



Hermantown City Council Meeting - Monday, August 21, 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 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, August 21, 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, August 21, 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, August 21, 2023 at 4:30 p.m.
Council Chambers, City Hall - Hermantown Governmental Services Building**

**City Council Meeting Monday, August 21, 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.
 - A. **2023-121 - Resolution Of The City Of Hermantown Modifying Municipal Development District No. 1, Approving The Modified Development Program Therefor, Establishing Tax Increment Financing District No. 2: The Greenhouse (A Redevelopment District) And Approving The Tax Increment Financing Plan Therefor Within Municipal Development District No. 1** **6**
6. **COMMUNICATIONS**
 - A. Correspondence 23-135 through 23-139 placed on file 81
7. **PRESENTATIONS**
 - A. **2nd Quarter Financials** **82**
Kevin Orme, Director of Finance & Administration
(Pre-Agenda Only)
 - B. **Preliminary 2024 General Fund Budgeted Expenditures** **84**
Kevin Orme, Director of Finance & Administration
(Pre-Agenda Only)
 - C. **Fichtner Park Update**
John Mulder, City Administrator
(Pre-Agenda Only)
 - D. **Essentia Wellness Center Report**
Joe Wicklund, Communications & Community Engagement Dir.

(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 August 7, 2023 City Council Continuation Minutes **106**
- B. **Accounts Payable** - Approve general city warrants from August 1, 2023 through August 15, 2023 in the amount of \$1,538,496.97 **113**

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. **2023-117 Resolution Approving Change Orders Numbers 10 Through 12 For Road Improvement Project 534 (Ugstad & Arrowhead Roads)** **118**

(motion, roll call)

- B. **2023-118 Resolution Approving Pay Request Number 3 For Road Improvement District 534 To Ulland Brothers, Inc. In The Amount Of \$701,814.09** **127**

(motion, roll call)

- C. **2023-119 Resolution Approving Pay Request Number 2 For Road Improvement District 538 To Ulland Brothers, Inc. In The Amount Of \$344,444.04** **133**

(motion, roll call)

- D. **2023-120 Resolution Accepting A Proposal For Engineering Services With A Total Not To Exceed Contract Amount Of \$233,880.00 For Fichtner Park Improvements As Part Of The Community Recreation Initiative From Northland Consulting Engineers** **139**

(motion, roll call)

13. **CLOSED SESSION**

- A. Motion to close the meeting of the Hermantown City Council pursuant to Minnesota Statute §13D.03 to consider confidential information related to labor negotiations strategy. Following this closed session, the Hermantown City Council will re-convene in an open session.

(motion, roll call)

14. **RECESS**

Resolution No. 2023-121

RESOLUTION OF THE CITY OF HERMANTOWN MODIFYING MUNICIPAL DEVELOPMENT DISTRICT NO. 1, APPROVING THE MODIFIED DEVELOPMENT PROGRAM THEREFOR, ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 2: THE GREENHOUSE (A REDEVELOPMENT DISTRICT) AND APPROVING THE TAX INCREMENT FINANCING PLAN THEREFOR WITHIN MUNICIPAL DEVELOPMENT DISTRICT NO. 1

WHEREAS, the City of Hermantown, Minnesota (the “City”) has proposed to modify Municipal Development District No. 1 (the “Development District”) and the Development Program therefore (the “Development Program”) and has proposed to establish Tax Increment Financing District No. 2: The Greenhouse (a redevelopment district) (the “TIF District”) therein and approve and accept the proposed Tax Increment Financing Plan therefor (the “TIF Plan”) under the provisions of Minnesota Statutes, Sections 469.124 through 469.134, both inclusive, as amended and Minnesota Statutes, Sections 469.174 through 469.1794, both inclusive, as amended (collectively, the “Act”); and

WHEREAS, the City has performed all actions required by law to be performed prior to the modification of the Development District and the establishment of the TIF District therein and the adoption of the proposed Development Program and TIF Plan relating thereto, including, but not limited to, notification of St Louis County and Hermantown School District (ISD No. 700) having taxing jurisdiction over the property to be included in the TIF District; and

WHEREAS, the City Council of the City of Hermantown has fully reviewed the contents of the Development Program and the TIF Plan, and on this date conducted a public hearing thereon at which the views of all interested persons were heard.

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

1. Municipal Development District No. 1. The modifications of Municipal Development District No. 1 and the Development Program, including the expansion of the Development District boundaries and a restatement of the Development Program, are approved and adopted.
2. Tax Increment Financing District No 2. The Greenhouse (a redevelopment district). Tax Increment Financing District No. 2: The Greenhouse (a redevelopment district) is hereby established within the Development District. The initial boundaries of the TIF District are fixed and determined as described in the TIF Plan.
3. Tax Increment Financing Plan. The TIF Plan is adopted as the tax increment financing plan for the TIF District.

4. Findings. In taking these actions, the City Council makes the following findings:

4.1. The TIF District is a redevelopment district as defined in Minnesota Statutes, Section 469.174, Subd. 10. Parcels consisting of 70 percent of the area of the TIF District are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance. The basis for these findings is described in Appendix D of the TIF Plan.

4.2. Redevelopment of the TIF District, in the opinion of the City Council, would not occur solely through private investment within the reasonably foreseeable future. A developer that has proposed to acquire the Parcels and if successful in acquiring the Parcels to redevelop the TIF District has represented to the City that it would not undertake the project as proposed without the City's use of tax increment financing. Previous City planning attests to the difficulty of redeveloping this site solely through private financing. Due to the necessity of removing structurally substandard buildings, preparing property for redevelopment, and constructing public improvements, the City Council finds that public financing assistance for the redevelopment activities proposed in the TIF Plan is necessary so that development by private enterprise will occur within the Development District and the TIF District.

4.3. The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed redevelopment after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan. A comparative analysis of estimated market values both with and without establishment of the TIF District and the use of tax increments has been performed as described above. Such analysis is found in Appendix B of the TIF Plan, and indicates that the increase in estimated market value of the proposed redevelopment (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the TIF District and the use of tax increments.

4.4. The TIF Plan for the TIF District conforms to the general plan for development or redevelopment of the City as a whole. Appendix C of the TIF Plan contains information used in making this finding.

5. Public Purpose. The adoption of the Development Program for the Development and the TIF Plan for the TIF District conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the State which is already built up to provide employment opportunities, to improve the tax base and to improve the general economy of the State and thereby serves a public purpose and will afford maximum opportunity, consistent with the sound needs for the City as a whole, for the development or redevelopment of the project area by private enterprise in that the intent is to provide only that public assistance necessary to make proposed private developments financially feasible.

6. Certification and Filing. The City Administrator is authorized and directed to transmit a certified copy of this resolution together with a certified copy of the TIF Plan for TIF District No. 2: The Greenhouse (a redevelopment district) to the Auditor of St. Louis County with a request that the original tax capacity of the property within the TIF District be certified to the City pursuant to Section 469.177, Subd. 1 of the TIF Act, and to file a copy of the Development Program and the TIF Plan with the Minnesota Commissioner of Revenue and State Auditor as required by the TIF Act.

7. Administration. The administration of the Development District and the TIF District is assigned to the City Administrator who shall from time to time be granted such powers and duties pursuant to the Act as the City Council may deem appropriate.

8. No Development Approvals. Nothing in this Resolution constitutes a commitment or agreement that the City or the Hermantown Economic Development Authority (“HEDA”) will enter into a development agreement to provide financial assistance to the Greenhouse Project. Neither City nor HEDA is legally permitted to incur any such obligations without the contractual arrangements being approved by the affirmative action of the City Council of City and the affirmative vote of the Board of Commissioners of HEDA.

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 August 21, 2023.

Adoption Date: August 21, 2023

City of Hermantown in St. Louis County, Minnesota

MODIFICATION TO THE DEVELOPMENT PROGRAM

Development District No. 1

and

Tax Increment Financing (TIF) Plan

Tax Increment Financing District No. 2: The Greenhouse
(a redevelopment district)



Prepared by:

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BUILDING COMMUNITIES. IT'S WHAT WE DO.

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Modification to the Development Program for Development District No. 1

FOREWORD

The following text represents a Modification to the Development Program for Development District No. 1. This modification represents a continuation of the goals and objectives set forth in the Development Program for Development District No. 1. Generally, the substantive changes include the enlargement of Development District No. 1 to accommodate the establishment of Tax Increment Financing District No. 2.

For further information, a review of the Development Program for Development District No. 1, is recommended. It is available from the Community Development Director at the City of Hermantown. Other relevant information is contained in the tax increment financing plans for the tax increment financing districts located within Development District No. 1, as enlarged.

Tax Increment Financing Plan for Tax Increment Financing District No. 2

FOREWORD

The Hermantown Economic Development Authority (the “HEDA”) and the City of Hermantown (the “City”), staff and consultants have prepared the following information to expedite the establishment of Tax Increment Financing District No. 2 (the “District”), a redevelopment tax increment financing district, located in Development District No. 1, as enlarged.

STATUTORY AUTHORITY

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the City and HEDA have certain statutory powers pursuant to *Minnesota Statutes (“M.S.”), Sections 469.124 - 469.134, inclusive, as amended, Sections 469.001 - 469.047, inclusive, as amended, and M.S., Sections 469.174 to 469.1794, inclusive, as amended* (the “TIF Act”), to assist in financing public costs related to this project.

This section contains the Tax Increment Financing Plan (the “TIF Plan”) for the District. Other relevant information is contained in the Modification to the Development Program for Development District No. 1, as enlarged.

STATEMENT OF OBJECTIVES

The District currently consists of two (2) parcels of land and adjacent roads and internal rights-of-way. The District is being created on 27 acres of land located in the southeastern quadrant of the City. Tax increments collected from the TIF District will enable the City to facilitate the development of the Engwall’s floral site into a two-phase, two-building project with plans for an additional third phase to the north. The initial project includes 140 units of residential market-rate apartments with amenity spaces in Phase 1 and a second 120 unit building for Phase 2 on the southern 18 acres of land with plans to develop approximately 26 single-family homes on the remaining 9 acres to the north. Site work includes improvements to ½ mile of Hermantown Road, a new north/south local road approximately ¼ of a mile in length, on-site stormwater improvements, construction of a City trail segment with parking and pedestrian shelter and public sewer and water improvements. The City and HEDA have not entered into an agreement but have been in talks with P&R Developments, LLC, as developer for the initial project at the time of preparation of this TIF Plan. Development is anticipated to begin in 2024.

This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for Development District No. 1, as enlarged.

The activities contemplated in the Modification to the Development Program and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of Development District No. 1, as enlarged and the District.

DEVELOPMENT PROGRAM OVERVIEW

Pursuant to the Development Program and authorizing state statutes, the City and HEDA are authorized to undertake the following activities in the District:

- 1. Property to be Acquired - Selected property located within the District may be acquired by the City or HEDA and is further described in this TIF Plan.
- 2. Relocation - Relocation services, to the extent required by law, are available pursuant to *M.S., Chapter 117* and other relevant state and federal laws.
- 3. Upon approval of a developer’s plan relating to the project and completion of the necessary legal requirements, the City and HEDA may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.
- 4. The City and HEDA may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.

DESCRIPTION OF PROPERTY IN THE DISTRICT AND PROPERTY TO BE ACQUIRED

The District encompasses all property and adjacent roads rights-of-way and abutting roadways identified by the parcels listed below.

Parcel number	Address	Owner
395-0010-07045	4747 Hermantown Rd	Saline Prop
395-0010-07050	4747 Hermantown Rd	Saline Prop

Please also see the map in Appendix A for further information on the location of the District.

The City or HEDA may acquire any parcel within the District including interior and adjacent street rights of way. Any properties identified for acquisition will be acquired by the City or HEDA only to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities, and facilities; carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this plan. The City or HEDA may acquire property by gift, dedication, condemnation, or direct purchase from willing sellers to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

DISTRICT CLASSIFICATION

The City, in determining the need to create a tax increment financing district in accordance with *M.S., Sections 469.174 to 469.1794*, as amended, inclusive, finds that the District, to be established, is a redevelopment district pursuant to *M.S., Section 469.174, Subd. 10(a)(1)*.

- The District is a redevelopment district consisting of two (2) parcels.
- An inventory shows that parcels consisting of more than 70% of the area in the District are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures.
- An inspection of the buildings located within the District finds that more than 50% of the buildings are structurally substandard as defined in the TIF Act. (See Appendix D).

Pursuant to *M.S., Section 469.176, Subd. 7*, the District does not contain any parcel or part of a parcel that qualified under the provisions of *M.S., Sections 273.111, 273.112, or 273.114 or Chapter 473H* for taxes payable in any of the five calendar years before the filing of the request for certification of the District.

DURATION & FIRST YEAR OF DISTRICT'S TAX INCREMENT

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 25 years after receipt of the first increment by the City (a total of 26 years of tax increment). The City elects to receive the first tax increment in 2026, which is no later than four years following the year of approval of the District.

Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2051, or when the TIF Plan is satisfied. The City reserves the right to decertify the District prior to the legally required date.

ORIGINAL TAX CAPACITY, TAX RATE AND ESTIMATED CAPTURED NET TAX CAPACITY VALUE/INCREMENT AND NOTIFICATION OF PRIOR PLANNED IMPROVEMENTS

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2023 for taxes payable 2024.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2026) the amount by which the original value has increased or decreased because of:

1. Change in tax exempt status of property;
2. Reduction or enlargement of the geographic boundaries of the District;
3. Change due to adjustments, negotiated or court-ordered abatements;
4. Change in the use of the property and classification;
5. Change in state law governing class rates; or
6. Change in previously issued building permits.

In any year in which the current Net Tax Capacity (NTC) value of the District declines below the ONTC, no value will be captured, and no tax increment will be payable to the City.

The original local tax rate for the District will be the local tax rate for taxes payable 2024, assuming the request for certification is made before June 30, 2024. The rates for 2024 were not available at the time the District was established. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within Development District No. 1, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The City requests 100% of the available increase in tax capacity be used for repayment of the obligations of the City and current expenditures, beginning in the tax year payable 2026. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Tax Capacity	
Project estimated Tax Capacity upon completion	931,544
Original estimated Net Tax Capacity	9,483
Estimated Captured Tax Capacity	922,061
Original Local Tax Rate	<u>133.8310%</u> Pay 2023
Estimated Annual Tax Increment	\$1,234,003
Percent Retained by the City	100%

Note: Tax capacity includes a 2.00% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in the last year. The tax capacity of the District in the first year is estimated to be \$159,997.

Pursuant to *M.S., Section 469.177, Subd. 4*, the City shall, after a due and diligent search, accompany its request for certification to the County Auditor or its notice of the District enlargement pursuant to *M.S., Section 469.175, Subd. 4*, with a listing of all properties within the District or area of enlargement for which building permits have been issued during the eighteen (18) months immediately preceding approval of the TIF Plan by the municipality pursuant to *M.S., Section 469.175, Subd. 3*. The County Auditor shall increase the original net tax capacity of the District by the net tax capacity of improvements for which a building permit was issued.

The City is reviewing the area to be included in the District to determine if any building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City.

SOURCES OF REVENUE/BONDS TO BE ISSUED

The total estimated tax increment revenues for the District are shown in the table below:

SOURCES	
Tax Increment	\$24,405,662
Interest	<u>2,440,566</u>
TOTAL	\$26,846,228

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The City reserves the right to issue bonds (as defined in the TIF Act) or incur other indebtedness as a result of the TIF Plan. As presently proposed, the projects within the District will be financed by pay-as-you-go notes and interfund loans. Any refunding amounts will be deemed a budgeted cost without a formal modification to this TIF Plan. This provision does not obligate the City to incur debt. The City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

The City may issue bonds secured in whole or in part with tax increments from the District in a maximum principal amount of \$16,084,034. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

USES OF FUNDS

Currently under consideration for the District is a proposal to facilitate the development of the Engwall’s floral site into approximately 260 units of market-rate apartments (Phase 1 and 2) plus 26 single-family homes. The City has determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described herein.

The City has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

USES	
Land/Building Acquisition	\$ 800,000
Site Improvements/Preparation	4,907,730
Affordable Housing	-
Utilities	2,107,711
Other Qualifying Improvements	5,828,027
Administrative Costs (up to 10%)	2,440,566
PROJECT COSTS TOTAL	\$16,084,034
Interest	10,762,194
PROJECT AND INTEREST COSTS TOTAL	\$26,846,228

The total project cost, including financing costs (interest) listed in the table above does not exceed the total projected tax increments for the District as shown in the Sources of Revenue section.

Estimated costs associated with the District are subject to change among categories without a modification to the TIF Plan. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. Pursuant to *M.S., Section 469.1763, Subd. 2*, no more than 25% of the tax increment paid by property within the District will be spent on activities related to development or redevelopment outside of the District but within the boundaries of Development District No. 1, as enlarged, (including administrative costs, which are considered to be spent outside of the District) subject to the limitations as described in the TIF Plan.

ESTIMATED IMPACT ON OTHER TAXING JURISDICTIONS

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF Plan would occur without the creation of the District. However, the City has determined that such development or redevelopment would not occur "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is \$0. The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

Impact on Tax Base			
Entity	2022/Pay 2023 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) upon completion	Percent of CTC to Entity Total
St. Louis County	249,820,603	922,061	0.3691%
City of Hermantown	16,304,002	922,061	5.6554%
ISD 700 (Hermantown)	20,553,814	922,061	4.4861%

Impact on Tax Rates				
Entity	Pay 2023 Extension Rate	Percent of Total	CTC	Potential Taxes
St. Louis County	63.4060%	47.38%	922,061	\$ 584,642
City of Hermantown	46.6530%	34.86%	922,061	430,169
ISD 700 (Hermantown)	22.6830%	16.95%	922,061	209,151
Other	1.0890%	0.81%	922,061	10,041
	133.8310%	100.00%		\$1,234,003

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the Pay 2023 rate.

The total net capacity for the entities listed above are based on Pay 2023 figures. The District will be certified under the Pay 2024 rates, which were unavailable at the time this TIF Plan was prepared.

Pursuant to *M.S., Section 469.175 Subd. 2(b)*:

- (1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is \$24,405,662;
- (2) Probable impact of the District on City provided services and ability to issue debt. An impact of the District on police protection is expected. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic, and additional overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The probable impact of the District on fire protection is not expected to be significant. Typically, new buildings generate few calls, if any, and are of superior construction. The existing buildings, located at the site, which will be eliminated by the new development, have public safety concerns that include several unprotected old buildings with issues such as access, hydrant locations, and converted structures. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact any traffic movements in the area. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. However, based on the development plans, there will be some additional costs associated with the new City street and storm sewer pond related to maintenance, sweeping, plowing, lighting and sidewalks. The development in the District is expected to contribute to sanitary sewer (SAC) and water (WAC) connection fees.

The probable impact of the issuance of any general obligation tax increment bonds payable from tax increment revenues from the District on the City's ability to issue debt for general fund purposes is expected to be minimal.

Although it is anticipated that there will be some general obligation debt issued in relation to the public improvements for the project, it will have little to no impact on the City's ability to issue future debt or on the City's debt limit.

- (3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is \$4,136,513;
- (4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is \$11,562,832;
- (5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S., Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

No requests for additional information from the county or school district regarding the proposed development for the District have been received.

SUPPORTING DOCUMENTATION

Pursuant to *M.S., Section 469.175, Subd. 1 (a), clause 7* this TIF Plan must contain identification and description of studies and analyses used to make the determination set forth in *M.S., Section 469.175, Subd. 3, clause (b)(2)* and the findings are required in the resolution approving the District.

- (i) In making said determination, reliance has been placed upon (1) written representation made by the Developer to such effects, (2) review of the Developer's proforma; and (3) City staff awareness of the feasibility of developing the project site within the District, which is further outlined in the City Council resolution approving the establishment of the District and Appendix C.

- (ii) A comparative analysis of estimated market value both with and without establishment of the District and the use of tax increments has been performed. Such analysis is included with the cashflow in Appendix B and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the District and the use of tax increments.

DISTRICT ADMINISTRATION

Administration of the District will be handled by the Community Development Director.

Appendix A: Map of Development District No. 1 and the TIF District

Tax Increment Financing District No. 2: The Greenhouse

Located in Development District No. 1
in the City of Hermantown, MN



Appendix B: Estimated Cash Flow for the District

P&R Housing Development a/k/a The Greenhouse - New TIF District w/Inflation

City of Hermantown, Minnesota

Redevelopment of Engwall's floral site into approximately 260 units of market-rate apartments (Phase 1 & 2) + 26 single-family homes



ASSUMPTIONS AND RATES

DistrictType:	Redevelopment
District Name/Number:	2
County District #:	TBD
First Year Construction or Inflation on Value	2024
Existing District - Specify No. Years Remaining	
Inflation Rate - Every Year:	2.00%
Interest Rate:	4.50%
Present Value Date:	1-Aug-24
First Period Ending	1-Feb-25
Tax Year District was Certified:	Pay 2024
Cashflow Assumes First Tax Increment For Development:	2026
Years of Tax Increment	26
Assumes Last Year of Tax Increment	2051
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	NA
Incremental or Total Fiscal Disparities	
Fiscal Disparities Contribution Ratio	0.0000% Pay 2023
Fiscal Disparities Metro-Wide Tax Rate	0.0000% Pay 2023
Maximum/Frozen Local Tax Rate:	133.831% Pay 2023
Current Local Tax Rate: (Use lesser of Current or Max.)	133.831% Pay 2023
State-wide Tax Rate (Comm./Ind. only used for total taxes)	33.0030% Pay 2023
Market Value Tax Rate (Used for total taxes)	0.11298% Pay 2023

Tax Rates	
Exempt Class Rate (Exempt)	0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)	
First \$150,000	1.50%
Over \$150,000	2.00%
Commercial Industrial Class Rate (C/I)	2.00%
Rental Housing Class Rate (Rental)	1.25%
Affordable Rental Housing Class Rate (Aff. Rental)	
First \$100,000	0.75%
Over \$100,000	0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)	
First \$500,000	1.00%
Over \$500,000	1.25%
Homestead Residential Class Rate (Hmstd. Res.)	
First \$500,000	1.00%
Over \$500,000	1.25%
Agricultural Non-Homestead	1.00%

BASE VALUE INFORMATION (Original Tax Capacity)

Map ID	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion	
													Orig. Tax Cap.	Area/Phase
1	395-0010-07045	Saline Prop	4747 Hermantown Rd	19,900	0	19,900	100%	19,900	Pay 2023	Ag Non-Homestead	199	Hmstd. Res.	199	1
1	395-0010-07050	Saline Prop	4747 Hermantown Rd	270,100	314,000	584,100	100%	584,100	Pay 2023	C/I Pref.	10,932	Rental	7,301	2 & 3
1	395-0010-07050	Saline Prop	4747 Hermantown Rd	12,000	146,600	158,600	100%	158,600	Pay 2023	Ag Non-Homestead	1,586	Rental	1,983	2 & 3
				302,000	460,600	762,600		762,600			12,717		9,483	

- Note:
1. Base values are from City property card on September 26, 2022.
 2. Located in ISD #700.

P&R Housing Development a/k/a The Greenhouse - New TIF District w/Inflation
 City of Hermantown, Minnesota

Redevelopment of Engwall's floral site into approximately 260 units of market-rate apartments (Phase 1 & 2) + 26 single-family homes



PROJECT INFORMATION (Project Tax Capacity)													
Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2024	Percentage Completed 2025	Percentage Completed 2026	Percentage Completed 2027	First Year Full Taxes Payable
1	Apartments	161,329	161,329	140	22,586,000	Rental	282,325	2,017	50%	100%	100%	100%	2027
2	Apartments	152,608	152,608	120	18,312,960	Rental	228,912	1,908		50%	100%	100%	2028
3	Homes	300,000	289,760	26	7,800,000	Hmstd. Res.	75,338	2,898	25%	50%	75%	100%	2029
TOTAL					48,698,960		586,575						
Subtotal Residential				286	48,698,960		586,575						
Subtotal Commercial/Ind.				0	0		0						

Note:

- Market values are based upon a similar 148-unit apartment constructed by the developer in Hermantown at 4498 Ugstad Road for land and building. Single-family home values are estimates from City. Must be confirmed by County Assessor.

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Apartments	282,325	0	282,325	377,838	0	0	25,518	403,356	2,881.11
Apartments	228,912	0	228,912	306,355	0	0	20,690	327,045	2,725.38
Homes	75,338	0	75,338	100,825	0	0	8,812	109,638	4,216.83
TOTAL	586,575	0	586,575	785,019	0	0	55,020	840,039	

Note:

- Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law and other factors which cannot be predicted.

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	840,039
less State-wide Taxes	0
less Fiscal Disp. Adj.	0
less Market Value Taxes	(55,020)
less Base Value Taxes	(12,691)
Annual Gross TIF	772,328

MARKET VALUE BUT / FOR ANALYSIS	
Current Market Value - Est.	762,600
New Market Value - Est.	48,698,960
Difference	47,936,360
Present Value of Tax Increment	12,492,643
Difference	35,443,717
Value likely to occur without Tax Increment is less than:	35,443,717

Appendix C: Findings Including But/For Qualifications

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan (TIF Plan) for Tax Increment Financing District No. 2: The Greenhouse (the “District”), as required pursuant to *Minnesota Statutes (M.S.), Section 469.175, Subdivision 3* are as follows:

1. *Finding that Tax Increment Financing District No. 2: The Greenhouse is a redevelopment district as defined in M.S., Section 469.174, Subd. 10.*

The District consists of two (2) parcels and vacant right-of-way, with plans to redevelop the area for the development of the Engwall’s floral site into approximately 260 units of market-rate apartments (Phase 1 and 2) plus 26 single-family homes. Parcels consisting of 70% of the area of the District are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures and more than 50% of the buildings in the District, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance. (See Appendix D of the TIF Plan.)

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of Tax Increment Financing District No. 2: The Greenhouse permitted by the TIF Plan.*

The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future: This finding is supported by the fact that the redevelopment proposed in the TIF Plan meets the City’s objectives for redevelopment. Due to the high cost of redevelopment on the parcels currently occupied by a substandard building, the incompatible land uses at close proximity, and the cost of financing the proposed improvements, this project is feasible only through assistance, in part, from tax increment financing. The Developer was asked for and provided a letter and a pro forma as justification that the Developer would not have gone forward without tax increment assistance.

The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan: This finding is justified on the grounds that the cost of site and public improvements and utilities add to the total redevelopment cost. Historically, construction costs, site and public improvements costs in this area have made redevelopment infeasible without tax increment assistance. The City reasonably determines that no other redevelopment of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

Therefore, the City concludes as follows:

- a. The City's estimate of the amount by which the market value of the entire District will increase without the use of tax increment financing is \$0.
 - b. If the proposed development occurs, the total increase in market value will be \$47,936,360.
 - c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$12,492,643.
 - d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than \$35,443,717 (the amount in clause b less the amount in clause c) without tax increment assistance.
3. *Finding that the TIF Plan for the District conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The Planning Commission reviewed the TIF Plan on July 18, 2023 and found that the TIF Plan conforms to the general development plan of the City.

4. *Finding that the TIF Plan for Tax Increment Financing District No. 2: The Greenhouse will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Development District No. 1 by private enterprise.*

The project to be assisted by the District will result in increased employment in the City and the State of Minnesota, the renovation of substandard properties, increased tax base of the State and add a high-quality development to the City.

Through the implementation of the TIF Plan, the City will increase the availability of safe and decent life-cycle housing in the City.

Appendix D: Redevelopment Qualifications for the District

REPORT OF INSPECTION PROCEDURES AND RESULTS
FOR
DETERMINING QUALIFICATIONS
OF A
TAX INCREMENT FINANCING DISTRICT

ENGWALLS
REDEVELOPMENT TIF DISTRICT

Prepared for

CITY OF HERMANTOWN, MINNESOTA

January 30, 2023

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Part 1: Executive Summary

Purpose of the Evaluation

LHB was hired by the City of Hermantown to inspect and evaluate the properties within a Tax Increment Financing Redevelopment District ("TIF District") proposed to be established by the City. The proposed TIF District is located at the intersection of Anderson Road and Hermantown Road in Hermantown, MN (Diagram 1). The purpose of LHB's work is to determine whether the proposed TIF District meets the statutory requirements for coverage, and whether three (3) buildings on two (2) parcels, located within the proposed TIF District, meet the qualifications required for a Redevelopment District.



Diagram 1: Proposed TIF District

Scope of Work

The proposed TIF District consists of two (2) parcels with three (3) structures. Building Code and Condition Deficiency reports for the buildings that were inspected and found substandard are in Appendix B.

Conclusion

After inspecting and evaluating the properties within the proposed TIF District and applying current statutory criteria for a Redevelopment District under *Minnesota Statutes, Section 469.174, Subdivision 10*, it is our professional opinion that the proposed TIF District qualifies as a Redevelopment District because:

- The proposed TIF District has a coverage calculation of 100 percent which is above the 70 percent requirement.
- 66.7 percent of the buildings are structurally substandard which is above the 50 percent requirement.
- The substandard buildings are reasonably distributed.

The remainder of this report describes our process and findings in detail.

Part 2: Minnesota Statute 469.174, Subdivision 10 Requirements

The properties were inspected in accordance with the following requirements under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, which states:

Interior Inspection

"The municipality may not make such determination [that the building is structurally substandard] without an interior inspection of the property..."

Exterior Inspection and Other Means

"An interior inspection of the property is not required, if the municipality finds that

(1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and

(2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard."

Documentation

"Written documentation of the findings and reasons why an interior inspection was not conducted must be made and retained under section 469.175, subdivision 3(1)."

Qualification Requirements

Minnesota Statutes, Section 469.174, Subdivision 10 (a) (1) requires three tests for occupied parcels:

1. COVERAGE TEST

- a. *Minnesota Statutes, Section 469.174, Subdivision 10(a)(1)* states:

"parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, or paved or gravel parking lots..."

- b. The coverage required by the parcel to be considered occupied is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which states:

"For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures unless 15 percent of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures."

2. CONDITION OF BUILDINGS TEST

- a. Minnesota Statutes, Section 469.174, Subdivision 10(a) states:

"...and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;"

- b. Structurally substandard is defined under Minnesota Statutes, Section 469.174, Subdivision 10(b), which states:

"For purposes of this subdivision, 'structurally substandard' shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance."

- i. We do not count energy code deficiencies toward the thresholds required by *Minnesota Statutes, Section 469.174, Subdivision 10(b)* defined as "structurally substandard", due to concerns expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.
- c. Buildings are not eligible to be considered structurally substandard unless they meet certain additional criteria, as set forth in Subdivision 10(c) which states:

"A building is not structurally substandard if it follows the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence based on reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence."

"Items of evidence that support such a conclusion [that the building is not disqualified] include recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence."

- i. LHB counts energy code deficiencies toward the 15 percent code threshold required by Minnesota Statutes, Section 469.174, Subdivision 10(c) for the following reasons:
- 1) The Minnesota energy code is one of ten building code areas highlighted by the Minnesota Department of Labor and Industry website where minimum construction standards are required by law.
 - 2) Chapter 13 of the 2015 *Minnesota Building Code* states, "Buildings shall be designed and constructed in accordance with the *International Energy Conservation Code*." Furthermore, Minnesota Rules, Chapter 1305.0021 Subpart 9 states, "References to the *International Energy Conservation Code* in this code mean the *Minnesota Energy Code*..."
 - 3) Chapter 11 of the 2015 Minnesota Residential Code incorporates Minnesota Rules, Chapters, 1322 and 1323 *Minnesota Energy Code*.
 - 4) The Senior Building Code Representative for the Construction Codes and Licensing Division of the Minnesota Department of Labor and Industry confirmed that the Minnesota Energy Code is being enforced throughout the State of Minnesota.
 - 5) In a January 2002 report to the Minnesota Legislature, the Management Analysis Division of the Minnesota Department of Administration confirmed that the construction cost of new buildings complying with the Minnesota Energy Code is higher than buildings built prior to the enactment of the code.

- 6) Proper TIF analysis requires a comparison between the replacement value of a new building built under current code standards with the repairs that would be necessary to bring the existing building up to current code standards. For an equal comparison to be made, all applicable code chapters should be applied to both scenarios. Since current construction estimating software automatically applies the construction cost of complying with the Minnesota Energy Code, energy code deficiencies should also be identified in the existing structures.

3. DISTRIBUTION OF SUBSTANDARD BUILDINGS

- a. Minnesota Statutes, Section 469.174, Subdivision 10, defines a Redevelopment District and requires one or more of the following conditions "reasonably distributed throughout the district.":

"(1) Parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;

(2) the property consists of vacant, unused, underused, inappropriately used, or infrequently used rail yards, rail storage facilities, or excessive or vacated railroad rights-of-way;

(3) tank facilities, or property whose immediately previous use was for tank facilities..."

- b. Our interpretation of the distribution requirement is that the substandard buildings must be reasonably distributed throughout the district as compared to the location of all buildings in the district. For example, if all the buildings in a district are located on one half of the area of the district, with the other half occupied by parking lots (meeting the required 70 percent coverage for the district), we would evaluate the distribution of the substandard buildings compared with only the half of the district where the buildings are located. If all the buildings in a district are located evenly throughout the entire area of the district, the substandard buildings must be reasonably distributed throughout the entire area of the district. We believe this is consistent with the opinion expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.

