\_

Notary Public

**ACCEPTANCE OF RESOLUTION**

Peter and Jodi Stauber, a married couple (“Applicant”) hereby acknowledges and accepts the conditions specified on the foregoing Resolution and covenants and agrees to comply with each and every such condition.

Applicant acknowledges that the failure to comply with all of the modifications and conditions shall constitute a violation of the Hermantown Zoning Ordinance and that the City of Hermantown may, in such event, exercise and enforce its rights against the undersigned by instituting any appropriate action or proceeding to prevent, restrain, correct or abate the violation including, without limitation, exercising and enforcing its rights against any security that the undersigned may provide to the City to insure its compliance with the conditions contained in the foregoing Resolution.

Applicant acknowledges that this Resolution shall be recorded with the title to the property described in the text of the Resolution.

IN WITNESS WHEREAS, Peter and Jodi Stauber, a married couple, has executed this acceptance this \_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Peter Stauber

\_\_\_\_\_  
Jodi Stauber

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

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2023, by Peter and Jodi Stauber, a married couple.

\_\_\_\_\_  
Notary Public

**ATTACHMENT A**

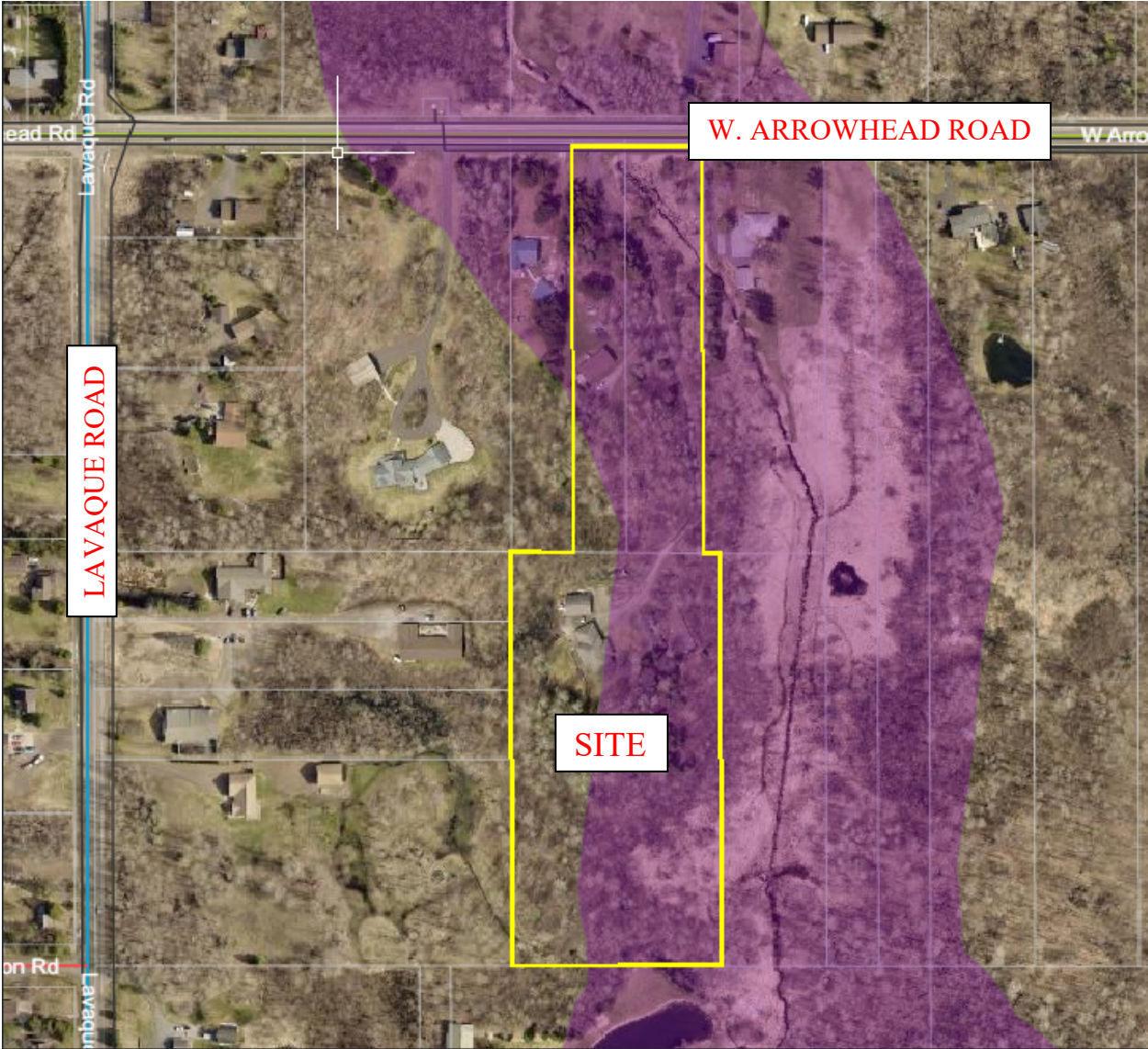
WEST 1/2 OF NORTHEAST 1/4 OF NORTHWEST 1/4 OF NORTHWEST 1/4 EX EASTERLY 125 FT & EX  
WESTERLY 100 FT OF SECTION 14, TOWNSHIP 50 RANGE 15

Property ID: 395-0010-03980

# Location Map



Shoreland Map

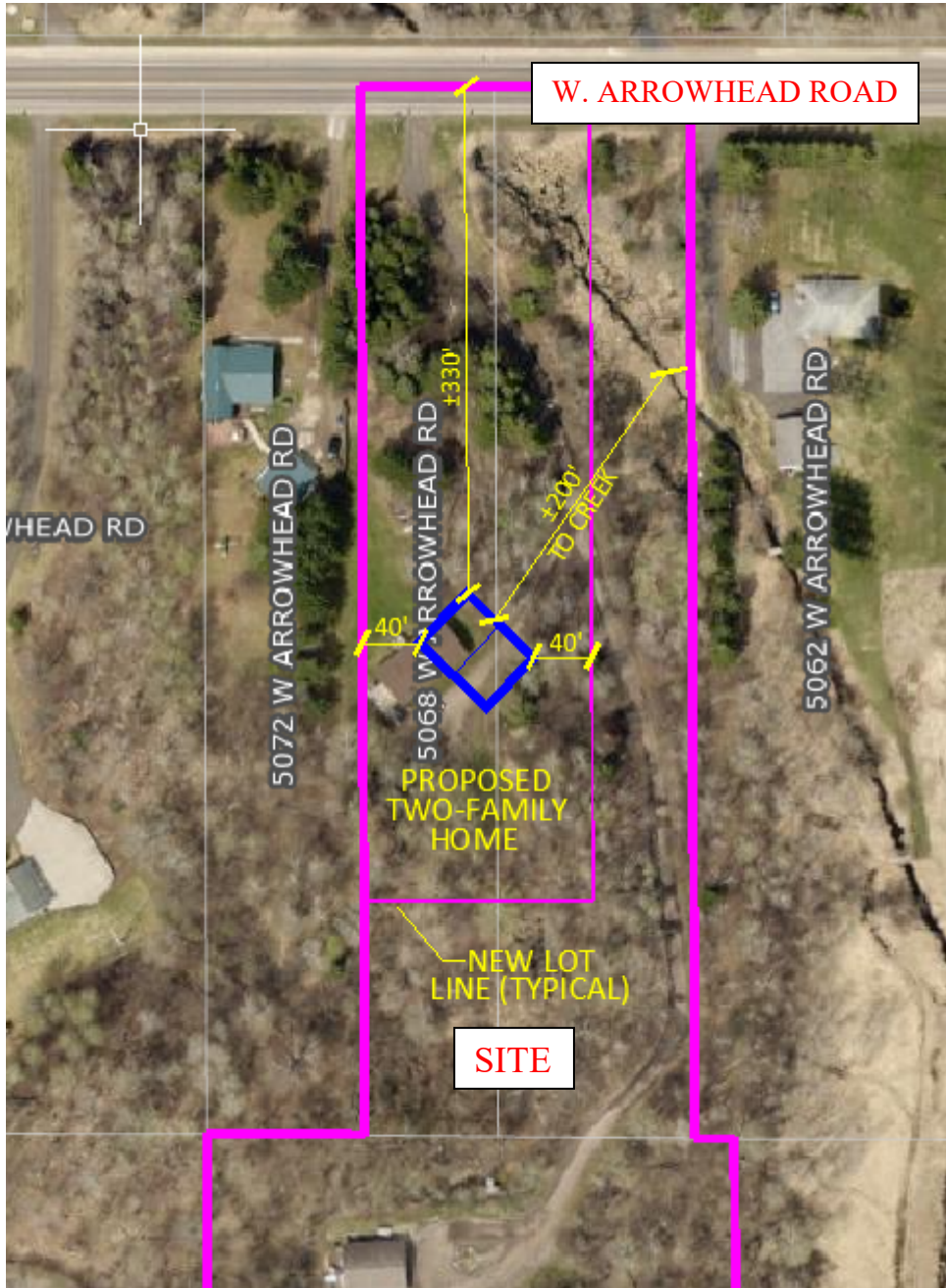




# Shoreland Map Detail



Site Map







**CITY COUNCIL MEETING DATE:** May 1 2023

**TO:** Mayor & City Council

**FROM:** Eric Johnson, Community Development Director

**SUBJECT:** Acceptance of AUAR Scoping Document and authorizing staff to proceed with public notice

**RESOLUTION:** 2023-56       **ORDINANCE:**                       **OTHER:**

**REQUESTED ACTION**

City Council acceptance of AUAR Scoping Document and authorizing staff to proceed with public notice.

**BACKGROUND**

HEDA is working with Bruan Intertec to prepare a Alternate Urban Areawide Review of the properties in a proposed Hwy 53 Business park at the corner of Ugstad Road and Hwy 53. There are several steps in this process. We currently are taking comments from the property owners, and in May we will open the process up from comments from the general public.

If you would like to review the document here is a link to a password protected webpage. We will remove the password protection when we are ready for public comment.

<https://hermantownmn.com/bizpark/>

Password: AUAR

Here is a summary of the process that was provided by Braun to the property owners

**What is an AUAR Scoping Document?**

Under MN environmental review rules, the development scenario is larger than the “usual” AUAR threshold, therefore it requires an extra review step (also known as “Scoping”) prior to the Draft AUAR. The Scoping phase includes a separate Scoping document and additional 30-day public notice period. We’ve assembled the AUAR Scoping document to identify what environmental issues will be analyzed in greater detail within the Draft AUAR, so many of the responses are directives (such as “will include further analysis in the Draft AUAR”). The Draft AUAR is in progress and will be released for stakeholder review after the Scoping public notice and comments are addressed.

**Project Steps**

The AUAR Scoping Document was presented to HEDA at the April 27th meeting. Staff has prepared a resolution for the City Council to direct staff to move forward with public noticing the scoping document.



Attached is a draft memo that will be sent out to interested parties which includes parties that the State of MN determines. Staff is also asking the City Council to publicly release it and advertise that it is now open for comments.

---

**SOURCE OF FUNDS (if applicable)**

Hwy 53 Business Park AUAR 230-465100-319

---

**ATTACHMENTS**

Resolution  
DRAFT Memo date 4/18/23 from Eric Johnson  
Timeline for actions during the process.