Part 3: Procedures Followed

LHB inspected three (3) of the three (3) buildings during the day of November 11, 2022.

Part 4: Findings

1. Coverage Test

- a. The total square foot area of the parcels in the proposed TIF District were obtained from City records, GIS mapping and site verification.
- b. The total square foot area of buildings and site improvements on the parcels in the proposed TIF District were obtained from City records, GIS mapping and site verification.
- c. The percentage of coverage for each parcel in the proposed TIF District was computed to determine if the 15 percent minimum requirement was met. The total square footage of parcels meeting the 15 percent requirement was divided into the total square footage of the entire district to determine if the 70 percent requirement was met.

FINDING

The proposed TIF District met the coverage test under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which resulted in parcels consisting of 100 percent of the area of the proposed TIF District being occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures (Diagram 2). This exceeds the 70 percent area coverage requirement for the proposed TIF District under *Minnesota Statutes, Section 469.174, Subdivision (a) (1)*.



Diagram 2 – Coverage Diagram

Shaded area depicts a parcel more than 15 percent occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures

2. Condition of Building Test

a. BUILDING INSPECTION

- i. The first step in the evaluation process is the building inspection. After an initial walk-thru, the inspector makes a judgment whether a building “appears” to have enough defects or deficiencies of sufficient total significance to justify substantial renovation or clearance. If it does, the inspector documents with notes and photographs code and non-code deficiencies in the building.

b. REPLACEMENT COST

- i. The second step in evaluating a building to determine if it is substandard to a degree requiring substantial renovation or clearance is to determine its replacement cost. This is the cost of constructing a new structure of the same square footage and type on site. Replacement costs were researched using R.S. Means Cost Works square foot models for 2022.
- ii. A replacement cost was calculated by first establishing building use (office, retail, residential, etc.), building construction type (wood, concrete, masonry, etc.), and building size to obtain the appropriate median replacement cost, which factors in the costs of construction in Hermantown, Minnesota.
- iii. Replacement cost includes labor, materials, and the contractor’s overhead and profit. Replacement costs do not include architectural fees, legal fees or other “soft” costs not directly related to construction activities. Replacement cost for each building is tabulated in Appendix A.

c. CODE DEFICIENCIES

- i. The next step in evaluating a building is to determine what code deficiencies exist with respect to such building. Code deficiencies are those conditions for a building which are not in compliance with current building codes applicable to new buildings in the State of Minnesota.
- ii. Minnesota Statutes, Section 469.174, Subdivision 10(c), specifically provides that a building cannot be considered structurally substandard if its code deficiencies are not at least 15 percent of the replacement cost of the building. As a result, it was necessary to determine the extent of code deficiencies for each building in the proposed TIF District.
- iii. The evaluation was made by reviewing all available information with respect to such buildings contained in City Building Inspection records and making interior and exterior inspections of the buildings. LHB utilizes the current Minnesota State Building Code as the official code for our evaluations. The Minnesota State Building Code is a series of provisional codes written specifically for Minnesota only requirements, adoption of several international codes, and amendments to the adopted international codes.
- iv. After identifying the code deficiencies in each building, we used R.S. Means Cost Works 2022; Unit and Assembly Costs to determine the cost of correcting the identified deficiencies. We were then able to compare the correction costs with the replacement cost of each building to determine if the costs for correcting code deficiencies meet the required 15 percent threshold.

FINDING

Two (2) out of three (3) buildings (66.7 percent) in the proposed TIF District contained code deficiencies exceeding the 15 percent threshold required by Minnesota Statutes, Section 469.174, Subdivision 10(c). Building Code, Condition Deficiency and Context Analysis reports for the buildings in the proposed TIF District can be found in Appendix B of this report.

d. SYSTEM CONDITION DEFICIENCIES

- i. If a building meets the minimum code deficiency threshold under Minnesota Statutes, Section 469.174, Subdivision 10(c), then for such building to be “structurally substandard” under Minnesota Statutes, Section 469.174, Subdivision 10(b), the building’s defects, or deficiencies should be of sufficient total significance to justify “substantial renovation or clearance.” Based on this definition, LHB re-evaluated each of the buildings that met the code deficiency threshold under Minnesota Statutes, Section 469.174, Subdivision 10(c), to determine if the total deficiencies warranted “substantial renovation or clearance” based on the criteria we outlined above.
- ii. System condition deficiencies are a measurement of defects or substantial deterioration in site elements, structure, exterior envelope, mechanical and electrical components, fire protection and emergency systems, interior partitions, ceilings, floors, and doors.

- iii. The evaluation of system condition deficiencies was made by reviewing all available information contained in City records and making interior and exterior inspections of the buildings. LHB only identified system condition deficiencies that were visible upon our inspection of the building or contained in City records. We did not consider the amount of “service life” used up for a particular component unless it was an obvious part of that component’s deficiencies.
- iv. After identifying the system condition deficiencies in each building, we used our professional judgment to determine if the list of defects or deficiencies is of sufficient total significance to justify “substantial renovation or clearance.”

FINDING

In our professional opinion, two (2) out of three (3) buildings (66.7 percent) in the proposed TIF District are structurally substandard to a degree requiring substantial renovation or clearance, because of defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance. This exceeds the 50 percent requirement of Subdivision 10a(1).

3. Distribution of Substandard Structures

- e. Much of this report has focused on the condition of individual buildings as they relate to requirements identified by Minnesota Statutes, Section 469.174, Subdivision 10. It is also important to look at the distribution of substandard buildings throughout the geographic area of the proposed TIF District (Diagram 3).

FINDING

The parcels with substandard buildings are reasonably distributed compared to all parcels that contain buildings.



Diagram 3 – Substandard Buildings

Shaded yellow area depicts parcels with buildings.
 Shaded orange area depicts substandard buildings.

Part 5: Team Credentials

Michael A. Fischer, AIA, LEED AP - Project Principal/TIF Analyst

Michael has 34 years of experience as project principal, project manager, project designer and project architect on planning, urban design, educational, commercial, and governmental projects. He has become an expert on Tax Increment Finance District analysis assisting over 100 cities with strategic planning for TIF Districts. He is an Architectural Principal at LHB and currently leads the Minneapolis office.

Michael completed a two-year Bush Fellowship, studying at MIT and Harvard in 1999, earning master's degrees in City Planning and Real Estate Development from MIT. He has served on more than 50 committees, boards, and community task forces, including a term as a City Council President, Chair of a Metropolitan Planning Organization, and Chair of the Edina Planning Commission. Most recently, he served as a member of the Edina city council and Secretary of the Edina HRA. Michael has also managed and designed several award-winning architectural projects and was one of four architects in the Country to receive the AIA Young Architects Citation in 1997.

Phil Fisher – Inspector

For 35 years, Phil Fisher worked in the field of Building Operations in Minnesota including White Bear Lake Area Schools. At the University of Minnesota, he earned his Bachelor of Science in Industrial Technology. He is a Certified Playground Safety Inspector, Certified Plant Engineer, and is trained in Minnesota Enterprise Real Properties (MERP) Facility Condition Assessment (FCA). His FCA training was recently applied to the Minnesota Department of Natural Resources Facilities Condition Assessment project involving over 2,000 buildings.

Appendices

- APPENDIX A** Property Condition Assessment Summary Sheet
- APPENDIX B** Building Code, Condition Deficiency and Context Analysis Reports
- APPENDIX C** Building Replacement Cost Reports
 - Code Deficiency Cost Reports
 - Photographs

APPENDIX A

Property Condition Assessment Summary Sheet

Engwalls Redevelopment TIF District

Property Condition Assessment Summary Sheet

Hermantown, Minnesota

TIF Map No.	PID #	Property Address	Improved or Vacant	Survey Method Used	Site Area (S.F.)	Coverage Area of Improvements (S.F.)	Coverage Percent of Improvements	Coverage Quantity (S.F.)	No. of Buildings	Building Replacement Cost	15% of Replacement Cost	Building Code Deficiencies	No. of Buildings Exceeding 15% Criteria	No. of buildings determined substandard	
A1	395-0010-07050	4747 Hermantown Road	Improved	Interior/Exterior	739,213	313,035	42.3%	739,213	1	\$1,803,715	\$270,557	\$975,798	1	1	
A2			Improved	Interior/Exterior					1	\$288,763	\$43,314	\$57,637	1	1	
A3			Improved	Interior/Exterior					1	\$200,559	\$30,084	\$7,330	0	0	
B	395-0010-07045	N/A	Vacant	Exterior	433,858	72,248	16.7%	433,858	0						
TOTALS					1,173,071			1,173,071	3				2	2	
								Total Coverage Percent:	100.0%						
												Percent of buildings exceeding 15 percent code deficiency threshold:	66.7%		
												Percent of buildings determined substandard:	66.7%		

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APPENDIX B

Building Code, Condition Deficiency and Context Analysis Reports

Engwalls Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel A1

Engwalls Floral Building

Address: 4747 Hermantown Road, Hermantown, Minnesota 55811
Parcel ID: 395-0010-07050
Inspection Date(s) & Time(s): November 11, 2022, 10:30 am
Inspection Type: Interior and Exterior
Summary of Deficiencies: It is our professional opinion that this building is Substandard because:
- Substantial renovation is required to correct Conditions found.
- Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost:	\$1,803,715
Estimated Cost to Correct Building Code Deficiencies:	\$975,798
Percentage of Replacement Cost for Building Code Deficiencies:	54.1%

DEFECTS IN STRUCTURAL ELEMENTS

1. Steel lintels should be protected from rusting per code.
2. Concrete block is cracked/missing allowing for water intrusion which is contrary to code.
3. Chimney is damaged and appears to be structurally unsafe.

COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
 - a. There is no code required accessible route into the building.
 - b. Restrooms do not comply with code.
 - c. Plumbing does not comply with code.
 - d. There is no code required accessible route to all levels of the building.
2. Light and Ventilation
 - a. Electrical wiring does not comply with code.
 - b. The lighting system does not comply with code.
 - c. The HVAC system is not code compliant.
3. Fire Protection/Adequate Egress
 - a. Thresholds do not comply with code for maximum height.
 - b. Stairs do not comply with code.
 - c. Door hardware is not fully code compliant.
 - d. Flooring is damaged creating and impediment to emergency egress which is contrary to code.

- e. Emergency exit signage does not comply with code.
 - f. Smoke detectors do not comply with code.
 - g. Through wall penetrations do not have code required fire caulking.
 - h. The emergency lighting system does not comply with code.
 - i. The emergency notification system does not comply with code.
 - j. There is no code required building sprinkler system.
4. Layout and Condition of Interior Partitions/Materials
- a. Interior walls should be repaired/repainted.
 - b. Interior ceilings should be repaired/replaced.
 - c. Flooring should be repaired/replaced.
5. Exterior Construction
- a. Exterior walls should be repaired/repainted.
 - b. Exterior wood trim should be repaired/repainted.
 - c. Exterior doors are failing and should be replaced.
 - d. Windows are failing allowing for water intrusion which is contrary to code.
 - e. Roofing material has failed allowing for water intrusion which is contrary to code.

DESCRIPTION OF CODE DEFICIENCIES

1. Steel lintels should be protected from rusting per code.
2. A code required accessible route into the building should be created.
3. Modify restroom to comply with code.
4. Stairways should be modified to comply with code.
5. A code required accessible route to all levels should be created.
6. Electrical wiring does not comply with code.
7. The lighting system does not comply with code.
8. A code compliant HVAC system should be installed.
9. The plumbing system does not comply with code.
10. Thresholds should be modified to comply with code for maximum height.
11. Code compliant door hardware should be installed.
12. Damaged flooring should be repaired/replaced to create a code required unimpeded means for emergency egress.
13. Code required fire caulking should be installed at all through wall penetrations.
14. Code compliant smoke detectors should be installed.
15. Code compliant emergency exit signage should be installed.
16. Code compliant emergency lighting should be installed.
17. A code compliant emergency notification system should be installed.
18. A code compliant building sprinkler system should be installed.
19. Failed windows should be replaced to prevent water intrusion per code.
20. Exterior brick and mortar that is damaged/missing should be replaced to prevent water intrusion per code.
21. Failed roofing material should be removed/replaced to prevent water intrusion per code.

OVERVIEW OF DEFICIENCIES

This one-story building was previously used as retail space. Exterior brick, mortar is failing, allowing for water intrusion which is contrary to code. The chimney appears to be structurally unsafe. Roofing material and windows are failing allowing for water intrusion which is contrary to code. Electrical wiring and lighting do not comply with code. Interior walls should be repaired/repainted. The HVAC and plumbing systems do not comply with code. There is no code compliant access to all levels of the building. Damaged ceilings should be repaired/replaced. Door hardware does not fully comply with code. Life safety systems do not comply with code. Damaged flooring should be repaired/replaced to create a code required unimpeded means for emergency egress. Stairs are not code compliant. Interior walls and ceilings should be repaired/repainted. Exterior block walls should be repaired/repainted. Exterior wood trim should be repaired/repainted.

ENERGY CODE DEFICIENCIES

In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether the building is substandard.

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Engwalls Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel A2

Address:

Parcel ID:

Inspection Date(s) & Time(s):

Inspection Type:

Summary of Deficiencies:

Engwalls House

4747 Hermantown Road, Hermantown, Minnesota 55811

395-0010-07050

November 11, 2022, 11:30 am

Interior and Exterior

It is our professional opinion that this building is Substandard because:

- Substantial renovation is required to correct Conditions found.
- Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost: \$288,763

Estimated Cost to Correct Building Code Deficiencies: \$57,637

Percentage of Replacement Cost for Building Code Deficiencies: 20.0%

DEFECTS IN STRUCTURAL ELEMENTS

1. Floor joist framing does not comply with code

COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
 - a. Plumbing system does not comply with code.
2. Light and Ventilation
 - a. Electrical wiring does not comply with code.
 - b. HVAC system does not comply with code.
3. Fire Protection/Adequate Egress
 - a. Stairways do not comply with code.
 - b. The second-floor hallway does not comply with code for minimum width.
 - c. There are no code required Arc Fault Circuit Interrupters.
 - d. Smoke detectors do not comply with code.
 - e. There are no code required carbon monoxide detectors.
4. Layout and Condition of Interior Partitions/Materials.
 - a. Walls should be repainted.
 - b. Ceilings should be repainted.
 - c. Wood floors should be refinished.
 - d. Second floor hallway does not comply with code for minimum width.

5. Exterior Construction
 - a. Exterior doors should be replaced or refinished.
 - b. Windows on the front of the house are failing allowing for water intrusion which is contrary to code.

DESCRIPTION OF CODE DEFICIENCIES

1. Floor joists should be made code compliant.
2. Plumbing system should be made code compliant.
3. Electrical wiring should be made code compliant.
4. A code compliant HVAC system should be installed.
5. Stairways should be modified to comply with code.
6. Code required Arc Fault Circuit Interrupters should be installed.
7. Code compliant smoke detectors should be installed.
8. Code compliant carbon monoxide detectors should be installed.
9. Install new windows on the front of the house to prevent water intrusion per code.

OVERVIEW OF DEFICIENCIES

This residential home is two story. The electrical wiring and HVAC systems do not comply with code. Plumbing is not code compliant. There are no code required AFCI's in the building. There are no code compliant smoke detectors or carbon monoxide detectors in the building. Wood flooring should be refinished. Walls and ceilings should be repaired/repainted. Floor joists do not comply with code. Stairs do not comply with code.

ENERGY CODE DEFICIENCIES

In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether the building is substandard.

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Engwalls Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel A3

Address:

Parcel ID:

Inspection Date(s) & Time(s):

Inspection Type:

Summary of Deficiencies:

Engwalls Garage Apartment

4747 Hermantown Road, Hermantown, 55811

395-0010-07050

November 11, 2022, 11:10 am

Interior and Exterior

It is our professional opinion that this building IS NOT Substandard because:

- Substantial renovation IS NOT required to correct Conditions found.
- Building Code deficiencies total LESS than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost:

\$200,559

Estimated Cost to Correct Building Code Deficiencies:

\$7,330

Percentage of Replacement Cost for Building Code Deficiencies:

3.7%

DEFECTS IN STRUCTURAL ELEMENTS

1. None Observed

COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
 - a. None Observed
2. Light and Ventilation
 - a. The HVAC system does not comply with code.
3. Fire Protection/Adequate Egress
 - a. Smoke detectors do not comply with code.
 - b. There are no code required carbon monoxide detectors present.
 - c. There are no code required Arc Fault Circuit Interrupters installed.
 - d. Exterior stairs do not comply with code.
4. Layout and Condition of Interior Partitions/Materials
 - a. Interior walls and ceilings should be repaired/repainted.
5. Exterior Construction
 - a. None Observed

DESCRIPTION OF CODE DEFICIENCIES

1. A code compliant HVAC system should be installed.
2. Code compliant smoke detectors should be installed.
3. Code required AFCI's should be installed.
4. Code required Carbon Monoxide detectors should be installed.
5. Exterior stairs should be modified to comply with code.

OVERVIEW OF DEFICIENCIES

This building has a lower area as a two-car garage with laundry room and mechanical room. The upper level is a two-bedroom apartment. The HVAC system does not comply with code. The smoke detectors are not code compliant. There are no code required Carbon Monoxide detectors in the building. There are no code required AFCI's in the building. The interior walls and ceilings should be repaired/repainted. The exterior stairs should be modified to comply with code.

ENERGY CODE DEFICIENCIES

In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether or not the building is substandard.

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APPENDIX C

Building Replacement Cost Reports

Code Deficiency Cost Reports

Photographs

Engwalls Redevelopment TIF District

Replacement Cost Report



Square Foot Cost Estimate Report

Date: 11/22/2022

Estimate Name:	Engwall Floral	
Building Type:	1 Story with Concrete Block / Bearing Walls	
Location:	HERMANTOWN, MN	
Story Count:	1	
Story Height (L.F.):	12	
Floor Area (S.F.):	10800	
Labor Type:	OPN	
Basement Included:	No	
Data Release:	Year 2022 Quarter 4	
Cost Per Square Foot:	\$167.01	Costs are derived from a building model with basic components. Scope differences and market conditions can cause costs to vary significantly.
Building Cost:	\$1,803,715.67	

		Quantity	% of Total	Cost Per S.F.	Cost
A	Substructure		13.64%	\$19.81	\$213,986.59
A1010	Standard Foundations			\$10.38	\$112,109.75
A10101051560	Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick	732		\$6.56	\$70,875.17
A10101102700	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide	732		\$3.46	\$37,393.49
A10102107200	Spread footings, 3000 PSI concrete, load 50K, soil bearing capacity 6 KSF, 3' - 0" square x 12" deep	2.16		\$0.04	\$483.54
A10102107410	Spread footings, 3000 PSI concrete, load 100K, soil bearing capacity 6 KSF, 4' - 6" square x 15" deep	6.48		\$0.31	\$3,357.55
A1030	Slab on Grade			\$9.24	\$99,769.54
A10301203400	Slab on grade, 5" thick, light industrial, reinforced	10800		\$9.24	\$99,769.54
A2010	Basement Excavation			\$0.20	\$2,107.30
A20101105740	Excavate and fill, 30,000 SF, 4' deep, sand, gravel, or common earth, on site storage	10800		\$0.20	\$2,107.30
B	Shell		28.95%	\$42.04	\$453,999.58
B1020	Roof Construction			\$10.15	\$109,604.66
B10201204100	Roof, steel joists, joist girder, 1.5" 22 ga metal deck, on columns/bearing wall, 40'x40' bay, 40 PSF superimposed load, 40.5" deep, 61 PSF total load	10800		\$9.70	\$104,709.78
B10201204150	Roof, steel joists, joist girder, 1.5" 22 ga metal deck, on columns/bearing wall, 40'x40' bay, 40 PSF superimposed load, 40.5" deep, 61 PSF total load, add for column	10800		\$0.45	\$4,894.88
B2010	Exterior Walls			\$5.02	\$54,252.73
B20101103250	Concrete block (CMU) wall, lightweight, hollow, 4 x 8 x 16, 85 PCF	5490		\$5.02	\$54,252.73
B2020	Exterior Windows			\$14.70	\$158,811.75
B20201066900	Windows, aluminum, sliding, insulated glass, 8' x 4'	57.19		\$14.70	\$158,811.75
B2030	Exterior Doors			\$2.14	\$23,142.17
B20301106950	Door, aluminum & glass, with transom, narrow stile, double door, hardware, 6'-0" x 10'-0" opening	0.36		\$0.29	\$3,172.68
B20302203450	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening	3.6		\$1.31	\$14,142.53
B20302204600	Door, steel 24 gauge, overhead, sectional, electric operator, 10'-0" x 10'-0" opening	1.44		\$0.54	\$5,826.96
B3010	Roof Coverings			\$9.15	\$98,771.56
B30101051400	Roofing, asphalt flood coat, gravel, base sheet, 3 plies 15# asphalt felt, mopped	10800		\$3.47	\$37,489.82
B30103203090	Insulation, rigid, roof deck, composite with 2" EPS, 1" perlite	10800		\$2.38	\$25,730.14
B30104201400	Roof edges, aluminum, duranodic, .050" thick, 6" face	610		\$2.06	\$22,294.28
B30104300040	Flashing, aluminum, no backing sides, .019"	610		\$0.63	\$6,819.01
B30106305100	Gravel stop, aluminum, extruded, 4", mill finish, .050" thick	610		\$0.60	\$6,438.31

B3020	Roof Openings				\$0.87	\$9,416.71
B30202100300	Roof hatch, with curb, 1" fiberglass insulation, 2'-6" x 3'-0", galvanized steel, 165 lbs	2			\$0.32	\$3,422.65
B30202102100	Smoke hatch, unlabeled, galvanized, 2'-6" x 3'; not incl hand winch operator	2.88			\$0.56	\$5,994.06
C	Interiors		9.12%		\$13.25	\$143,055.09
C1010	Partitions				\$2.20	\$23,806.87
C10101021300	Partition, concrete block, 6" thick	2160			\$2.20	\$23,806.87
C1020	Interior Doors				\$2.50	\$26,959.97
C10201022600	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"	18			\$2.50	\$26,959.97
C1030	Fittings				\$1.78	\$19,224.78
C10301100460	Toilet partitions, cubicles, ceiling hung, stainless steel	7.2			\$1.78	\$19,224.78
C2010	Stair Construction				\$2.95	\$31,905.28
C20101101120	Stairs, wood, prefab box type, oak treads, wood rails 3'-6" wide, 14 risers	1			\$2.95	\$31,905.28
C3010	Wall Finishes				\$2.33	\$25,202.80
C30102202000	2 coats paint on masonry with block filler	5490			\$1.64	\$17,665.83
C30102300320	Painting, masonry or concrete, latex, brushwork, primer & 2 coats	4320			\$0.70	\$7,536.97
C3020	Floor Finishes				\$0.67	\$7,263.66
C30204101600	Vinyl, composition tile, maximum	1080			\$0.24	\$2,543.66
C30204101600	Vinyl, composition tile, maximum	2000			\$0.44	\$4,720.00
C3030	Ceiling Finishes				\$0.80	\$8,691.73
C30302107400	Acoustic ceilings, 3/4" mineral fiber, 12" x 12" tile, concealed 2" bar & channel grid, suspended support	1080			\$0.80	\$8,691.73
D	Services		48.29%		\$70.13	\$757,407.15
D1010	Elevators and Lifts				\$7.78	\$84,001.50
D10101102200	Hydraulic, passenger elevator, 3000 lb, 2 floors, 100 FPM	1			\$7.78	\$84,001.50
D2010	Plumbing Fixtures				\$6.32	\$68,288.77
D20101102080	Water closet, vitreous china, bowl only with flush valve, wall hung	7.13			\$2.84	\$30,672.50
D20102102000	Urinal, vitreous china, wall hung	1.19			\$0.16	\$1,722.75
D20103101600	Lavatory w/trim, vanity top, PE on CI, 19" x 16" oval	16.63			\$2.49	\$26,891.28
D20104101960	Kitchen sink w/trim, countertop, stainless steel, 33" x 22" double bowl	0.61			\$0.16	\$1,693.94
D20104404300	Service sink w/trim, PE on CI, wall hung w/rim guard, 22" x 18"	0.61			\$0.33	\$3,542.64
D20108202080	Water cooler, electric, floor mounted, dual height, 14.3 GPH	1.19			\$0.35	\$3,765.66
D2020	Domestic Water Distribution				\$2.20	\$23,771.03
D20202501900	Gas fired water heater, commercial, 100 < F rise, 115 MBH input, 110 GPH	1.69			\$2.20	\$23,771.03
D2040	Rain Water Drainage				\$3.30	\$35,688.61
D20402104280	Roof drain, CI, soil, single hub, 5" diam, 10' high	8.45			\$2.33	\$25,165.16
D20402104320	Roof drain, CI, soil, single hub, 5" diam, for each additional foot add	175			\$0.97	\$10,523.45
D3010	Energy Supply				\$10.66	\$115,102.47
D30105301920	Commercial building heating systems, terminal unit heaters, forced hot water, 10,000 SF bldg, 100,000 CF, total, 2 floors	11880			\$10.66	\$115,102.47
D3030	Cooling Generating Systems				\$12.44	\$134,356.27
D30301102800	Packaged chiller, air cooled, with fan coil unit, factories, 40,000 SF, 133.33 ton	11880			\$12.44	\$134,356.27
D4010	Sprinklers				\$4.66	\$50,302.84
D40104101100	Wet pipe sprinkler systems, steel, ordinary hazard, 1 floor, 50,000 SF	10800			\$4.66	\$50,302.84
D4020	Standpipes				\$0.83	\$8,969.25
D40203101580	Wet standpipe risers, class III, steel, black, sch 40, 6" diam pipe, 1 floor	0.36			\$0.66	\$7,143.37
D40203101600	Wet standpipe risers, class III, steel, black, sch 40, 6" diam pipe, additional floors	0.36			\$0.17	\$1,825.88
D5010	Electrical Service/Distribution				\$3.81	\$41,129.71
D50101200360	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 600 A	1			\$1.03	\$11,102.33
D50102300360	Feeder installation 600 V, including RGS conduit and XHHW wire, 600 A	50			\$0.92	\$9,921.45

D50102400240	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 600 A	1		\$1.86	\$20,105.93
D5020	Lighting and Branch Wiring			\$16.31	\$176,161.25
D50201100200	Receptacles incl plate, box, conduit, wire, 2.5 per 1000 SF, .3 watts per SF	10800		\$2.07	\$22,312.58
D50201350280	Miscellaneous power, 1 watt	10800		\$0.33	\$3,547.80
D50201400280	Central air conditioning power, 4 watts	10800		\$0.74	\$7,953.88
D50202281640	HID fixture, 20' above work plane, 100 FC, type G, 6 fixtures per 1800 SF	11880		\$13.18	\$142,346.99
D5030	Communications and Security			\$1.82	\$19,635.45
D50309100454	Communication and alarm systems, fire detection, addressable, 50 detectors, includes outlets, boxes, conduit and wire	0.29		\$1.25	\$13,551.75
D50309100462	Fire alarm command center, addressable with voice, excl. wire & conduit	0.36		\$0.56	\$6,083.70
E	Equipment & Furnishings		0.00%	\$0.00	\$0.00
E1090	Other Equipment			\$0.00	\$0.00
F	Special Construction		0.00%	\$0.00	\$0.00
G	Building Sitework		0.00%	\$0.00	\$0.00
SubTotal			100%	\$145.23	\$1,568,448.41
Contractor Fees (General Conditions,Overhead,Profit)			15.0%	\$21.78	\$235,267.26
Architectural Fees			0.0%	\$0.00	\$0.00
User Fees			0.0%	\$0.00	\$0.00
Total Building Cost				\$167.01	\$1,803,715.67

Engwalls Redevelopment TIF District

Code Deficiency Cost Report

Parcel A1 - 4747 Hermantown Road, Hermantown, Minnesota 55811
 Parcel ID 395-0010-07050

Building Name or Type
 Engwalls Floral Building

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
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Accessibility Items

Accessible Route

	Create a code required accessible route into the building	\$ 1,000.00	Lump	1	\$ 1,000.00
	Create a code required accessible route to all levels of the building	\$ 7.78	SF	10,800	\$ 84,024.00

Restrooms

	Create a code required accessible restroom	\$ 7.27	SF	10,800	\$ 78,516.00
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Structural Elements

Steel Lintels

	Protect steel lintels from rusting per code	\$ 1,500.00	Lump	1	\$ 1,500.00
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Concrete Block Walls

	Repair/replaced damaged/cracked concrete block walls to prevent water intrusion per code	\$ 3.95	SF	10,800	\$ 42,660.00
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Exiting

Thresholds

	Modify thresholds to comply with code for maximum height	\$ 250.00	EA	10	\$ 2,500.00
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Stairs

	Modify stairs to comply with code	\$ 2.18	SF	10,800	\$ 23,544.00
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Door Hardware

	Install code compliant door hardware	\$ 250.00	EA	25	\$ 6,250.00
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Flooring

	Repair/replace damaged flooring to create a code required unimpeded means for emergency egress	\$ 0.24	SF	10,800	\$ 2,592.00
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Emergency Exit Signs

	Install code required emergency exit signs	\$ 1.25	SF	10,800	\$ 13,500.00
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Emergency Lighting System

	Install a code required emergency lighting system	\$ 2.25	SF	10,800	\$ 24,300.00
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Fire Protection

Fire Caulking

	Install code required fire caulking	\$ 0.25	SF	10,800	\$ 2,700.00
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Smoke Detectors

	Install code compliant smoke detectors	\$ 1.25	SF	10,800	\$ 13,500.00
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Emergency Notification System

	Install a code required emergency notification system	\$ 0.56	SF	10,800	\$ 6,048.00
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Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
	Building Sprinkler System				
	Install a code required building sprinkler system	\$ 5.49	SF	10,800	\$ 59,292.00
	Exterior Construction				
	Windows				
	Replace failed windows to prevent water intrusion per code	\$ 14.70	SF	10,800	\$ 158,760.00
	Roof Construction				
	Roofing Material				
	Replace failed roofing material to prevent water intrusion per code	\$ 9.15	SF	10,800	\$ 98,820.00
	Mechanical - Electrical				
	Mechanical				
	Install a code compliant HVAC system	\$ 10.66	SF	10,800	\$ 115,128.00
	Install a code compliant plumbing system	\$ 2.20	SF	10,800	\$ 23,760.00
	Electrical				
	Install a code compliant electrical wiring system	\$ 6.95	SF	10,800	\$ 75,060.00
	Install code compliant lighting	\$ 13.18	SF	10,800	\$ 142,344.00
Total Code Improvements					\$ 975,798

Engwalls Redevelopment TIF District | Parcel A1: 4747 Hermantown Road



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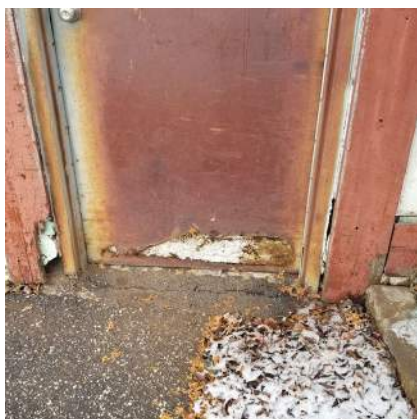
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Engwalls Redevelopment TIF District | Parcel A1: 4747 Hermantown Road



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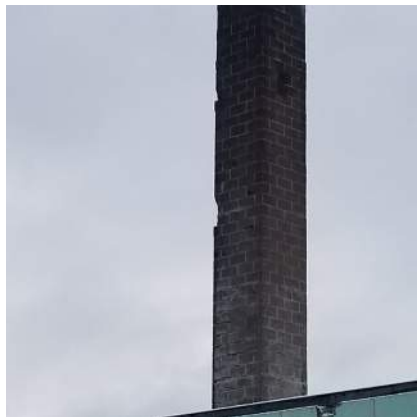


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Engwalls Redevelopment TIF District | Parcel A1: 4747 Hermantown Road



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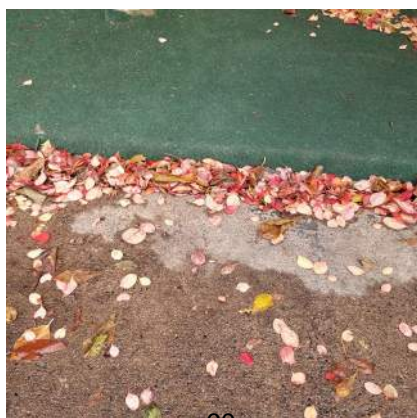
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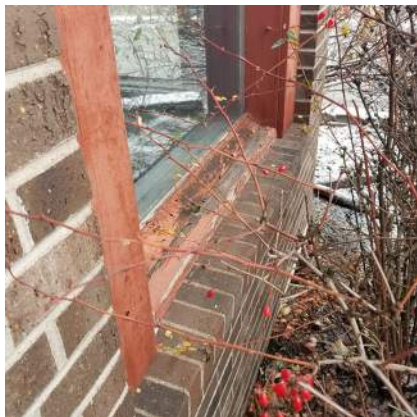


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Engwalls Redevelopment TIF District | Parcel A1: 4747 Hermantown Road



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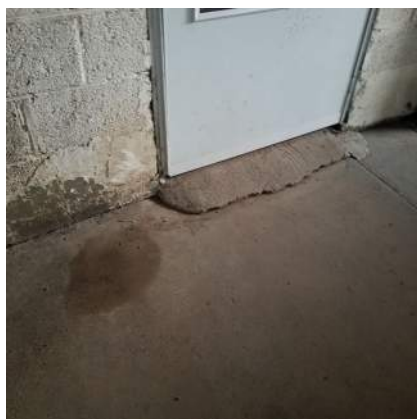
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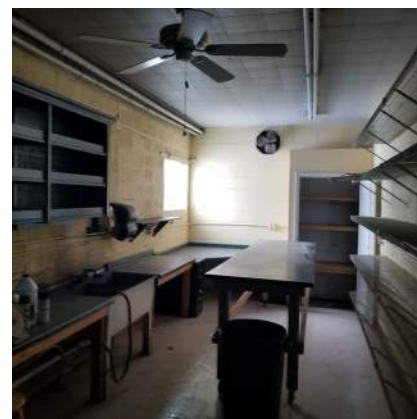
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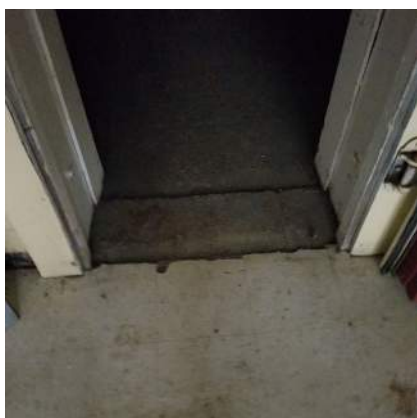
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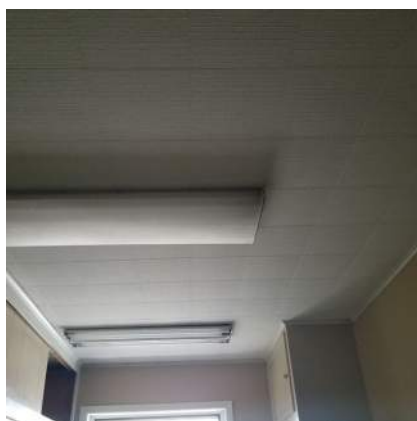
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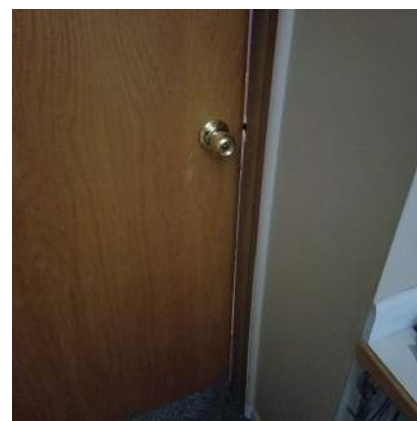
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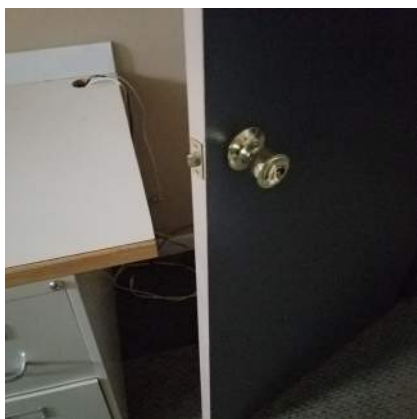
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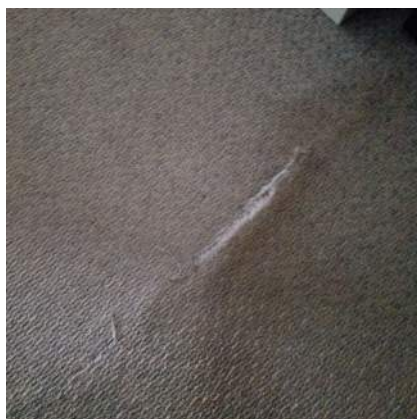
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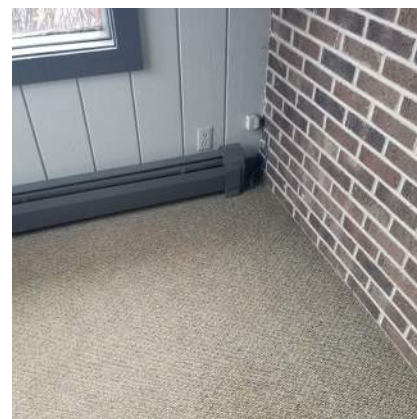
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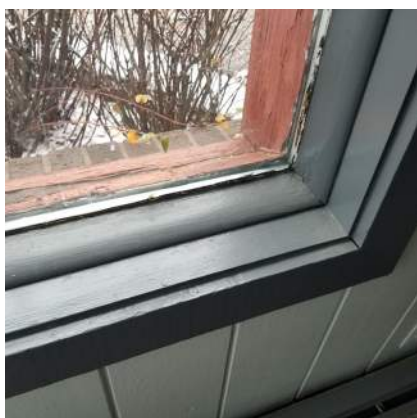
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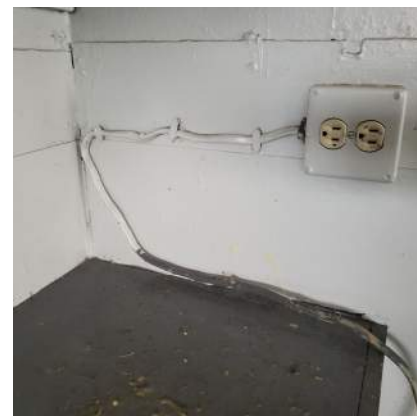
Engwalls Redevelopment TIF District | Parcel A1: 4747 Hermantown Road



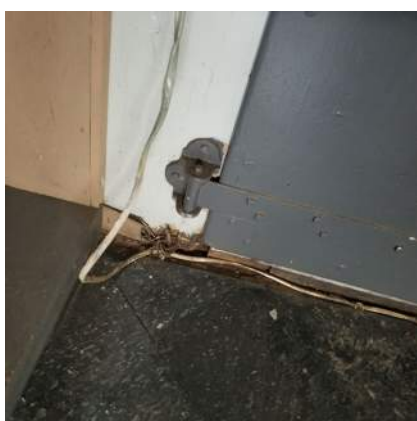
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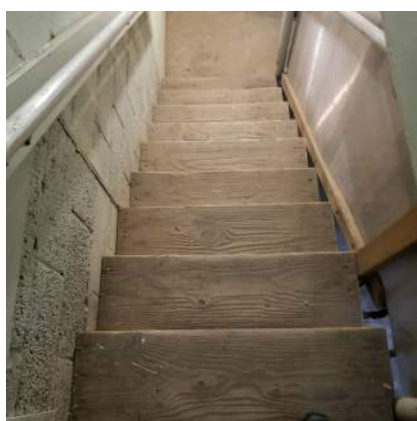
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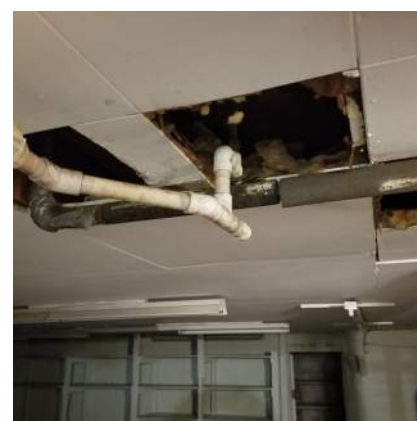
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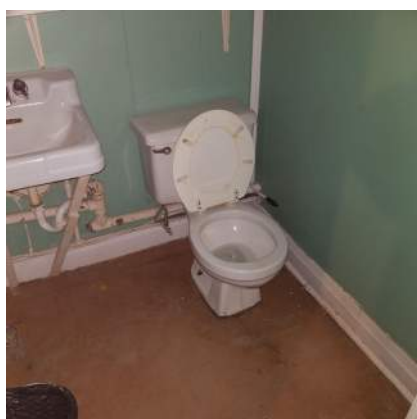
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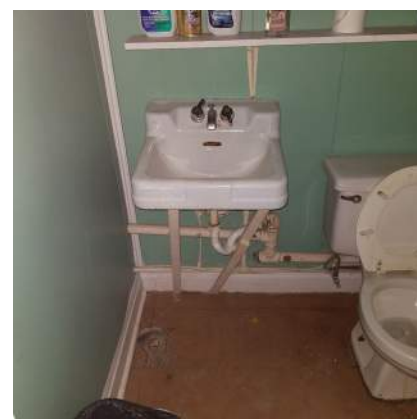
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Engwalls Redevelopment TIF District | Parcel A1: 4747 Hermantown Road



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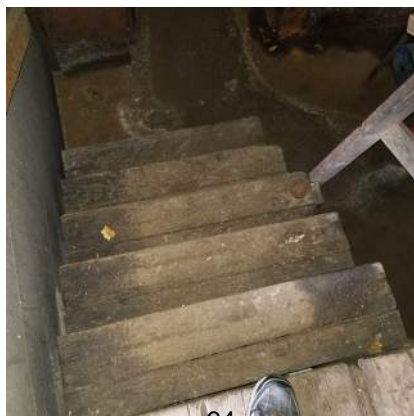
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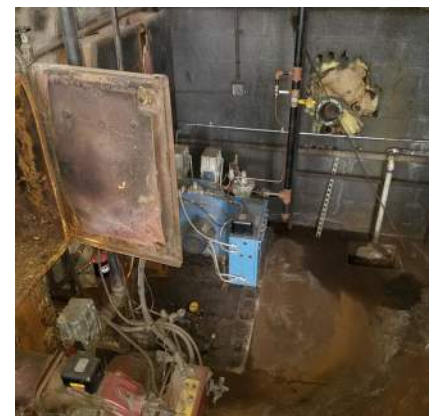
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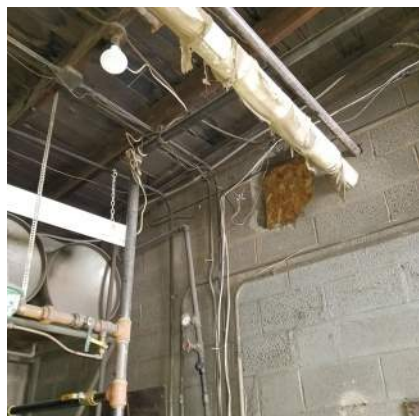


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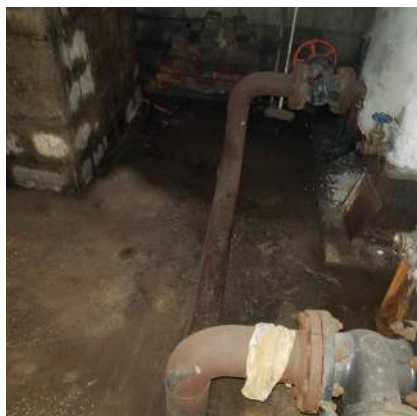


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Engwalls Redevelopment TIF District | Parcel A1: 4747 Hermantown Road



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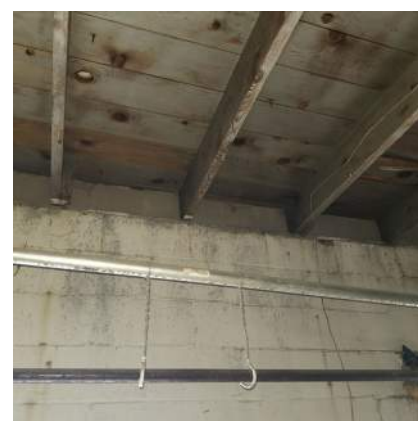
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Engwalls Redevelopment TIF District

Replacement Cost Report



Square Foot Cost Estimate Report

Date:

11/22/2022

Estimate Name:	Engwalls House	
Building Type:	Economy 2 Story with Vinyl Siding - Wood Frame	
Location:	HERMANTOWN, MN	
Story Count:	2	
Story Height (L.F.):	8.00	
Floor Area (S.F.):	2200	
Labor Type:	RES	
Basement:	Unfinished	
Data Release:	Year 2022 Quarter 4	Costs are derived from a building model with basic components. Scope differences and market conditions can cause costs to vary significantly.
Cost Per Square Foot:	\$131.26	
Building Cost:	\$288,763.28	

		% of Total	Cost Per S.F.	Cost
01	Site Work	1.23%	\$1.41	\$3,097.22
0104034	Footing excavation, building, 26' x 46', 4' deep		\$1.41	\$3,097.22
02	Foundation	11.92%	\$13.60	\$29,925.88
0204030	Footing systems, 10" thick by 20" wide footing		\$1.67	\$3,674.14
0208034	Block wall systems, 8" wall, grouted, full height		\$4.94	\$10,874.16
0208034	Block wall systems, 8" wall, grouted, full height		\$4.32	\$9,514.89
0220034	Floor slab systems, 4" thick slab		\$2.66	\$5,862.69
03	Framing	19.04%	\$21.73	\$47,805.35
0302028	Floor framing systems, 2" x 8", 16" OC		\$4.83	\$10,627.30
0302106	Floor framing, wood joists, #2 or better, pine, 2" x 8", 16" OC		\$1.34	\$2,944.88
0302112	Floor framing, bridging, wood 1" x 3", joists 16" OC		\$0.20	\$439.98
0302119	Box sills, #2 or better pine, 2" x 8"		\$0.20	\$442.97
0308026	Exterior wall framing systems, 2" x 4", 16" OC		\$0.27	\$589.42
0308026	Exterior wall framing systems, 2" x 4", 16" OC		\$5.66	\$12,442.31
0316042	Truss roof framing systems, 24" OC, 4/12 pitch, 1' overhang, 26' span		\$5.06	\$11,140.89
0316138	Furring, 1" x 3", 16" OC		\$1.02	\$2,250.14
0348026	Partition framing systems, 2" x 4", 16" OC		\$3.15	\$6,927.46
04	Exterior Walls	26.15%	\$29.85	\$65,671.90
0408034	Vinyl siding systems		\$0.57	\$1,263.64
0408034	Vinyl siding systems		\$12.12	\$26,674.63
0420043	Non-rigid insul, batts, fbgls, kraft faced, 3-1/2" thick, R13, 15" W		\$1.06	\$2,332.73
0420051	Non-rigid insul, batts, fbgls, kraft faced, 12" thick, R38, 23" wide		\$1.06	\$2,328.26
0440026	Sliding window systems, builder's quality wood window, 3' x 2'		\$12.50	\$27,499.08
0452046	Door systems, solid core birch, flush, 3' x 6'-8"		\$2.11	\$4,641.50
0460025	Storm door, al, combination, storm & screen, anodized, 3'-0" x 6'-8"		\$0.42	\$932.06
05	Roofing	2.57%	\$2.93	\$6,448.73
0504034	Gable end roofing, asphalt, roof shingles, class A		\$2.93	\$6,448.73
06	Interiors	27.29%	\$31.15	\$68,537.33
0604026	Wall system, 1/2" drywall, taped & finished		\$6.88	\$15,139.82
0604026	Wall system, 1/2" drywall, taped & finished		\$2.72	\$5,978.29
0608026	1/2" gypsum wallboard, taped & finished ceilings		\$2.54	\$5,591.56
0620026	Lauan, flush door, hollow core, interior		\$8.14	\$17,905.29
0660017	Carpet, Olefin, 15 oz		\$2.65	\$5,833.63
0660027	Padding, sponge rubber cushion, minimum		\$0.83	\$1,819.31
0660038	Underlayment plywood, 1/2" thick		\$4.04	\$8,881.58
0664029	Resilient flooring, vinyl sheet goods, backed, .070" thick, minimum		\$0.69	\$1,527.12

0664048	Resilient flooring, sleepers, treated, 16" OC, 1" x 3"		\$0.55	\$1,206.99
0690036	Stairways 14 risers, oak treads, box stairs		\$1.56	\$3,430.29
0690137	Basement stairs, open risers		\$0.56	\$1,223.45
07	Specialties	2.54%	\$2.90	\$6,372.50
0708026	Kitchen, economy grade		\$1.39	\$3,061.98
0712035	Sinks, stainless steel, single bowl 16" x 20"		\$0.95	\$2,079.38
0712039	Water heater, electric, 30 gallon		\$0.56	\$1,231.14
08	Mechanical	6.28%	\$7.16	\$15,760.03
0812046	Three fixture bathroom with wall hung lavatory		\$2.24	\$4,931.53
0860101	Furnace, gas heating only, 100 MBH, area to 1200 SF		\$0.61	\$1,335.35
0860109	Intermittent pilot, 100 MBH furnace		\$0.23	\$508.71
0860111	Supply duct, rectangular, area to 1200 SF, rigid fiberglass		\$0.84	\$1,843.27
0860121	Return duct, sheet metal galvanized, to 1500 SF		\$1.00	\$2,194.95
0860123	Lateral ducts, flexible round 6" insulated, to 1200 SF		\$1.03	\$2,260.89
0860135	Register elbows, to 1500 SF		\$0.54	\$1,188.10
0860137	Floor registers, enameled steel w/damper, to 1500 SF		\$0.42	\$924.76
0860139	Return air grille, area to 1500 SF 12" x 12"		\$0.11	\$251.28
0860143	Thermostat, manual, 1 set back		\$0.06	\$131.79
0860147	Plenum, heating only, 100 MBH		\$0.09	\$189.40
09	Electrical	2.98%	\$3.40	\$7,479.56
0910036	100 amp electric service		\$0.62	\$1,373.57
0930018	Duplex receptacles using non-metallic sheathed cable		\$0.18	\$399.31
0935112	Wiring device systems, economy to 1200 S.F.		\$2.01	\$4,416.41
0945112	Light fixture systems, economy to 1200 S.F.		\$0.59	\$1,290.27
SubTotal		100%	\$114.14	\$251,098.50
Contractor Fees (General Conditions,Overhead,Profit)		15.0%	\$17.12	\$37,664.78
Architectural Fees		0.0%	\$0.00	\$0.00
User Fees		0.0%	\$0.00	\$0.00
Total Building Cost			\$131.26	\$288,763.28

Engwalls Redevelopment TIF District

Code Deficiency Cost Report

Parcel A2 - 4747 Hermantown Road, Hermantown, Minnesota 55811
 Parcel ID 395-0010-07050

Building Name or Type
 Engwalls House

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Accessibility Items					
	No Deficiencies Observed				\$ -
Structural Elements					
	Floor Joists				
	Install floor joists in compliance with code	\$ 6.57	SF	2,200	\$ 14,454.00
Exiting					
	Stairways				
	Modify stairs to comply with code	\$ 2.12	SF	2,200	\$ 4,664.00
	Hallway				
	Modify second floor hallway to comply with code for minimum width	\$ 18.00	SF	250	\$ 4,500.00
	Carbon Monoxide Detectors				
	Install code required carbon monoxide detectors	\$ 250.00	EA	6	\$ 1,500.00
Fire Protection					
	Smoke Detectors				
	Install code compliant smoke detectors	\$ 250.00	EA	4	\$ 1,000.00
	Arc Fault Circuit Interrupters				
	Install code required AFCI's	\$ 125.00	EA	12	\$ 1,500.00
Exterior Construction					
	Windows				
	Replace failing windows on the front of the house	\$ 6.25	SF	1,100	\$ 6,875.00
Roof Construction					
	No Deficiencies Observed				\$ -
Mechanical - Electrical					
	Mechanical				
	Install a code compliant HVAC system	\$ 4.93	SF	2,200	\$ 10,846.00
	Install a code compliant plumbing system	\$ 2.78	SF	2,200	\$ 6,116.00
	Electrical				
	Install code compliant electrical wiring system	\$ 2.81	SF	2,200	\$ 6,182.00
Total Code Improvements					\$ 57,637

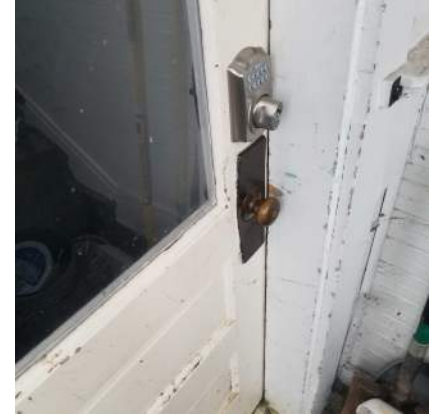
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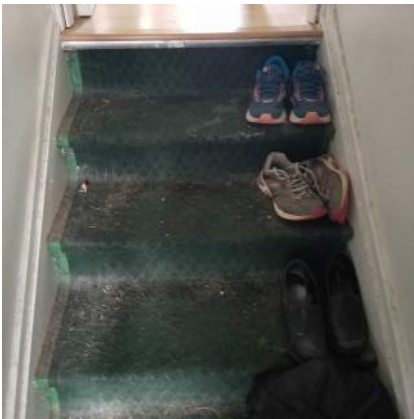
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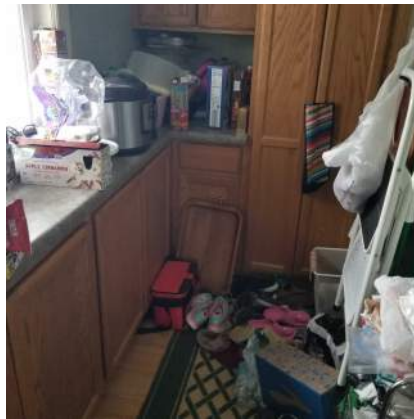
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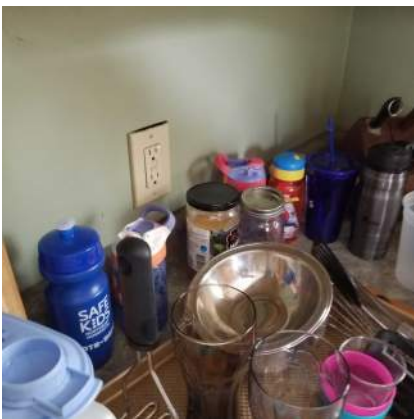
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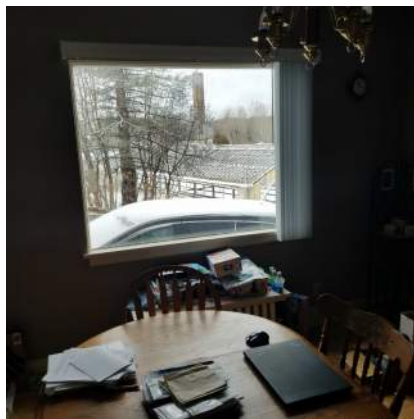
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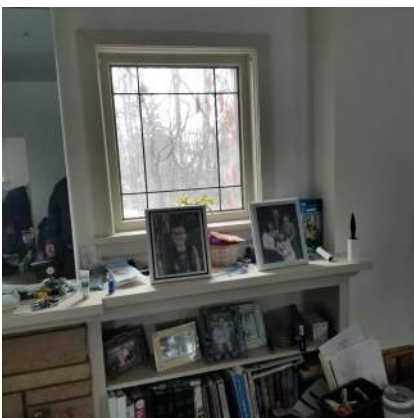
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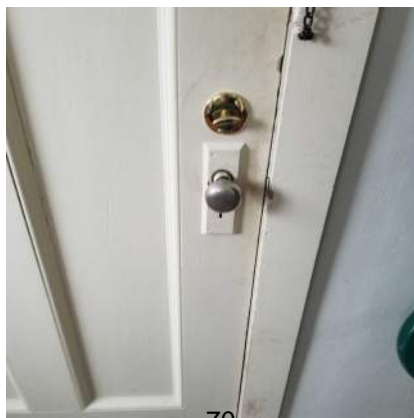
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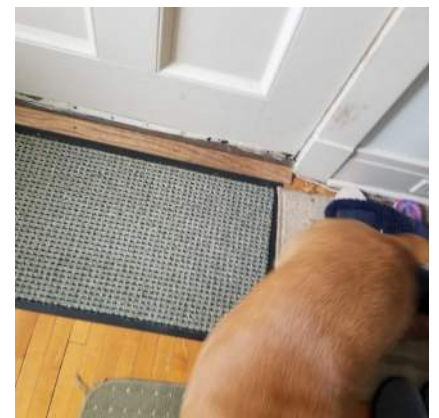
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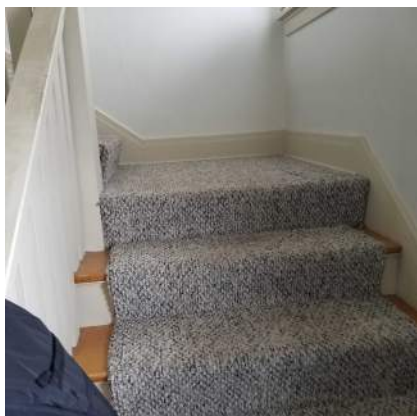


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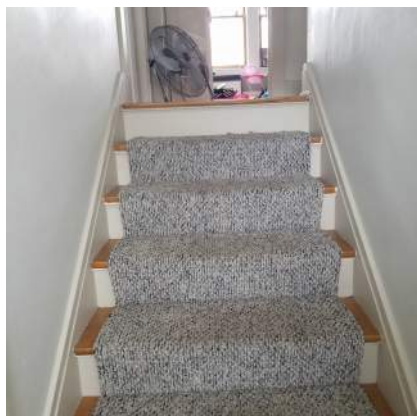


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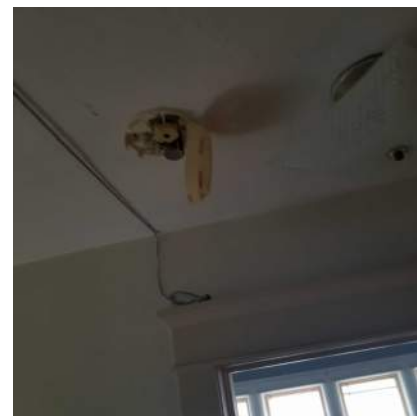
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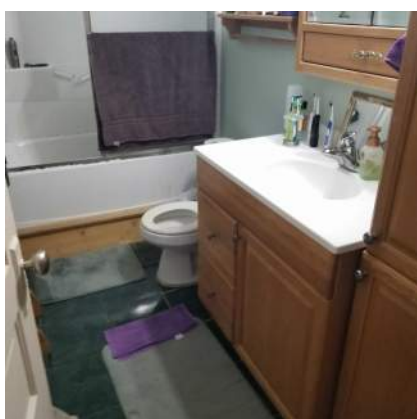
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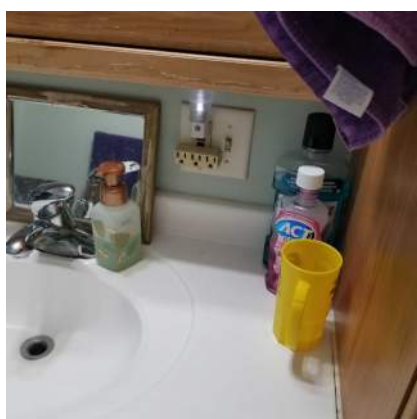
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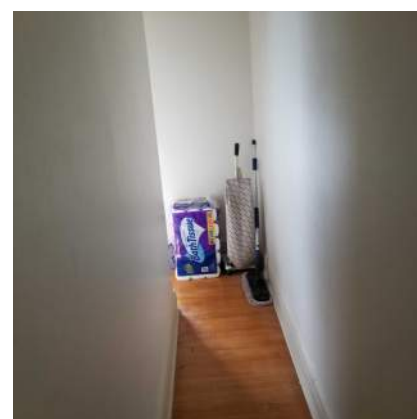
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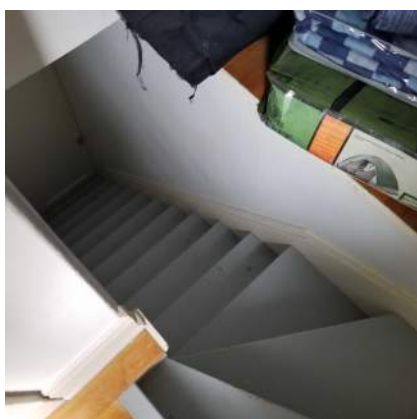
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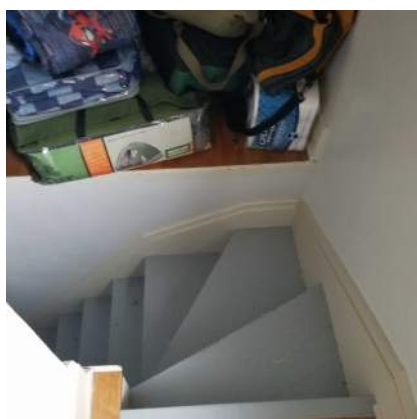
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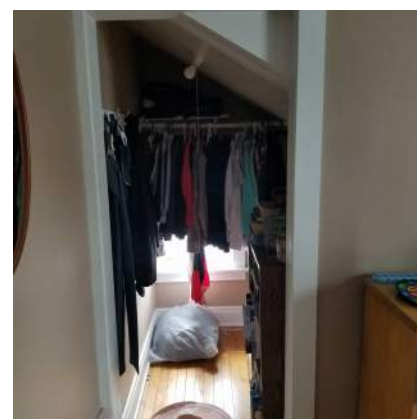
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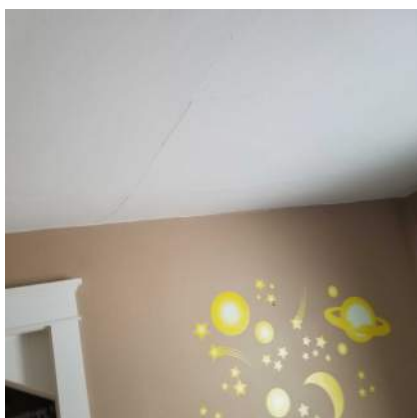
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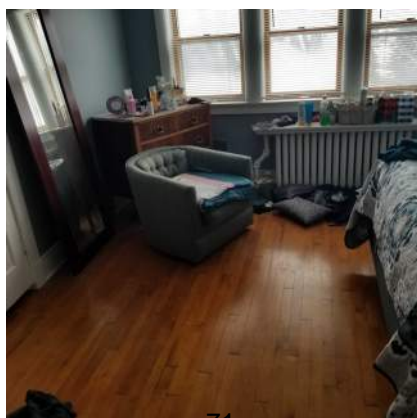
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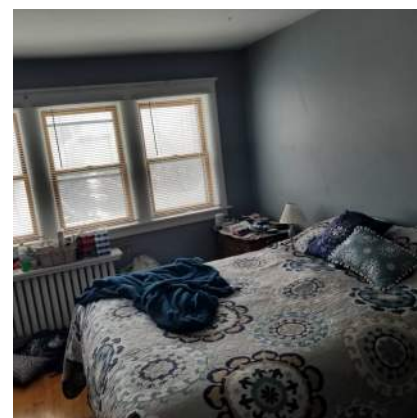
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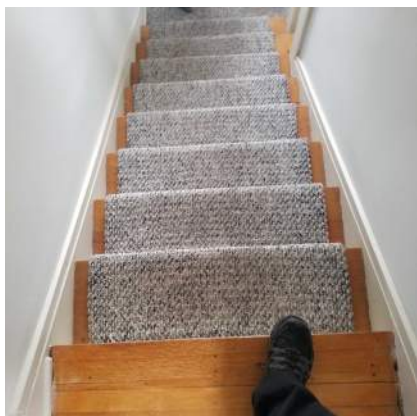


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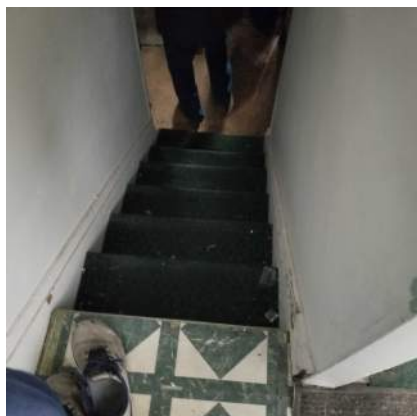