**Resolution No. 2023-56**

**RESOLUTION ADOPTING THE HERMANTOWN BUSINESS PARK ALTERNATIVE URBAN AREAWIDE REVIEW (AUAR) SCOPING DOCUMENT AND AUTHORIZING PUBLICATION OF THE AUAR SCOPING DOCUMENT WITH THE MINNESOTA ENVIRONMENTAL QUALITY BOARD (EQB)**

WHEREAS, the City Council has received the AUAR Large Specific Project Scoping document for the Hermantown Business Park (Project); and

WHEREAS, the City, as the Responsible Governmental Unit (hereinafter referred as the “RGU”), had ordered that an Alternative Urban Areawide Review (hereinafter referred to as the “AUAR”) is required for the Project per Minnesota Rules 4410.3610 (described below); and

WHEREAS, the Project is approximately 119.8 areas (Study Area); and

WHEREAS, Project proposes to construct one through street and up to 22 new buildings of variable sizes from 7,800 to 299,000 square feet, totaling up to 942,000 square feet of new and existing buildings. The proposed uses of the newly constructed buildings would be light industrial, warehousing, and commercial uses including offices and retail; and

WHEREAS, there are no specific end users or specific projects planned within the Study Area and the AUAR will be used as a planning and environmental review document for future project specific individual plans and uses within the Study Area; and

WHEREAS, the Scoping AUAR (hereinafter reviewed as “AUAR”), will be submitted to the Minnesota Environmental Quality Board’s EQB Monitor on/before May 9, 2023 for public review and comment as part of the AUAR process as described in Minnesota Rules 4410.3610, Subp. 5.A.; and

WHEREAS, the 30 day public comment period will be from May 16, 2023 to June 15, 2023. Pursuant to Minnesota Rules, part 4410.3610, subpart 5a(C), the purpose of the comments on a Scoping Document for an AUAR is to suggest additional development scenarios and relevant issues to be analyzed in the review. Comments may suggest alternatives to the specific large project or projects proposed to be included in the review, including development at sites outside of the proposed geographic boundary. The comments must provide reasons why a suggested development scenario or alternative to a specific project is potentially environmentally superior to those identified in the RGU’s draft order; and

WHEREAS, the RGU will have 15 days to consider the public comments and adopt a Final Order for Review; and

WHEREAS, pursuant to Minnesota Rules 4410.3610, subpart 5.D., the RGU must distribute the Final Order of Review and Record of Decision to the EQB and public commentators; and

WHEREAS, unless an objection is filed in accordance with item D, the RGU shall adopt the revised environmental analysis document, including the plan for mitigation, at its first regularly scheduled meeting held 15 or more days after the distribution of the revised document. The RGU shall submit evidence of the adoption of the document and plan for mitigation to the EQB staff and all agencies that have stated that they wish to be informed of any future projects within the area as part of their comments on the draft environmental analysis document. The EQB shall publish a notice of the adoption of the document and the completion of the review process in the EQB Monitor.

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

1. The City Council approves the Hermantown<sup>71</sup> Business Park AUAR Scoping Document.

2. City Staff is further authorized to distribute the Draft Order for Review/Public Notice in the Environmental Quality Board (EQB) Monitor for the May 16, 2023 publication.

Councilor \_\_\_\_\_ introduced the foregoing resolution and moved its adoption.

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

Councilors \_\_\_\_\_ and Mayor Boucher, aye.

and the following voted in opposition thereto:

None

WHEREUPON, such resolution was declared duly passed and adopted May 1, 2023.

**TO:** Interested Parties (Including Minnesota Environmental Quality Board Distribution List)

**FROM:** Eric Johnson  
Community Development Director  
City of Hermantown

**DATE:** April 18, 2023

**SUBJECT:** Notice of Availability of the Draft Alternative Urban Areawide Review (AUAR) Order and Scoping Document for the proposed Hermantown Business Park

As the Responsible Governmental Unit (RGU), the City of Hermantown has determined that an Alternative Urban Areawide Review (AUAR) is required for the proposed Hermantown Business Park. The project is proposed by the City of Hermantown.

This document constitutes an order for review. Enclosed is the Scoping Document for the proposed Study Area. The Scoping Document is available for review and comment as part of the AUAR process as described in Minnesota Rules, part 4410.3610, subpart 5a.

Pursuant to Minnesota Rules, part 4410.3610, subpart 5a(C), the purpose of the comments on a Scoping Document for an AUAR is to suggest additional development scenarios and relevant issues to be analyzed in the review. Comments may suggest alternatives to the specific large project or projects proposed to be included in the review, including development at sites outside of the proposed geographic boundary. The comments must provide reasons why a suggested development scenario or alternative to a specific project is potentially environmentally superior to those identified in the RGU's draft order.

### **AUAR Study Area**

The AUAR study area encompasses 119.8 acres on 10 existing tax parcels, located along the northside of U.S Highway 53, west of Lavaque Bypass Road (County Road 48), and east of Abrahamson Road in Hermantown, St. Louis County, Minnesota (see Figure 1 and Figure 2).

### **Proposed Development Scenarios**

Several meetings with the current property owners and the City of Hermantown (stakeholders) occurred beginning September 2022. Three renditions of the development scenarios were evaluated and further refined, resulting in one final development scenario for further environmental analysis. The Final Master Plan (Hereinafter referred to as "The Development Scenario") represents the full build out scenario and therefore is the "worst case scenario" for potential environmental impacts. Although the exact configuration of each building will not be determined until construction on each parcel is designed, the Draft AUAR will analyze the individual and cumulative potential effects from the largest building footprints possible and lot configurations with consideration given to existing natural resources, planning and zoning requirements, market trends, and infrastructure needs.

**Development Scenario**

The development scenario proposes to construct one through street and up to 22 new buildings of variable sizes from 7,800 to 299,000 square feet totaling up to 942,000 square feet. The proposed uses of the newly constructed buildings would be light industrial, warehousing, and commercial uses including offices and retail. There are no specific end users or specific projects planned within the Study Area and the AUAR will be used as a planning document for future project specific individual plans and uses within the Study Area.

**Public Comment Period**

The public is invited to comment on the proposed development scenario and relevant issues to be evaluated in the AUAR prior to issuance of a final AUAR order. The 30-day comment period will begin on May 16, 2023. Comments will be accepted through 4:00PM on June 15, 2023 and should be addressed to:

Eric Johnson  
Community Development Director  
City of Hermantown  
5105 Maple Grove Road  
Hermantown, MN 55811  
218.729.3618  
Eric.johnson@hermantownmn.com

# AUAR Schedule - Hermantown Business Park

Revised April 19, 2023

Braun Project No. B2207985

Variable Timeframes (can be shortened or lengthened at city's discretion)

AUAR Stage	EQB Rule/Statute Requirements	Timeline Start	Timeline End	Status
AUAR Data Collection and Data Requests		September	March	Complete
AUAR Scoping Draft #1 Available for RGU Review		March 17	March 24	March 30 (Comments Received)
AUAR Scoping Draft #1 Resolution of RGU Comments		March 30	April 12	April 12 (RGU Meeting)
AUAR Scoping Draft #1 Available for Stakeholder Review		April 19	5pm, April 27	
HEDA Meeting	HEDA review of Draft #1	5pm, April 27	NA	
AUAR Scoping Draft #2: Resolution of Draft #1 comments, Available for RGU and Stakeholder Review	Draft #2 (if needed)	April 28	May 1	
City Council Meeting	Acceptance of Scoping AUAR, proceed with public notice	May 1 City Council Meeting		
RGU Distributes Draft Order for Review/ Public Notice in EQB Monitor (EQB Submission Deadline, 4:00pm Tuesdays)	4410.3610 Subp. 5a B (Large Specific Projects - Scoping)	May 9		
30 Day Public Notice Period (Begins Noon, Tuesdays after EQB Submission Deadline)	4410.3610 Subp. 5a C	May 16	June 15	
Compile Public Comments (Factual/Substantiative vs. Fictional/Emotional)		June 16	June 20	
Draft Response to Public Comments		June 21	June 23	
RGU Consideration of Comments Received/Comment Resolution/AUAR Revisions (if needed)	Within 15 days of end of public comment period (4410.3610 Subp. 5a D & E)	June 26	On/before July 1	
RGU Adopts Final Order for Review	Within 15 days of end of public comment period (4410.3610 Subp. 5a E)	June 26	On/before July 1	
RGU Distributes Final Order of Review and Record of Decision to EQB and Commentors	Within 10 days of RGU Decision (4410.3610 Subp. 5a E)	June 26	On/before July 11	
Develop Draft AUAR and Mitigation Plan		<b>July 3</b>	<b>July 14</b>	In Progress
AUAR Draft #1 Available for RGU and Stakeholder Review		<b>July 17</b>	<b>July 21</b>	
AUAR Draft #1 Resolution of RGU Comments		<b>July 24</b>	<b>July 28</b>	

# AUAR Schedule - Hermantown Business Park

Revised April 19, 2023

Braun Project No. B2207985

Variable Timeframes (can be shortened or lengthened at city's discretion)

AUAR Stage	EQB Rule/Statute Requirements	Timeline Start	Timeline End	Status
RGU Acceptance of Draft AUAR		July 31	Aug. 4	
RGU Distributes Draft AUAR/Public Notice in EQB Monitor <i>(EQB Submission Deadline, 4:00pm Tuesdays)</i>	4410.3610 Subp. 5 A	Aug. 8		
30 Day Public Notice Period – EQB Monitor <i>(Begins Noon, Tuesdays after EQB Submission Deadline)</i>	4410.3610 Subp. 5 B	Aug. 15	Sept. 14	
Optional Public Meeting		TBD		
Compile Public Comments <i>(Factual/Substantiative vs. Fictional/Emotional)</i>		Sept. 14	Sept. 22	
Draft Response to Public Comments		Sept. 14	Sept. 22	
RGU Consideration of Comments Received/Comment Resolution/AUAR Revisions (if needed)	4410.3610 Subp. 5 C	Sept. 25	Sept. 27	
RGU Acceptance of Final AUAR		Sept. 27	Sept. 29	
RGU Distributes Final AUAR to State Agencies	4410.3610 Subp. 5 D	Oct. 2	Oct. 6	
State Agencies Objection Period	Within 10 days from receipt of final AUAR (4410.3610 Subp. 5 D)	Oct. 16		
RGU Adopts Final AUAR	4410.3610 Subp. 5 E	Oct. 16 City Council Meeting		
Notice in EQB Monitor <i>(EQB Submission Deadline, 4:00pm Tuesdays)</i>	4410.3610 Subp. 5 E	Oct. 17 or 24	Oct. 24 or 31	





**CITY COUNCIL MEETING DATE:** May 1st, 2023

**TO:** Mayor & City Council  
**FROM:** Jim Crace, Chief of Police  
**SUBJECT:** Asset Disposal of Police Vehicle

---

**RESOLUTION:** 2023-57       **ORDINANCE:**                       **OTHER:**

---

**REQUESTED ACTION**

The Chief of Police recommends that the City dispose of this used police vehicle that has passed its useful life with well over 100,000 miles. This vehicle will be traded in for a new vehicle.

---

**BACKGROUND**

The Police Department will purchase a new squad through Northland Chevrolet using the MN State Bid. A trade in quote has been received on the being replaced. Trading the vehicles in helps offset the overall 2023 budget expenditure.

---

**SOURCE OF FUNDS (if applicable)**

N/A

---

**ATTACHMENTS**

Resolution  
Asset Disposal Form

**Resolution No. 2023-57**

**RESOLUTION AUTHORIZING THE DISPOSAL OF SURPLUS  
CITY PROPERTY**

WHEREAS, the Chief of Police of the City of Hermantown is seeking authorization to dispose of city surplus equipment; and

WHEREAS, various vehicles are removed from use through sale or trade-in; and

WHEREAS, the Hermantown City Council deems it appropriate to dispose of such surplus equipment; and

WHEREAS, the Hermantown City Council desires to proceed forward with the disposal of the surplus equipment listed as follows:

- A. Asset # 3025 – 2019 Ford Explorer – VIN# 1FM5K8AR0KGA78862

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

1. The City Administrator and Chief of Police are hereby Authorized and Directed to Proceed to Dispose of Surplus Equipment in the Possession of the City of Hermantown as listed below.
2. All items will be scrapped or discarded by administrative staff in accordance with all applicable laws, rules and regulations.
3. The vehicle has been traded-in. The asset will be removed from inventory.

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 May 1, 2023.

**DISPOSITION OR LOSS OF AN CAPITAL OR INVENTORY ASSET**

Disposition of a capitalized asset requires City Council approval prior to disposing the asset.

This form should be completed and forwarded to Finance within 2 weeks of the disposition of any capital asset. If this trade in item is included in purchasing a new asset, please note it and complete an acquisition form for that item.

Employees and related parties are prohibited from purchasing or receiving City surplus property.