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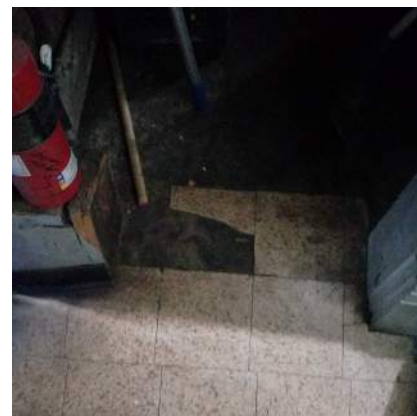
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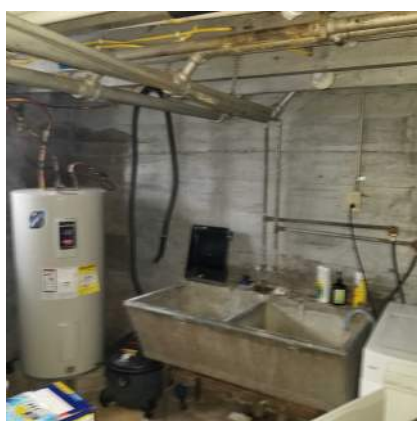
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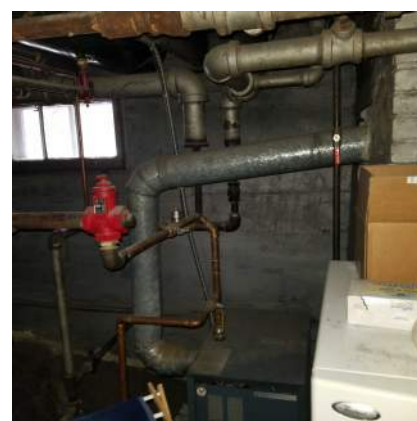
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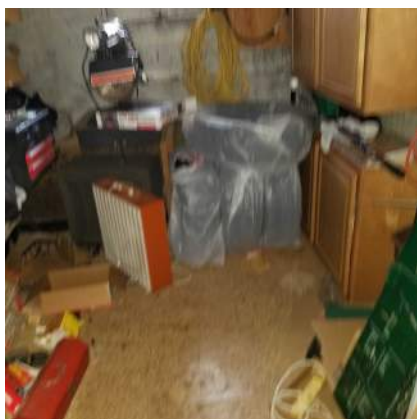
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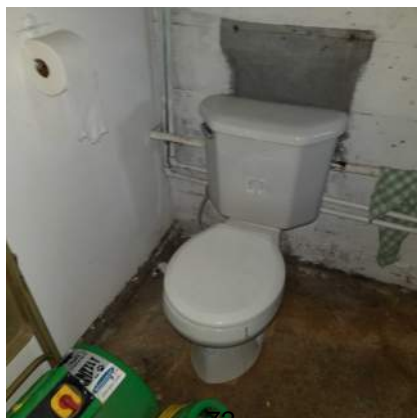
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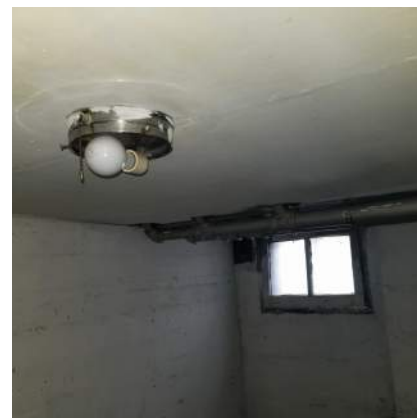
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Engwalls Redevelopment TIF District | Parcel A2: 4747 Hermantown Road



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Engwalls Redevelopment TIF District | Parcel A2: 4747 Hermantown Road



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Engwalls Redevelopment TIF District

Replacement Cost Report

RSMeans data
from BIRDAIAN

Square Foot Cost Estimate Report

Date:

11/22/2022

Estimate Name:	Engwalls Garage Apartment	
Building Type:	2 Story with Wood Siding - Wood Frame	
Location:	HERMANTOWN, MN	<p>Costs are derived from a building model with basic components. Scope differences and market conditions can cause costs to vary significantly.</p>
Story Count:	2	
Story Height (L.F.):	8.00	
Floor Area (S.F.):	1400	
Labor Type:	RES	
Basement:	No	
Data Release:	Year 2022 Quarter 4	
Cost Per Square Foot:	\$143.26	
Building Cost:	\$200,559.55	

		% of Total	Cost Per S.F.	Cost
01	Site Work	1.78%	\$2.21	\$3,097.22
0104034	Footing excavation, building, 26' x 46', 4' deep		\$2.21	\$3,097.22
02	Foundation	8.61%	\$10.72	\$15,014.00
0204030	Footing systems, 10" thick by 20" wide footing		\$2.04	\$2,849.55
0208034	Block wall systems, 8" wall, grouted, full height		\$6.02	\$8,433.65
0220034	Floor slab systems, 4" thick slab		\$2.66	\$3,730.80
03	Framing	17.51%	\$21.81	\$30,534.51
0302028	Floor framing systems, 2" x 8", 16" OC		\$4.83	\$6,762.83
0308026	Exterior wall framing systems, 2" x 4", 16" OC		\$0.33	\$457.13
0308026	Exterior wall framing systems, 2" x 4", 16" OC		\$6.89	\$9,649.86
0316042	Truss roof framing systems, 24" OC, 4/12 pitch, 1' overhang, 26' span		\$5.06	\$7,089.66
0316138	Furring, 1" x 3", 16" OC		\$1.02	\$1,431.91
0348026	Partition framing systems, 2" x 4", 16" OC		\$3.67	\$5,143.12
04	Exterior Walls	28.67%	\$35.72	\$50,001.95
0408034	Wood siding systems, 1/2" x 8" beveled cedar siding, "A" grade		\$0.70	\$980.04
0408034	Wood siding systems, 1/2" x 8" beveled cedar siding, "A" grade		\$14.78	\$20,687.99
0420043	Non-rigid insul, batts, fbgl, kraft faced, 3-1/2" thick, R13, 15" W		\$1.29	\$1,809.19
0420051	Non-rigid insul, batts, fbgl, kraft faced, 12" thick, R38, 23" wide		\$1.06	\$1,481.62
0440026	Sliding window systems, builder's quality wood window, 3' x 2'		\$15.23	\$21,327.41
0452046	Door systems, solid core birch, flush, 3' x 6'-8"		\$2.21	\$3,094.33
0460025	Storm door, al, combination, storm & screen, anodized, 3'-0" x 6'-8"		\$0.44	\$621.37
05	Roofing	2.35%	\$2.93	\$4,103.74
0504034	Gable end roofing, asphalt, roof shingles, class A		\$2.93	\$4,103.74
06	Interiors	27.33%	\$34.04	\$47,660.84
0604026	Wall system, 1/2" drywall, taped & finished		\$8.03	\$11,240.17
0604026	Wall system, 1/2" drywall, taped & finished		\$3.31	\$4,636.57
0608026	1/2" gypsum wallboard, taped & finished ceilings		\$2.54	\$3,558.27
0620026	Lauan, flush door, hollow core, interior		\$8.95	\$12,533.70
0660017	Carpet, Olefin, 15 oz		\$2.65	\$3,712.31
0660027	Padding, sponge rubber cushion, minimum		\$0.83	\$1,157.74
0660038	Underlayment plywood, 1/2" thick		\$4.04	\$5,651.91
0664029	Resilient flooring, vinyl sheet goods, backed, .070" thick, minimum		\$0.69	\$971.80
0664048	Resilient flooring, sleepers, treated, 16" OC, 1" x 3"		\$0.55	\$768.08
0690036	Stairways 14 risers, oak treads, box stairs		\$2.45	\$3,430.29

07	Specialties	3.65%	\$4.55	\$6,372.50
0708026	Kitchen, economy grade		\$2.19	\$3,061.98
0712035	Sinks, stainless steel, single bowl 16" x 20"		\$1.49	\$2,079.38
0712039	Water heater, electric, 30 gallon		\$0.88	\$1,231.14
08	Mechanical	7.23%	\$9.01	\$12,609.76
0812046	Three fixture bathroom with wall hung lavatory		\$3.52	\$4,931.53
0860101	Furnace, gas heating only, 100 MBH, area to 1200 SF		\$0.95	\$1,335.35
0860109	Intermittent pilot, 100 MBH furnace		\$0.36	\$508.71
0860111	Supply duct, rectangular, area to 1200 SF, rigid fiberglass		\$0.84	\$1,172.99
0860121	Return duct, sheet metal galvanized, to 1500 SF		\$1.00	\$1,396.79
0860123	Lateral ducts, flexible round 6" insulated, to 1200 SF		\$1.03	\$1,438.75
0860135	Register elbows, to 1500 SF		\$0.54	\$756.06
0860137	Floor registers, enameled steel w/damper, to 1500 SF		\$0.42	\$588.49
0860139	Return air grille, area to 1500 SF 12" x 12"		\$0.11	\$159.90
0860143	Thermostat, manual, 1 set back		\$0.09	\$131.79
0860147	Plenum, heating only, 100 MBH		\$0.14	\$189.40
09	Electrical	2.87%	\$3.58	\$5,005.09
0910036	100 amp electric service		\$0.98	\$1,373.57
0935112	Wiring device systems, economy to 1200 S.F.		\$2.01	\$2,810.44
0945112	Light fixture systems, economy to 1200 S.F.		\$0.59	\$821.08
SubTotal		100%	\$124.57	\$174,399.61
Contractor Fees (General Conditions,Overhead,Profit)		15.0%	\$18.69	\$26,159.94
Architectural Fees		0.0%	\$0.00	\$0.00
User Fees		0.0%	\$0.00	\$0.00
Total Building Cost			\$143.26	\$200,559.55

Engwalls Redevelopment TIF District

Code Deficiency Cost Report

Parcel A3 - 4747 Hermantown Road, Hermantown, Minnesota 55811
 Parcel ID 395-0010-07050

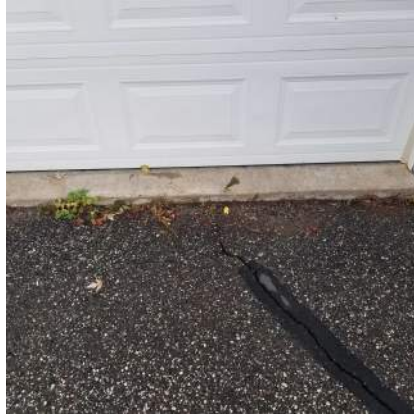
Building Name or Type
 Engwalls Garage Apartment

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Accessibility Items					
	No Deficiencies Observed				\$ -
Structural Elements					
	No Deficiencies Observed				\$ -
Exiting					
	Exterior Stairs				
	Modify exterior stairs to comply with code	\$ 2,000.00	Lump	1	\$ 2,000.00
	Carbon Monoxide Detectors				
	Install code required carbon monoxide detectors	\$ 250.00	EA	3	\$ 750.00
Fire Protection					
	Smoke Detectors				
	Install code compliant smoke detectors	\$ 250.00	EA	5	\$ 1,250.00
	Arc Fault Circuit Interrupters				
	Install code required AFCI's	\$ 250.00	EA	8	\$ 2,000.00
Exterior Construction					
	No Deficiencies Observed				\$ -
Roof Construction					
	No Deficiencies Observed				\$ -
Mechanical - Electrical					
	Mechanical				
	Install a code compliant HVAC system	\$ 0.95	SF	1,400	\$ 1,330.00
Total Code Improvements					\$ 7,330

Engwalls Redevelopment TIF District | Parcel A3: 4747 Hermantown Road



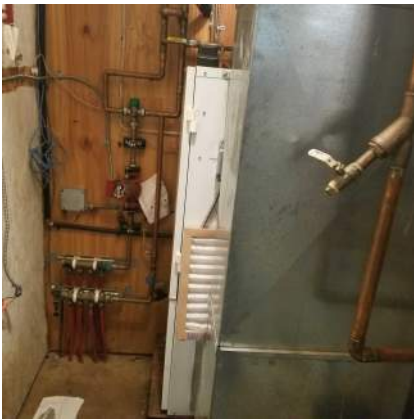
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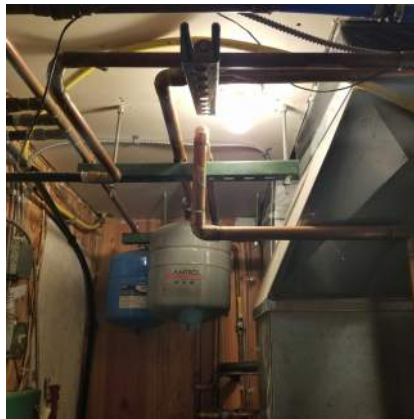
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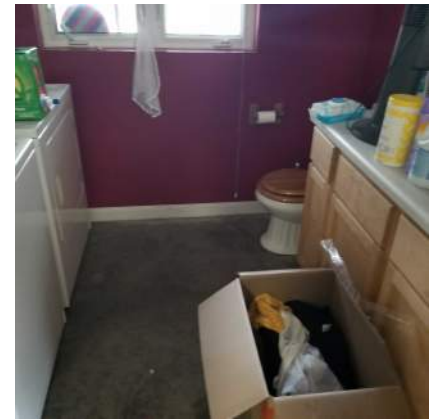
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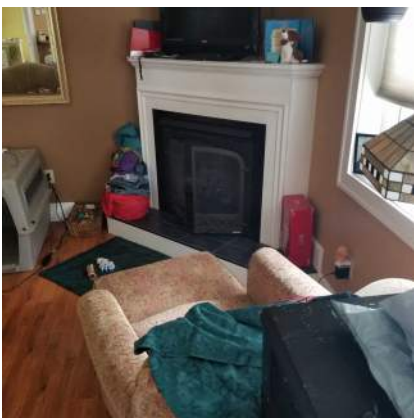
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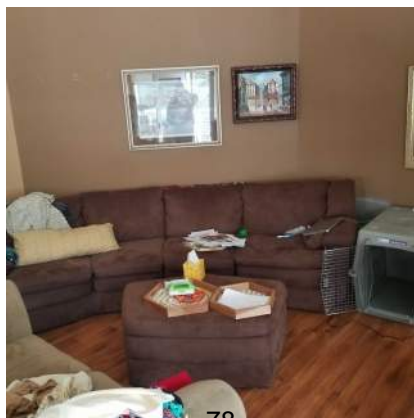
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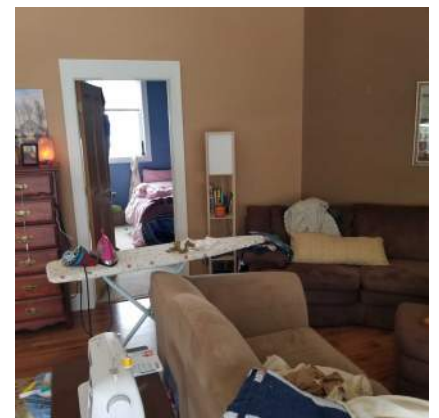
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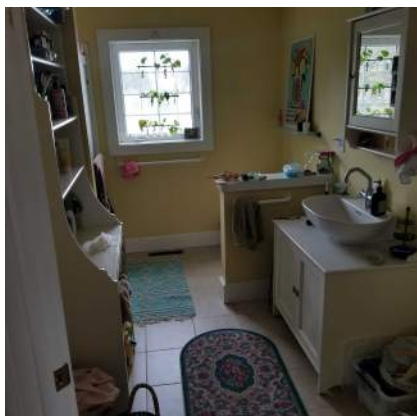


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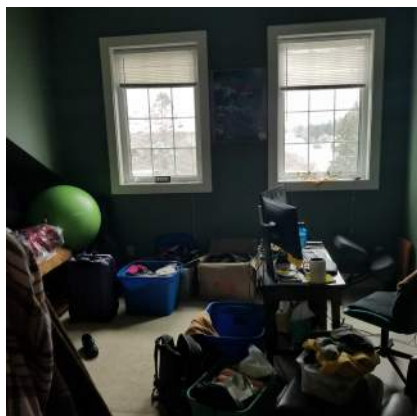


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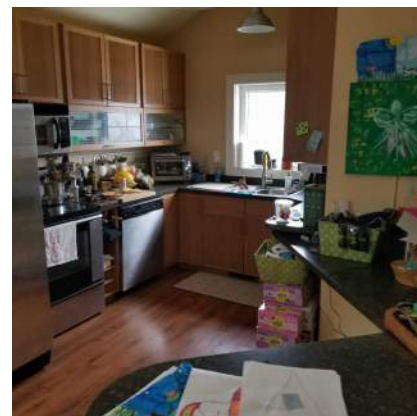
Engwalls Redevelopment TIF District | Parcel A3: 4747 Hermantown Road



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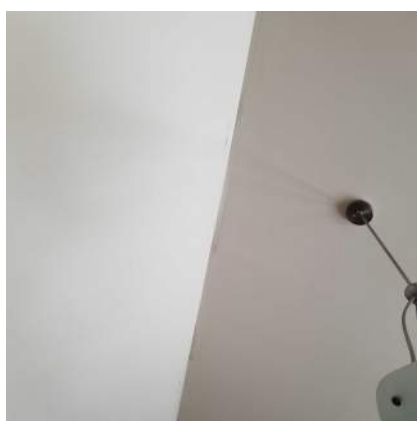
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Prepared by:



701 Washington Avenue North, Suite 200, Minneapolis, MN 55401

LHBcorp.com















LHB Project No. 221287.00



2023 CORRESPONDENCE

<u>DATE</u>	<u>LOG #</u>	<u>FROM</u>	<u>TO</u>	<u>REGARDING</u>	<u>FILED</u>	<u>FILE</u>	To City Council
8/3/2023	23-135	Cathy Remington, WLSSD	John Mulder, City Administrator	WLSSD 2024 Budget & Notice of 9/11/2023 Capital Budget & Solid Waste Mgmt. Fee Public Hearing	7/27/2023		
8/3/2023	23-136	Dale Siemsen, 4993 Thompson Rd.	City of Hermantown	Benson Road	8/3/2023		
8/8/2023	23-137	Will Seuffert, MN Public Utilities Comm.	City of Hermantown	Notice of Public Information & Environmental Assessment Scoping Meetings	8/7/2023		
8/14/2023	23-138	Ryan Kern, Duluth Airshow	John Mulder, City Administrator	Thank You	8/2/2023		
8/14/2023	23-139	Linda Mundell	Wayne Boucher, Mayor	Correspondence	8/4/2023		

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

		TARGET (Q2 2023)	ACTUAL (Q2 2023)	PERCENT UNDER (OVER)
Administration & Finance		379,827	371,369	2%
Community Development		165,916	101,975	39%
Police Administration		1,619,037	1,623,563	(0%)
Fire Administration		281,817	285,248	(1%)
Street Dept. (Incl. Gen Eng)		400,231	497,393	(24%)
Parks		64,306	19,763	69%
Capital Equipment Transfer		367,500	367,500	0%
Facilities		164,949	184,007	(12%)
Other		189,528	156,936	17%
General Fund Expenditure Total		3,633,110	3,607,752	1%
Water		1,015,479	612,825	40%
Sewer		1,053,789	479,102	55%
Stormwater		338,049	199,840	41%
City Sales Tax Revenue		1,650,000	1,755,964	6%
Community Recreation Initiative Sales Tax Revenue			289,502	

Street: Fuels, Lubricants, Uniforms, Salt, Contracted Services, Vehicle Maintenance, Payroll

Facilities: Maintenance, Contracted Services, Utilities

City of Hermantown

As of 06/30/2023

Cash/Investments per Fund

City Sales Tax Fund	10,367,289
Water Fund	5,622,613
Sewer Fund	6,293,886
General Fund	2,330,018
Other Funds	11,229,249
Total	<u>35,843,055</u>

Who holds our money

4M	1,170,575
RBC	28,463,991
NBC	4,666,490
Pershing/Ehler's	1,541,999
Total	<u>35,843,055</u>

How our money is invested

	<u>6/30/2023</u>	<u>3/31/2023</u>	<u>12/31/2022</u>	<u>9/30/2022</u>
Cash	2,666,490	1,930,713	7,132,594	4,834,103
Short Term Inv (Money Market)	1,170,575	3,692,594	3,759,722	5,598,084
Short Term Inv (CD)	2,000,000			
Inv - Bonds (Richard Lindgren)	1,541,999	0	0	0
Long Term Investment	28,463,991	27,835,339	26,560,590	23,557,796
Total	<u>35,843,055</u>	<u>33,458,646</u>	<u>37,452,906</u>	<u>33,989,983</u>

Year(s) our Investments mature

2023	9,673,539
2024	6,706,556
2025	7,342,285
2026	3,580,814
2027 & Later	5,021,788
Total	<u>30,463,991</u>

Preliminary General Fund Budget



Hermantown

Working together to serve
and build our community

August 21, 2023
City Council/Departments



Preliminary Budget Message

2024 Budget

August 21, 2023

Preliminary Budget: Attached is a preliminary City of Hermantown General Fund Budget for 2024. The budget is submitted at this time because of state imposed deadlines for Truth in Taxation purposes. The Council will be asked to set the preliminary levy and a public hearing date of December 4th, 2023 at the City Council meeting on September 18th, 2023. The preliminary levy and the budget hearing date must be approved by the City Council and submitted to St. Louis County by September 30. This preliminary levy represents the maximum proposed levy. The City Council may lower the proposed tax levy between September 18th and the final approval which is scheduled for December 4th, 2023.

Expenditures: At this time, expenditures in the 2024 General Fund Budget are increasing 15.85% or \$1,152,057. As a measure of comparison, the expenditures increased 7.9% last year. As a general rule in 2024 approximately \$84,000 in expenditures is the equivalent of 1% of tax levy. This increase is due in part to the following factors:

- Normal personnel expenditure increases (cost of living, step increases, health insurance)
- Anticipated effects of wage study
- Additional staff position(s)
- Increased funding for Fire Protection
- Funding for City communications
- Inflationary effect on expenditures
- 2024 Election
- Digital permitting software
- Increased maintenance on City Buildings

Revenues: At this time, revenues in the 2024 General Fund Budget are \$8,418,276 an increase of \$1,152,057 from 2023.

The General Fund budget relies heavily on local property tax (levy) to fund the expenditures. The levy makes up over 88% of the total revenue.

2024 PROPOSED BUDGET

REVENUES

Revenues	Original Budget	Proposed Budget	Increase	Percent
	2023	2024	(Decrease)	
Property Taxes	6,645,338	7,462,466	817,128	12.30%
Licenses & Permits	179,090	179,350	260	0.15%
Intergovernmental	242,050	580,840	338,790	139.97%
Charges for Services	150,041	147,020	(3,021)	-2.01%
Fines & Forfeitures	43,700	43,600	(100)	-0.23%
Investment Income	6,000	5,000	(1,000)	-16.67%
Transfers from other Funds	-	-	-	
Totals	7,266,219	8,418,276	1,152,057	15.85%

Expenditures by Category

Department	2023	2024	Increase (Reduction)	Percent Change	Percent of total
Personnel Services	4,409,197	5,802,336	1,393,139	31.60%	68.93%
Supplies	354,995	486,192	131,197	36.96%	5.78%
Services & Maintenance	1,643,527	1,418,748	-224,779	-13.68%	16.85%
Capital Outlay - General Fund	117,500	130,000	12,500	10.64%	1.54%
Other Financing Uses	741,000	581,000	(160,000)	-21.59%	6.90%
Totals	7,266,219	8,418,276	1,152,057	15.85%	

2024 PROPOSED BUDGET

Expenditures by Department

<u>Department</u>	<u>2023</u>	<u>2024</u>	<u>Increase (Reduction)</u>	<u>Percent Change</u>	<u>Percent of total</u>
Council	50,576	53,480	2,904	5.74%	0.64%
Legal Notices	1,800	0	-1,800	-100.00%	0.00%
Mayor	14,885	16,470	1,585	10.65%	0.20%
Elections	5,200	49,644	44,444	854.69%	0.59%
Admin & Finance	759,610	671,724	-87,886	-11.57%	7.98%
Attorney	50,000	52,500	2,500	5.00%	0.62%
Communications	25,000	171,364	146,364	585.46%	2.04%
Community Development	331,814	386,802	54,988	16.57%	4.59%
City Hall Maintenance	180,559	216,939	36,380	20.15%	2.58%
Police	3,238,315	3,448,425	210,110	6.49%	40.96%
Fire	563,634	798,525	234,891	41.67%	9.49%
Fire Hall 1	56,600	65,576	8,976	15.86%	0.78%
Fire Hall 2	7,089	8,421	1,332	18.79%	0.10%
Fire Hall 3	7,856	9,409	1,553	19.77%	0.11%
Building Inspector	172,380	193,198	20,818	12.08%	2.29%
Poundmaster	2,700	0	-2,700	-100.00%	0.00%
Street	773,787	850,883	77,096	9.96%	10.11%
City Engineer	22,000	24,000	2,000	9.09%	0.29%
Garage Building Maintenance	48,142	76,934	28,792	59.81%	0.91%
Parks & Recreation	128,937	149,988	21,051	16.33%	1.78%
Community Building	24,877	36,089	11,212	45.07%	0.43%
Cemetery	6,350	6,800	450	7.09%	0.08%
Transfers Out	735,000	575,000	-160,000	-21.77%	6.83%
Insurance	59,108	56,105	-3,003	-5.08%	0.67%
Contingency-payroll study	0	500,000	500,000		5.94%
Totals	7,266,219	8,418,276	1,152,057	15.85%	

REVENUE

DETAIL

CITY OF HERMANTOWN, MN
Revenue Budget Report -- MultiYear Actuals
For the Year: 2024

Account	Actuals				Current	%	Prelim.	Budget	Final	%
	2020	2021	2022	2023	Budget	Rec.	Budget	Change	Budget	Old
					2023	2023	24	24	24	24
101 General Fund										
310100 Current Year Taxes										
310100 Current Year Taxes	5,608,408	5,945,276	6,378,672	3,940,980	6,625,838	59%	7,442,966		7,442,966	112%
Group:	5,608,408	5,945,276	6,378,672	3,940,980	6,625,838	59%	7,442,966	0	7,442,966	112%
310200 Delinquent Taxes										
310200 Delinquent Taxes	49,698	56,401	7,823	-11,507	0	***%			0	0%
Group:	49,698	56,401	7,823	-11,507	0	***%	0	0	0	0%
318100 Franchise Fees										
318100 Franchise Fees	16,500	16,500	16,500	8,250	16,500	50%	16,500		16,500	100%
Group:	16,500	16,500	16,500	8,250	16,500	50%	16,500	0	16,500	100%
318900 Total Other Tax Revenue										
318990 Other Tax Revenues	704				0	0%			0	0%
Group:	704				0	0%	0	0	0	0%
319100 Penalty & Interest Property Taxes										
319100 Penalty & Interest	5,620	2,157	788	200	2,000	10%	2,000		2,000	100%
Group:	5,620	2,157	788	200	2,000	10%	2,000	0	2,000	100%
319200 Forfeited Tax Apportionments										
319200 Forfeited Tax		2,744	2,084	957	1,000	96%	1,000		1,000	100%
Group:		2,744	2,084	957	1,000	96%	1,000	0	1,000	100%
321100 Beer Licenses										
321110 On Sale Liquor Licenses	38,775	32,066	41,400	40,250	39,000	103%	40,000		40,000	102%
321120 Off Sale Liquor Licenses	865	870	790	3,010	790	381%	850		850	107%
321140 Sunday Licenses	2,597	1,913	2,533	2,600	2,400	108%	2,500		2,500	104%
321150 Dance Permits	1,000	250	1,250	1,500	1,200	125%	1,200		1,200	100%
Group:	43,237	35,099	45,973	47,360	43,390	109%	44,550	0	44,550	102%
321800 Contractors License/Permits										
321800 Contractors	7,974	8,000	8,350	7,225	7,000	103%	7,500		7,500	107%
Group:	7,974	8,000	8,350	7,225	7,000	103%	7,500	0	7,500	107%
321900 Misc Licenses										
321900 Misc Licenses	5,360	6,030	5,025		6,000	0%	5,000		5,000	83%
321950 Fireworks Permits	300	400	300	400	300	133%	300		300	100%
321990 Other Licenses & Permits	3,220	3,095	3,095	3,150	3,000	105%	2,900		2,900	96%
Group:	8,880	9,525	8,420	3,550	9,300	38%	8,200	0	8,200	88%

CITY OF HERMANTOWN, MN
Revenue Budget Report -- MultiYear Actuals
For the Year: 2024

Account	Actuals				Current	%	Prelim.	Budget	Final	%
	2020	2021	2022	2023	Budget	Rec.	Budget	Change	Budget	Old
					2023	2023	24	24	24	24

101 General Fund										
322100 Building Permits										
322100 Building Permits	92,600	214,269	209,905	79,777	100,000	80%	100,000		100,000	100%
322110 Zoning Fees	9,145	8,576	11,920	7,470	9,000	83%	9,000		9,000	100%
322121 Erosion & Sediment	4,750	4,000	4,750	2,125	3,500	61%	3,200		3,200	91%
322126 Wetland Permits	1,100	2,100	2,825	600	1,400	43%	1,400		1,400	100%
322130 Property Split Fees	2,750	3,750	4,200	1,500	2,000	75%	2,000		2,000	100%
Group:	110,345	232,695	233,600	91,472	115,900	79%	115,600	0	115,600	99%
322400 Licenses & Fees										
322400 Licenses & Fees	1,865	1,560	1,485	971	1,600	61%	1,600		1,600	100%
Group:	1,865	1,560	1,485	971	1,600	61%	1,600	0	1,600	100%
322900 Handgun/Bow Permits										
322900 Handgun/Bow Permits	2,195	1,745	2,010	15	1,900	1%	1,900		1,900	100%
Group:	2,195	1,745	2,010	15	1,900	1%	1,900	0	1,900	100%
331900										
331998 Police Overtime Reimb.	34,553	36,572	27,054	6,674	25,000	27%	25,000		25,000	100%
331999 Other Federal Grants &	555,433	6,194	33,281		1,200	0%	1,200		1,200	100%
334010 Local Government Aid					0	0%	315,875		315,875	*****
334050 Market Value Credit	1,038	895	750		0	0%			0	0%
334160 Police Training	14,114	14,425	16,237		14,000	0%	14,000		14,000	100%
334180 MSAS Maintenance	65,000	65,000	65,000	32,500	65,000	50%	65,000		65,000	100%
Group:	670,138	123,086	142,322	39,174	105,200	37%	421,075	0	421,075	400%
334200 State 2% Fire Insurance/Fire Relief										
334210 State Police Aid	141,766	134,058	181,989		135,000	0%	135,000		135,000	100%
Group:	141,766	134,058	181,989		135,000	0%	135,000	0	135,000	100%
334900										
334999 Other State Grants & Aids	1,357	21,889	39,636		1,200	0%	1,200		1,200	100%
Group:	1,357	21,889	39,636		1,200	0%	1,200	0	1,200	100%
336300 Other Grants & Aids										
336300 Other Grants & Aids	650	650	650	670	650	103%	23,565		23,565	3625%
Group:	650	650	650	670	650	103%	23,565	0	23,565	3625%
341000 Other Income										
341010 Building Rentals	1,154	3,728	4,940	3,300	3,000	110%	3,500		3,500	116%
341015 Community Building	18,864	19,558	18,331	13,958	22,059	63%	24,000		24,000	108%

CITY OF HERMANTOWN, MN
Revenue Budget Report -- MultiYear Actuals
For the Year: 2024

Account	Actuals				Current	%	Prelim.	Budget	Final	% Old
	2020	2021	2022	2023	Budget	Rec.	Budget	Change	Budget	Budget
					2023	2023	24	24	24	24

101 General Fund										
341030 Zoning & Subdivision	500	1,000	2,200	1,370	1,000	137%	1,000		1,000	100%
341090 Photocopies City		29	67	18	0	***%	15		15	*****%
Group:	20,518	24,315	25,538	18,646	26,059	72%	28,515	0	28,515	109%
341100 Filing Fees										
341100 Filing Fees	8		20		0	0%			0	0%
341110 Data Privacy			27		0	0%			0	0%
Group:	8		47		0	0%	0	0	0	0%
342000										
342010 Police Services	77,120	84,101	89,060	5,510	80,400	7%	83,000		83,000	103%
342030 Photocopies Police	115	190	139	69	99	70%	95		95	95%
Group:	77,235	84,291	89,199	5,579	80,499	7%	83,095	0	83,095	103%
349400 Cemetery Burial										
349400 Cemetery Burial	1,895	1,280	575	1,975	700	282%	800		800	114%
Group:	1,895	1,280	575	1,975	700	282%	800	0	800	114%
351000 Impound & Towing Charges										
351000 Impound & Towing Charges	657	390	925	195	500	39%	400		400	80%
351010 Court Fines	40,626	58,162	50,521	33,193	43,000	77%	43,000		43,000	100%
351020 Parking Fines	105	105	175	175	200	88%	200		200	100%
Group:	41,388	58,657	51,621	33,563	43,700	77%	43,600	0	43,600	99%
351200 Dog/City Fines										
351200 Dog/City Fines		2,500	100		0	0%			0	0%
Group:		2,500	100		0	0%	0	0	0	0%
352000										
352010 Unclaimed Property		245			0	0%			0	0%
Group:		245			0	0%	0	0	0	0%
362100 Investment Interest										
362100 Investment Interest	23,841	26,698	60,917	-9,923	6,000	***%	5,000		5,000	83%
362160 Gain (Loss) on Sale of	6,919	-41,653	-179,514		0	0%			0	0%
Group:	30,760	-14,955	-118,597	-9,923	6,000	***%	5,000	0	5,000	83%

CITY OF HERMANTOWN, MN
Revenue Budget Report -- MultiYear Actuals
For the Year: 2024

Account	Actuals				Current	%	Prelim.	Budget	Final	% Old
	2020	2021	2022	2023	Budget	Rec.	Budget	Change	Budget	Budget
	2020	2021	2022	2023	2023	2023	24	24	24	24
101 General Fund										
362200 Park Field Rental Fees										
362200 Park Field Rental Fees	9,600	9,600	9,650		9,600	0%			0	0%
362210 Park Rental Fees		50	175	275	50	550%	75		75	150%
362250 City Property Lease	11,018	11,636	12,350	2,598	12,293	21%	12,635		12,635	102%
362255 Lightning Drive Tower	14,893	15,637	16,419	10,057	17,240	58%	18,000		18,000	104%
Group:	35,511	36,923	38,594	12,930	39,183	33%	30,710	0	30,710	78%
362300 Donations										
362350 Development Agreement				3,651	0	***%			0	0%
Group:				3,651	0	***%	0	0	0	0%
362400 911 Signs										
362400 911 Signs	2,395	3,070	2,165	1,300	2,200	59%	2,000		2,000	90%
362410 Insurance Recoveries	17,170	-571	21,370	32,767	100	***%	100		100	100%
362415 Other Insurance		8,436	11,613		0	0%			0	0%
362430 Refund & Reimbursement	12,318	6,907	24,014	2,009	1,000	201%	1,000		1,000	100%
Group:	31,883	17,842	59,162	36,076	3,300	***%	3,100	0	3,100	93%
362900 Flex Plan Revenue Over/Short										
362990 Miscellaneous Revenue	559	3,604	746	17,427	200	***%	800		800	400%
Group:	559	3,604	746	17,427	200	***%	800	0	800	400%
391000										
391010 Sale of General Fixed	8,510	148,473			100	0%			0	0%
Group:	8,510	148,473			100	0%	0	0	0	0%
393200 Lease Proceeds										
393200 Lease Proceeds			6,546		0	0%			0	0%
Group:			6,546		0	0%	0	0	0	0%
Fund:	6,917,604	6,954,560	7,223,833	4,249,241	7,266,219	58%	8,418,276	0	8,418,276	115%
Grand Total:	6,917,604	6,954,560	7,223,833	4,249,241	7,266,219		8,418,276	0	8,418,276	

EXPENDITURES

DETAIL

CITY OF HERMANTOWN, MN
Expenditure Budget Report -- MultiYear Actuals
For the Year: 2024

Account	Object	Actuals				Current	%	Prelim.	Budget	Final	%
		2020	2021	2022	2023	Budget	Exp.	Budget	Changes	Budget	Budget
						2023	2023	24	24	24	24
101 General Fund											
411100 Council											
103	Part-Time Employees - Reg	27,940	30,480	28,575	18,225	32,400	56%	32,400		32,400	100%
123	PERA Contributions - DCP	962	1,083	992	815	1,185	69%	1,620		1,620	137%
128	Social Security	472	472	472		539	0%			0	0%
129	Medicare	405	442	414	264	470	56%	470		470	100%
133	Life Insurance	173	195	164	80	194	41%	205		205	106%
151	Workers Compensation	1,060	1,002	949	471	942	50%	942		942	100%
201	Office Supplies	37		140	376	60	627%	80		80	133%
209	Computer Equipment	1,868				0	0%	100		100	*****
315	School & Conference		175	239	800	400	200%	500		500	125%
331	Travel Expense				1,076	1,000	108%	1,500		1,500	150%
405	Computer Maintenance	401	169	2,450	736	1,885	39%	3,063		3,063	162%
451	Dues & Subscriptions	9,578	12,372	10,556		11,432	0%	12,500		12,500	109%
499	Miscellaneous	155	30	142		55	0%	100		100	182%
	Account:	43,051	46,420	45,093	22,843	50,562	45%	53,480	0	53,480	106%
411300 Ordinance, Public Notice and Proceedings											
351	Legal Notices Publishing	1,361	1,196	4,484	3,275	1,800	182%			0	0%
	Account:	1,361	1,196	4,484	3,275	1,800	182%	0	0	0	0%
413100 Mayor											
103	Part-Time Employees - Reg	10,020	10,020	10,020	6,125	10,500	58%	10,500		10,500	100%
123	PERA Contributions - DCP	481	481	481	281	525	54%	525		525	100%
129	Medicare	145	145	145	89	152	59%	152		152	100%
133	Life Insurance	49	47	47	27	49	55%	51		51	104%
151	Workers Compensation	350	328	311	154	308	50%	308		308	100%
209	Computer Equipment	467				0	0%			0	0%
315	School & Conference				460	440	105%	450		450	102%
331	Travel Expense	299			365	330	111%	400		400	121%
405	Computer Maintenance	1,339	1,278	1,883	1,200	2,446	49%	3,929		3,929	161%
451	Dues & Subscriptions	30	30	30		30	0%	35		35	117%
499	Miscellaneous	102	175	184		100	0%	120		120	120%
	Account:	13,282	12,504	13,101	8,701	14,880	58%	16,470	0	16,470	111%
414100 Elections											
101	Full-Time Employees - Reg	2,493	1,696	3,625	3,771	0	***%	6,093		6,093	*****
102	Full-Time Employees - Ove	237		59	41	0	***%			0	0%
105	Temporary Employees - Reg	11,794	163	10,823		0	0%	24,700		24,700	*****
111	Severance Pay - Vacation/		1,175			0	0%			0	0%
121	PERA Contributions - Coor	205	127	276	269	0	***%	457		457	*****
128	Social Security	168	131	213	223	0	***%	1,909		1,909	*****
129	Medicare	39	31	50	52	0	***%	446		446	*****
131	Health Insurance	543	282	1,564	2,070	0	***%	1,006		1,006	*****
133	Life Insurance	4	6	10	6	0	***%	8		8	*****
134	Disability Insurance	25	11	16	17	0	***%	35		35	*****
136	MSRS	16	14	41	15	0	***%	62		62	*****

CITY OF HERMANTOWN, MN
Expenditure Budget Report -- MultiYear Actuals
For the Year: 2024

Account	Object	Actuals				Current	%	Prelim.	Budget	Final	%
		2020	2021	2022	2023	Budget	Exp.	Budget	Changes	Budget	Budget
151	Workers Compensation	3	182	182		0	0%	755		755	*****
201	Office Supplies	752		371		0	0%	800		800	*****
221	General Supplies	50		1,235		0	0%			0	0%
314	Computer/Software Fees			4,524		0	0%	2,500		2,500	*****
325	Postage	1,284		1,171	202	50	404%	1,200		1,200	2400%
331	Travel Expense	334		268		0	0%	370		370	*****
351	Legal Notices Publishing	3,152		940		150	0%	3,200		3,200	2133%
404	Equipment Maintenance		1,888	1,909		1,700	0%	2,000		2,000	118%
405	Computer Maintenance				3,027	3,100	98%	3,103		3,103	100%
499	Miscellaneous	762		243		200	0%	1,000		1,000	500%
	Account:	21,861	5,706	27,520	9,693	5,200	186%	49,644	0	49,644	955%
415300	Administration & Finance										
101	Full-Time Employees - Reg	370,841	366,766	405,593	252,278	443,891	57%	355,299		355,299	80%
102	Full-Time Employees - Ove	265		37	37	108	34%			0	0%
111	Severance Pay - Vacation/		38,027			0	0%			0	0%
121	PERA Contributions - Coor	28,066	27,804	30,681	18,547	33,292	56%	26,647		26,647	80%
128	Social Security	22,953	23,314	24,440	15,248	27,520	55%	22,029		22,029	80%
129	Medicare	5,297	5,452	5,716	3,566	6,437	55%	5,152		5,152	80%
131	Health Insurance	87,580	71,521	107,772	71,764	119,700	60%	108,029		108,029	90%
132	Health Care Savings Plan/	1,210	736	1,354		0	0%			0	0%
133	Life Insurance	993	936	1,056	593	1,057	56%	845		845	80%
134	Disability Insurance	1,529	1,598	1,791	1,064	2,019	53%	1,638		1,638	81%
136	MSRS	1,925	1,877	5,743	3,251	6,162	53%	6,074		6,074	99%
151	Workers Compensation	523	575	623	329	658	50%	527		527	80%
201	Office Supplies	5,100	4,419	5,036	3,730	5,000	75%	5,050		5,050	101%
202	Printing Supplies	2,208	1,284	1,914	747	1,500	50%	1,500		1,500	100%
209	Computer Equipment	1,401	-581	198		400	0%	415		415	104%
221	General Supplies		4,303	2,325		500	0%	500		500	100%
301	Audit/Account Services	13,055	22,204	18,165	28,440	31,500	90%	34,200		34,200	109%
302	Assessors Fees	619	649	798		670	0%	675		675	101%
314	Computer/Software Fees	2,653	3,830	4,500		500	0%	525		525	105%
315	School & Conference	599	1,131	2,782	3,465	4,000	87%	4,000		4,000	100%
319	Contracted Services	1,303	2,515	24,278	2,692	5,000	54%	20,000		20,000	400%
320	Personnel Search Expenses		315			1,000	0%	500		500	50%
321	Telephone	1,486	1,761	1,930	1,044	1,550	67%	1,750		1,750	113%
325	Postage	1,491	1,115	1,378	557	1,200	46%	1,200		1,200	100%
331	Travel Expense	3,729	3,263	11,292	4,765	7,000	68%	7,500		7,500	107%
343	Community Relations	3,069	77	3,721	4,070	4,400	93%	4,800		4,800	109%
351	Legal Notices Publishing	1,440	1,739	1,483	891	1,000	89%	5,500		5,500	550%
361	General Liability Insuran			23	23	0	***			0	0%
380	Property Taxes			24		50	0%	75		75	150%
405	Computer Maintenance	26,753	33,995	27,708	32,385	43,939	74%	47,394		47,394	108%
413	Equipment Rental	4,127	3,975	4,037	2,088	4,000	52%	4,100		4,100	103%
434	Employee Recognition Prog	100	791	365	374	800	47%	900		900	113%
451	Dues & Subscriptions	3,087	3,035	4,179	1,999	4,300	46%	4,350		4,350	101%
497	Unclaimed Checks				21	0	***	50		50	*****
499	Miscellaneous	1,364	663	285		500	0%	500		500	100%
	Account:	594,766	629,089	701,227	453,968	759,653	60%	671,724	0	671,724	88%

CITY OF HERMANTOWN, MN
Expenditure Budget Report -- MultiYear Actuals
For the Year: 2024

Account	Object	Actuals				Current	%	Prelim.	Budget	Final	%
		2020	2021	2022	2023	Budget	Exp.	Budget	Changes	Budget	Budget
						2023	2023	24	24	24	24

416100	City Attorney										
308	Legal Fees	38,207	57,952	44,038	26,261	50,000	53%	52,500		52,500	105%
	Account:	38,207	57,952	44,038	26,261	50,000	53%	52,500	0	52,500	105%
417200	Communications										
101	Full-Time Employees - Reg					0	0%	103,542		103,542	*****
123	PERA Contributions - DCP					0	0%	7,766		7,766	*****
128	Social Security					0	0%	6,420		6,420	*****
129	Medicare					0	0%	1,501		1,501	*****
131	Health Insurance					0	0%	12,651		12,651	*****
133	Life Insurance					0	0%	256		256	*****
134	Disability Insurance					0	0%	494		494	*****
136	MSRS					0	0%	2,080		2,080	*****
151	Workers Compensation					0	0%	154		154	*****
314	Computer/Software Fees					0	0%	1,000		1,000	*****
315	School & Conference				565	0	***%	500		500	*****
319	Contracted Services					25,000	0%	25,000		25,000	100%
321	Telephone				150	0	***%			0	0%
331	Travel Expense				1,021	0	***%	1,000		1,000	*****
343	Community Relations				156	0	***%	500		500	*****
405	Computer Maintenance					0	0%	1,500		1,500	*****
451	Dues & Subscriptions				393	0	***%			0	0%
499	Miscellaneous					0	0%	7,000		7,000	*****
	Account:				2,285	25,000	9%	171,364	0	171,364	685%
419100	Community Development										
101	Full-Time Employees - Reg	94,079	96,763	107,452	67,475	186,420	36%	221,139		221,139	119%
121	PERA Contributions - Coor	7,056	7,500	8,059	5,061	13,982	36%	16,585		16,585	119%
128	Social Security	5,670	6,024	6,493	4,070	11,558	35%	13,711		13,711	119%
129	Medicare	1,326	1,409	1,518	952	2,703	35%	3,207		3,207	119%
131	Health Insurance	28,070	27,041	29,864	22,928	56,349	41%	70,405		70,405	125%
133	Life Insurance	259	259	259	156	452	35%	572		572	127%
134	Disability Insurance	439	448	481	289	820	35%	1,038		1,038	127%
136	MSRS				21	1,170	2%	2,288		2,288	196%
151	Workers Compensation	192	215	253	138	276	50%	328		328	119%
201	Office Supplies	57	31	23		300	0%	300		300	100%
202	Printing Supplies					300	0%	300		300	100%
209	Computer Equipment	531				0	0%			0	0%
304	Parcel Research Fees	1,565	1,240	1,830	225	2,500	9%	3,500		3,500	140%
305	Engineer Fees	7,380	4,415	3,118	3,580	10,000	36%	10,000		10,000	100%
308	Legal Fees	8,533	28,849	24,523	10,677	17,500	61%	18,000		18,000	103%
310	Recording/Filing Fees	1,150	980	986	474	1,500	32%	1,750		1,750	117%
314	Computer/Software Fees	1,972	397	453	415	1,500	28%	1,500		1,500	100%
315	School & Conference			370	135	1,500	9%	500		500	33%
319	Contracted Services	20,180	7,582	39	30	1,250	2%	1,750		1,750	140%
321	Telephone	300	300	300	150	300	50%	300		300	100%
325	Postage	678	531	556	113	1,000	11%	1,250		1,250	125%
331	Travel Expense		30		295	1,000	30%	500		500	50%
343	Community Relations				7	0	***%			0	0%

CITY OF HERMANTOWN, MN
Expenditure Budget Report -- MultiYear Actuals
For the Year: 2024

Account	Object	Actuals				Current	%	Prelim.	Budget	Final	%
		2020	2021	2022	2023	Budget	Exp.	Budget	Changes	Budget	Budget
						2023	2023	24	24	24	24
351	Legal Notices Publishing	1,466	2,446	602	375	2,000	19%	2,500		2,500	125%
361	General Liability Insuran	8,213	8,212	8,212	4,106	8,212	50%	6,691		6,691	81%
380	Property Taxes				116	0	***%			0	0%
405	Computer Maintenance	3,667	3,831	5,742	3,530	7,739	46%	7,688		7,688	99%
451	Dues & Subscriptions	296	150	150	165	1,500	11%	1,000		1,000	67%
	Account:	193,079	198,653	201,283	125,483	331,831	38%	386,802	0	386,802	117%
419901 City Hall & Police Building Maintenance											
101	Full-Time Employees - Reg	38,586	45,891	45,744	31,521	37,870	83%	39,100		39,100	103%
102	Full-Time Employees - Ove	2,657	2,845	4,636	2,219	273	813%	7,150		7,150	2619%
103	Part-Time Employees - Reg	6,975	7,805	8,766	6,418	13,884	46%	14,335		14,335	103%
111	Severance Pay - Vacation/		2,457			0	0%			0	0%
121	PERA Contributions - Coor	3,616	4,239	4,436	3,011	2,861	105%	4,544		4,544	159%
128	Social Security	2,782	3,479	3,382	2,268	3,226	70%	3,756		3,756	116%
129	Medicare	651	814	791	530	754	70%	878		878	116%
131	Health Insurance	18,395	17,981	24,985	19,372	20,930	93%	21,792		21,792	104%
132	Health Care Savings Plan/		10,898			0	0%			0	0%
133	Life Insurance	43	22	45	27	41	66%	44		44	107%
134	Disability Insurance	206	131	260	169	206	82%	264		264	128%
151	Workers Compensation	2,121	2,046	1,950	1,003	2,006	50%	2,336		2,336	116%
211	Cleaning Supplies		109	232	403	0	***%			0	0%
212	Motor Fuels	1,239	2,166	2,796	386	2,000	19%	3,000		3,000	150%
216	Uniforms	370	377	332		500	0%	500		500	100%
221	General Supplies	7,745	5,475	6,730	4,027	6,500	62%	7,000		7,000	108%
223	Maintenance Supplies		17	1,290	366	0	***%			0	0%
224	Land Maintenance & Repair		501	95	587	2,000	29%	2,500		2,500	125%
315	School & Conference			100		0	0%			0	0%
319	Contracted Services	1,062	1,438	1,789	1,205	2,000	60%	2,000		2,000	100%
321	Telephone	7,571	7,343	7,094	3,979	7,572	53%	8,000		8,000	106%
322	Internet	8,674	6,354	7,224	4,197	8,200	51%	8,200		8,200	100%
361	General Liability Insuran	9,382	9,381	11,541	6,437	12,874	50%	13,840		13,840	108%
381	Electricity	24,428	26,071	36,327	17,085	25,000	68%	32,500		32,500	130%
383	Heating Gas	12,149	13,497	26,478	14,984	17,500	86%	18,500		18,500	106%
384	Garbage Removal	3,190	4,575	5,473	3,097	2,750	113%	4,000		4,000	145%
401	Building Maintenance	7,207	27,722	11,524	7,506	10,000	75%	12,500		12,500	125%
404	Equipment Maintenance	366	19,262	36,966	9,298	4,000	232%	10,000		10,000	250%
405	Computer Maintenance	684				0	0%			0	0%
406	Vehicle Maintenance		108	44		0	0%			0	0%
451	Dues & Subscriptions	65	130	163	45	50	90%	100		100	200%
460	Permits & Licenses	59	70	59	20	100	20%	100		100	100%
	Account:	160,223	223,204	251,252	140,160	183,097	77%	216,939	0	216,939	118%
421100 Police Administration											
101	Full-Time Employees - Reg	1,347,808	1,458,064	1,517,004	922,347	1,619,008	57%	1,671,880		1,671,880	103%
102	Full-Time Employees - Ove	130,030	154,152	208,118	83,546	160,113	52%	170,829		170,829	107%
111	Severance Pay - Vacation/	13,155	23,901	880	287	0	***%			0	0%
121	PERA Contributions - Coor	10,969	11,605	13,206	6,290	13,038	48%	13,678		13,678	105%
122	Pera Contributions - Poli	235,334	257,974	274,181	162,863	284,134	57%	293,880		293,880	103%
128	Social Security	8,618	9,867	9,390	5,211	10,778	48%	11,307		11,307	105%

CITY OF HERMANTOWN, MN
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For the Year: 2024

Account	Object	Actuals				Current	%	Prelim.	Budget	Final	%
		2020	2021	2022	2023	Budget	Exp.	Budget	Changes	Budget	Old
		2020	2021	2022	2023	2023	2023	24	24	24	24
129	Medicare	20,486	22,582	23,993	13,912	25,797	54%	26,719		26,719	104%
131	Health Insurance	430,246	443,980	506,476	378,493	546,693	69%	569,581		569,581	104%
132	Health Care Savings Plan/	6,747	7,010	9,947		0	0%			0	0%
133	Life Insurance	1,696	1,611	1,680	1,013	1,733	58%	1,829		1,829	106%
134	Disability Insurance	6,092	6,700	7,403	4,488	8,389	53%	8,950		8,950	107%
136	MSRS	1,569	1,564	4,504	2,790	4,680	60%	6,240		6,240	133%
151	Workers Compensation	45,703	46,378	47,363	24,212	48,427	50%	50,092		50,092	103%
201	Office Supplies	1,994	1,669	878	453	1,500	30%	1,500		1,500	100%
202	Printing Supplies	1,153	1,003	779	1,881	1,500	125%	1,500		1,500	100%
209	Computer Equipment	1,117	1,811	129	769	1,500	51%	1,500		1,500	100%
211	Cleaning Supplies	120				0	0%			0	0%
212	Motor Fuels	23,653	39,042	50,967	27,918	63,250	44%	63,000		63,000	100%
216	Uniforms	17,030	17,724	21,019	14,870	17,000	87%	21,000		21,000	124%
218	Medical Supplies	384	1,179	163	363	1,200	30%	1,200		1,200	100%
219	Other Operating Equipment		146	14		0	0%	32,287		32,287	*****
221	General Supplies	2,735	6,414	4,829	3,409	5,700	60%	5,700		5,700	100%
222	Tires	3,334	6,572	3,181	903	6,000	15%	6,500		6,500	108%
240	Gun Supplies/Ammo/Tasers	9,730	5,890	21,561	16,818	10,500	160%	12,000		12,000	114%
303	Banking Fees		39			0	0%			0	0%
308	Legal Fees	66,150	59,170	69,229	41,197	83,000	50%	83,000		83,000	100%
314	Computer/Software Fees	21,030	28,249	27,834	28,578	25,000	114%	27,500		27,500	110%
315	School & Conference	4,836	10,070	11,199	4,989	11,000	45%	11,000		11,000	100%
317	Personnel Testing, Physic	1,981	3,245	4,797	30	0	***%	4,000		4,000	*****
319	Contracted Services	3,565	3,589	2,922	1,590	5,000	32%	58,500		58,500	1170%
320	Personnel Search Expenses	99		83		0	0%			0	0%
321	Telephone	16,389	15,687	16,572	8,561	16,500	52%	17,000		17,000	103%
325	Postage	746	1,385	1,792	235	1,400	17%	1,400		1,400	100%
331	Travel Expense	1,598	5,949	3,336	824	7,500	11%	7,500		7,500	100%
343	Community Relations	57	1,163	1,868	264	1,500	18%	2,000		2,000	133%
351	Legal Notices Publishing	74	470	87	41	300	14%	300		300	100%
361	General Liability Insuran	26,146	34,218	44,081	22,887	45,706	50%	40,597		40,597	89%
404	Equipment Maintenance	3,182	3,862	3,056	740	3,000	25%	3,000		3,000	100%
405	Computer Maintenance	30,380	30,689	64,633	36,513	58,328	63%	59,756		59,756	102%
406	Vehicle Maintenance	13,220	19,070	24,052	7,261	15,000	48%	15,000		15,000	100%
413	Equipment Rental	4,113	4,030	3,406	807	5,000	16%	5,000		5,000	100%
434	Employee Recognition Prog	268	42			250	0%	500		500	200%
436	Towing Charges	215	905	475	290	250	116%	500		500	200%
451	Dues & Subscriptions	1,806	3,298	2,944	2,337	2,000	117%	2,500		2,500	125%
460	Permits & Licenses	531	87	913	29	400	7%	700		700	175%
490	K-9 Expenses		2,189	1,180	1,293	3,000	43%	1,500		1,500	50%
495	Property Damage Reimb. by	302	21,124	11,794	1,397	2,000	70%	2,000		2,000	100%
499	Miscellaneous	3,757	3,164	4,996	1,236	3,500	35%	4,000		4,000	114%
540	Office Equip/Furnishings	4,227				2,500	0%			0	0%
544	Motor Vehicles	54,378	126,374	114,435	107,915	115,000	94%	130,000		130,000	113%
580	Other Equipment	4,865	6,725	44,602	31,011	0	***%			0	0%
Account:		2,583,618	2,911,631	3,187,951	1,972,861	3,238,074	61%	3,448,425	0	3,448,425	106%

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Expenditure Budget Report -- MultiYear Actuals
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Account	Object	Actuals				Current	%	Prelim.	Budget	Final	%
		2020	2021	2022	2023	Budget	Exp.	Budget	Changes	Budget	Budget
		2020	2021	2022	2023	2023	2023	24	24	24	24

422100	Fire Administration										
101	Full-Time Employees - Reg					0	0%	181,314		181,314	*****%
103	Part-Time Employees - Reg					0	0%	209,440		209,440	*****%
125	Firemens Pension Contribu					0	0%	85,060		85,060	*****%
128	Social Security					0	0%	12,985		12,985	*****%
129	Medicare					0	0%	3,397		3,397	*****%
131	Health Insurance					0	0%	67,052		67,052	*****%
133	Life Insurance					0	0%	1,889		1,889	*****%
134	Disability Insurance					0	0%	2,171		2,171	*****%
136	MSRS					0	0%	4,160		4,160	*****%
151	Workers Compensation					0	0%	42,983		42,983	*****%
201	Office Supplies					0	0%	2,000		2,000	*****%
202	Printing Supplies					0	0%	1,000		1,000	*****%
209	Computer Equipment					0	0%	3,000		3,000	*****%
211	Cleaning Supplies					0	0%	900		900	*****%
212	Motor Fuels					0	0%	10,000		10,000	*****%
216	Uniforms					0	0%	5,000		5,000	*****%
218	Medical Supplies					0	0%	15,000		15,000	*****%
219	Other Operating Equipment					0	0%	13,000		13,000	*****%
222	Tires					0	0%	1,200		1,200	*****%
308	Legal Fees				2,431	0	***%	1,500		1,500	*****%
314	Computer/Software Fees					0	0%	2,500		2,500	*****%
315	School & Conference					0	0%	15,000		15,000	*****%
317	Personnel Testing, Physic					0	0%	18,000		18,000	*****%
318	Fire Protection	516,000	521,160	536,795	422,726	563,634	75%			0	0%
319	Contracted Services				1,000	0	***%	4,500		4,500	*****%
320	Personnel Search Expenses					0	0%	500		500	*****%
321	Telephone					0	0%	1,500		1,500	*****%
325	Postage					0	0%	200		200	*****%
331	Travel Expense					0	0%	1,000		1,000	*****%
343	Community Relations					0	0%	4,000		4,000	*****%
361	General Liability Insuran					0	0%	34,948		34,948	*****%
404	Equipment Maintenance					0	0%	10,000		10,000	*****%
405	Computer Maintenance					0	0%	14,576		14,576	*****%
406	Vehicle Maintenance					0	0%	25,000		25,000	*****%
434	Employee Recognition Prog					0	0%	500		500	*****%
451	Dues & Subscriptions					0	0%	250		250	*****%
496	Insurance Deductible					0	0%	1,000		1,000	*****%
499	Miscellaneous					0	0%	2,000		2,000	*****%
	Account:	516,000	521,160	536,795	426,157	563,634	76%	798,525	0	798,525	142%

422901	Firehall #1 Maple Grove Road										
101	Full-Time Employees - Reg	15,681	9,412	2,892	1,867	11,652	16%	12,031		12,031	103%
102	Full-Time Employees - Ove	817	875	974	451	84	537%	2,200		2,200	2619%
103	Part-Time Employees - Reg	305	456	600	575	0	***%			0	0%
111	Severance Pay - Vacation/		756			0	0%			0	0%
121	PERA Contributions - Coor	1,237	771	290	174	880	20%	1,067		1,067	121%
128	Social Security	958	666	254	166	728	23%	882		882	121%
129	Medicare	224	156	59	39	170	23%	206		206	121%

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Account	Object	Actuals				Current	%	Prelim.	Budget	Final	%
		2020	2021	2022	2023	Budget	Exp.	Budget	Changes	Budget	Budget
						2023	2023	24	24	24	24
131	Health Insurance	7,098	4,217	2,809	1,834	6,440	28%	6,705		6,705	104%
132	Health Care Savings Plan/		3,353			0	0%			0	0%
133	Life Insurance	17	8	4	2	13	15%	13		13	100%
134	Disability Insurance	83	39	21	10	63	16%	81		81	129%
151	Workers Compensation	517	490	449	227	453	50%	549		549	121%
221	General Supplies	258	615			0	0%			0	0%
321	Telephone	1,884	1,824	1,768	992	2,100	47%	2,209		2,209	105%
322	Internet	2,169	1,673	1,806	1,049	1,700	62%	1,800		1,800	106%
361	General Liability Insuran	2,723	2,575	3,099	1,705	3,411	50%	4,233		4,233	124%
381	Electricity	15,614	16,668	23,227	10,923	17,000	64%	19,000		19,000	112%
383	Heating Gas	7,489	8,523	16,275	9,166	12,000	76%	14,000		14,000	117%
401	Building Maintenance	495	8,008	1,129		500	0%	600		600	120%
460	Permits & Licenses	10	10	10		0	0%			0	0%
	Account:	57,579	61,095	55,666	29,180	57,194	51%	65,576	0	65,576	115%
422902 Firehall #2 Morris Thomas Road											
221	General Supplies		25	15		0	0%	15		15	*****%
223	Maintenance Supplies					50	0%	50		50	100%
319	Contracted Services	216	88	125		200	0%	210		210	105%
322	Internet	850	860	960	560	911	61%	960		960	105%
361	General Liability Insuran	1,248	1,180	1,414	775	1,550	50%	2,186		2,186	141%
381	Electricity	1,019	1,023	1,462	755	1,350	56%	1,600		1,600	119%
383	Heating Gas	2,085	2,515	2,893	1,500	2,800	54%	2,900		2,900	104%
401	Building Maintenance	541	2,662	146	352	500	70%	500		500	100%
404	Equipment Maintenance			261		0	0%			0	0%
	Account:	5,959	8,353	7,276	3,942	7,361	54%	8,421	0	8,421	114%
422903 Firehall #3 Midway Road											
221	General Supplies	108	85	155		0	0%	150		150	*****%
223	Maintenance Supplies		285	15	52	50	104%	75		75	150%
319	Contracted Services	216	88	135		0	0%	150		150	*****%
322	Internet	861	880	880	640	1,000	64%	1,000		1,000	100%
361	General Liability Insuran	1,275	1,206	1,427	774	1,549	50%	2,184		2,184	141%
381	Electricity	833	865	1,284	657	1,200	55%	1,250		1,250	104%
383	Heating Gas	2,449	1,561	2,545	1,989	3,800	52%	4,100		4,100	108%
401	Building Maintenance	450	2,352		354	500	71%	500		500	100%
404	Equipment Maintenance			261		0	0%			0	0%
	Account:	6,192	7,322	6,702	4,466	8,099	55%	9,409	0	9,409	116%
424100 Building Inspection											
101	Full-Time Employees - Reg	98,646	102,008	121,437	57,250	104,207	55%	110,316		110,316	106%
102	Full-Time Employees - Ove			32	32	0	***%			0	0%
111	Severance Pay - Vacation/			39,856		0	0%			0	0%
121	PERA Contributions - Coor	7,399	7,627	9,094	4,275	7,816	55%	8,274		8,274	106%
128	Social Security	6,444	6,614	7,757	3,662	6,461	57%	6,840		6,840	106%
129	Medicare	1,507	1,547	1,814	857	1,511	57%	1,600		1,600	106%
131	Health Insurance	31,057	29,948	40,536	24,565	35,660	69%	37,123		37,123	104%
133	Life Insurance	274	274	306	156	273	57%	288		288	105%
134	Disability Insurance	497	520	427	305	551	55%	584		584	106%

CITY OF HERMANTOWN, MN
Expenditure Budget Report -- MultiYear Actuals
For the Year: 2024

Account	Object	Actuals				Current	%	Prelim.	Budget	Final	%
		2020	2021	2022	2023	Budget	Exp.	Budget	Changes	Budget	Budget
						2023	2023	24	24	24	24
136	MSRS	523	521	1,001	930	1,560	60%	2,080		2,080	133%
151	Workers Compensation	145	155	157	78	155	50%	164		164	106%
201	Office Supplies	99	682	125		400	0%	400		400	100%
209	Computer Equipment	467				0	0%			0	0%
216	Uniforms				570	750	76%	500		500	67%
221	General Supplies		33	44		0	0%			0	0%
227	Street Lights & Signs	623	1,070	1,371	464	1,200	39%	1,500		1,500	125%
307	Building Inspector Fees				65	0	***%			0	0%
308	Legal Fees		763			0	0%			0	0%
315	School & Conference	305	50	135	480	1,500	32%	1,500		1,500	100%
317	Personnel Testing, Physic					0	0%	200		200	*****%
320	Personnel Search Expenses			917		0	0%			0	0%
321	Telephone			200	150	0	***%			0	0%
325	Postage	178	232	227	88	200	44%	200		200	100%
331	Travel Expense	7,240	7,220	7,220	4,742	7,200	66%	7,200		7,200	100%
351	Legal Notices Publishing		74			0	0%			0	0%
404	Equipment Maintenance					0	0%	10,000		10,000	*****%
405	Computer Maintenance	1,299	1,278	1,914	1,169	2,446	48%	3,929		3,929	161%
451	Dues & Subscriptions			135		500	0%	500		500	100%
	Account:	156,703	160,616	234,705	99,838	172,390	58%	193,198	0	193,198	112%
427100 Poundmaster											
319	Contracted Services	2,610	3,680	4,482	2,784	2,700	103%			0	0%
	Account:	2,610	3,680	4,482	2,784	2,700	103%	0	0	0	0%
431100 Street Department											
101	Full-Time Employees - Reg	231,085	217,941	252,994	162,330	217,508	75%	226,661		226,661	104%
102	Full-Time Employees - Ove	13,190	10,249	28,498	17,457	13,028	134%	32,620		32,620	250%
103	Part-Time Employees - Reg		8,242	12,773	10,941	0	***%			0	0%
121	PERA Contributions - Coord	18,321	17,114	21,112	13,484	17,290	78%	19,446		19,446	112%
128	Social Security	14,315	14,090	17,532	11,318	14,293	79%	16,075		16,075	112%
129	Medicare	3,416	3,295	4,101	2,647	3,343	79%	3,760		3,760	112%
131	Health Insurance	98,190	88,506	108,472	90,422	80,958	112%	84,292		84,292	104%
132	Health Care Savings Plan/	-3,431	419	-3,704		0	0%			0	0%
133	Life Insurance	314	301	326	214	277	77%	292		292	105%
134	Disability Insurance	1,111	1,134	1,398	933	1,180	79%	1,399		1,399	119%
136	MSRS	51	209	558	372	780	48%	1,040		1,040	133%
151	Workers Compensation	14,646	15,672	16,481	8,476	16,952	50%	19,066		19,066	112%
212	Motor Fuels	32,774	35,270	75,573	40,500	60,000	68%	71,250		71,250	119%
213	Lubricants/Additives	4,395	5,120	2,609	4,366	5,000	87%	6,500		6,500	130%
216	Uniforms	614	625	1,799	936	1,000	94%	2,000		2,000	200%
221	General Supplies	2,572	2,521	6,303	2,920	5,500	53%	6,000		6,000	109%
222	Tires	6,135	5,455	2,381	3,796	6,000	63%	6,500		6,500	108%
225	Street Maintenance Suppli	26,173	27,599	24,013	10,051	28,945	35%	30,000		30,000	104%
226	Sand, Salt, Chloride	67,400	72,966	75,150	45,271	80,500	56%	90,000		90,000	112%
227	Street Lights & Signs	1,139	2,978	4,710	72	2,500	3%	5,000		5,000	200%
305	Engineer Fees		390		810	0	***%			0	0%
314	Computer/Software Fees	1,576		30		1,600	0%	1,600		1,600	100%
315	School & Conference	416	1,116	617	342	1,000	34%	1,000		1,000	100%