**Asset No:** 3025

**VIN/Serial #:** 1FM5K8AR0KGA78862

**Description:** 2019 Ford Explorer (Squad 15)

**Department:** Police Department

**Date of Change:** 04/18/2023

**Type of Change:** Traded in on purchase of new 2023 Chev Tahoe

**Sold (To Whom?):** North County Chevrolet **Amount:** \$7,500.00

Transferred: \_\_\_\_\_ To Dept: \_\_\_\_\_

**Trade In:** \$7,500.00

**For new asset (describe):** 2023 Chev Tahoe (new squad 15)

**Destroyed:** \_\_\_\_\_ **How Disposed?** Traded In

**Entered on the Fixed Asset System:** Yes

**Department Head:** Jim Crace, Chief of Policy

**Finance Dept:** Notified 04/18/2023

**Insurance notified?** Yes **Date of notification:** 04/18/2023

Notes: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_



**CITY COUNCIL MEETING DATE:** May 1, 2023

**TO:** Mayor & City Council

**FROM:** Kevin Orme, Director of Finance & Administration

**SUBJECT: Bond Issuance, Series 2023A**

---

**RESOLUTION:** 2023-58       **ORDINANCE:** 2023-xx       **OTHER:** Add Name

---

**REQUESTED ACTION**

**Approve issuance, sale and delivery of \$1,600,000 General Obligation Improvement Bonds, Series 2023A.**

---

**BACKGROUND**

The City is issuing new bonds, Series 2023A. The bonds will be in the amount of \$1,600,000. These bonds will be for the 2023 Richard Lindgren Road Improvements that are part of the City's Financial Management Plan. The bonds will be repaid by the following: Debt Levy (property taxes) and Road Assessments. Other components of the project will also be paid by the following: Grant, Stormwater, Water, and Sewer.

If approved, the Council will award the sale of the bonds June 5, 2023.

---

**SOURCE OF FUNDS (if applicable)**

---

**ATTACHMENTS**

Pre-Sale Report, Series 2023A

**Resolution No. 2023-58**

**RESOLUTION OF THE CITY OF HERMANTOWN, MINNESOTA,  
PROVIDING FOR THE SALE OF \$1,600,000 GENERAL OBLIGATION  
IMPROVEMENT BONDS, SERIES 2023A**

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

Section 1. Authority. Under and pursuant to the authority contained in Minnesota Statutes, Chapters 429 and 475 (collectively the “Act”), the Issuer is authorized to issue general obligation bonds to finance the construction of various improvements in the City and to pay costs associated with the issuance of the Bonds (the “Project”).

Section 2. The Bonds. The Council determines that it is necessary, expedient, and in the best interests of the Issuer’s residents that the Issuer, as permitted by the Act, issue, sell and deliver its General Obligation Improvement Bonds, Series 2023A (the “Bonds”), in one or more series, for the purpose of financing a portion of the Project and paying the costs of issuing the Bonds.

Section 3. Sale of the Bonds. The Issuer’s administrative staff is hereby authorized and directed to work with Ehlers, Inc., municipal advisor to the Issuer, and Fryberger, Buchanan, Smith & Frederick, P.A., bond counsel, to solicit bids and arrange for the sale of the Bonds.

Section 4. Form and Terms of the Bonds. The form, specifications and provisions for repayment of the Bonds shall be set forth in a subsequent resolution of the Council.

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 May 1, 2023.

Adopted: May 1, 2023.

\_\_\_\_\_  
Mayor

ATTEST:

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

May 1, 2023

PRE-SALE REPORT FOR

## City of Hermantown, Minnesota

**\$1,600,000 General Obligation Improvement Bonds,  
Series 2023A**



---

**Prepared by:**

Ehlers  
3060 Centre Pointe Drive  
Roseville, MN 55113

**Advisors:**

Todd Hagen, Senior Municipal Advisor  
Jason Aarsvold, Senior Municipal Advisor  
Keith Dahl, Municipal Advisor

---

**BUILDING COMMUNITIES. IT'S WHAT WE DO.**

# EXECUTIVE SUMMARY OF PROPOSED DEBT

## Proposed Issue:

\$1,600,000 General Obligation Improvement Bonds, Series 2023A

The City has directed Ehlers to assist in a financing method that does not require voter approval and would allow for payments over 15 years.

## Purpose:

The proposed issue includes financing with other available funds, for the construction of various improvements in the City.

Debt service will be paid from special assessments and property taxes.

## Authority:

The Bonds are being issued pursuant to Minnesota Statutes, Chapters:

- MS 475 – General Bonding Authority.
- MS 429 – Special Assessment Pledge. This Chapter allows cities to issue debt without a referendum if the City is assessing at least 20% of the project costs.

The Bonds do not count against the Net Debt Limit of 3% of the estimated market value of taxable property in the City.

The City has held the required public hearing and is under the maximum amount of debt limit proscribed in MS 429.

The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.

## Term/Call Feature:

The Bonds are being issued for a term of 15 years. Principal on the Bonds will be due on February 1 in the years 2025 through 2039. Interest is payable every six months beginning February 1, 2024. A portion of the Bond proceeds will be used to make the February 1, 2024 interest payment.

The Bonds will be subject to prepayment at the discretion of the City on February 1, 2031 or any date thereafter.

## Bank Qualification:

Because the City is expecting to issue no more than \$10,000,000 in tax exempt debt during the calendar year, the City will be able to designate the Bonds as “bank qualified” obligations.

Bank qualified status broadens the market for the Bonds, which can result in lower interest rates.

### **Rating:**

The City's most recent bond issues were rated by S&P Global Ratings. The current ratings on those bonds are "AA." The City will request a new rating for the Bonds.

If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the City's bond rating if the bond rating of the insurer is higher than that of the City.

### **Basis for Recommendation:**

Based on our knowledge of the City's situation, their objectives communicated to us, our advisory relationship as well as characteristics of various financing options, we are recommending the issuance of general obligation bonds with a full competitive sale as a suitable financing option for the following reasons:

- General obligation bonds provide a straight-forward approach to financing projects identified by the City.
- We expect that the size and term of the issue, with bank qualification, will attract several quality bids based upon similar recent sales in Minnesota.
- The City does not expect to have surplus resources adequate to prepay the debt prior to the scheduled maturities.
- This is generally the most overall cost-effective option.

Because of its larger size and longer term, we are recommending against offering the Bonds to a limited number of local and regional banks and selling this issue rated through a full competitive process to the public market using an official statement. Also, there are no special circumstances that would require a negotiated sale. This method of sale complies with City policy as well as best practices endorsed by the Government Finance Officers Association (GFOA).

### **Method of Sale/Placement:**

We will solicit competitive bids for the sale of the Bonds to underwriters and banks as the size, structure and term will likely result in the maximum number of bids at the lowest interest rates and is a desirable credit for municipal bond investors.

We will include an allowance for discount bidding in the terms of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.

If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to reduce your borrowing amount.

### **Premium Pricing:**

In some cases, investors in municipal bonds prefer "premium" pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds



the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid more than face value is considered “reoffering premium.” The underwriter of the bonds will retain a portion of this reoffering premium as their compensation (or “discount”) but will pay the remainder of the premium to the City.

For this issue of Bonds, we have been directed to use the net premium to reduce the size of the issue rather than increase the net proceeds for the project; but that could change on the day of sale. The resulting adjustments may slightly change the true interest cost of the issue, either up or down.

### **Review of Existing Debt:**

We have reviewed all outstanding indebtedness for the City and find that there are no refunding opportunities at this time.

We will continue to monitor the market and the call dates for the City’s outstanding debt and will alert you to any future refunding opportunities.

### **Continuing Disclosure:**

Because the City has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually, as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the “MSRB”), as required by rules of the Securities and Exchange Commission (SEC).

The City is already obligated to provide such reports for its existing bonds and has contracted with Ehlers to prepare and file the reports.

### **Arbitrage Monitoring:**

The City must ensure compliance with certain sections of the Internal Revenue Code and Treasury Regulations (“Arbitrage Rules”) throughout the life of the issue to maintain the tax-exempt status of the Bonds. These Arbitrage Rules apply to amounts held in construction, escrow, reserve, debt service account(s), etc., along with related investment income on each fund/account.

IRS audits will verify compliance with rebate, yield restriction and records retention requirements within the Arbitrage Rules. The City’s specific arbitrage responsibilities will be detailed in the Officers’ Certificate prepared by your Bond Counsel and provided at closing.

**Small Issuer Exception (\$5M or less)** - The City expects to qualify for the small issuer exception to arbitrage rebate on the Bonds.

We recommend that the City review its specific responsibilities related to the Bonds with an arbitrage expert to help monitor the exception used above.

### **Investment of Bond Proceeds:**

Ehlers can assist the City in developing a strategy to invest your Bond proceeds until the funds are needed to pay project costs.

## Risk Factors:

**Special Assessments:** We have not assumed any prepaid special assessments and we have assumed that assessments will be levied as projected. If the City receives a significant number of prepaid assessments or does not levy the assessments, it may need to increase the levy portion of the debt service to make up for lower interest earnings than the expected assessment interest rate.

**GO Pledge:** Because the Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged, if the annual special assessments and property taxes collected are not sufficient to pay the debt service payments, other City funds will need to be used.

## Other Service Providers:

This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, but the final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services, please contact us.

**Bond Counsel:** Fryberger Buchanan

**Paying Agent:** Bond Trust Services

**Rating Agency:** S&P Global Ratings

## Summary:

The decisions to be made by the City Council are as follows:

- Accept or modify the finance assumptions described in this report
- Adopt the resolutions attached to this report.

This presale report summarizes our understanding of the City's objectives for the structure and terms of this financing as of this date. As additional facts become known or capital markets conditions change, we may need to modify the structure and/or terms of this financing to achieve results consistent with the City's objectives.

## PROPOSED DEBT ISSUANCE SCHEDULE

Pre-Sale Review by City Council:	May 1, 2023
Conference with Rating Agency:	May 19, 2023
Due Diligence Call to review Official Statement:	Week of May 22, 2023
Print Official Statement:	May 25, 2023
City Council Meeting to Award Sale of the Bonds:	June 5, 2023
Estimated Closing Date:	June 22, 2023

### Attachments

- Estimated Sources and Uses of Funds
- Estimated Proposed Debt Service Schedule
- Bond Buyer Index
- Resolution Authorizing Ehlers to Proceed with Bond Sale (provided separately)

## EHLERS' CONTACTS

Todd Hagen, Senior Municipal Advisor	(651) 697-8508
Jason Aarsvold, Senior Municipal Advisor	(651) 697-8512
Keith Dahl, Municipal Advisor	(651) 697-8595
Emily Wilkie, Senior Public Finance Analyst	(651) 697-8588
Alicia Gage, Senior Financial Analyst	(651) 697-8551

# Hermantown, Minnesota

\$1,600,000 General Obligation Improvement Bonds, Series 2023A  
Assumes Current market BQ AA rates plus 50bps

## Sources & Uses

Dated 06/22/2023 | Delivered 06/22/2023

### Sources Of Funds

Par Amount of Bonds	\$1,600,000.00
Grant	750,000.00
Stormwater Revenue	181,000.00
Water Revenue	217,000.00
Sewer Revenue	3,000.00
<b>Total Sources</b>	<b>\$2,751,000.00</b>

### Uses Of Funds

Total Underwriter's Discount (1.200%)	19,200.00
Costs of Issuance	48,000.00
Deposit to Capitalized Interest (CIF) Fund	31,216.63
Deposit to Project Construction Fund	2,650,000.00
Rounding Amount	2,583.37
<b>Total Uses</b>	<b>\$2,751,000.00</b>