CITY OF HERMANTOWN, MN
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Account	Object	Actuals				Current	%	Prelim.	Budget	Final	%
		2020	2021	2022	2023	Budget	Exp.	Budget	Changes	Budget	Budget
317	Personnel Testing, Physic	60				500	0%	500		500	100%
319	Contracted Services	16,365	20,034	16,990	17,868	23,500	76%	48,500		48,500	206%
320	Personnel Search Expenses					1,500	0%	1,500		1,500	100%
321	Telephone	2,281	2,297	3,569	1,350	2,300	59%	3,600		3,600	157%
322	Internet	1,211	1,105	1,373	706	1,200	59%	1,500		1,500	125%
331	Travel Expense	315	68		69	300	23%	300		300	100%
351	Legal Notices Publishing	99	140			100	0%			0	0%
361	General Liability Insuran	7,672	10,682	15,007	8,612	17,223	50%	6,865		6,865	40%
403	Road Maintenance	90,643	104,626	94,935	18,994	105,000	18%	95,000		95,000	90%
404	Equipment Maintenance	41,448	26,953	42,739	20,874	40,000	52%	40,000		40,000	100%
405	Computer Maintenance	6,739	6,317	7,662	5,265	12,285	43%	11,217		11,217	91%
406	Vehicle Maintenance	205	773	2,768	4,768	3,750	127%	3,500		3,500	93%
413	Equipment Rental	7,993	6,754	10,035	411	10,000	4%	10,000		10,000	100%
417	Uniform Rental	2,604	2,524	2,110	1,174	2,500	47%	2,500		2,500	100%
434	Employee Recognition Prog		204	374		300	0%	400		400	133%
460	Permits & Licenses	198	215	724		350	0%	1,000		1,000	286%
495	Property Damage Reimb. by				28,655	0	***%			0	0%
540	Office Equip/Furnishings	421				0	0%			0	0%
580	Other Equipment	2,352		4,467		0	0%			0	0%
	Account:	715,008	713,904	856,479	536,404	778,462	69%	850,883	0	850,883	109%
431130	City Engineer										
305	Engineer Fees	24,115	16,745	13,680	14,530	22,000	66%	24,000		24,000	109%
	Account:	24,115	16,745	13,680	14,530	22,000	66%	24,000	0	24,000	109%
431901	City Garage										
101	Full-Time Employees - Reg	6,604	4,529	4,616	3,312	12,697	26%	13,226		13,226	104%
102	Full-Time Employees - Ove	729	740	1,454	508	769	66%	2,500		2,500	325%
103	Part-Time Employees - Reg	180	768	1,032	853	0	***%			0	0%
111	Severance Pay - Vacation/		189			0	0%			0	0%
121	PERA Contributions - Coord	550	395	455	286	1,010	28%	1,179		1,179	117%
128	Social Security	446	370	420	275	835	33%	975		975	117%
129	Medicare	104	87	98	64	195	33%	228		228	117%
131	Health Insurance	3,673	2,859	3,307	2,686	5,382	50%	5,602		5,602	104%
132	Health Care Savings Plan/	17	853	48		0	0%			0	0%
133	Life Insurance	8	4	5	4	12	33%	13		13	108%
134	Disability Insurance	34	21	31	21	73	29%	90		90	123%
151	Workers Compensation	792	834	865	444	888	50%	1,032		1,032	116%
219	Other Operating Equipment					0	0%	5,000		5,000	*****%
221	General Supplies	6,140	6,807	6,254	4,085	5,840	70%	6,500		6,500	111%
223	Maintenance Supplies	5,578	2,931	623	3,844	5,600	69%	2,500		2,500	45%
319	Contracted Services					0	0%	2,700		2,700	*****%
321	Telephone	117				250	0%			0	0%
361	General Liability Insuran	1,644	1,445	1,581	799	1,598	50%	389		389	24%
381	Electricity	3,728	2,961	4,832	2,556	3,780	68%	5,000		5,000	132%
383	Heating Gas	3,146	3,717	6,306	3,646	4,500	81%	6,500		6,500	144%
384	Garbage Removal	2,301	1,943	2,107	1,294	2,250	58%	2,500		2,500	111%
401	Building Maintenance	2,347	2,260	3,923	2,581	2,500	103%	19,000		19,000	760%
404	Equipment Maintenance		263	1,912		0	0%	2,000		2,000	*****%

CITY OF HERMANTOWN, MN
Expenditure Budget Report -- MultiYear Actuals
For the Year: 2024

Account	Object	Actuals				Current	%	Prelim.	Budget	Final	%
		2020	2021	2022	2023	Budget	Exp.	Budget	Changes	Budget	Budget
						2023	2023	24	24	24	24
460	Permits & Licenses	20				0	0%			0	0%
	Account:	38,158	33,976	39,869	27,258	48,179	57%	76,934	0	76,934	160%
452100 Parks											
101	Full-Time Employees - Reg	7,490	16,754	6,945	2,972	12,896	23%	13,316		13,316	103%
102	Full-Time Employees - Ove	747	656	1,596	494	349	142%	2,200		2,200	630%
103	Part-Time Employees - Reg	5,882	13,541	11,757	10,023	33,871	30%	34,973		34,973	103%
121	PERA Contributions - Coor	618	1,306	640	260	993	26%	1,164		1,164	117%
128	Social Security	852	1,867	1,234	826	2,921	28%	3,130		3,130	107%
129	Medicare	199	437	289	193	683	28%	732		732	107%
131	Health Insurance	4,290	7,821	4,235	2,363	2,207	107%	2,293		2,293	104%
133	Life Insurance	9	19	9	3	10	30%	10		10	100%
134	Disability Insurance	42	92	46	18	72	25%	89		89	124%
151	Workers Compensation	2,044	2,118	2,224	1,158	2,315	50%	2,526		2,526	109%
212	Motor Fuels	166	39			0	0%			0	0%
219	Other Operating Equipment			13,003		0	0%	4,500		4,500	*****
221	General Supplies	711	1,103	2,637	625	1,500	42%	4,500		4,500	300%
224	Land Maintenance & Repair	10,592	37,624	22,793	413	22,250	2%	23,000		23,000	103%
319	Contracted Services	7,176	26,310	25,967	17,013	25,000	68%	27,000		27,000	108%
325	Postage	27	28	12	-9	0	***%			0	0%
361	General Liability Insuran	1,683	1,559	1,193	523	1,045	50%	3,555		3,555	340%
381	Electricity	3,287	3,553	5,142	2,443	3,500	70%	6,000		6,000	171%
402	Grounds/Land Maintenance	6,363	10,471	1,651	1,895	6,500	29%	8,500		8,500	131%
404	Equipment Maintenance	5,150	4,395	2,315	1,533	4,000	38%	4,000		4,000	100%
413	Equipment Rental	2,940	8,791	9,260	3,905	2,500	156%	2,500		2,500	100%
493	Community Contributions			36,825		0	0%			0	0%
720	Transfer Out	2,000	2,000	6,000		6,000	0%	6,000		6,000	100%
	Account:	62,268	140,484	155,773	46,651	128,612	36%	149,988	0	149,988	117%
452101 Passive Park											
493	Community Contributions	13	17,160			0	0%			0	0%
	Account:	13	17,160			0	***%	0	0	0	0%
452200 Community Building											
101	Full-Time Employees - Reg	3,282	3,141	1,275	335	5,826	6%	6,015		6,015	103%
102	Full-Time Employees - Ove	407	436	486	226	42	538%	1,100		1,100	2619%
103	Part-Time Employees - Reg	221	321	468	188	0	***%			0	0%
111	Severance Pay - Vacation/		378			0	0%			0	0%
121	PERA Contributions - Coor	277	268	132	42	440	10%	534		534	121%
128	Social Security	226	251	128	44	364	12%	441		441	121%
129	Medicare	53	59	30	10	85	12%	103		103	121%
131	Health Insurance	1,790	1,645	1,202	702	3,220	22%	3,353		3,353	104%
132	Health Care Savings Plan/		1,677			0	0%			0	0%
133	Life Insurance	4	2	2		6	0%	7		7	117%
134	Disability Insurance	18	8	10	2	32	6%	41		41	128%
151	Workers Compensation	259	245	224	113	226	50%	274		274	121%
221	General Supplies		127			0	0%			0	0%
223	Maintenance Supplies	84	39	143		700	0%	1,000		1,000	143%
321	Telephone	121	121	121	70	121	58%	150		150	124%

CITY OF HERMANTOWN, MN
Expenditure Budget Report -- MultiYear Actuals
For the Year: 2024

Account	Object	Actuals				Current	%	Prelim.	Budget	Final	%
		2020	2021	2022	2023	Budget	Exp.	Budget	Changes	Budget	Budget
						2023	2023	24	24	24	24
361	General Liability Insuran	2,246	2,124	2,852	1,702	3,405	50%	5,071		5,071	149%
381	Electricity	4,489	5,558	7,063	3,616	5,500	66%	6,500		6,500	118%
383	Heating Gas	3,416	3,749	7,244	4,340	5,000	87%	6,500		6,500	130%
401	Building Maintenance	381	617	2,690	18	1,000	2%	5,000		5,000	500%
404	Equipment Maintenance		555			0	0%			0	0%
405	Computer Maintenance	1,721				0	0%			0	0%
	Account:	18,995	21,321	24,070	11,408	25,967	44%	36,089	0	36,089	139%
490000 Miscellaneous Functions											
599	Contingency					0	0%	500,000		500,000	*****
	Account:					0	***%	500,000	0	500,000	*****
490100 Cemetery											
101	Full-Time Employees - Reg	976	304	328	519	1,312	40%	1,355		1,355	103%
102	Full-Time Employees - Ove	56	73	136	28	80	35%	280		280	350%
103	Part-Time Employees - Reg	540	466	1,175	1,070	3,763	28%	3,886		3,886	103%
121	PERA Contributions - Coor	77	28	35	41	104	39%	123		123	118%
128	Social Security	95	51	100	98	320	31%	342		342	107%
129	Medicare	22	12	23	23	75	31%	80		80	107%
131	Health Insurance	499	225	273	343	432	79%	450		450	104%
132	Health Care Savings Plan/	3	3	10		0	0%			0	0%
133	Life Insurance	1			1	1	100%	1		1	100%
134	Disability Insurance	5	2	2	3	8	38%	9		9	113%
151	Workers Compensation	219	229	242	126	251	50%	274		274	109%
	Account:	2,493	1,393	2,324	2,252	6,346	35%	6,800	0	6,800	107%
492100 Unallocated - COVID CARES Act											
101	Full-Time Employees - Reg	196				0	0%			0	0%
105	Temporary Employees - Reg	1,080				0	0%			0	0%
201	Office Supplies	9				0	0%			0	0%
209	Computer Equipment	189,400				0	0%			0	0%
218	Medical Supplies	886				0	0%			0	0%
221	General Supplies	4,034				0	0%			0	0%
308	Legal Fees	2,555				0	0%			0	0%
321	Telephone	350				0	0%			0	0%
325	Postage	3,779				0	0%			0	0%
405	Computer Maintenance	2,907				0	0%			0	0%
451	Dues & Subscriptions	114				0	0%			0	0%
493	Community Contributions	248,513				0	0%			0	0%
499	Miscellaneous	570				0	0%			0	0%
	Account:	454,393				0	***%	0	0	0	0%
492200 Insurance											
361	General Liability Insuran	24,713	25,158	24,097	13,798	50,178	27%	56,105		56,105	112%
	Account:	24,713	25,158	24,097	13,798	50,178	27%	56,105	0	56,105	112%
495000 Transfer Out											
705	Contributed Capital Expen		140,000			0	0%			0	0%
720	Transfer Out	627,121	343,000	482,631		735,000	0%	575,000		575,000	78%
	Account:	627,121	483,000	482,631		735,000	0%	575,000	0	575,000	78%

08/14/23
13:30:06

CITY OF HERMANTOWN, MN
Expenditure Budget Report -- MultiYear Actuals
For the Year: 2024

Page: 12 of 12
Report ID: B240B

Account	Object	Actuals				Current	%	Prelim.	Budget	Final	% Old
		2020	2021	2022	2023	Budget	Exp.	Budget	Changes	Budget	Budget
		2020	2021	2022	2023	2023	2023	24	24	24	24
Fund:		6,361,768	6,301,722	6,920,498	3,984,198	7,266,219	55%	8,418,276	0	8,418,276	116%
Grand Total:		6,361,768	6,301,722	6,920,498	3,984,198	7,266,219		8,418,276	0	8,418,276	

**CITY OF HERMANTOWN
CITY COUNCIL MEETING**
Monday, August 7, 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: Absent
Councilor Brian LeBlanc: Present

CITY STAFF: John Mulder, City Administrator; Alissa Wentzlaff, City Clerk; Eric Johnson; Community Development Director; Joe Wicklund, Communications & Community Engagement Director; David Bolf, City Engineer; Gunnar Johnson, City Attorney; Patricia Crego, Utility & Infrastructure Director

VISITORS: 8

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

John Mulder formally welcomed Patricia Crego, Utility & Infrastructure Director.

Councilor Hjelle thanked the Hermantown Police Department for assisting with National Night Out.

5. **PUBLIC HEARING**
6. **COMMUNICATIONS**

A. Correspondence 23-126 through 23-134 placed on file

7. **PRESENTATIONS**
 - A. **Hermantown Arena Design Presentation**
City of Hermantown Staff
(Pre-Agenda Only)

8. **PUBLIC DISCUSSION**

A. Cory Larson of 5346 Splitrail Dr. – Mr. Larson asked the Council if they had any follow up questions on comments from the July 17th City Council meeting.

Mr. Larsen requested to give a presentation on an alternative model to the one currently being considered by the Council.

9. **MOTIONS**

10. **CONSENT AGENDA**

A. **Minutes** - Approval or correction of July 17, 2023 City Council Continuation Minutes

B. **Accounts Payable** - Approve general city warrants from July 16, 2023 through July 31, 2023 in the amount of \$756,456.12

Motion to the approve the Consent Agenda. 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: Absent
Councilor John Geissler: Yea
Mayor Wayne Boucher: Yea

Yea: 4, Nay: 0, Absent: 1

11. **ORDINANCES**

12. **RESOLUTIONS**

A. **2023-107 Resolution Approving Special Use Permit For Construction Of An Accessory Structure In Excess Of 1,200 Square Feet In The R-3 Zoning District At 5491 W. Arrowhead Road (395-0010-02647) And Imposing Conditions Thereon**

(motion, roll call)

Motion to approve 2023-107 Resolution Approving Special Use Permit For Construction Of An Accessory Structure In Excess Of 1,200 Square Feet In The R-3 Zoning District At 5491 W. Arrowhead Road (395-0010-02647) And Imposing Conditions Thereon. This motion, made by Councilor Andy Hjelle and seconded by Councilor Brian LeBlanc, Carried.

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

Councilor John Geissler: Yea
Mayor Wayne Boucher: Yea

Yea: 4, Nay: 0, Absent: 1

B. 2023-108 Resolution Approving An Amendment To The City Handbook Regarding Construction Contract Change Orders

(motion, roll call)

Motion to approve 2023-108 Resolution Approving An Amendment To The City Handbook Regarding Construction Contract Change Orders. 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: Absent
Councilor John Geissler: Yea
Mayor Wayne Boucher: Yea

Yea: 4, Nay: 0, Absent: 1

C. 2023-109 Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver An Agreement For Architectural Services With DSGW Inc.

(motion, roll call)

Motion to approve 2023-109 Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver An Agreement For Architectural Services With DSGW Inc. 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: Absent
Councilor John Geissler: Abstain (With Conflict)
Mayor Wayne Boucher: Yea

Yea: 3, Nay: 0, Absent: 1, Abstain (With Conflict): 1

D. 2023-110 Resolution Awarding Contract For One-Ton Pickup Truck To North Country GM In The Amount Of \$52,881.87 Plus Applicable Taxes And Fees

(motion, roll call)

Motion to approve 2023-110 Resolution Awarding Contract For One-Ton Pickup Truck To North Country GM In The Amount Of \$52,881.87 Plus Applicable Taxes And Fees. 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: Absent
Councilor John Geissler: Yea
Mayor Wayne Boucher: Yea

Yea: 4, Nay: 0, Absent: 1

E. 2023-111 Resolution Awarding Contract For A Pothole Trailer To STEPP Manufacturing In The Amount Of \$53,700.00 Plus Applicable Taxes And Fees

(motion, roll call)

Motion to approve 2023-111 Resolution Awarding Contract For A Pothole Trailer To STEPP Manufacturing In The Amount Of \$53,700.00 Plus Applicable Taxes And Fees. This motion, made by Councilor Andy Hjelle and seconded by Councilor John Geissler, Carried.

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

Yea: 4, Nay: 0, Absent: 1

F. 2023-112 Resolution Creating A Department Of Public Safety And Approving Related Job Descriptions And Positions

(motion, roll call)

Ron Minter of 5478 W. Arrowhead Rd. – Mr. Minter gave historical information on training procedures for fire certification and recommends that the City hires a Fire Chief. He informed the Council that the certification board does not recognize a Fire Commander.

Zach Graves of 4425 Cold Creek Ln. – Mr. Graves stated that a significant amount of time and effort has been put into creating the Department of Public Safety. He also stated that we do not need a Fire Chief, we need someone who is able to run calls.

Motion to approve 2023-112 Resolution Creating A Department Of Public Safety And Approving Related Job Descriptions And Positions. This motion, made by Councilor Andy Hjelle and seconded by Councilor John Geissler, Carried.

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

Yea: 4, Nay: 0, Absent: 1

G. 2023-113 Resolution Authorizing And Directing The City Administrator To Execute And Deliver LMC Liability Coverage Waiver Form Whereby The City Does Not Waive The Monetary Limits On Municipal Tort Liability Established By Minnesota Statutes §466.04

(motion, roll call)

Motion to approve 2023-113 Resolution Authorizing And Directing The City Administrator To Execute And Deliver LMC Liability Coverage Waiver Form Whereby The City Does Not Waive The Monetary Limits On Municipal Tort Liability Established By Minnesota Statutes §466.04. This motion, made by Councilor Andy Hjelle and seconded by Councilor John Geissler, Carried.

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

Yea: 4, Nay: 0, Absent: 1

H. 2023-114 Resolution Receiving Preliminary Engineering Report And Calling Public Hearing For Stebner Farms Improvement District

(motion, roll call)

Motion to approve 2023-114 Resolution Receiving Preliminary Engineering Report And Calling Public Hearing For Stebner Farms Improvement District. 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: Absent
Councilor John Geissler: Yea
Mayor Wayne Boucher: Yea

Yea: 4, Nay: 0, Absent: 1

I. 2023-115 Resolution Approving Pay Request Number 1 For Sewer Improvement District 451 To Veit In The Amount Of \$127,244.33

(motion, roll call)

Motion to approve 2023-115 Resolution Approving Pay Request Number 1 For Sewer Improvement District 451 To Veit In The Amount Of \$127,244.33. 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: Absent
Councilor John Geissler: Yea
Mayor Wayne Boucher: Yea

Yea: 4, Nay: 0, Absent: 1

J. 2023-116 Resolution Approving The Final Pay Request For The Haines Road Watermain Extension Project To KTM Paving Inc. In The Amount Of \$2,120.00

(motion, roll call)

Motion to approve 2023-116 Resolution Approving The Final Pay Request For The Haines Road Watermain Extension Project To KTM Paving Inc. In The Amount Of \$2,120.00. This motion, made by Councilor Andy Hjelle and seconded by Councilor Brian LeBlanc, Carried.

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

Yea: 4, Nay: 0, Absent: 1

13. **CLOSED SESSION**

14. **RECESS**

A. Motion to recess at 7:18 p.m. 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: Absent
Councilor John Geissler: Yea
Mayor Wayne Boucher: Yea

Yea: 4, Nay: 0, Absent: 1

Mayor

ATTEST:

City Clerk

CITY OF HERMANTOWN

CHECKS #70121-70161
08/01/2023 - 08/15/2023

PAYROLL CHECKS

Electronic Checks - #-67523-67565 \$83,888.04

LIABILITY CHECKS

Electronic Checks - #-67566-67567 \$74,558.44

Electronic Checks - #-67518-67522 \$62,935.57

Checks - #70160 \$1,137.61

PAYROLL EXPENSE TOTAL \$222,519.66

ACCOUNTS PAYABLE

Checks - #70121-70159 \$296,317.11

Checks - #70161 \$65.92

Electronic Payments #-99243-99260 \$1,019,594.28

ACCOUNTS PAYABLE TOTAL \$1,315,977.31

TOTAL \$1,538,496.97

Fun d	Account	Department	Vendor Name	Description	Amount	Check #
101	419901	City Hall & Police Building Maintenance	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	44.80	-99260
601	494400	Water Administration and General	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	269.20	-99260
602	494900	Sewer Administration and General	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	181.82	-99260
101	421100	Police Administration	AT&T MOBILITY	Cell Phones PD	1,432.90	-99260
101	431100	Street Department	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	156.80	-99260
101	415300	Administration & Finance	AT&T MOBILITY	Cell Phones/Tablets-PW/CH	149.08	-99260
101	415300	Administration & Finance	GREATAMERICA FINANCIAL SERVICES	Copier Lease/Konica C458	117.87	-99259
101	452200	Community Building	MN ENERGY RESOURCES CORP	Natural Gas old CH	66.75	-99258
101	431901	City Garage	MN ENERGY RESOURCES CORP	Natural Gas Lightning Dr - Jul	27.44	-99258
602	494900	Sewer Administration and General	MN ENERGY RESOURCES CORP	Natural Gas Lightning Dr - Jul	19.61	-99258
101	431901	City Garage	MN ENERGY RESOURCES CORP	Natural Gas old CH	7.42	-99258
601	494400	Water Administration and General	MN ENERGY RESOURCES CORP	Natural Gas Lightning Dr - Jul	31.36	-99258
101	452100	Parks	DULUTH LAWN CARE INC	Fert/Weed/Insect Treatment- FH	7,906.25	-99257
230	465100	HEDA	CREATIVE ARCADE	Website Monthly Maintenance	250.03	-99256
101	431901	City Garage	HARTEL'S/DBJ DISPOSAL CO LLC	Yard Trash Disposal Jul 2023 -	186.11	-99255
101	419901	City Hall & Police Building Maintenance	HARTEL'S/DBJ DISPOSAL CO LLC	Garbage Recycling Jul 2023 -12	599.80	-99255
101	421100	Police Administration	INFOBUREAU SERVICES, INC.	Credit Check - Towner	15.00	-99254
603	441100	Storm Water	LHB INC	Design - Hermantown Rocky Run	9,818.75	-99253
601	494300	Water Distribution	NORTHERN STATES SUPPLY INC	Dies for Water Valves	47.68	-99252
101	431100	Street Department	NORTHERN STATES SUPPLY INC	Nuts/Bolts	179.27	-99252
601	494300	Water Distribution	NORTHERN STATES SUPPLY INC	Dies for Water Valves	35.77	-99252
603	441100	Storm Water	REDROCK PRECAST	Culvert - 5 Corners	4,074.00	-99251
602	494500	Sewer Maintenance	SJE-RHOMBUS, INC.	SCADA Monitoring Jul-Sep 2023	1,264.50	-99250
101	419100	Community Development	VC3	DisplayPort - Crego	24.09	-99249
603	441100	Storm Water	VC3	DisplayPort - Crego	10.32	-99249
602	494900	Sewer Administration and General	VC3	DisplayPort - Crego	17.21	-99249
601	494400	Water Administration and General	VC3	DisplayPort - Crego	17.21	-99249
601	494300	Water Distribution	VIKING INDUSTRIAL CENTER	Utility Marking Flags	604.00	-99248
602	494500	Sewer Maintenance	VIKING INDUSTRIAL CENTER	Utility Marking Flags	604.00	-99248
101	431100	Street Department	MCCOY CONSTRUCTION & FORESTRY, INC	Cutting Edge/Bolts	55.90	-99247
402	431150	Street Improvements	BRAUN INTERTEC CORPORATION	Ugstad Road Project	10,700.00	-99246
602	494500	Sewer Maintenance	BRAUN INTERTEC CORPORATION	Sanitary Sewer Inspections	967.50	-99246
475	431150	Street Improvements	NORTHLAND CONSULTING ENGINEERS L.L.P.	Hermantown Road Feasibility St	1,600.00	-99245
101	214500	Escrow Deposits Payable	NORTHLAND CONSULTING ENGINEERS L.L.P.	PO 2311 Jenny Farms	180.00	-99245
240	433500	Water Improvements	NORTHLAND CONSULTING ENGINEERS L.L.P.	Stebner Park Feasibility Study	4,750.00	-99245
412	419100	Community Development	NORTHLAND CONSULTING ENGINEERS L.L.P.	Hermantown Trail Project	6,365.00	-99245
475	431150	Street Improvements	NORTHLAND CONSULTING ENGINEERS L.L.P.	Hermantown Rd & Old Midway Rd	5,302.00	-99245
101	431130	City Engineer	NORTHLAND CONSULTING ENGINEERS L.L.P.	PO 2313 MSA	540.00	-99245

8/9/2023

Page 2

Fun d	Account	Department	Vendor Name	Description	Amount	Check #
415	465200	Community Development	NORTHLAND CONSULTING ENGINEERS L.L.P.	Hermantown Ice Arena	355.00	-99245
101	214500	Escrow Deposits Payable	NORTHLAND CONSULTING ENGINEERS L.L.P.	Peyton Property Development	160.00	-99245
101	431130	City Engineer	NORTHLAND CONSULTING ENGINEERS L.L.P.	Preagenda/City Council/Four Sq	1,620.00	-99245
603	441100	Storm Water	NORTHLAND CONSULTING ENGINEERS L.L.P.	Lindah Rd Bridge Removal	572.50	-99245
240	432510	Trunk Sewer Construction	NORTHLAND CONSULTING ENGINEERS L.L.P.	Oak Ridge Dr. Sanitary Sewer E	12,204.50	-99245
475	431150	Street Improvements	NORTHLAND CONSULTING ENGINEERS L.L.P.	Richard Lindgren - SAP 202-080	9,790.00	-99245
402	431150	Street Improvements	NORTHLAND CONSULTING ENGINEERS L.L.P.	Ugstad Rd - SP 202-101-014	2,790.00	-99245
475	431150	Street Improvements	ULLAND BROTHERS INC	Richard Lindgren Street Improv	381,674.40	-99244
402	431150	Street Improvements	ULLAND BROTHERS INC	Ugstad Rd Improvements	548,510.94	-99244
101	217450	Employee Flexplan	WEX HEALTH INC	Claim Reimb	3,037.50	-99243
101	217450	Employee Flexplan	WEX HEALTH INC	Claim Reimb	260.00	-99243
601	494300	Water Distribution	ACME TOOLS	2 Wheel Dolly	99.99	70121
602	494900	Sewer Administration and General	BAKER TILLY US, LLP	Organizational Management Stud	1,026.25	70122
601	494400	Water Administration and General	BAKER TILLY US, LLP	Organizational Management Stud	1,026.25	70122
101	415300	Administration & Finance	BAKER TILLY US, LLP	Organizational Management Stud	2,052.50	70122
101	422903	Firehall #3 Midway Road	BELKNAP PLUMBING & HEATING	RPZ Testing - FH3	287.50	70123
101	422902	Firehall #2 Morris Thomas Road	BELKNAP PLUMBING & HEATING	RPZ Testing - FH2	337.50	70123
101	431100	Street Department	BOYER TRUCKS INC	Engine Service - H0	648.62	70124
101	422903	Firehall #3 Midway Road	CENTURYLINK	Internet FH3 07/22/23-08/21/23	79.98	70125
101	421100	Police Administration	CHARTER COMMUNICATIONS	ICR23009341 Subpoena	50.00	70126
101	431100	Street Department	CINTAS CORPORATION	Uniforms	23.38	70127
101	431100	Street Department	CINTAS CORPORATION	Uniforms	7.92	70127
101	431901	City Garage	CINTAS CORPORATION	Supplies	28.51	70127
101	431901	City Garage	CINTAS CORPORATION	Mats at PW	30.03	70127
245	465100	HEDA	COSTIN GROUP MN	City Lobbyist	1,500.00	70128
603	441100	Storm Water	ESS BROTHERS & SONS INC	Catch Basin Castings - Menards	577.30	70129
601	220100	Refund Payable	FADUM, BRENT OR LUANN	Refund Acct 0257-03	60.94	70130
601	494300	Water Distribution	FERGUSON WATERWORKS #2516	Valve/Spider/Valve Box	4,483.39	70131
601	494300	Water Distribution	FERGUSON WATERWORKS #2516	Pipe Wrench	312.77	70131
402	431150	Street Improvements	GEI CONSULTANTS, INC.	Ugstad Rd/Arrowhead Rd	3,500.00	70132
412	419100	Community Development	GEI CONSULTANTS, INC.	Keene Creek South Trail	1,237.55	70132
240	432510	Trunk Sewer Construction	GEI CONSULTANTS, INC.	Okerstrom Road Sewer Project	2,000.00	70132
602	494500	Sewer Maintenance	HANCO UTILITIES	Sewer Repair- Morris Thomas Ro	1,075.00	70133
101	411300	Ordinance, Public Notice and Proceedings	HERMANTOWN STAR LLC	City Council Minutes	132.00	70134
101	411300	Ordinance, Public Notice and Proceedings	HERMANTOWN STAR LLC	Ordinance 2023-04/Restating Ch	82.50	70134
101	411300	Ordinance, Public Notice and Proceedings	HERMANTOWN STAR LLC	Ordinance 2023-05	148.50	70134
101	411300	Ordinance, Public Notice and Proceedings	HERMANTOWN STAR LLC	City Council Minutes	107.25	70134
101	421100	Police Administration	HOLIDAY COMPANIES	Car Washes - Jul 2023	20.00	70135

Fun d	Account	Department	Vendor Name	Description	Amount	Check #
101	421100	Police Administration	INTEGRATED OFFICE SOLUTIONS	Copy Overage Konica C3320i	115.62	70136
101	421100	Police Administration	INTEGRATED OFFICE SOLUTIONS	Copy Overage Konica C300i	182.14	70136
101	416100	City Attorney	KENNEDY & GRAVEN, CHARTERED	HR Issue - PD - Jun 23	94.00	70137
240	433500	Water Improvements	KTM PAVING INC	Haines Rd Watermain Extension	40,280.00	70138
603	441100	Storm Water	KTM PAVING INC	Lindahl Road Bridge Removal	3,844.50	70138
101	421100	Police Administration	LARSON, COREY	AHA BLS Instructor Renewal - D	100.00	70139
101	150000	Prepaid Items	LEAGUE OF MN CITIES INSURANCE TRUST	Gen Liability Insurance	177,772.00	70140
101	431100	Street Department	LINDE GAS & EQUIPMENT INC.	Cyl/SafeEnvFee 6/20-7/20/23	70.07	70141
475	431150	Street Improvements	MCNUTT REAL ESTATE HOLDINGS II, LLC	Easement - Richard & Lindgren	2,000.00	70142
101	431901	City Garage	MENARD INC	Trimmer Cord	52.72	70143
101	419901	City Hall & Police Building Maintenance	MENARD INC	Aluminum Elbow	15.17	70143
101	421100	Police Administration	MENARD INC	NNO Supplies	37.95	70143
101	422903	Firehall #3 Midway Road	MENARD INC	Tape/Salt Pellets	66.89	70143
101	419901	City Hall & Police Building Maintenance	MENARD INC	Furring Strip/Wall Hanger	39.18	70143
101	422902	Firehall #2 Morris Thomas Road	MENARD INC	Mulch - FH2	14.72	70143
101	421100	Police Administration	MENARD INC	NNO Supplies	226.08	70143
101	452100	Parks	MENARD INC	Dog Garbage Bags	42.64	70143
101	419901	City Hall & Police Building Maintenance	MN TELECOMMUNICATIONS	Aug 2023 Internet	360.00	70144
101	422901	Firehall #1 Maple Grove Road	MN TELECOMMUNICATIONS	Aug 2023 Internet	90.00	70144
101	431100	Street Department	NAPA AUTO PARTS	Brake Pads - H9	38.64	70145
101	431100	Street Department	NAPA AUTO PARTS	Oil Filter	51.12	70145
101	421100	Police Administration	NEXTEC SYSTEMS	Diagnose & Install Part & Labo	240.20	70146
602	494900	Sewer Administration and General	NORTHEAST SERVICE COOPERATIVE	Dues Jul 2023-Jun 2024	50.00	70147
101	415300	Administration & Finance	NORTHEAST SERVICE COOPERATIVE	Dues Jul 2023-Jun 2024	100.00	70147
601	494400	Water Administration and General	NORTHEAST SERVICE COOPERATIVE	Dues Jul 2023-Jun 2024	50.00	70147
101	431100	Street Department	POMP'S TIRE SERVICE INC	Tires - H0	1,218.48	70148
101	452100	Parks	PRO TIRE	1600 WAM Tires	114.40	70149
101	415300	Administration & Finance	SAM'S CLUB DIRECT	Membership Dues - Orme	50.00	70150
101	419901	City Hall & Police Building Maintenance	SAM'S CLUB DIRECT	Membership Dues - Heinbuch	45.00	70150
601	220100	Refund Payable	SASSMAN, MICHAEL OR SHANNON	Refund Acct 1850-03	168.09	70151
101	431100	Street Department	SATHERS, LLC	Class 5 - Crushed Material	151.90	70152
101	431100	Street Department	SATHERS, LLC	Class 5 - Crushed Material	274.40	70152
101	424100	Building Inspection	SCHMINSKI, ADAM	License Renewal	65.00	70153
101	424100	Building Inspection	SCHMINSKI, ADAM	Phone Reimbursement Jan-Jun 23	150.00	70153
101	431100	Street Department	TENET	Earplugs/Safety Glasses	333.22	70154
601	220100	Refund Payable	UGSTAD, LYNN	Refund Acct 1218-01	50.48	70155
601	494300	Water Distribution	UNITED RENTALS (NORTH AMERICA) INC	Light Tower	115.00	70156
101	431100	Street Department	UNITED RENTALS (NORTH AMERICA) INC	Water Truck Rental- Street Swe	-115.00	70156

Fun d	Account	Department	Vendor Name	Description	Amount	Check #
601	220100	Refund Payable	WETMORE, TRENT OR ANDREA	Refund Acct 1953-02	145.28	70157
101	417200	Communications	WICKLUND, JOE	Parking	30.00	70158
101	411100	Council	WICKLUND, JOE	Keyboards	326.59	70158
101	417200	Communications	WICKLUND, JOE	Cell Phone Stipend	150.00	70158
602	494500	Sewer Maintenance	WLSSD	Wastewater Charges	46,175.00	70159
101	134000	Retiree Insurance/Telephone Reimb.	MN LIFE	Aug Inactive - Volk	44.41	70161
101	134000	Retiree Insurance/Telephone Reimb.	MN LIFE	Aug Inactive - Rich	21.51	70161

Totals: 121 records printed

1,315,977.31



332 West Superior Street
Suite 600
Duluth, MN 55803

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www.msa-ps.com

August 8, 2023

John Mulder – City Administrator
City of Hermantown
5105 Maple Grove Rd
Hermantown, MN 55811

Re: Pay Application #3 & Change Orders 10-12
SP 202-101-014, SP 202-104-012
Ugstad Rd & Arrowhead Rd Improvements

Dear Mr. Mulder,

Enclosed are the following documents recommended for approval at the next council meeting.

1. Pay Application #3 in the amount of \$701,814.09 to Ulland Brothers, Inc, the project prime contractor. This amount is for work completed in the time frame 07/07/23 to 08/03/23.
2. Change Order #10 for the additional milling and bituminous patching work on Ugstad Rd between Williams Dr and USH 53.
3. Change Order #11 for existing hydrant removal on the project.
4. Change Order #12 for residential water and sanitary services to proposed residence near 5360 W Arrowhead Rd.

Sincerely,

MSA Professional Services, Inc.

A handwritten signature in black ink, appearing to read "James Watters".

James Watters, PE
Project Manager

Resolution No. 2023-117

Resolution Approving Change Orders Numbers 10 Through 12 For Road Improvement Project 534 (Ugstad & Arrowhead Roads)

WHEREAS, the City of Hermantown has contracted with Ulland Brothers Inc, for Road Improvement Project 534 (Ugstad & Arrowhead Roads) (“Project:”); and

WHEREAS, Ulland Brothers, Inc, have submitted Change Orders No. 10 through 12 for:

Change Order #	Descriptions	Cost
10	Bituminous Surface	\$60,085.20
11	Remove Hydrant	\$4,650.00
12	Sanitary and Water Surface and Driveway	\$18,070.08
	TOTAL	\$82,805.28

WHEREAS, Ulland Brothers Inc, has recommended such Change Orders No. 10 through 12, and;

WHEREAS, the project engineer, (MSA Professional Services, Inc.), and the City Engineer, (Northland Consulting Engineers LLP) have approved such Change Orders No. 10 through 12, and;

WHEREAS, the City Administrator has reviewed the change orders and recommends their approval.

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

1. Change Orders No. 10 through 12 are hereby approved.

Councilor _____ introduced the foregoing resolution and moved its adoption.

The motion for the adoption of such resolution was seconded by Councilor _____, 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 has been duly passed and adopted August 21, 2023.



STATE AID FOR LOCAL TRANSPORTATION
CHANGE ORDER

Rev. February 2018


SP	202-101-014, 202-104-012	MN Project No.:	6922(198)	Change Order No.	10
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Project Location	UGSTAD RD FROM MAPLE GROVE RD TO MILLER TRUNK HIGHWAY 194 (US 53) AND ARROWHEAD RD FROM 1300 FT WEST OF UGSTAD RD TO 800 FT EAST OF UGSTAD RD.				
Local Agency	CITY OF HERMANTOWN	Local Project No.	NA		
Contractor	ULLAND BROTHERS, INC.	Contract No.	NA		
Address/City/State/Zip	1634 Hwy. 210 Carlton, MN 55718				
Total Change Order Amount \$	60,085.20				

- During milling operations, it was discovered that sections of the roadway had less than the anticipated minimum bituminous thickness of 4". As a result, a number of areas on Ugstad Rd ,between Williams Dr and USH 53, had sections of the pavement entirely removed during milling operations. The City elected to remove the remainder of the existing pavement in this area and construct a new 2" non-wear course bituminous pavement section. See attached construction photos of existing pavement after milling operations.

Estimate Of Cost: <i>(Include any increases or decreases in contract items, any negotiated or force account items.)</i>						
**Group/ funding Category	Item No.	Description	Unit	Unit Price	+ or - Quantity	+ or - Amount \$
	2232.504	MILL BITUMINOUS SURFACE (2.0")	SY	\$2.52	4,010	\$10,105.20
	2360.509	TYPE SP 12.5 WEARING COURSE MIXTURE (3,C)	TON	\$98.00	510	\$49,980.00
Net Change this Change Order						\$60,085.20

Due to this change, the contract time: <i>(check one)</i>	
<input type="checkbox"/> Is NOT changed	<input checked="" type="checkbox"/> May be revised as provided in MnDOT Specification 1806
<input type="checkbox"/> Is Increased by _____ Working Days	<input type="checkbox"/> Is Increased by _____ Calendar Days
<input type="checkbox"/> Is Decreased by _____ Working Days	<input type="checkbox"/> Is Decreased by _____ Calendar Days

Approved by Project Engineer:  Date: 8/7/23
 Print Name: James Watters, PE Phone: 612-548-3152

Approved by City Engineer:  Date: 8/14/23
 Print Name: David Bolf, PE – Hermantown City Engineer Phone: 218-727-5995

Approved by Contractor:  Date: 8-8-23
 Print Name: Ryan Swanson, PE – Ulland Brothers, Inc Phone: 218-966-9822



SP	202-101-014, 202-104-012	MN Project No.:	6922(198)	Change Order No.	10
----	--------------------------	-----------------	-----------	------------------	----

DSAE Portion: The State of Minnesota is not a participant in this contract. Signature by the District State Aid Engineer is for FUNDING PURPOSES ONLY and for compliance with State and Federal Aid Rules/Policy. Eligibility does not guarantee funds will be available.

This work is eligible for: ___ Federal Funding ___ State Aid Funding ___ Local funds

District State Aid Engineer: _____ Date: _____







STATE AID FOR LOCAL TRANSPORTATION
CHANGE ORDER

Rev. February 2018


SP	202-101-014, 202-104-012	MN Project No.:	6922(198)	Change Order No.	11
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Project Location	UGSTAD RD FROM MAPLE GROVE RD TO MILLER TRUNK HIGHWAY 194 (US 53) AND ARROWHEAD RD FROM 1300 FT WEST OF UGSTAD RD TO 800 FT EAST OF UGSTAD RD.				
Local Agency	CITY OF HERMANTOWN	Local Project No.	NA		
Contractor	ULLAND BROTHERS, INC.	Contract No.	NA		
Address/City/State/Zip	1634 Hwy. 210 Carlton, MN 55718				
Total Change Order Amount \$	4,650.00				

The City & Engineer have determined that a cost for removal of existing hydrants in hydrant replacement areas of the project should be added to the contract bid items.

Estimate Of Cost: (Include any increases or decreases in contract items, any negotiated or force account items.)						
**Group/ funding Category	Item No.	Description	Unit	Unit Price	+ or - Quantity	+ or - Amount \$
	2104.502	REMOVE HYDRANT (in location of new hydrant)	EA	\$420.00	4	\$1,680.00
	2104.502	REMOVE HYDRANT (in location where no new hydrant is proposed)	EA	\$2,970.00	1	\$2,970.00
Net Change this Change Order						\$4,650.00

Due to this change, the contract time: (check one)	
<input checked="" type="checkbox"/> (x) Is NOT changed	<input type="checkbox"/> () May be revised as provided in MnDOT Specification 1806
<input type="checkbox"/> () Is Increased by _____ Working Days	<input type="checkbox"/> () Is Increased by _____ Calendar Days
<input type="checkbox"/> () Is Decreased by _____ Working Days	<input type="checkbox"/> () Is Decreased by _____ Calendar Days

Approved by Project Engineer:  Date: 8/7/23
 Print Name: James Watters, PE Phone: 612-548-3152

Approved by City Engineer:  Date: 8/14/23
 Print Name: David Bolf, PE – Hermantown City Engineer Phone: 218-727-5995

Approved by Contractor:  Date: 8-8-23
 Print Name: Ryan Swanson, PE – Ulland Brothers, Inc Phone: 218-966-9822

DSAE Portion: The State of Minnesota is not a participant in this contract. Signature by the District State Aid Engineer is for FUNDING PURPOSES ONLY and for compliance with State and Federal Aid Rules/Policy. Eligibility does not guarantee funds will be available.

This work is eligible for: Federal Funding State Aid Funding Local funds

District State Aid Engineer: 124 Date: _____



STATE AID FOR LOCAL TRANSPORTATION
CHANGE ORDER

Rev. February 2018

SP	202-101-014, 202-104-012	MN Project No.:	6922(198)	Change Order No.	12
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Project Location	UGSTAD RD FROM MAPLE GROVE RD TO MILLER TRUNK HIGHWAY 194 (US 53) AND ARROWHEAD RD FROM 1300 FT WEST OF UGSTAD RD TO 800 FT EAST OF UGSTAD RD.		
Local Agency	CITY OF HERMANTOWN	Local Project No.	NA
Contractor	ULLAND BROTHERS, INC.	Contract No.	NA
Address/City/State/Zip	1634 Hwy. 210 Carlton, MN 55718		
Total Change Order Amount \$	18,070.08		


A resident off Arrowhead Rd will be splitting their land into two separate parcels and would like to install water and sanitary sewer services to the newly platted property. Details on work to be completed are as follows:


- 55 LF of 4" PVC schedule 40 sanitary sewer service pipe
- 24 LF of 1" HDPE SRD 11 water service pipe with 1" Corp and 1" Curb Stop and Box
- 20'x4' 6" Concrete Driveway Pavement with 9" of Aggregate Base (CV) Class 5 (incidental)


See attached exhibit for location and description of work.

Estimate Of Cost: (Include any increases or decreases in contract items, any negotiated or force account items.)						
**Group/ funding Category	Item No.	Description	Unit	Unit Price	+ or - Quantity	+ or - Amount \$
	2503.602	SANITARY SEWER SERVICE	EA	\$10,360.00	1	\$10,360.00
	2504.602	WATER SERVICE SYSTEM	EA	\$6,420.00	1	\$6,420.00
	2531.504	6" CONCRETE DRIVEWAY PAVEMENT	SY	\$117.28	11	\$1,290.08
Net Change this Change Order						\$18,070.08

Due to this change, the contract time: (check one)	
<input type="checkbox"/> Is NOT changed	<input checked="" type="checkbox"/> May be revised as provided in MnDOT Specification 1806
<input type="checkbox"/> Is Increased by _____ Working Days	<input type="checkbox"/> Is Increased by _____ Calendar Days
<input type="checkbox"/> Is Decreased by _____ Working Days	<input type="checkbox"/> Is Decreased by _____ Calendar Days

Approved by Project Engineer:  Date: 8/7/23
 Print Name: James Watters, PE Phone: 612-548-3152

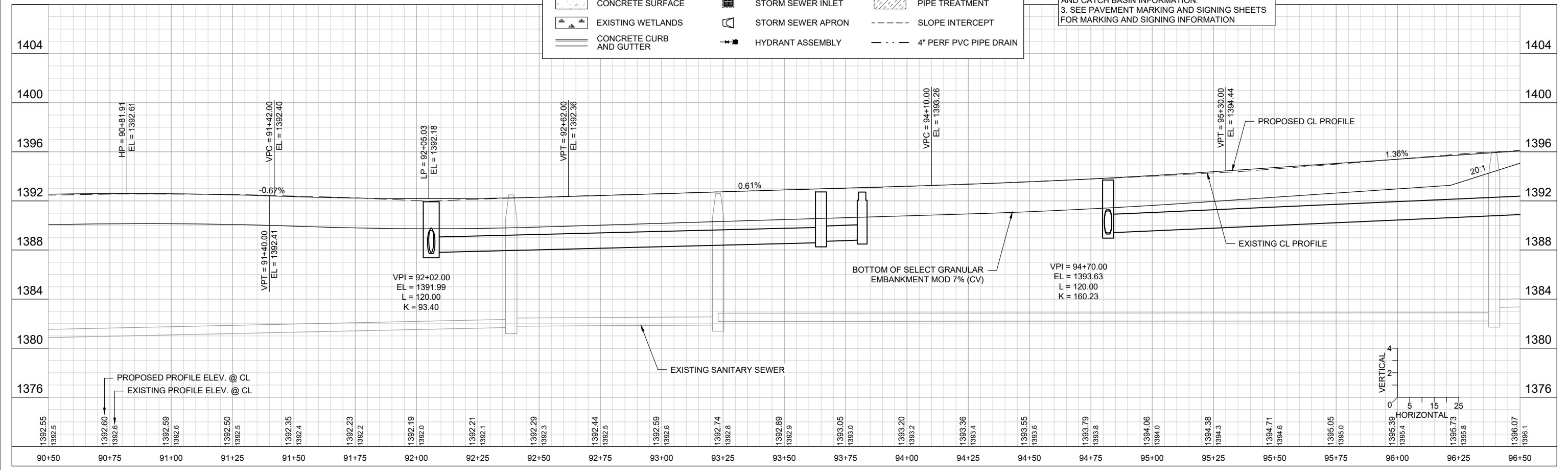
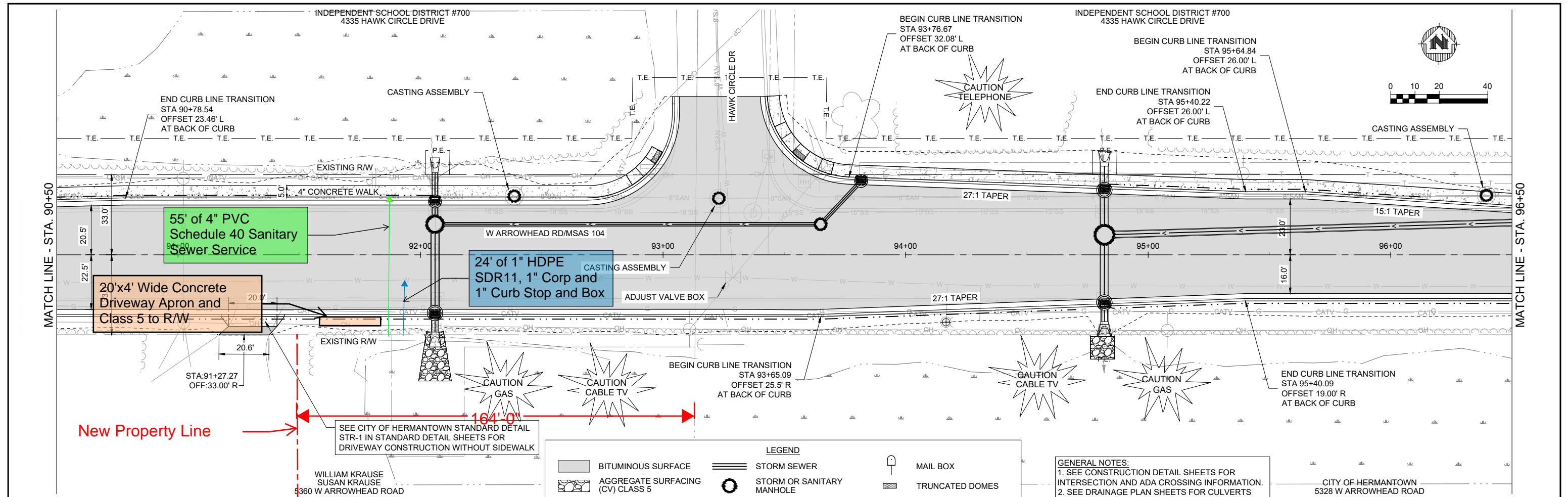
Approved by City Engineer:  Date: 8/14/23
 Print Name: David Bolf, PE – Hermantown City Engineer Phone: 218-727-5995

Approved by Contractor:  Date: 8-8-23
 Print Name: Ryan Swanson, PE – Ulland Brothers, Inc Phone: 218-966-9822

DSAE Portion: The State of Minnesota is not a participant in this contract. Signature by the District State Aid Engineer is for FUNDING PURPOSES ONLY and for compliance with State and Federal Aid Rules/Policy. Eligibility does not guarantee funds will be available.

This work is eligible for: ___ Federal Funding ___ State Aid Funding ___ Local funds

District State Aid Engineer: _____ Date: _____





332 West Superior Street
Suite 600
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www.msa-ps.com

August 8, 2023

John Mulder – City Administrator
City of Hermantown
5105 Maple Grove Rd
Hermantown, MN 55811

Re: Pay Application #3 & Change Orders 10-12
SP 202-101-014, SP 202-104-012
Ugstad Rd & Arrowhead Rd Improvements

Dear Mr. Mulder,

Enclosed are the following documents recommended for approval at the next council meeting.

1. Pay Application #3 in the amount of \$701,814.09 to Ulland Brothers, Inc, the project prime contractor. This amount is for work completed in the time frame 07/07/23 to 08/03/23.
2. Change Order #10 for the additional milling and bituminous patching work on Ugstad Rd between Williams Dr and USH 53.
3. Change Order #11 for existing hydrant removal on the project.
4. Change Order #12 for residential water and sanitary services to proposed residence near 5360 W Arrowhead Rd.

Sincerely,

MSA Professional Services, Inc.

A handwritten signature in black ink, appearing to read "James Watters".

James Watters, PE
Project Manager

Resolution No. 2023-118

Resolution Approving Pay Request Number 3 For Road Improvement District 534 To Ulland Brothers, Inc. In The Amount Of \$701,814.09

WHEREAS, the City of Hermantown has contracted with Ulland Brothers, Inc for Road Improvement District 534 (“Project”); and

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

WHEREAS, Ulland Brothers Inc has submitted Pay Request No. 3 in the amount of \$701,814.09; and

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

WHEREAS, Northland Consulting Engineers LLP has approved such Pay Request No. 3 provided that \$79,241.86 as retainage of 5% be withheld pending final acceptance of the Project by the City of Hermantown.

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

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

1. Pay Request No. 3 is hereby approved.
2. The City is hereby authorized and directed to pay to Ulland Brothers Inc the sum of \$701,814.09 which is the amount represented on Pay Request No. 3.

Councilor Hjelle 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 _____, Mayor Boucher, aye.

and the following voted in opposition thereto:

None.

WHEREUPON, such resolution has been duly passed and adopted August 21, 2023.

Contractor's Application for Payment No.

3

Application Period: 7/7/2023 to 8/3/2023 From (Contractor): Ulland Brothers Inc.	Application Date: 8/7/2023 Via (Engineer): MSA Professional Services, Inc.
To (Owner): City of Hermantown Project: UGSTAD RD & W ARROWHEAD RD IMPROVEMENTS S.P. 202-101-014 & S.P. 202-104-012	Contract: SP 202-101-014, 202-104-012 Engineer's Project No.: 7994015
Owner's Contract No.:	Contractor's Project No.:



**Application For Payment
Change Order Summary**

Approved Change Orders		
Number	Additions	Deductions
1	\$0.00	\$0.00
2	\$6,625.00	
3	\$45,123.20	
4	\$0.00	\$0.00
5	\$11,068.20	
6	\$0.00	\$0.00
7	\$9,308.60	
8	\$74,550.00	
9	\$3,312.00	
10	\$60,085.20	
11	\$4,650.00	
12	\$18,070.08	
TOTALS	\$ 232,792.28	\$ -
NET CHANGE BY CHANGE ORDERS	\$ 232,792.28	

1. ORIGINAL CONTRACT PRICE.....	\$	\$4,198,170.00
2. Net change by Change Orders.....	\$	\$232,792.28
3. Current Contract Price (Line 1 ± 2).....	\$	\$4,430,962.28
4. TOTAL COMPLETED AND STORED TO DATE		
(Column F or I total on Progress Estimates).....	\$	\$1,653,987.37
5. RETAINAGE:		
a. 5% X \$1,584,837.10 Work Completed.....	\$	\$79,241.86
b. 0% X \$69,150.27 Stored Material.....	\$	\$0.00
c. Total Retainage (Line 5.a + Line 5.b).....	\$	\$79,241.86
6. AMOUNT ELIGIBLE TO DATE (Line 4 - Line 5.c).....		
	\$	\$1,574,745.52
7. LESS PREVIOUS PAYMENTS (Line 6 from prior Application).....	\$	\$872,931.43
8. AMOUNT DUE THIS APPLICATION.....	\$	\$701,814.09
9. BALANCE TO FINISH, PLUS RETAINAGE		
(Column [G for LS] or [J for UP] total on Progress Estimates + Line 5.c above).....	\$	\$2,856,216.76

Contractor's Certification
The undersigned Contractor certifies, to the best of its knowledge, the following:

(1) All previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with the Work covered by prior Applications for Payment;

(2) Title to all Work, materials and equipment incorporated in said Work, or otherwise listed in or covered by this Application for Payment, will pass to Owner at time of payment free and clear of all Liens, security interests, and encumbrances (except such as are covered by a bond acceptable to Owner indemnifying Owner against any such Liens, security interest, or encumbrances); and

(3) All the Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.

Contractor Signature
By: Date: 8/8/2023

Payment of: \$ 701,814.09
(Line 8 or other - attach explanation of the other amount)

is recommended by: 08/08/2023
James Watters, PE (Engineer) (Date)

Payment of: \$ 701,814.09
(Line 8 or other - attach explanation of the other amount)

is approved by: 8/14/23
David Bolf, PE (City Engineer) (Date)

Approved by: _____ (Date)
Funding or Financing Entity (if applicable)

Progress Estimate - Unit Price Work

Contractor's Application

For (Contract): SP 202-101-014, 202-104-012												Application Number: 3			
Application Period: 7/1/2023 to 8/3/2023												Application Date: 8/7/2023			
A				B		C	D	E	F	G	H	I	J		
Item				Contract Information				Work Completed to Date				Materials Presently Stored (not in F)	Total Completed and Stored to Date (G + H)	% (I / B)	Balance to Finish (B - I)
Bid Item No.	Spec. Item No.	Description	Item Quantity	Units	Unit Price	Total Value of Item (\$)	Quantities from Previous Pay Applications	Estimated Quantities Installed this Pay Period	Value of Work Installed this Pay Period	Total Estimated Quantity Installed	Value of Work Installed to Date				
1		MOBILIZATION	1	LUMP SUM	\$24,996.80	\$24,996.80	0.5	0.5	\$12,498.40	1.0	\$24,996.80	\$0.00	\$24,996.80	100.0%	\$0.00
2		CLEARING AND GRUBBING	1	LUMP SUM	\$1,600.00	\$1,600.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$1,600.00
3		REMOVE CASTING	50	EACH	\$100.00	\$5,000.00	27	1	\$100.00	28	\$2,800.00	\$0.00	\$2,800.00	56.0%	\$2,200.00
4		REMOVE DRAINAGE STRUCTURE	19	EACH	\$400.00	\$7,600.00	9	5	\$2,000.00	14	\$5,600.00	\$0.00	\$5,600.00	73.7%	\$2,000.00
5		REMOVE MAIL BOX SUPPORT	58	EACH	\$130.00	\$7,540.00	53		\$0.00	53	\$6,890.00	\$0.00	\$6,890.00	91.4%	\$650.00
6		REMOVE SIGN TYPE C	113	EACH	\$50.00	\$5,650.00	3		\$0.00	3	\$150.00	\$0.00	\$150.00	2.7%	\$5,500.00
7		SALVAGE PIPE APRON	2	EACH	\$600.00	\$1,200.00		1	\$600.00	1	\$600.00	\$0.00	\$600.00	50.0%	\$600.00
8		SALVAGE SIGN TYPE C	20	EACH	\$50.00	\$1,000.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$1,000.00
9		REMOVE BITUMINOUS CURB	605	LIN FT	\$3.00	\$1,815.00		419	\$1,257.00	419	\$1,257.00	\$0.00	\$1,257.00	69.3%	\$558.00
10		REMOVE CURB AND GUTTER	11,676	LIN FT	\$2.70	\$31,525.20	5132	2805	\$7,572.15	7937	\$21,428.55	\$0.00	\$21,428.55	68.0%	\$10,096.65
11		REMOVE PIPE CULVERTS	70	LIN FT	\$14.00	\$980.00		70	\$980.00	70	\$980.00	\$0.00	\$980.00	100.0%	\$0.00
12		REMOVE SEWER PIPE (STORM)	1,224	LIN FT	\$15.00	\$18,360.00	220	190	\$2,850.00	410	\$6,150.00	\$0.00	\$6,150.00	33.5%	\$12,210.00
13		REMOVE BITUMINOUS PAVEMENT	19,064	SQ YD	\$3.75	\$71,490.00	4046	7045	\$26,418.75	11091	\$41,591.25	\$0.00	\$41,591.25	58.2%	\$29,898.75
14		REMOVE CONCRETE WALK	3,725	SQ YD	\$11.00	\$40,975.00	2273	599	\$6,589.00	2872	\$31,592.00	\$0.00	\$31,592.00	77.1%	\$9,383.00
15		GRANULAR EMBANKMENT (CV) (P)	670	CU YD	\$29.00	\$19,430.00	380	290	\$8,410.00	670	\$19,430.00	\$0.00	\$19,430.00	100.0%	\$0.00
16		COMMON EMBANKMENT (CV) (P)	4,075	CU YD	\$5.20	\$21,190.00	130		\$0.00	130	\$676.00	\$0.00	\$676.00	3.2%	\$20,514.00
17		EXCAVATION - COMMON (P)	16,540	CU YD	\$12.00	\$198,480.00	3285	1485	\$17,820.00	4770	\$57,240.00	\$0.00	\$57,240.00	28.8%	\$141,240.00
18		SELECT GRANULAR EMBANKMENT MOD 7% (CV) (P)	7,165	CU YD	\$24.00	\$171,960.00	654	437	\$10,488.00	1091	\$26,184.00	\$0.00	\$26,184.00	15.2%	\$145,776.00
19		HAUL & DISPOSE OF CONTAMINATED SOIL	25	CU YD	\$105.00	\$2,625.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$2,625.00
20		GEOTEXTILE FABRIC TYPE 5	17,405	SQ YD	\$3.20	\$55,696.00	3185	1871	\$5,987.20	5056	\$16,179.20	\$14,649.81	\$30,829.01	55.4%	\$24,866.99
21		STREET SWEEPER (WITH PICKUP BROOM)	150	HR	\$205.00	\$30,750.00	6		\$0.00	6	\$1,230.00	\$0.00	\$1,230.00	4.0%	\$29,520.00
22		AGGREGATE BASE (CV) CLASS 5 (P)	7,545	CU YD	\$41.00	\$309,345.00	1719	50	\$2,050.00	1769	\$72,529.00	\$0.00	\$72,529.00	23.4%	\$236,816.00
23		AGGREGATE SURFACING (CV) CLASS 5 (P)	265	CU YD	\$95.00	\$25,175.00	76	26	\$2,470.00	102	\$9,690.00	\$0.00	\$9,690.00	38.5%	\$15,485.00
24		FULL DEPTH RECLAMATION	10,445	SQ YD	\$11.20	\$117,384.00		10445	\$117,384.00	10445	\$117,384.00	\$0.00	\$117,384.00	100.0%	\$0.00
25		HAUL FULL DEPTH RECLAMATION (LV)	430	CU YD	\$17.00	\$7,310.00	3285	430	\$7,310.00	430	\$7,310.00	\$0.00	\$7,310.00	100.0%	\$0.00
26		MILL BITUMINOUS SURFACE (3.0")	23,670	SQ YD	\$2.50	\$59,175.00	6375	11915	\$29,787.50	18290	\$45,725.00	\$0.00	\$45,725.00	77.3%	\$13,450.00
27		TYPE 12.5 BIT MIXTURE FOR PATCHING	900	SQ YD	\$29.50	\$26,550.00	345		\$0.00	345	\$10,177.50	\$0.00	\$10,177.50	38.3%	\$16,372.50
28		TYPE SP 9.5 BITUMINOUS MIXTURE FOR PATCHING	306	TON	\$355.00	\$108,630.00	44	35	\$12,425.00	79	\$28,045.00	\$0.00	\$28,045.00	25.8%	\$80,585.00
29		TYPE SP 9.5 WEARING COURSE MIXTURE (3.B)	4,220	TON	\$88.00	\$371,360.00		1348	\$118,624.00	1348	\$118,624.00	\$0.00	\$118,624.00	31.9%	\$252,736.00
30		TYPE SP 9.5 WEARING COURSE MIXTURE (3.C)	5,185	TON	\$94.00	\$487,390.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$487,390.00
31		TYPE SP 12.5 NON WEARING COURSE MIXTURE (3.C)	1,885	TON	\$96.00	\$180,960.00	138	235	\$22,560.00	373	\$35,808.00	\$0.00	\$35,808.00	19.8%	\$145,152.00
32		12" RC PIPE APRON	4	EACH	\$1,400.00	\$5,600.00		3	\$4,200.00	3	\$4,200.00	\$0.00	\$4,200.00	75.0%	\$1,400.00
33		15" RC PIPE APRON	7	EACH	\$1,500.00	\$10,500.00	1	6	\$9,000.00	7	\$10,500.00	\$0.00	\$10,500.00	100.0%	\$0.00
34		24" RC PIPE APRON	4	EACH	\$1,800.00	\$7,200.00		1	\$1,800.00	1	\$1,800.00	\$0.00	\$1,800.00	25.0%	\$5,400.00
35		30" RC PIPE APRON	2	EACH	\$2,300.00	\$4,600.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$4,600.00
36		28" SPAN RC PIPE-ARCH APRON	7	EACH	\$2,000.00	\$14,000.00	2	5	\$10,000.00	7	\$14,000.00	\$0.00	\$14,000.00	100.0%	\$0.00
37		36" SPAN RC PIPE-ARCH APRON	4	EACH	\$2,800.00	\$11,200.00	3		\$0.00	3	\$8,400.00	\$0.00	\$8,400.00	75.0%	\$2,800.00
38		4" PERF PVC PIPE DRAIN	8,594	LIN FT	\$11.00	\$94,534.00	850	3149	\$34,639.00	3999	\$43,989.00	\$15,135.25	\$59,124.25	62.5%	\$35,409.75
39		12" RC PIPE SEWER DESIGN 3006	110	LIN FT	\$96.00	\$10,560.00	10	97	\$9,312.00	107	\$10,272.00	\$0.00	\$10,272.00	97.3%	\$288.00
40		15" RC PIPE SEWER DESIGN 3006	366	LIN FT	\$100.00	\$36,600.00	8	161	\$16,100.00	169	\$16,900.00	\$0.00	\$16,900.00	46.2%	\$19,700.00
41		18" RC PIPE SEWER DESIGN 3006	79	LIN FT	\$105.00	\$8,295.00	79		\$0.00	79	\$8,295.00	\$0.00	\$8,295.00	100.0%	\$0.00
42		24" RC PIPE SEWER DESIGN 3006	109	LIN FT	\$130.00	\$14,170.00		72	\$9,360.00	72	\$9,360.00	\$0.00	\$9,360.00	66.1%	\$4,810.00
43		30" RC PIPE SEWER DESIGN 3006	16	LIN FT	\$190.00	\$3,040.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$3,040.00
44		28" SPAN RC PIPE-ARCH SEWER CLASS IIA	575	LIN FT	\$170.00	\$97,750.00	49	183	\$31,110.00	232	\$39,440.00	\$0.00	\$39,440.00	40.3%	\$58,310.00
45		36" SPAN RC PIPE-ARCH SEWER CLASS IIA	187	LIN FT	\$220.00	\$41,140.00	100		\$0.00	100	\$22,000.00	\$0.00	\$22,000.00	53.5%	\$19,140.00
46		CONNECT TO EXISTING STORM SEWER	6	EACH	\$2,300.00	\$13,800.00	3	2	\$4,600.00	5	\$11,500.00	\$0.00	\$11,500.00	83.3%	\$2,300.00
47		3" POLYSTYRENE INSULATION	100	SQ YD	\$36.00	\$3,600.00		22	\$792.00	22	\$792.00	\$0.00	\$792.00	22.0%	\$2,808.00
48		ADJUST VALVE BOX	21	EACH	\$500.00	\$10,500.00	2	3	\$1,500.00	5	\$2,500.00	\$0.00	\$2,500.00	23.8%	\$8,000.00
49		ADJUST CURB STOP	2	EACH	\$250.00	\$500.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$500.00
50		CONNECT TO EXISTING WATER MAIN	2	EACH	\$6,000.00	\$12,000.00		1	\$6,000.00	1	\$6,000.00	\$2,654.79	\$8,654.79	72.1%	\$3,345.21
51		HYDRANT	5	EACH	\$11,000.00	\$55,000.00	2	2	\$22,000.00	4	\$44,000.00	\$7,542.93	\$51,542.93	93.7%	\$3,457.07
52		CASTING ASSEMBLY	51	EACH	\$830.00	\$42,330.00	16	1	\$830.00	17	\$14,110.00	\$21,500.53	\$35,610.53	84.1%	\$6,719.47
53		CONSTRUCT DRAINAGE STRUCTURE DESIGN 48-4020	8	EACH	\$5,300.00	\$42,400.00		5	\$26,500.00	5	\$26,500.00	\$1,794.31	\$28,294.31	66.7%	\$14,105.69
54		CONSTRUCT DRAINAGE STRUCTURE DESIGN 60-4020	11	EACH	\$7,100.00	\$78,100.00	2	5	\$35,500.00	7	\$49,700.00	\$2,683.54	\$52,383.54	67.1%	\$25,716.46
55		CONSTRUCT DRAINAGE STRUCTURE DESIGN 72-4020	4	EACH	\$9,100.00	\$36,400.00	2		\$0.00	2	\$18,200.00	\$960.71	\$19,160.71	52.6%	\$17,239.29