# Hermantown, Minnesota

## \$1,600,000 General Obligation Improvement Bonds, Series 2023A

Assumes Current market BQ AA rates plus 50bps

### Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+	Fiscal Total
06/22/2023	-	-	-	-	-
02/01/2024	-	-	31,216.63	31,216.63	31,216.63
08/01/2024	-	-	25,657.50	25,657.50	-
02/01/2025	85,000.00	4.000%	25,657.50	110,657.50	136,315.00
08/01/2025	-	-	23,957.50	23,957.50	-
02/01/2026	90,000.00	2.900%	23,957.50	113,957.50	137,915.00
08/01/2026	-	-	22,652.50	22,652.50	-
02/01/2027	90,000.00	2.850%	22,652.50	112,652.50	135,305.00
08/01/2027	-	-	21,370.00	21,370.00	-
02/01/2028	95,000.00	2.850%	21,370.00	116,370.00	137,740.00
08/01/2028	-	-	20,016.25	20,016.25	-
02/01/2029	95,000.00	2.850%	20,016.25	115,016.25	135,032.50
08/01/2029	-	-	18,662.50	18,662.50	-
02/01/2030	100,000.00	2.800%	18,662.50	118,662.50	137,325.00
08/01/2030	-	-	17,262.50	17,262.50	-
02/01/2031	105,000.00	2.850%	17,262.50	122,262.50	139,525.00
08/01/2031	-	-	15,766.25	15,766.25	-
02/01/2032	105,000.00	2.900%	15,766.25	120,766.25	136,532.50
08/01/2032	-	-	14,243.75	14,243.75	-
02/01/2033	110,000.00	3.000%	14,243.75	124,243.75	138,487.50
08/01/2033	-	-	12,593.75	12,593.75	-
02/01/2034	110,000.00	3.000%	12,593.75	122,593.75	135,187.50
08/01/2034	-	-	10,943.75	10,943.75	-
02/01/2035	115,000.00	3.200%	10,943.75	125,943.75	136,887.50
08/01/2035	-	-	9,103.75	9,103.75	-
02/01/2036	120,000.00	3.400%	9,103.75	129,103.75	138,207.50
08/01/2036	-	-	7,063.75	7,063.75	-
02/01/2037	125,000.00	3.600%	7,063.75	132,063.75	139,127.50
08/01/2037	-	-	4,813.75	4,813.75	-
02/01/2038	125,000.00	3.750%	4,813.75	129,813.75	134,627.50
08/01/2038	-	-	2,470.00	2,470.00	-
02/01/2039	130,000.00	3.800%	2,470.00	132,470.00	134,940.00
<b>Total</b>	<b>\$1,600,000.00</b>	<b>-</b>	<b>\$484,371.63</b>	<b>\$2,084,371.63</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$14,658.33
Average Life	9.161 Years
Average Coupon	3.3044113%
Net Interest Cost (NIC)	3.4353949%
True Interest Cost (TIC)	3.4441578%
Bond Yield for Arbitrage Purposes	3.2864166%
All Inclusive Cost (AIC)	3.8503900%

### IRS Form 8038

Net Interest Cost	3.3044113%
Weighted Average Maturity	9.161 Years

## Hermantown, Minnesota

\$1,600,000 General Obligation Improvement Bonds, Series 2023A

Assumes Current market BQ AA rates plus 50bps

### Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
06/22/2023	-	-	-	-	-	-	-
02/01/2024	-	-	31,216.63	31,216.63	(31,216.63)	-	-
08/01/2024	-	-	25,657.50	25,657.50	-	25,657.50	-
02/01/2025	85,000.00	4.000%	25,657.50	110,657.50	-	110,657.50	136,315.00
08/01/2025	-	-	23,957.50	23,957.50	-	23,957.50	-
02/01/2026	90,000.00	2.900%	23,957.50	113,957.50	-	113,957.50	137,915.00
08/01/2026	-	-	22,652.50	22,652.50	-	22,652.50	-
02/01/2027	90,000.00	2.850%	22,652.50	112,652.50	-	112,652.50	135,305.00
08/01/2027	-	-	21,370.00	21,370.00	-	21,370.00	-
02/01/2028	95,000.00	2.850%	21,370.00	116,370.00	-	116,370.00	137,740.00
08/01/2028	-	-	20,016.25	20,016.25	-	20,016.25	-
02/01/2029	95,000.00	2.850%	20,016.25	115,016.25	-	115,016.25	135,032.50
08/01/2029	-	-	18,662.50	18,662.50	-	18,662.50	-
02/01/2030	100,000.00	2.800%	18,662.50	118,662.50	-	118,662.50	137,325.00
08/01/2030	-	-	17,262.50	17,262.50	-	17,262.50	-
02/01/2031	105,000.00	2.850%	17,262.50	122,262.50	-	122,262.50	139,525.00
08/01/2031	-	-	15,766.25	15,766.25	-	15,766.25	-
02/01/2032	105,000.00	2.900%	15,766.25	120,766.25	-	120,766.25	136,532.50
08/01/2032	-	-	14,243.75	14,243.75	-	14,243.75	-
02/01/2033	110,000.00	3.000%	14,243.75	124,243.75	-	124,243.75	138,487.50
08/01/2033	-	-	12,593.75	12,593.75	-	12,593.75	-
02/01/2034	110,000.00	3.000%	12,593.75	122,593.75	-	122,593.75	135,187.50
08/01/2034	-	-	10,943.75	10,943.75	-	10,943.75	-
02/01/2035	115,000.00	3.200%	10,943.75	125,943.75	-	125,943.75	136,887.50
08/01/2035	-	-	9,103.75	9,103.75	-	9,103.75	-
02/01/2036	120,000.00	3.400%	9,103.75	129,103.75	-	129,103.75	138,207.50
08/01/2036	-	-	7,063.75	7,063.75	-	7,063.75	-
02/01/2037	125,000.00	3.600%	7,063.75	132,063.75	-	132,063.75	139,127.50
08/01/2037	-	-	4,813.75	4,813.75	-	4,813.75	-
02/01/2038	125,000.00	3.750%	4,813.75	129,813.75	-	129,813.75	134,627.50
08/01/2038	-	-	2,470.00	2,470.00	-	2,470.00	-
02/01/2039	130,000.00	3.800%	2,470.00	132,470.00	-	132,470.00	134,940.00
<b>Total</b>	<b>\$1,600,000.00</b>	<b>-</b>	<b>\$484,371.63</b>	<b>\$2,084,371.63</b>	<b>(31,216.63)</b>	<b>\$2,053,155.00</b>	<b>-</b>

# Hermantown, Minnesota

\$1,600,000 General Obligation Improvement Bonds, Series 2023A  
Assumes Current market BQ AA rates plus 50bps

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	105% of Total	Assessments	Levy/(Surplus)
02/01/2024	-	-	31,216.63	31,216.63	(31,216.63)	-	-	-	-
02/01/2025	85,000.00	4.000%	51,315.00	136,315.00	-	136,315.00	143,130.75	42,247.46	100,883.29
02/01/2026	90,000.00	2.900%	47,915.00	137,915.00	-	137,915.00	144,810.75	42,247.46	102,563.29
02/01/2027	90,000.00	2.850%	45,305.00	135,305.00	-	135,305.00	142,070.25	42,247.47	99,822.78
02/01/2028	95,000.00	2.850%	42,740.00	137,740.00	-	137,740.00	144,627.00	42,247.45	102,379.55
02/01/2029	95,000.00	2.850%	40,032.50	135,032.50	-	135,032.50	141,784.13	42,247.45	99,536.68
02/01/2030	100,000.00	2.800%	37,325.00	137,325.00	-	137,325.00	144,191.25	42,247.47	101,943.78
02/01/2031	105,000.00	2.850%	34,525.00	139,525.00	-	139,525.00	146,501.25	42,247.46	104,253.79
02/01/2032	105,000.00	2.900%	31,532.50	136,532.50	-	136,532.50	143,359.13	42,247.47	101,111.66
02/01/2033	110,000.00	3.000%	28,487.50	138,487.50	-	138,487.50	145,411.88	42,247.46	103,164.42
02/01/2034	110,000.00	3.000%	25,187.50	135,187.50	-	135,187.50	141,946.88	42,247.47	99,699.41
02/01/2035	115,000.00	3.200%	21,887.50	136,887.50	-	136,887.50	143,731.88	42,247.46	101,484.42
02/01/2036	120,000.00	3.400%	18,207.50	138,207.50	-	138,207.50	145,117.88	42,247.45	102,870.43
02/01/2037	125,000.00	3.600%	14,127.50	139,127.50	-	139,127.50	146,083.88	42,247.47	103,836.41
02/01/2038	125,000.00	3.750%	9,627.50	134,627.50	-	134,627.50	141,358.88	42,247.45	99,111.43
02/01/2039	130,000.00	3.800%	4,940.00	134,940.00	-	134,940.00	141,687.00	42,247.47	99,439.53
<b>Total</b>	<b>\$1,600,000.00</b>	<b>-</b>	<b>\$484,371.63</b>	<b>\$2,084,371.63</b>	<b>(31,216.63)</b>	<b>\$2,053,155.00</b>	<b>\$2,155,812.75</b>	<b>\$633,711.92</b>	<b>\$1,522,100.83</b>

## Significant Dates

Dated	6/22/2023
First Coupon Date	2/01/2024

## Yield Statistics

Bond Year Dollars	\$14,658.33
Average Life	9.161 Years
Average Coupon	3.3044113%
Net Interest Cost (NIC)	3.4353949%
True Interest Cost (TIC)	3.4441578%
Bond Yield for Arbitrage Purposes	3.2864166%
All Inclusive Cost (AIC)	3.8503900%



# Hermantown, Minnesota

\$440,000 General Obligation Improvement Bonds, Series 2023A

Assessments

1.50% over TIC - Equal P&I

## Assessments

Date	Principal	Coupon	Interest	Total P+I
12/31/2024	20,467.46	4.950%	21,780.00	42,247.46
12/31/2025	21,480.60	4.950%	20,766.86	42,247.46
12/31/2026	22,543.89	4.950%	19,703.58	42,247.47
12/31/2027	23,659.81	4.950%	18,587.64	42,247.45
12/31/2028	24,830.97	4.950%	17,416.48	42,247.45
12/31/2029	26,060.11	4.950%	16,187.36	42,247.47
12/31/2030	27,350.08	4.950%	14,897.38	42,247.46
12/31/2031	28,703.91	4.950%	13,543.56	42,247.47
12/31/2032	30,124.76	4.950%	12,122.70	42,247.46
12/31/2033	31,615.93	4.950%	10,631.54	42,247.47
12/31/2034	33,180.92	4.950%	9,066.54	42,247.46
12/31/2035	34,823.37	4.950%	7,424.08	42,247.45
12/31/2036	36,547.13	4.950%	5,700.34	42,247.47
12/31/2037	38,356.21	4.950%	3,891.24	42,247.45
12/31/2038	40,254.85	4.950%	1,992.62	42,247.47
<b>Total</b>	<b>\$440,000.00</b>	<b>-</b>	<b>\$193,711.92</b>	<b>\$633,711.92</b>

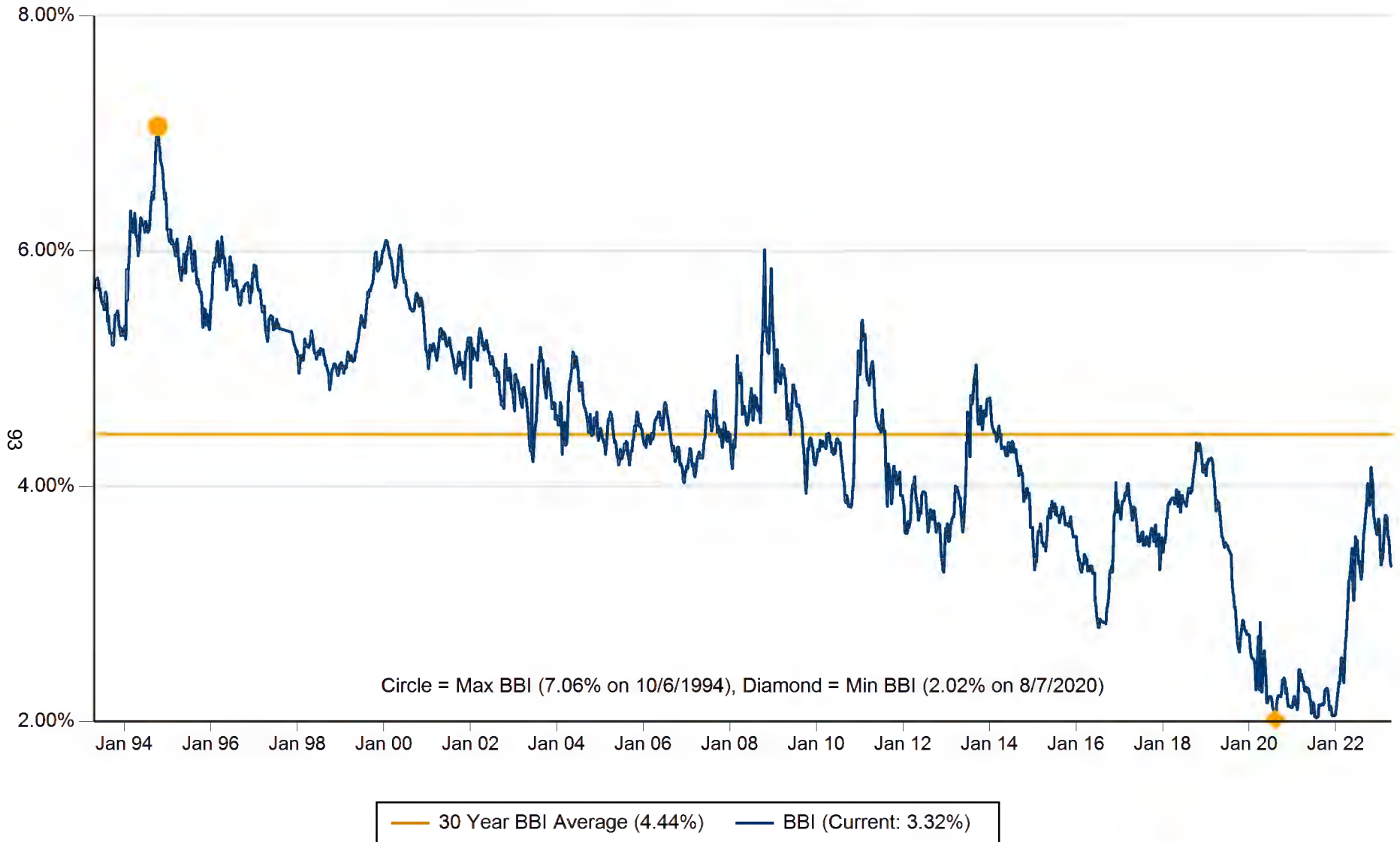
## Significant Dates

Filing Date	1/01/2024
First Payment Date	12/31/2024



# 30 YEAR TREND IN MUNICIPAL BOND INDICES

## Weekly Rates April, 1993 - April, 2023



The Bond Buyer "20 Bond Index" (BBI) shows average yields on a group of municipal bonds that mature in 20 years and have an average rating equivalent to Moody's Aa2 and S&P's AA.

Source: *The Bond Buyer*





**CITY COUNCIL MEETING DATE:** May 1, 2023

**TO:** Mayor & City Council

**FROM:** John Mulder, City Administrator

**SUBJECT:** Agreement with MNDOT for Federal Participation – Ugstad Road

---

**RESOLUTION:** 2023-59       **ORDINANCE:** 2023-xx       **OTHER:** Add Name

---

**REQUESTED ACTION**

**Approve the agreement with MN DOT for federal participation in the construction of Ugstad Road.**

---

**BACKGROUND**

The City of Hermantown is scheduled to receive Federal aid to reconstruct Ugstad Road between Maple Grove Road and Hwy 53 in 2023. In order to receive the Federal aid, the City must enter an agreement with MN DOT. The agreement is attached.

---

**SOURCE OF FUNDS (if applicable)**

---

**ATTACHMENTS**

**Resolution**  
**MN DOT Agreement**

**Resolution No. 2023-59**

**RESOLUTION AUTHORIZING AND DIRECTING MAYOR AND CITY CLERK TO EXECUTE AND DELIVER AGREEMENT BETWEEN THE MINNESOTA DEPARTMENT OF TRANSPORTATION AND CITY OF HERMANTOWN FOR FEDERAL PARTICIPATION IN CONSTRUCTION**

BE IT RESOLVED, that pursuant to Minnesota Statutes Section 161.36, the Commissioner of Transportation be appointed as Agent of the City of Hermantown to accept as its agent, federal aid funds which may be made available for eligible transportation related projects.

BE IT FURTHER RESOLVED, the Mayor and City Clerk are hereby authorized and directed for and on behalf of the City to execute and enter into an agreement with the Commissioner of Transportation prescribing the terms and conditions of said federal aid participation as set forth and contained in “Minnesota Department of Transportation Agency Agreement No. 1052138, a copy of which said agreement was before the City Council and which is made a part hereof by reference.

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 May 1, 2023.



**STATE OF MINNESOTA**

**AGENCY AGREEMENT**

for

**FEDERAL PARTICIPATION IN CONSTRUCTION**

This Agreement is entered into by and between City of Hermantown (“Local Government”) and the State of Minnesota acting through its Commissioner of Transportation (“MnDOT”).

**RECITALS**

---

1. Pursuant to Minnesota Statutes Section 161.36, the Local Government desires MnDOT to act as the Local Government’s agent in accepting federal funds on the Local Government’s behalf for the construction, improvement, or enhancement of transportation financed either in whole or in part by Federal Highway Administration (“FHWA”) federal funds, hereinafter referred to as the “Project(s)”; and
2. This Agreement is intended to cover all federal aid projects initiated by the Local Government and therefore has no specific State Project number associated with it, and
  - 2.1. The Assistance Listing Number (ALN) is 20.205, 20.224, 20.933 or another Department of Transportation ALN as listed on SAM.gov and
  - 2.2. This project is for construction, not research and development.
  - 2.3. MnDOT requires that the terms and conditions of this agency be set forth in an agreement.

**AGREEMENT TERMS**

---

**1. Term of Agreement; Prior Agreement**

- 1.1. **Effective Date.** This Agreement will be effective on the date that MnDOT obtains all required signatures under Minn. Stat. §16C.05, Subd. 2. This Agreement will remain effective until it is superseded or terminated pursuant to section 14.
- 1.2. **Prior Agreement.** This Agreement supersedes the prior agreement between the parties, MnDOT Contract Number 1029954.

**2. Local Government’s Duties**

- 2.1. **Designation.** The Local Government designates MnDOT to act as its agent in accepting federal funds on its behalf made available for the Project(s). Details on the required processes and procedures are available on the State Aid Website.
- 2.2. **Staffing.**
  - 2.2.1. The Local Government will furnish and assign a publicly employed and licensed engineer, (“Project Engineer”), to be in responsible charge of the Project(s) and to supervise and direct the work to be performed under any construction contract let for the Project(s). In the alternative, where the Local Government elects to use a private consultant for construction engineering services, the Local Government will provide a qualified, full-time public employee of the Local Government to be in responsible charge of the Project(s). The services of the Local Government to be performed hereunder may not be assigned, sublet, or transferred unless the Local Government is notified in writing by MnDOT that such action is permitted under 23 CFR 1.33 and 23 CFR 635.105 and state law. This

written consent will in no way relieve the Local Government from its primary responsibility for performance of the work.

2.2.2. During the progress of the work on the Project(s), the Local Government authorizes its Project Engineer to request in writing specific engineering and/or technical services from MnDOT, pursuant to Minnesota Statutes Section 161.39. Such services may be covered by other technical service agreements. If MnDOT furnishes the services requested, and if MnDOT requests reimbursement, then the Local Government will promptly pay MnDOT to reimburse the state trunk highway fund for the full cost and expense of furnishing such services. The costs and expenses will include the current MnDOT labor additives and overhead rates, subject to adjustment based on actual direct costs that have been verified by audit. Provision of such services will not be deemed to make MnDOT a principal or co-principal with respect to the Project(s).

2.3. **Pre-letting.** The Local Government will prepare construction contracts in accordance with Minnesota law and applicable Federal laws and regulations.

2.3.1. The Local Government will solicit bids after obtaining written notification from MnDOT that the FHWA has authorized the Project(s). Any Project(s) advertised prior to authorization **without permission** will not be eligible for federal reimbursement.

2.3.2. The Local Government will prepare the Proposal for Highway Construction for the construction contract, which will include all federal-aid provisions supplied by MnDOT.

2.3.3. The Local Government will prepare and publish the bid solicitation for the Project(s) as required by state and federal laws. The Local Government will include in the solicitation the required language for federal-aid construction contracts as supplied by MnDOT. The solicitation will state where the proposals, plans, and specifications are available for the inspection of prospective bidders and where the Local Government will receive the sealed bids.

2.3.4. The Local Government may not include other work in the construction contract for the authorized Project(s) without obtaining prior notification from MnDOT that such work is allowed by FHWA. Failure to obtain such notification may result in the loss of some or all of the federal funds for the Project(s). All work included in a federal contract is subject to the same federal requirements as the federal project.

2.3.5. The Local Government will prepare and sell the plan and proposal packages and prepare and distribute any addenda, if needed.

2.3.6. The Local Government will receive and open bids.

2.3.7. After the bids are opened, the Local Government will consider the bids and will award the bid to the lowest responsible bidder or reject all bids. If the construction contract contains a goal for Disadvantaged Business Enterprises (DBEs), the Local Government will not award the bid until it has received certification of the Disadvantaged Business Enterprise participation from the MnDOT Office of Civil Rights.

2.3.8. The Local Government must disclose in writing any potential conflict of interest to the Federal awarding agency or MnDOT in accordance with applicable FHWA policy.

2.4. **Contract Administration.**

2.4.1. The Local Government will prepare and execute a construction contract with the lowest responsible bidder, hereinafter referred to as the "Contractor," in accordance with the special provisions and the latest edition of MnDOT's Standard Specifications for Construction when the contract is awarded and all amendments thereto. All contracts between the Local Government and third parties or subcontractors must contain all applicable provisions of this Agreement, including the applicable

federal contract clauses, which are identified in Appendix II of 2 CFR 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, and as identified in Section 18 of this Agreement.

- 2.4.2. The Project(s) will be constructed in accordance with the plans, special provisions, and standard specifications of each Project. The standard specifications will be the latest edition of MnDOT Standard Specifications for Highway Construction and all amendments thereto. The plans, special provisions, and standard specifications will be on file at the Local Government Engineer's Office. The plans, special provisions, and specifications are incorporated into this Agreement by reference as though fully set forth herein.
- 2.4.3. The Local Government will furnish the personnel, services, supplies, and equipment necessary to properly supervise, inspect, and document the work for the Project(s). The services of the Local Government to be performed hereunder may not be assigned, sublet, or transferred unless the Local Government is notified in writing by MnDOT that such action is permitted under 23 CFR 1.33 and 23 CFR 635.105 and state law. This written consent will in no way relieve the Local Government from its primary responsibility for performance of the work.
- 2.4.4. The Local Government will document quantities in accordance with the guidelines set forth in the Construction Section of the Electronic State Aid Manual that are in effect at the time the work was performed.
- 2.4.5. The Local Government will test materials in accordance with the Schedule of Materials Control in effect at the time each Project was let. The Local Government will notify MnDOT when work is in progress on the Project(s) that requires observation by the Independent Assurance Inspector, as required by the Independent Assurance Schedule.
- 2.4.6. The Local Government may make changes in the plans or the character of the work, as may be necessary to complete the Project(s), and may enter into Change Order(s) with the Contractor. The Local Government will not be reimbursed for any costs of any work performed under a change order unless MnDOT has notified the Local Government that the subject work is eligible for federal funds and sufficient federal funds are available.
- 2.4.7. The Local Government will request approval from MnDOT for all costs in excess of the amount of federal funds previously approved for the Project(s) prior to incurring such costs. Failure to obtain such approval may result in such costs being disallowed for reimbursement.
- 2.4.8. The Local Government will prepare reports, keep records, and perform work so as to meet federal requirements and to enable MnDOT to collect the federal aid sought by the Local Government. Required reports are listed in the MnDOT State Aid Manual, Delegated Contract Process Checklist, available from MnDOT's authorized representative. The Local Government will retain all records and reports and allow MnDOT or the FHWA access to such records and reports for six years.
- 2.4.9. Upon completion of the Project(s), the Project Engineer will determine whether the work will be accepted.

## 2.5. Limitations.

- 2.5.1. The Local Government will comply with all applicable Federal, State, and local laws, ordinances, and regulations.
- 2.5.2. **Nondiscrimination.** It is the policy of the Federal Highway Administration and the State of Minnesota that no person in the United States will, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance (42 U.S.C. 2000d). Through expansion of the mandate

for nondiscrimination in Title VI and through parallel legislation, the proscribed bases of discrimination include race, color, sex, national origin, age, and disability. In addition, the Title VI program has been extended to cover all programs, activities and services of an entity receiving Federal financial assistance, whether such programs and activities are Federally assisted or not. Even in the absence of prior discriminatory practice or usage, a recipient in administering a program or activity to which this part applies is expected to take affirmative action to assure that no person is excluded from participation in, or is denied the benefits of, the program or activity on the grounds of race, color, national origin, sex, age, or disability. It is the responsibility of the Local Government to carry out the above requirements.

2.5.3. **Utilities.** The Local Government will treat all public, private or cooperatively owned utility facilities which directly or indirectly serve the public and which occupy highway rights of way in conformance with 23 CFR 645 "Utilities", which is incorporated herein by reference.

2.6. **Maintenance.** The Local Government assumes full responsibility for the operation and maintenance of any facility constructed or improved under this Agreement.

### 3. MnDOT's Duties

3.1. **Acceptance.** MnDOT accepts designation as Agent of the Local Government for the receipt and disbursement of federal funds and will act in accordance herewith.

#### 3.2. Project Activities.

3.2.1. MnDOT will make the necessary requests to the FHWA for authorization to use federal funds for the Project(s) and for reimbursement of eligible costs pursuant to the terms of this Agreement.

3.2.2. MnDOT will provide to the Local Government copies of the required Federal-aid clauses to be included in the bid solicitation and will provide the required Federal-aid provisions to be included in the Proposal for Highway Construction.

3.2.3. MnDOT will review and certify the DBE participation and notify the Local Government when certification is complete. If certification of DBE participation (or good faith efforts to achieve such participation) cannot be obtained, then Local Government must decide whether to proceed with awarding the contract. Failure to obtain such certification will result in the Project becoming ineligible for federal assistance, and the Local Government must make up any shortfall.

3.2.4. MnDOT will provide the required labor postings.

3.3. **Authority.** MnDOT may withhold federal funds, where MnDOT or the FHWA determines that the Project(s) was not completed in compliance with federal requirements.

3.4. **Inspection.** MnDOT, the FHWA, or duly authorized representatives of the state and federal government will have the right to audit, evaluate and monitor the work performed under this Agreement. The Local Government will make all books, records, and documents pertaining to the work hereunder available for a minimum of six years following the closing of the construction contract.

### 4. Time

4.1. The Local Government must comply with all time requirements described in this Agreement. In the performance of this Agreement, time is of the essence.

4.2. The period of performance is defined as beginning on the date of federal authorization and ending on the date defined in the federal financial system or federal agreement ("end date"). **No work completed** after the **end date** will be eligible for federal funding. Local Government must submit all contract close out paperwork to MnDOT at least twenty-four months prior to the **end date**.

## 5. Payment

- 5.1. **Cost.** The entire cost of the Project(s) is to be paid from federal funds made available by the FHWA and by other funds provided by the Local Government. The Local Government will pay any part of the cost or expense of the Project(s) that is not paid by federal funds. MnDOT will receive the federal funds to be paid by the FHWA for the Project(s), pursuant to Minnesota Statutes § 161.36, Subdivision 2. MnDOT will reimburse the Local Government, from said federal funds made available to each Project, for each partial payment request, subject to the availability and limits of those funds.
- 5.2. **Indirect Cost Rate Proposal/Cost Allocation Plan.** If the Local Government seeks reimbursement for indirect costs and has submitted to MnDOT an indirect cost rate proposal or a cost allocation plan, the rate proposed will be used on a provisional basis. At any time during the period of performance or the final audit of a Project, MnDOT may audit and adjust the indirect cost rate according to the cost principles in 2 CFR Part 200. MnDOT may adjust associated reimbursements accordingly.
- 5.3. **Reimbursement.** The Local Government will prepare partial estimates in accordance with the terms of the construction contract for the Project(s). The Project Engineer will certify each partial estimate. Following certification of the partial estimate, the Local Government will make partial payments to the Contractor in accordance with the terms of the construction contract for the Project(s).
- 5.3.1. Following certification of the partial estimate, the Local Government may request reimbursement for costs eligible for federal funds. The Local Government's request will be made to MnDOT and will include a copy of the certified partial estimate.
- 5.3.2. Upon completion of the Project(s), the Local Government will prepare a final estimate in accordance with the terms of the construction contract for the Project(s). The Project Engineer will certify the final estimate. Following certification of the final estimate, the Local Government will make the final payment to the Contractor in accordance with the terms of the construction contract for the Project(s).
- 5.3.3. Following certification of the final estimate, the Local Government may request reimbursement for costs eligible for federal funds. The Local Government's request will be made to MnDOT and will include a copy of the certified final estimate along with the required records.
- 5.3.4. Upon completion of the Project(s), MnDOT will perform a final inspection and verify the federal and state eligibility of all payment requests. If the Project is found to have been completed in accordance with the plans and specifications, MnDOT will promptly release any remaining federal funds due the Local Government for the Project(s). If MnDOT finds that the Local Government has been overpaid, the Local Government must promptly return any excess funds.
- 5.3.5. In the event MnDOT does not obtain funding from the Minnesota Legislature or other funding source, or funding cannot be continued at a sufficient level to allow for the processing of the federal aid reimbursement requests, the Local Government may continue the work with local funds only, until such time as MnDOT is able to process the federal aid reimbursement requests.
- 5.4. **Matching Funds.** Any cost sharing or matching funds required of the Local Government in this Agreement must comply with 2 CFR 200.306.
- 5.5. **Federal Funds.** Payments under this Agreement will be made from federal funds. The Local Government is responsible for compliance with all federal requirements imposed on these funds and accepts full financial responsibility for failure to comply with any federal requirements including, but not limited to, 2 CFR Part 200. If, for any reason, the federal government fails to pay part of the cost or expense incurred by the Local Government, or in the event the total amount of federal funds is not available, the Local Government will be responsible for any and all costs or expenses incurred under this Agreement. The Local Government further



agrees to pay any and all lawful claims arising out of or incidental to the performance of the work covered by this Agreement in the event the federal government does not pay the same.

- 5.6. **Closeout.** The Local Government must liquidate all obligations incurred under this Agreement for each Project and submit all financial, performance, and other reports as required by the terms of this Agreement and the Federal award at least twenty-four months prior to the **end date** of the period of performance for each Project. MnDOT will determine, at its sole discretion, whether a closeout audit is required prior to final payment approval. If a closeout audit is required, final payment will be held until the audit has been completed. Monitoring of any capital assets acquired with funds will continue following project closeout.
6. **Conditions of Payment.** All services provided by Local Government under this Agreement must be performed to MnDOT's satisfaction, as determined at the sole discretion of MnDOT's Authorized Representative, and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Local Government will not receive payment for work found by MnDOT to be unsatisfactory or performed in violation of federal, state, or local law.

## 7. Authorized Representatives

7.1. MnDOT's Authorized Representative is:

Name: Kristine Elwood, or her successor.

Title: State Aid Engineer

Phone: 651-366-4831

Email: Kristine.elwood@state.mn.us

MnDOT's Authorized Representative has the responsibility to monitor Local Government's performance and the authority to accept the services provided under this Agreement. If the services are satisfactory, MnDOT's Authorized Representative will certify acceptance on each invoice submitted for payment.

7.2. The Local Government's Authorized Representative is:

Name: John Mulder or their successor.

Title: Hermantown City Administrator

Phone: 218-729-3600

Email: jmulder@hermantownmn.com

If the Local Government's Authorized Representative changes at any time during this Agreement, the Local Government will immediately notify MnDOT.

## 8. Assignment Amendments, Waiver, and Agreement Complete

- 8.1. **Assignment.** The Local Government may neither assign nor transfer any rights or obligations under this Agreement without the prior written consent of MnDOT and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this Agreement, or their successors in office.
- 8.2. **Amendments.** Any amendment to this Agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original agreement, or their successors in office.
- 8.3. **Waiver.** If MnDOT fails to enforce any provision of this Agreement, that failure does not waive the provision or MnDOT's right to subsequently enforce it.
- 8.4. **Agreement Complete.** This Agreement contains all negotiations and agreements between MnDOT and the

Local Government. No other understanding regarding this Agreement, whether written or oral, may be used to bind either party.

- 8.5. **Severability.** If any provision of this Agreement, or the application thereof, is found to be invalid or unenforceable to any extent, the remainder of the Agreement, including all material provisions and the application of such provisions, will not be affected and will be enforceable to the greatest extent permitted by the law.
- 8.6. **Electronic Records and Signatures.** The parties agree to contract by electronic means. This includes using electronic signatures and converting original documents to electronic records.
- 8.7. **Certification.** By signing this Agreement, the Local Government certifies that it is not suspended or debarred from receiving federal or state awards.

## 9. Liability and Claims

- 9.1. **Tort Liability.** Each party is responsible for its own acts and omissions and the results thereof to the extent authorized by law and will not be responsible for the acts and omissions of any others and the results thereof. The Minnesota Tort Claims Act, Minnesota Statutes Section 3.736, governs MnDOT liability.
- 9.2. **Claims.** The Local Government acknowledges that MnDOT is acting only as the Local Government's agent for acceptance and disbursement of federal funds, and not as a principal or co-principal with respect to the Project. The Local Government will pay any and all lawful claims arising out of or incidental to the Project including, without limitation, claims related to contractor selection (including the solicitation, evaluation, and acceptance or rejection of bids or proposals), acts or omissions in performing the Project work, and any *ultra vires* acts. To the extent permitted by law, the Local Government will indemnify, defend (to the extent permitted by the Minnesota Attorney General), and hold MnDOT harmless from any claims or costs arising out of or incidental to the Project(s), including reasonable attorney fees incurred by MnDOT. The Local Government's indemnification obligation extends to any actions related to the certification of DBE participation, even if such actions are recommended by MnDOT.

## 10. Audits

- 10.1. Under Minn. Stat. § 16C.05, Subd.5, the books, records, documents, and accounting procedures and practices of the Local Government, or any other party relevant to this Agreement or transaction, are subject to examination by MnDOT and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this Agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later. The Local Government will take timely and appropriate action on all deficiencies identified by an audit.
- 10.2. All requests for reimbursement are subject to audit, at MnDOT's discretion. The cost principles outlined in 2 CFR 200.400-.476 will be used to determine whether costs are eligible for reimbursement under this Agreement.
- 10.3. If Local Government expends \$750,000 or more in Federal Funds during the Local Government's fiscal year, the Local Government must have a single audit or program specific audit conducted in accordance with 2 CFR Part 200.

11. **Government Data Practices.** The Local Government and MnDOT must comply with the Minnesota Government Data Practices Act, [Minn. Stat. Ch. 13](#), as it applies to all data provided by MnDOT under this Agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Local Government under this Agreement. The civil remedies of [Minn. Stat. §13.08](#) apply to the release of the data referred to in this clause by either the Local Government or MnDOT.
12. **Workers Compensation.** The Local Government certifies that it is in compliance with [Minn. Stat. §176.181](#), Subd. 2, pertaining to workers' compensation insurance coverage. The Local Government's employees and agents will

not be considered MnDOT employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way MnDOT's obligation or responsibility.

- 13. Governing Law, Jurisdiction, and Venue.** Minnesota law, without regard to its choice-of-law provisions, governs this Agreement. Venue for all legal proceedings out of this Agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.
- 14. Termination; Suspension**
- 14.1. Termination by MnDOT.** MnDOT may terminate this Agreement with or without cause, upon 30 days written notice to the Local Government. Upon termination, the Local Government will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.
- 14.2. Termination for Cause.** MnDOT may immediately terminate this Agreement if MnDOT finds that there has been a failure to comply with the provisions of this Agreement, that reasonable progress has not been made, that fraudulent or wasteful activity has occurred, that the Local Government has been convicted of a criminal offense relating to a state agreement, or that the purposes for which the funds were granted have not been or will not be fulfilled. MnDOT may take action to protect the interests of MnDOT of Minnesota, including the refusal to disburse additional funds and/or requiring the return of all or part of the funds already disbursed.
- 14.3. Termination for Insufficient Funding.** MnDOT may immediately terminate this Agreement if:
- 14.3.1. It does not obtain funding from the Minnesota Legislature; or
- 14.3.2. If funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Local Government. MnDOT is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Local Government will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. MnDOT will not be assessed any penalty if the Agreement is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. MnDOT will provide the Local Government notice of the lack of funding within a reasonable time of MnDOT's receiving that notice.
- 14.4. Suspension.** MnDOT may immediately suspend this Agreement in the event of a total or partial government shutdown due to the failure to have an approved budget by the legal deadline. Work performed by the Local Government during a period of suspension will be deemed unauthorized and undertaken at risk of non-payment.
- 15. Data Disclosure.** Under [Minn. Stat. § 270C.65](#), Subd. 3, and other applicable law, the Local Government consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to MnDOT, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Local Government to file state tax returns and pay delinquent state tax liabilities, if any.
- 16. Fund Use Prohibited.** The Local Government will not utilize any funds received pursuant to this Agreement to compensate, either directly or indirectly, any contractor, corporation, partnership, or business, however organized, which is disqualified or debarred from entering into or receiving a State contract. This restriction applies regardless of whether the disqualified or debarred party acts in the capacity of a general contractor, a subcontractor, or as an equipment or material supplier. This restriction does not prevent the Local Government from utilizing these funds to pay any party who might be disqualified or debarred after the Local Government's contract award on this Project.

**17. Discrimination Prohibited by Minnesota Statutes §181.59.** The Local Government will comply with the provisions of Minnesota Statutes §181.59 which requires that every contract for or on behalf of the State of Minnesota, or any county, city, town, township, school, school district or any other district in the state, for materials, supplies or construction will contain provisions by which Contractor agrees: 1) That, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no Contractor, material supplier or vendor, will, by reason of race, creed or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates; 2) That no Contractor, material supplier, or vendor, will, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause 1 of this section, or on being hired, prevent or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed or color; 3) That a violation of this section is a misdemeanor; and 4) That this contract may be canceled or terminated by the state of Minnesota, or any county, city, town, township, school, school district or any other person authorized to contracts for employment, and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this Agreement.

**18. Federal Contract Clauses**

- 18.1. Appendix II 2 CFR Part 200.** The Local Government agrees to comply with the following federal requirements as identified in 2 CFR 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, and agrees to pass through these requirements to its subcontractors and third-party contractors, as applicable. In addition, the Local Government shall have the same meaning as “Contractor” in the federal requirements listed below.
- 18.1.1. Contracts for more than the simplified acquisition threshold, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
- 18.1.2. All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.
- 18.1.3. Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”
- 18.1.4. Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision

- for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.
- 18.1.5. Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
- 18.1.6. Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.
- 18.1.7. Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended - Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
- 18.1.8. Debarment and Suspension (Executive Orders 12549 and 12689) - A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.
- 18.1.9. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) - Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must

also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

18.1.10. Local Government will comply with 2 CFR § 200.323.

18.1.11. Local Government will comply with 2 CFR § 200.216.

18.1.12. Local Government will comply with 2 CFR § 200.322.

18.2. **Drug-Free Workplace.** The Local Government will comply with the Drug-Free Workplace requirements under subpart B of 49 C.F.R. Part 32.

18.3. **Title VI/Non-discrimination Assurances.** The Local Government hereby agrees that, as a condition of receiving any Federal financial assistance under this Agreement, it will comply with Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. § 2000d), related nondiscrimination statutes (i.e., 23 U.S.C. § 324, Section 504 of the Rehabilitation Act of 1973 as amended, and the Age Discrimination Act of 1975), and applicable regulatory requirements to the end that no person in the United States shall, on the grounds of race, color, national origin, sex, disability, or age be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity for which the Local Government receives Federal financial assistance.

The Local Government hereby agrees to comply with all applicable US DOT Standard Title VI/Non-Discrimination Assurances contained in DOT Order No. 1050.2A, and in particular Appendices A and E, which can be found at: [https://edocs-public.dot.state.mn.us/edocs\\_public/DMResultSet/download?docId=11149035](https://edocs-public.dot.state.mn.us/edocs_public/DMResultSet/download?docId=11149035). If federal funds are included in any contract, the Local Government will ensure the appendices and solicitation language within the assurances are inserted into contracts as required. State may conduct a review of the Local Government's compliance with this provision. The Local Government must cooperate with State throughout the review process by supplying all requested information and documentation to State, making Local Government staff and officials available for meetings as requested, and correcting any areas of non-compliance as determined by State.

18.4. **Buy America.** The Local Government must comply with the Buy America domestic preferences contained in the Build America, Buy America Act (Sections 70901-52 of the Infrastructure Investment and Jobs Act, Public Law 117-58) and as implemented by US DOT operating agencies.

18.5. **Federal Funding Accountability and Transparency Act (FFATA)**

18.5.1. This Agreement requires the Local Government to provide supplies and/or services that are funded in whole or in part by federal funds that are subject to FFATA. The Local Government is responsible for ensuring that all applicable requirements, including but not limited to those set forth herein, of FFATA are met and that the Local Government provides information to the MnDOT as required.

a. Reporting of Total Compensation of the Local Government's Executives.

b. The Local Government shall report the names and total compensation of each of its five most highly compensated executives for the Local Government's preceding completed fiscal year, if in the Local Government's preceding fiscal year it received:

i. 80 percent or more of the Local Government's annual gross revenues from Federal procurement contracts and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

ii. \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and

- iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <https://www.sec.gov/answers/execomp.htm>).

Executive means officers, managing partners, or any other employees in management positions.

- c. Total compensation means the cash and noncash dollar value earned by the executive during the Local Government's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):
  - i. Salary and bonus.
  - ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
  - iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
  - iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
  - v. Above-market earnings on deferred compensation which is not tax qualified.
- 18.5.2. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.
- 18.5.3. The Local Government must report executive total compensation described above to the MnDOT by the end of the month during which this Agreement is awarded.
- 18.5.4. The Local Government will obtain a Unique Entity Identifier number and maintain this number for the term of this Agreement. This number shall be provided to MnDOT on the plan review checklist submitted with the plans for each Project.
- 18.5.5. The Local Government's failure to comply with the above requirements is a material breach of this Agreement for which the MnDOT may terminate this Agreement for cause. The MnDOT will not be obligated to pay any outstanding invoice received from the Local Government unless and until the Local Government is in full compliance with the above requirements.

**[THE REMAINDER OF THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK.]**

**City of Hermantown**

Local Government certifies that the appropriate person(s) have executed the contract on behalf of the Local Government as required by applicable articles, bylaws, resolutions or ordinances.

By: \_\_\_\_\_

Title: \_\_\_\_\_

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

By: \_\_\_\_\_

Title: \_\_\_\_\_

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

**DEPARTMENT OF TRANSPORTATION**

By: \_\_\_\_\_

Title: \_\_\_\_\_

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

**COMMISSIONER OF ADMINISTRATION**

By: \_\_\_\_\_

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



**Resolution No. 2023-60**

**RESOLUTION APPROVING THE EMPLOYMENT OF  
\_\_\_\_\_ AS THE UTILITY & INFRASTRUCTURE DIRECTOR**

WHEREAS, a search has been conducted for a person with experience and education for a Utility & Infrastructure Director for the City of Hermantown; and

WHEREAS, interviews were conducted by the City Administrator, Director of Public Works, City Engineer, and Building Official on April 24, 2023, with respect to such position; and

WHEREAS, the City Council has duly considered this matter and believes it is in the best interests of the City of Hermantown to accept the recommendations of the City Administrator set forth in the attached memo.

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

1. The employment of \_\_\_\_\_ as the Utility & Infrastructure Director pursuant to the terms set forth in the summary job offer attached hereto is approved.

Councilor \_\_\_\_\_ introduced the foregoing resolution and moved its adoption.

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

Councilors \_\_\_\_\_

and the following voted in opposition thereto:

WHEREUPON, such resolution was declared duly passed and adopted on May 1, 2023.

**Summary Job Offer to**  
**\_\_\_\_\_ from the City of Hermantown**  
**For the Utility & Infrastructure Director**  
**May 1, 2023**

**Proposed Start Date:** \_\_\_\_\_ 20, 2023

**Starting Salary:** The Utility & Infrastructure Director is a salaried position.

The starting salary is \$ \_\_\_\_\_ and will be paid in the same fashion as all other employees.

**Vacation:** On the start date, the City will credit the vacation balance with \_\_\_\_ hours. For purposes of employment benefits such as vacation and the like, he will be credited with having \_\_\_\_ years of employment with the City on his first day of employment.

**Sick Leave:** On the start date, the City will credit the sick leave balance with \_\_\_\_\_ hours of sick leave.

**All Other Terms:** As provided in the Management Compensation Plan



**CITY COUNCIL MEETING DATE:** May 1, 2023

**TO:** Mayor & City Council

**FROM:** John Mulder, City Administrator

**SUBJECT:** Utility & Infrastructure Director

---

**RESOLUTION:** 2023-60       **ORDINANCE:** 2023-xx       **OTHER:** Add Name

---

**REQUESTED ACTION**

Approve the appointment of \_\_\_\_\_ to the vacant Utility & Infrastructure Director position

---

**BACKGROUND**

On Monday, Paul Senst, Adam Schminksi, David Bolf, and I interviewed 3 candidates for the Utility & Infrastructure Director. At this time, we have a recommendation, but have not finalized our background check or made a contingent offer pending Council approval. We expect to finalize that by Monday. We will provide all of the details and copy of the application of the candidate.

---

**SOURCE OF FUNDS (if applicable)**

---

**ATTACHMENTS**

**Resolution No. 2023-61**

**RESOLUTION AUTHORIZING AND DIRECTING MAYOR AND CITY CLERK TO EXECUTE AN ACCEPTANCE OF PERMANENT EASEMENT AGREEMENT AND TEMPORARY EASEMENT AGREEMENT TO THE CITY OF HERMANTOWN FROM ALLETE, INC. AND WAIVING COSTS AND ASSESSMENT**

WHEREAS, the City of Hermantown (“City”) desires to construct improvements to a portion of Lindahl Road in the City of Hermantown known as the Richard Avenue & Lindgren Road Reconstruction Project (“Project”); and

WHEREAS, the City needs to obtain a permanent and temporary easement (“Easement”) from Allete, Inc. d/b/a Minnesota Power & Light Company (“Allete”) to construct the Project; and

WHEREAS, the City is authorized to acquire the Easement pursuant to Minnesota Statutes Section 412.211 of the Minnesota Statutes; and

WHEREAS, Allete provides electricity to the residential, commercial and municipal customers in northeastern Minnesota, including serving the City of Hermantown, and has significant infrastructure in place to do so; and

WHEREAS, acquiring the Easement places a burden on Allete to relocate its equipment; and

WHEREAS, Allete will provide the Easement to the City subject to reasonable relocation costs identified on Exhibit A attached hereto and the waiver of any special assessments; and

WHEREAS, the City Attorney has prepared the Easement with respect to the matters set forth above and such Easement is attached hereto as Exhibit B; and

WHEREAS, the City Council of the City of Hermantown has considered this matter and believes that it is in the best interests of the City of Hermantown to accept the Easement and provide consideration to Allete in connection with such acceptance.

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 the Acceptance of the Easement.
2. That reasonable relocation compensation will be provided to Allete in consideration of the acceptance of the Easement upon receipt of an invoice and in line with Exhibit A.

3. That the City shall waive any special assessments related to the Project against the property covered by the Easement in exchange for the Easement rights.

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 May 1, 2023.

**EXHIBIT A**



© **minnesota power** / 30 west superior street / duluth, minnesota 55802-2093 / 218-722-5642 / www.mnpower.com  
Est#0145795

March 9, 2023

David Bolf, P.E.  
Principal Partner - Civil Department Manager  
Hermantown City Engineer

RE:Primary Distribution relocation on Lindgren Rd.

Dear David:

The total estimate to relocate the overhead primary distribution along the north side of Lindgren Rd between Haines Rd and the MinnPower substation driveway, is: \$73837.68. This cost is for all labor and material necessary to complete the overhead relocation.

\*including:

- Removing/ relocating 6 poles on MP property
- Reusing the 3 voltage regulators (zero cost, but \$100k value normally)
- Relocate two overhead transformer banks
- Install new 636 ACSR wire

\*\* does not include:

- 1 pole located in City ROW

The total estimate for the needed tree clearing in the vicinity of this project is: \$15,100.00 to be preformed by Zielies Tree Service.

The Grand total for this estimate is: \$88,937.68.

This is an estimate only. Customer shall pay all actual costs, above or below the estimate and a check for the above amount will need to be sent to Minnesota Power (attention my name) before any work will begin OR a PO# issued by the City of Hermantown.



## EXHIBIT B

### PERMANENT EASEMENT AGREEMENT AND TEMPORARY EASEMENT AGREEMENT

[TOP THREE INCHES RESERVED FOR RECORDING DATA]

THIS INDENTURE is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2023, between **Allete, Inc.**, a Minnesota corporation **d/b/a Minnesota Power & Light Company**, hereinafter called “Grantor” and **City of Hermantown**, a Minnesota municipal corporation, hereinafter called “Grantee” in response to the following situation:

A. Grantor is the owner of real property located in St. Louis County, Minnesota, and legally on Exhibit A attached hereto (the “Property”).

B. Grantee desires to construct roadway improvements on the Property (“Project”).

C. Grantor has agreed to provide a non-exclusive permanent easement (“Permanent Easement”) for public purposes, including, but not limited to, the construction and maintenance of a roadway and public utilities or other public improvements, over, under, and across the property owned by Grantor, within the Permanent Easement Area identified on the legal description for the Permanent Easement and legally described on Exhibit B and depicted on Exhibit D attached hereto.

D. Grantor has also agreed to provide a temporary easement (“Temporary Easement”) for the construction of the roadway within the Temporary Easement area legally described on Exhibit C and depicted on Exhibit E attached hereto.

NOW, THEREFORE, in consideration of mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Recitals are included as a part hereof.

2. Grantor grants Grantee the Permanent Easement to construct and maintain a roadway on, over and across the Permanent Easement Area, together with the right to locate the Permanent Easement Area by surveying and the placement of appropriate markers, if necessary, the right to enter upon and occupy as much of the Permanent Easement Area as may be necessary to construct any roadway thereon, including any required slope and fill, and the right to remove any and all trees and shrubs and herbage thereon and the right to clear and keep the Permanent Easement Area cleared so as to allow Grantee to have access to the public improvements.

3. Grantor grants the Temporary Easement to Grantee, its agents and employees, with necessary equipment, to enter upon and have access to the Temporary Easement areas for the purpose of construction work relating to the Project. The Temporary Easement shall expire and be of no further force and effect on December 31, 2024.

4. The Permanent Easement shall be perpetual and shall run with the land and shall be binding upon the heirs, successors and assigns of the parties.

5. Prior to expiration of the Temporary Easement, Grantee shall reasonably restore the Temporary Easement area to substantially the same condition as it was in prior to Grantee's entry upon the Temporary Easement area.

6. The Grantee shall be responsible for any and all claims, demands, and actions of whatever nature or character arising out of or in connection with Grantee's exercise of the easement rights granted herein.

**[SIGNATURES APPEAR ON NEXT PAGE]**



IN WITNESS WHEREOF, the said Grantor has caused this instrument to be executed on the day and year first above written.

**Allete, Inc., a Minnesota corporation  
d/b/a Minnesota Power & Light Company**

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

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

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2023, by \_\_\_\_\_ the \_\_\_\_\_ of Allete, Inc., a Minnesota corporation d/b/a Minnesota Power & Light Company on behalf of Allete, Inc., a Minnesota corporation d/b/a Minnesota Power & Light Company.

\_\_\_\_\_  
Notary Public

[ACCEPTANCE APPEARS ON NEXT PAGE]



**EXHIBIT A**  
**Legal Description**

Southerly Eight hundred seventy feet (S'y 870 ft.) of the Northeast Quarter of the Southeast Quarter (NE 1/4 of SE 1/4) Section Thirteen (13), Township Fifty (50) North of Range Fifteen (15) West of the Fourth Principal Meridian EXCEPT the Northerly Two Hundred Seventy-five (275) feet, according to the United States Government Survey thereof, St. Louis County, Minnesota.

Abstract Property

**EXHIBIT B**  
**Permanent Easement**

An easement for roadway and utility purposes lying over, under and across the that part of the Northeast Quarter of the Southeast Quarter of Section 13, Township 50 North, Range 15 West of the Fourth Principal Meridian, St. Louis County, Minnesota described as follows:

Commencing at the Southeast corner of said Section 13; thence on an assumed bearing of North 00 degrees 20 minutes 55 seconds West, along the East line of the Southeast Quarter of said Section 13 for a distance of 1322.11 feet to the Southeast corner of the Northeast Quarter of the Southeast Quarter of said Section 13; thence North 89 degrees 37 minutes 03 seconds West, along the South line of said Northeast Quarter of the Southeast Quarter 175.00 feet to the Westerly right of way line of Haines Road; thence North 00 degrees 22 minutes 57 seconds East, along said Westerly right of way line 20.00 feet to the Northerly right of way line of Lindgren Road, said point being the point of beginning of the easement herein described; thence continue North 00 degrees 22 minutes 57 seconds East, along said Westerly right of way line of Haines Road 13.00 feet to a line parallel with and distant 33.00 feet North of the South line of said Northeast Quarter of the Southeast Quarter; thence South 89 degrees 37 minutes 03 seconds East, along said parallel line 82.56 feet to a Westerly right of way line of said Haines Road; thence North 45 degrees 01 minutes 00 seconds East, along said Westerly right of way line 37.94 feet to a line parallel with and distant 60.00 feet North of the South line of said Northeast Quarter of the Southeast Quarter; thence North 89 degrees 37 minutes 03 seconds West, along said parallel line 1207.08 feet to the Easterly right of way line of Loberg Avenue; thence South 07 degrees 55 minutes 52 seconds West, along said Easterly right of way line 30.00 feet; thence Southwesterly 10.35 feet, along said Easterly right of way line, along a non-tangential curve, concave to the West, said curve having a radius of 1834.86 feet and a delta angle of 00 degrees 19 minutes 23 seconds, the chord of said curve bears South 07 degrees 46 minutes 10 seconds West for a chord distance of 10.35 feet to the Northerly right of way line of Lindgren Road; thence South 89 degrees 37 minutes 03 seconds East, along said Northerly right of way line 1103.14 feet to the point of beginning.

Said easement contains 46,610 square feet or 1.07 acres

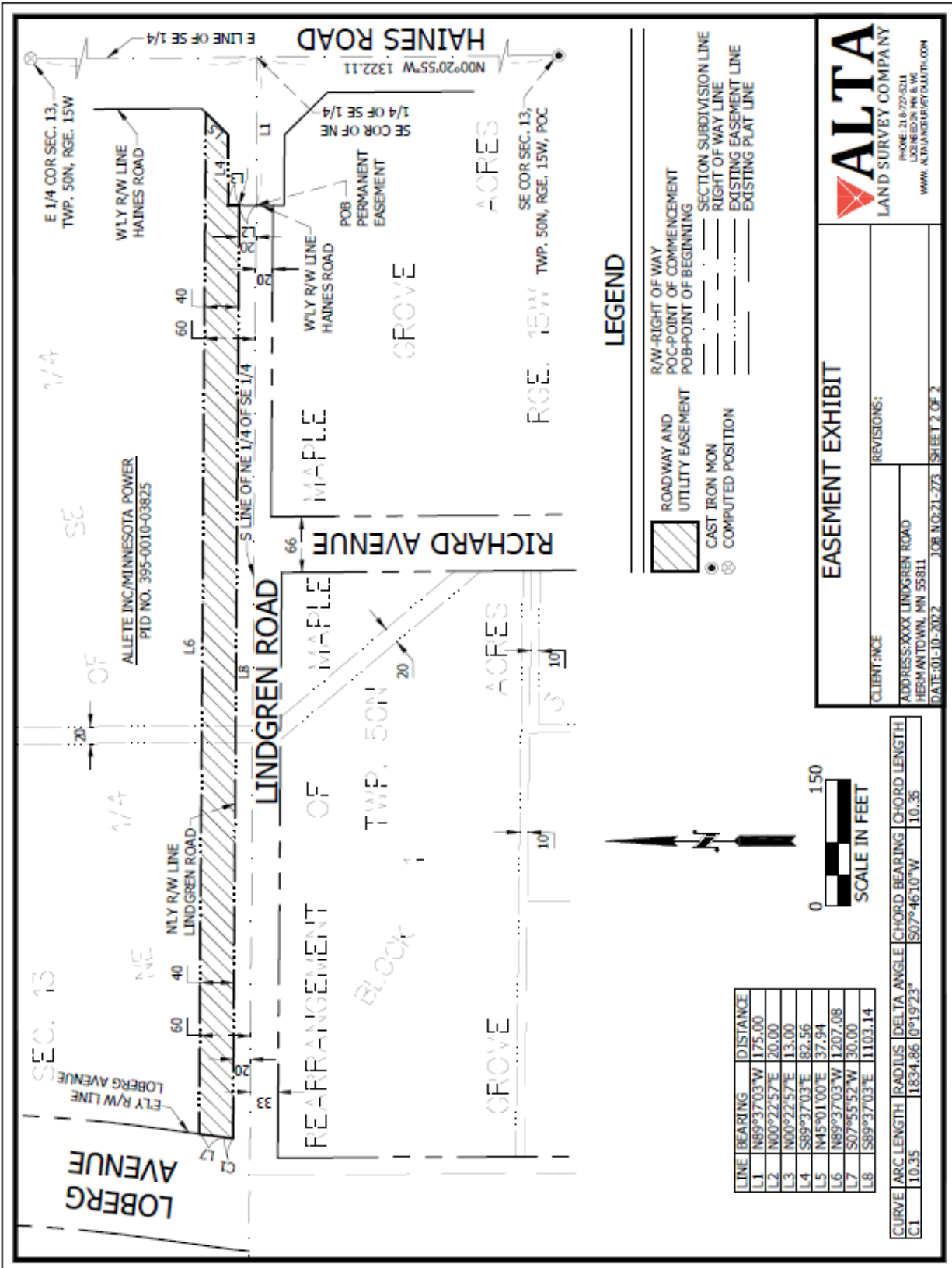
**EXHIBIT C**  
**Temporary Easement**

A temporary easement for construction purposes lying over, under and across the that part of the Northeast Quarter of the Southeast Quarter of Section 13, Township 50 North, Range 15 West of the Fourth Principal Meridian, St. Louis County, Minnesota described as follows:

Commencing at the Southeast corner of said Section 13; thence on an assumed bearing of North 00 degrees 20 minutes 55 seconds West, along the East line of the Southeast Quarter of said Section 13 for a distance of 1322.11 feet to the Southeast corner of the Northeast Quarter of the Southeast Quarter of said Section 13; thence North 89 degrees 37 minutes 03 seconds West, along the South line of said Northeast Quarter of the Southeast Quarter 175.00 feet to the Westerly right of way line of Haines Road; thence North 00 degrees 22 minutes 57 seconds East, along said Westerly right of way line 20.00 feet to the Northerly right of way line of Lindgren Road, said point being the point of beginning of the easement herein described; thence continue North 00 degrees 22 minutes 57 seconds East, along said Westerly right of way line of Haines Road 13.00 feet to a line parallel with and distant 33.00 feet North of the South line of said Northeast Quarter of the Southeast Quarter; thence South 89 degrees 37 minutes 03 seconds East, along said parallel line 82.56 feet to the Westerly right of way line of Haines Road; thence North 45 degrees 01 minutes 00 seconds East 44.99 feet to said Westerly right of way line; thence North 00 degrees 20 minutes 56 seconds West, along said Westerly right of way line 4.98 feet to a line parallel with and distant 70.00 feet North of the South line of said Northeast Quarter of the Southeast Quarter; thence North 89 degrees 37 minutes 03 seconds West, along said parallel line 599.10 feet; thence North 00 degrees 22 minutes 57 seconds East 20.00 feet to a line parallel with and distant 90.00 feet North of the South line of said Northeast Quarter of the Southeast Quarter; thence North 89 degrees 37 minutes 03 seconds West, along said parallel line 20.00 feet; thence North 00 degrees 00 minutes 00 seconds East 120.10 feet; thence North 79 degrees 50 minutes 15 seconds East 63.97 feet; thence North 02 degrees 36 minutes 49 seconds East 254.65 feet; thence South 88 degrees 57 minutes 49 seconds East 186.72 feet; thence North 00 degrees 00 minutes 00 seconds East 149.68 feet; thence North 88 degrees 37 minutes 22 seconds West 384.72 feet; thence South 00 degrees 00 minutes 00 seconds East 141.39 feet; thence North 90 degrees 00 minutes 00 seconds East 156.96 feet; thence South 00 degrees 00 minutes 00 seconds East 128.67 feet; thence South 41 degrees 50 minutes 01 seconds West 140.35 feet; thence South 00 degrees 00 minutes 00 seconds East 166.29 feet; thence North 89 degrees 37 minutes 03 seconds West 20.00 feet; thence South 00 degrees 22 minutes 57 seconds West 70.00 feet; thence South 89 degrees 37 minutes 03 seconds East 585.00 feet to the point of beginning.

Said easement contains 116,479 square feet or 2.67 acres

**EXHIBIT D**  
**Permanent Depiction**



**EXHIBIT E**  
**Temporary Depiction**