Progress Estimate - Unit Price Work

Contractor's Application

For (Contract): SP 202-101-014, 202-104-012											Application Number: 3					
Application Period: 7/1/2023 to 8/3/2023											Application Date: 8/7/2023					
A			B			C	D	E	F	G	H	I	J			
Item			Contract Information			Work Completed to Date							Materials Presently Stored (not in F)	Total Completed and Stored to Date (G + H)	% (I / B)	Balance to Finish (B - I)
Bid Item No.	Spec. Item No.	Description	Item Quantity	Units	Unit Price	Total Value of Item (\$)	Quantities from Previous Pay Applications	Estimated Quantities Installed this Pay Period	Value of Work Installed this Pay Period	Total Estimated Quantity Installed	Value of Work Installed to Date					
56		CONSTRUCT DRAINAGE STRUCTURE DESIGN 84-4020	1	EACH	\$11,900.00	\$11,900.00	1		\$0.00	1	\$11,900.00	\$0.00	\$11,900.00	100.0%	\$0.00	
57		CONSTRUCT DRAINAGE STRUCTURE DESIGN G	20	EACH	\$4,000.00	\$80,000.00	7	12	\$48,000.00	19	\$76,000.00	\$2,228.42	\$78,228.42	97.8%	\$1,771.59	
58		CONSTRUCT DRAINAGE STRUCTURE DESIGN H	1	EACH	\$3,400.00	\$3,400.00		1	\$3,400.00	1	\$3,400.00	\$0.00	\$3,400.00	100.0%	\$0.00	
59		RANDOM RIPRAP CLASS II	61	CU YD	\$69.00	\$4,209.00		20	\$1,380.00	20	\$1,380.00	\$0.00	\$1,380.00	32.8%	\$2,829.00	
60		4" CONCRETE WALK	57,662	SO FT	\$4.90	\$282,543.80	21226	2438	\$11,943.75	23664	\$115,951.15	\$0.00	\$115,951.15	41.0%	\$166,592.65	
61		6" CONCRETE WALK	7,742	SO FT	\$9.50	\$73,549.00	1554	1106	\$10,507.00	2660	\$25,270.00	\$0.00	\$25,270.00	34.4%	\$48,279.00	
62		DRILL AND GROUT REINF BAR (EPOXY COATED)	556	EACH	\$8.50	\$4,726.00	222	59	\$501.50	281	\$2,388.50	\$0.00	\$2,388.50	50.5%	\$2,337.50	
63		CONCRETE CURB AND GUTTER DESIGN S524	16,169	LIN FT	\$20.90	\$337,932.10	5270.5	221	\$4,618.90	5492	\$114,772.35	\$0.00	\$114,772.35	34.0%	\$223,159.75	
64		6" CONCRETE DRIVEWAY PAVEMENT	747	SO YD	\$95.00	\$70,965.00	533	23	\$2,185.00	556	\$52,820.00	\$0.00	\$52,820.00	74.4%	\$18,145.00	
65		8" CONCRETE DRIVEWAY PAVEMENT	120	SO YD	\$109.00	\$13,080.00	22		\$0.00	22	\$2,398.00	\$0.00	\$2,398.00	18.3%	\$10,682.00	
66		TRUNCATED DOMES	379	SO FT	\$50.00	\$18,950.00	30	60	\$3,000.00	90	\$4,500.00	\$0.00	\$4,500.00	23.7%	\$14,450.00	
67		CONSTRUCT SURVEY MONUMENT	3	EACH	\$860.00	\$2,580.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$2,580.00	
68		MAIL BOX SUPPORT	58	EACH	\$205.00	\$11,890.00		38	\$7,790.00	38	\$7,790.00	\$0.00	\$7,790.00	65.5%	\$4,100.00	
69		TRAFFIC CONTROL	1	LUMP SUM	\$28,900.00	\$28,900.00	0.25	0.25	\$7,225.00	0.50	\$14,450.00	\$0.00	\$14,450.00	50.0%	\$14,450.00	
70		INSTALL SIGN TYPE C	16	EACH	\$250.00	\$4,000.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$4,000.00	
71		SIGN PANELS TYPE C	260	SO FT	\$96.00	\$24,960.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$24,960.00	
72		FLASHING BEACON SYSTEM	4	SYS	\$8,750.00	\$35,000.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$35,000.00	
73		PEDESTRIAN CROSSWALK FLASHER SYSTEM	4	SYS	\$9,100.00	\$36,400.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$36,400.00	
74		STABILIZED CONSTRUCTION EXIT	1	LUMP SUM	\$7,000.00	\$7,000.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$7,000.00	
75		STORM DRAIN INLET PROTECTION	68	EACH	\$190.00	\$12,920.00	25	28	\$5,320.00	53	\$10,070.00	\$0.00	\$10,070.00	77.9%	\$2,850.00	
76		SILT FENCE, TYPE MS	8,305	LIN FT	\$2.50	\$20,762.50	1970	5492	\$13,730.00	7462	\$18,655.00	\$0.00	\$18,655.00	89.3%	\$2,107.50	
77		COMMON TOPSOIL BORROW	1,214	CU YD	\$39.00	\$47,346.00		126	\$4,914.00	126	\$4,914.00	\$0.00	\$4,914.00	10.4%	\$42,432.00	
78		FERTILIZER TYPE 3	802	LBS	\$1.00	\$802.00		53	\$53.00	53	\$53.00	\$0.00	\$53.00	6.6%	\$749.00	
79		SODDING TYPE LAWN	1,915	SO YD	\$12.20	\$23,363.00		1699	\$20,727.80	1699	\$20,727.80	\$0.00	\$20,727.80	88.7%	\$2,635.20	
80		ROLLED EROSION PREVENTION CATEGORY 25	10,610	SO YD	\$2.05	\$21,750.50		1285	\$2,634.25	1285	\$2,634.25	\$0.00	\$2,634.25	12.1%	\$19,116.25	
81		SEEDING	2	ACRE	\$550.00	\$1,100.00		0.27	\$148.50	0.27	\$148.50	\$0.00	\$148.50	11.3%	\$1,171.50	
82		SEED MIXTURE 25-141	173	LBS	\$10.00	\$1,730.00		16	\$160.00	16	\$160.00	\$0.00	\$160.00	9.2%	\$1,570.00	
83		INTERIM PAVEMENT MARKING	27,210	LIN FT	\$0.30	\$8,163.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$8,163.00	
84		4" DOUBLE SOLID LINE MULTI-COMPONENT GROUND IN	13,005	LIN FT	\$1.05	\$13,655.25			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$13,655.25	
85		4" SOLID LINE MULTI-COMPONENT GROUND IN	26,159	LIN FT	\$0.55	\$14,387.45			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$14,387.45	
86		12" SOLID LINE MULTI-COMPONENT GROUND IN	210	LIN FT	\$12.30	\$2,583.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$2,583.00	
87		24" SOLID LINE MULTI-COMPONENT GROUND IN	110	LIN FT	\$13.20	\$1,452.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$1,452.00	
88		4" BROKEN LINE MULTI-COMPONENT GROUND IN	160	LIN FT	\$0.55	\$88.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$88.00	
89		CROSSWALK MULTI-COMPONENT GROUND IN	462	SO FT	\$12.30	\$5,682.60			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$5,682.60	
90		PAVEMENT MESSAGE MULTI-COMPONENT GROUND IN	656	SO FT	\$12.30	\$8,068.80			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$8,068.80	
Contract Totals						\$4,198,170.00			\$682,812.70		\$1,458,257.85	\$69,150.27	\$1,527,408.12	36.4%	\$2,670,761.88	

CHANGE ORDERS															
1		SEDIMENT CONTROL LOG TYPE WOOD FIBER			\$	-			\$0.00						\$0.00
2		SAWING BIT PAVEMENT	5,300	LIN FT	\$1.25	\$6,625.00	5132		\$0.00	5132	\$6,415.00	\$0.00	\$6,415.00	96.8%	\$210.00
3		ENTRANCE & UTILITIES FOR SCHOOL DISTRICT BUILDING			\$	-			\$0.00						\$0.00
		REMOVE CURB & GUTTER	60	LIN FT	\$2.70	\$162.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$162.00
		REMOVE BITUMINOUS PAVEMENT	22	SO YD	\$13.10	\$288.20			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$288.20
		EXCAVATION - COMMON (P)	94	CU YD	\$19.80	\$1,861.20			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$1,861.20
		AGGREGATE BASE (CV) CLASS 5	48	CU YD	\$58.10	\$2,788.80			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$2,788.80
		TYPE SP 9.5 BITUMINOUS MIXTURE FOR PATCHING	6	TON	\$360.00	\$2,160.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$2,160.00
		WET TAP WITH 6" VALVE	1	EACH	\$8,300.00	\$8,300.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$8,300.00
		WET TAP WITH HYDRANT	1	EACH	\$16,100.00	\$16,100.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$16,100.00
		4" CONCRETE WALK	1,040	SO FT	\$5.20	\$5,408.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$5,408.00
		CONCRETE CURB & GUTTER DESIGN S524	60	LIN FT	\$22.00	\$1,320.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$1,320.00
		6" CONCRETE DRIVEWAY PAVEMENT	55	SO YD	\$102.00	\$5,610.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$5,610.00
		SODDING TYPE LAWN	90	SO YD	\$12.50	\$1,125.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$1,125.00
4		COMPACTION METHOD			\$	-			\$0.00						\$0.00
5		EXCAVATION - COMMON (P) FOR UGSTAD RD SIDEWALK	559	CU YD	\$19.80	\$11,068.20	518	41	\$811.80	559	\$11,068.20	\$0.00	\$11,068.20	100.0%	\$0.00
6		SPECIAL PROVISION FOR TRIBAL EMPLOYMENT			\$	-			\$0.00						\$0.00
7		DRIVEWAY CULVERTS			\$	-			\$0.00						\$0.00
		REMOVE PIPE APRON	1	CU YD	\$420.00	\$420.00	1		\$0.00	1	\$420.00	\$0.00	\$420.00	100.0%	\$0.00
		REMOVE PIPE CULVERT	108	CU YD	\$19.40	\$2,095.20	108		\$0.00	108	\$2,095.20	\$0.00	\$2,095.20	100.0%	\$0.00

Progress Estimate - Unit Price Work

Contractor's Application

For (Contract): SP 202-101-014, 202-104-012												Application Number: 3				
Application Period: 7/7/2023 to 8/3/2023												Application Date: 8/7/2023				
A				B	C	D	E	F	G	H	I	J				
Item				Contract Information			Work Completed to Date					Materials Presently Stored (not in F)	Total Completed and Stored to Date (G + H)	% (I / B)	Balance to Finish (B - I)	
Bid Item No.	Spec. Item No.	Description		Item Quantity	Units	Unit Price	Total Value of Item (\$)	Quantities from Previous Pay Applications	Estimated Quantities Installed this Pay Period	Value of Work Installed this Pay Period	Total Estimated Quantity Installed	Value of Work Installed to Date				
			15" GS PIPE APRON	1	CU YD	\$875.00	\$ 875.00	1		\$0.00	1	\$875.00	\$0.00	\$875.00	100.0%	\$0.00
			12" CP PIPE CULVERT	108	CU YD	\$48.00	\$ 5,918.40	108		\$0.00	108	\$5,918.40	\$0.00	\$5,918.40	100.0%	\$0.00
8			UGSTAD RD PATCHING							\$0.00						
			MILL BITUMINOUS SURFACE (2.0")	5,200	SQ YD	\$2.65	\$ 13,780.00		5185	\$13,740.25	5185	\$13,740.25	\$0.00	\$13,740.25	99.7%	\$39.75
			TYPE SP 12.5 WEARING COURSE MIXTURE (2.C)	590	TON	\$103.00	\$ 60,770.00		660	\$67,980.00	660	\$67,980.00	\$0.00	\$67,980.00	111.9%	-\$7,210.00
9			CALCIUM CHLORIDE	2,300	GAL	\$1.44	\$ 3,312.00		2300	\$3,312.00	2300	\$3,312.00	\$0.00	\$3,312.00	100.0%	\$0.00
10			UGSTAD RD ADDITIONAL MILLING & PAVING													
			MILL BITUMINOUS SURFACE (2.0")	4,010	SY	\$2.52	\$ 10,105.20		4010	\$10,105.20	4010	\$10,105.20	\$0.00	\$10,105.20	100.0%	\$0.00
			TYPE SP 12.5 WEARING COURSE MIXTURE (3.C)	510	TON	\$98.00	\$ 49,980.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$49,980.00
11			HYDRANT REMOVALS													
			REMOVE HYDRANT (IN LOCATION OF NEW HYDRANT)	4	EACH	\$420.00	\$ 1,680.00		4	\$1,680.00	4	\$1,680.00	\$0.00	\$1,680.00	100.0%	\$0.00
			REMOVE HYDRANT (IN LOCATION WITH NO PROPOSED HYDRANT)	1	EACH	\$2,970.00	\$ 2,970.00		1	\$2,970.00	1	\$2,970.00	\$0.00	\$2,970.00	100.0%	\$0.00
12			ARROWHEAD RD RESIDENTIAL SERVICES & DRIVEWAY													
			SANITARY SEWER SERVICE	1	EACH	\$10,360.00	\$ 10,360.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$10,360.00
			WATER SERVICE SYSTEM	1	EACH	\$6,420.00	\$ 6,420.00			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$6,420.00
			6" CONCRETE DRIVEWAY PAVEMENT	11	SY	\$117.28	\$ 1,290.08			\$0.00		\$0.00	\$0.00	\$0.00	0.0%	\$1,290.08
Change Order Totals							\$232,792.28			\$100,599.25		\$126,579.25	\$0.00	\$126,579.25	54.4%	\$106,213.03
TOTALS							\$4,430,962.28			\$783,411.95		\$1,584,837.10	\$69,150.27	\$1,653,987.37	37.3%	\$2,776,974.91

August 15, 2023

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

Re: Richard Lindgren - Street Improvement District No. 538

Dear John:

Attached is Pay Application #2 for the work associated with the Richard Lindgren Project – Street Improvement District No. 538 from July 11, 2023 through August 11, 2023. NCE and Ulland Brothers, Inc. have reviewed the project progress thus far and agreed upon quantities of work completed. The amount of Pay Application #2 is **\$369,160.33**. The City will hold a 5% retainage of the completed construction through the duration of the project. This retainage amount for pay application #2 is **\$24,716.29**.

NCE has reviewed the quantities through construction inspection and discussions with Ulland Brothers, Inc. representatives. I recommend payment in the amount of **\$344,444.04** be authorized at the August 21, 2023 City Council Meeting.

Please contact me with any questions you may have.

Thank you,



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

CC: Chase Ernste, E.I.T., Northland Consulting Engineers
Ryan Swanson, P.E., Ulland Brothers, Inc.

Resolution No. 2023-119

Resolution Approving Pay Request Number 2 For Road Improvement District 538 To Ulland Brothers, Inc. In The Amount Of \$344,444.04

WHEREAS, the City of Hermantown has contracted with Ulland Brothers, Inc. for Road Improvement District 538 (“Project”); and

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

WHEREAS, Ulland Brothers, Inc. has submitted Pay Request No. 2 in the amount of \$344,444.04; and

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

WHEREAS, Northland Consulting Engineers LLP has approved such Pay Request No. 2 provided that \$24,716.29 as retainage of 5% be withheld pending final acceptance of the Project by the City of Hermantown.

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

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

1. Pay Request No. 2 is hereby approved.
2. The City is hereby authorized and directed to pay to Ulland Brothers, Inc. the sum of \$369,160.33 which is the amount represented on Pay Request No. 2.

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 _____, Mayor Boucher, aye.

and the following voted in opposition thereto:

None.

WHEREUPON, such resolution has been duly passed and adopted August 21, 2023.


Contractor's Application for Payment			No. 2
Application Period:	July 11, 2023 through August 11, 2023	Application Date:	8/15/2023
To (Owner): City of Hermantown	Project: Richard-Lindgren Street Impr. District #538	From (Contractor): Ulland Brothers Inc.	Via (Engineer): Northland Consulting Engineers, LLP
Owner's Contract Number: Street Improvement District #538	Contractor's Project Number:	Engineer Project Number: 21-8006	

Application For Payment Change Order Summary		
Approved Change Orders		
Number	Additions	Deductions
1		
2		
3		
4		
TOTAL		
NET CHANGE BY CHANGE ORDER:		


Application For Payment Previous Pay Application Summary		
Approved Pay Applications		
Number	Date	Amount
1	7/17/2023	\$381,674.40
2		
3		
4		
8. TOTALS		\$381,674.40

1. ORIGINAL CONTRACT PRICE.....	\$ 2,209,180.00
2. Net change by Change Orders.....	\$ 0.00
3. Current Contract Price (Line 1 ± 2).....	\$ 2,209,180.00
4. TOTAL COMPLETED AND STORED TO DATE	
See attached Pay Application Summary.....	\$ 737,281.55
5. RETAINAGE:	
a. 5% X \$737,281.55 Work Completed.....	\$ 36,864.08
b. 0% X \$25,700.97 Stored Material.....	\$
c. Total Retainage (Line 5.a + Line 5.b).....	\$ 36,864.08
6. AMOUNT ELIGIBLE TO DATE (Line 4 - Line 5.c).....	\$ 726,118.44
7. LESS PREVIOUS PAYMENTS (Line 8).....	\$ 381,674.40
9. AMOUNT DUE THIS APPLICATION.....	\$ 344,444.04
10. BALANCE TO FINISH, PLUS RETAINAGE (Line 3 - 4 + Line 5.c above).....	\$ 1,483,061.56

Payment of: \$ 344,444.04
(Line 9 or other - attach explanation of the other amount)

Contractor's Certification	
<p>The undersigned Contractor certifies, to the best of its knowledge, the following:</p> <p>(1) All previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with the Work covered by prior Applications for Payment;</p> <p>(2) Title to all Work, materials and equipment incorporated in said Work, or otherwise listed in or covered by this Application for Payment, will pass to Owner at time of payment free and clear of all Liens, security interests, and encumbrances (except such as are covered by a bond acceptable to Owner indemnifying Owner against any such Liens, security</p>	
Contractor Signature - Ulland Brothers Inc.	
By: 	Date: 8/15/2023

Recommended by:

 8/15/2023
David Bolf, P.E. - City Engineer (Date)

Approved by:

John Mulder, City Administrator (Date)



Pay Application #2 - August 21, 2023
City of Hermantown
Richard Lindgren
Street Improvement District #538

Item No.	Spec. Number	Item Description	Unit of Measure	Contract Total Quantities	Ulland Unit Price	Total Project	
						Completed Quantities	Completed Cost
BASE BID							
1	2021.501	MOBILIZATION	LS	1	\$ 40,397.10	0.75	\$30,297.83
2	2101.502	CLEARING	EACH	18	\$ 145.00	58	\$8,410.00
3	2101.502	GRUBBING	EACH	18	\$ 145.00	58	\$8,410.00
4	2101.505	CLEARING	ACRE	1	\$ 5,900.00	0.44	\$2,596.00
5	2101.505	GRUBBING	ACRE	1	\$ 8,700.00	0.44	\$3,828.00
6	2104.502	REMOVE CASTING	EACH	1	\$ 200.00	0	\$0.00
7	2104.502	REMOVE CONCRETE APRON	EACH	1	\$ 230.00	0	\$0.00
8	2104.502	REMOVE DRAINAGE STRUCTURE	EACH	7	\$ 420.00	0	\$0.00
9	2104.502	REMOVE GATE VALVE AND BOX	EACH	1	\$ 1,300.00	0	\$0.00
10	2104.502	REMOVE HYDRANT	EACH	1	\$ 1,300.00	0	\$0.00
11	2104.502	REMOVE MAIL BOX SUPPORT	EACH	2	\$ 50.00	0	\$0.00
12	2104.502	REMOVE SIGN TYPE C	EACH	4	\$ 50.00	0	\$0.00
13	2104.503	REMOVE CURB AND GUTTER	LF	1612	\$ 4.60	0	\$0.00
14	2104.503	REMOVE PIPE CULVERTS	LF	126	\$ 17.00	0	\$0.00
15	2104.503	REMOVE SEWER PIPE (SANITARY)	LF	20	\$ 85.00	20	\$1,700.00
16	2104.503	REMOVE SEWER PIPE (STORM)	LF	726	\$ 16.00	36	\$576.00
17	2104.503	SAWING BITUMINOUS PAVEMENT (FULL DEPTH)	LF	666	\$ 1.90	110	\$209.00
18	2104.504	REMOVE BITUMINOUS DRIVEWAY PAVEMENT	SY	262	\$ 8.20	0	\$0.00
19	2104.504	REMOVE BITUMINOUS PAVEMENT	SY	4226	\$ 4.00	1689	\$6,756.00
20	2104.504	REMOVE CONCRETE PAVEMENT	SY	37	\$ 20.00	0	\$0.00
21	2104.504	REMOVE CONCRETE WALK	SY	538	\$ 12.00	0	\$0.00
22	2106.507	EXCAVATION - COMMON	CY	8194	\$ 11.00	2000	\$22,000.00
23	2106.507	EXCAVATION - MUCK	CY	6782.32	\$ 15.00	6782.32	\$101,734.80
24	2106.507	GRANULAR EMBANKMENT (CV)	CY	7832.58	\$ 21.00	6782.32	\$142,428.72
25	2106.507	SELECT GRANULAR EMBANKMENT MOD 7% (CV)	CY	5560.8	\$ 32.00	1659.3	\$53,097.60
26	2108.604	GEOTEXTILE FABRIC TYPE 5	SY	9860	\$ 3.50	2648	\$9,268.00
27	2118.507	AGGREGATE SURFACING (CV) CLASS 5	CY	106	\$ 50.00	0	\$0.00
28	2211.507	AGGREGATE BASE (CV) CLASS 5	CY	2691	\$ 37.00	0	\$0.00
29	2232.504	MILL BITUMINOUS SURFACE (2.0")	SY	2454	\$ 3.60	0	\$0.00
30	2301.602	DRILL AND GROUT REINFORCEMENT BAR (EPOXY COATED)	EACH	104	\$ 10.00	0	\$0.00
31	2360.509	TYPE SP 9.5 BITUMINOUS MIXTURE FOR PATCHING	TON	56	\$ 210.00	0	\$0.00
32	2360.509	TYPE SP 9.5 WEARING COURSE MIXTURE (3,B)	TON	1302	\$ 85.00	0	\$0.00
33	2360.509	TYPE SP 12.5 NON WEARING COURSE MIXTURE (3,B)	TON	1268	\$ 81.00	0	\$0.00
34	2501.502	12" RC PIPE APRON	EACH	1	\$ 1,000.00	0	\$0.00
35	2501.502	15" RC PIPE APRON	EACH	1	\$ 1,100.00	1	\$1,100.00
36	2501.502	30" RC PIPE APRON	EACH	2	\$ 1,700.00	2	\$3,400.00
37	2501.502	12" CS PIPE APRON	EACH	2	\$ 400.00	0	\$0.00
38	2501.503	12" CS PIPE CULVERT	LF	40	\$ 50.00	0	\$0.00
39	2501.503	15" CP PIPE CULVERT	LF	24	\$ 50.00	0	\$0.00
40	2501.503	30" RC PIPE CULVERT DESIGN 3006 CLASS III	LF	72	\$ 220.00	72	\$15,840.00
41	2502.503	4" PERF PVC PIPE DRAIN	LF	2845	\$ 11.00	1400	\$15,400.00
42	2503.503	12" RC PIPE SEWER CLASS III	LF	1000	\$ 120.00	279	\$33,480.00
43	2503.503	15" RC PIPE SEWER CLASS III	LF	660	\$ 125.00	24	\$3,000.00
44	2503.602	CONNECT TO EXISTING STORM SEWER	EACH	1	\$ 2,600.00	0	\$0.00
45	2504.602	6" GATE VALVE AND BOX	EACH	4	\$ 4,800.00	4	\$19,200.00
46	2504.602	8" GATE VALVE AND BOX	EACH	7	\$ 5,800.00	5	\$29,000.00
47	2504.602	ADJUST VALVE BOX	EACH	1	\$ 500.00	0	\$0.00
48	2504.602	CONNECT TO EXISTING WATER MAIN	EACH	3	\$ 3,200.00	4	\$12,800.00
49	2504.602	HYDRANT ASSEMBLY	EACH	4	\$ 12,500.00	3	\$37,500.00
50	2504.602	WATER TRACER BOX	EACH	4	\$ 255.00	0	\$0.00
51	2504.603	6" HDPE SDR 11 SERVICE PIPE	LF	96	\$ 80.00	96	\$7,680.00
52	2504.603	8" HDPE PIPE WATER MAIN 50R 11	LF	1642	\$ 66.00	1642	\$108,372.00
53	2504.604	4" POLYSTYRENE INSULATION	SY	4	\$ 100.00	0	\$0.00
54	2506.502	ADJUST FRAME AND RING CASTING	EACH	2	\$ 500.00	0	\$0.00
55	2506.502	CASTING ASSEMBLY	EACH	27	\$ 800.00	0	\$0.00
56	2506.503	CONSTRUCT DRAINAGE STRUCTURE DESIGN 48-4020	LF	25.4	\$ 830.00	0	\$0.00
57	2506.503	CONSTRUCT DRAINAGE STRUCTURE DESIGN F	LF	6.2	\$ 800.00	6.2	\$4,960.00
58	2506.503	CONSTRUCT DRAINAGE STRUCTURE DESIGN G	LF	49.7	\$ 800.00	21.2	\$16,960.00
59	2506.503	CONSTRUCT DRAINAGE STRUCTURE DESIGN SPECIAL	LF	40.5	\$ 1,300.00	16.6	\$21,580.00
60	2506.601	INFILTRATION/FILTRATION SYSTEM	LS	1	\$ 156,000.00	0	\$0.00
61	2506.602	CONNECT INTO EXISTING DRAINAGE STRUCTURE	EACH	5	\$ 2,100.00	1	\$2,100.00
62	2506.602	MANHOLE FRAME SEAL (EXTERNAL)	EACH	4	\$ 400.00	0	\$0.00
63	2506.602	MODIFY DRAINAGE STRUCTURE	EACH	2	\$ 2,700.00	0	\$0.00
64	2511.507	RANDOM RIPRAP CLASS II (FRACTURED)	CY	16	\$ 75.00	0	\$0.00
65	2521.518	4" CONCRETE WALK	SF	16577	\$ 6.10	0	\$0.00
66	2521.518	6" CONCRETE WALK	SF	3150	\$ 9.50	0	\$0.00
67	2531.503	CONCRETE CURB AND GUTTER DESIGN B624	LF	320	\$ 32.00	0	\$0.00
68	2531.503	CONCRETE CURB AND GUTTER DESIGN S524	LF	4719	\$ 22.50	0	\$0.00
69	2531.504	17" CONCRETE DRIVEWAY PAVEMENT	SY	232	\$ 71.00	0	\$0.00
70	2531.618	TRUNCATED DOMES	SF	128	\$ 43.00	0	\$0.00
71	2540.602	MAIL BOX SUPPORT	EACH	2	\$ 100.00	0	\$0.00
72	2563.601	TRAFFIC CONTROL	LS	1	\$ 4,800.00	0.5	\$2,400.00
73	2564.518	SIGN PANELS TYPE C	SF	124.29	\$ 58.00	0	\$0.00
74	2573.501	STABILIZED CONSTRUCTION EXIT	LS	1	\$ 1,800.00	0.5	\$900.00
75	2573.502	STORM DRAIN INLET PROTECTION	EACH	39	\$ 195.00	0	\$0.00
76	2573.503	SEDIMENT CONTROL LOG TYPE WOOD FIBER	LF	1293	\$ 4.30	1117	\$4,803.10
77	2573.503	SILT FENCE, TYPE HI	LF	3523	\$ 3.30	1665	\$5,494.50
78	2574.508	FERTILIZER TYPE 3	LB	356	\$ 1.00	0	\$0.00
79	2575.504	SODDING TYPE LAWN	SY	1807	\$ 7.80	0	\$0.00
80	2575.505	RAPID STABILIZATION METHOD 2	ACRE	2.9	\$ 1,500.00	0	\$0.00
81	2575.505	SEEDING	ACRE	1.43	\$ 550.00	0	\$0.00
82	2575.508	HYDRAULIC BONDED FIBER MATRIX	LB	5005	\$ 2.00	0	\$0.00
83	2575.508	SEED MIXTURE 25-131	LB	315	\$ 9.00	0	\$0.00
84	2582.503	24" SOLID LINE PREFORM THERMO GROUND IN	LF	90	\$ 26.00	0	\$0.00
85	2582.503	4" DOTTED LINE MULTI-COMPONENT GROUND IN (WR)	LF	108	\$ 1.00	0	\$0.00
86	2582.503	4" DOUBLE SOLID LINE MULTI-COMPONENT GROUND IN (WR)	LF	2706	\$ 2.00	0	\$0.00
87	2582.503	4" SOLID LINE MULTI-COMPONENT GROUND IN (WR)	LF	5589	\$ 1.00	0	\$0.00
88	2582.518	CROSSWALK PREFORM THERMOPLASTIC GROUND IN	SF	720	\$ 19.50	0	\$0.00

TOTAL AMOUNT EARNED	\$737,281.55
LESS PAY APPLICATION #1	\$393,822.19
TOTAL PAY APPLICATION #2	\$343,459.36



INVOICE

1830 Craig Park Court
St. Louis, MO 63146

Invoice # T066857
 Invoice Date 6/23/23
 Account # 126001
 Sales Rep MITCH ENTZMINGER
 Phone # 763-428-7473
 Branch #243 St Michael, MN
 Total Amount Due \$25,700.97

NCE REVIEW: TOTAL SUM = \$25,700.97

Remit To:
 CORE & MAIN LP
 PO BOX 28330
 ST LOUIS, MO 63146

ULLAND BROTHERS CARLTON 000/0000
 PO BOX 340 00000
 CLOQUET MN 55720-0340

Shipped To:
 INT: RICHARD AVE & LINDGREN RD
 KURT LIND 218-966-6488
 HERMANTOWN, MN

CUSTOMER JOB- RICHARD RICHARD AVE

 Thank you for the opportunity to serve you! We appreciate your prompt payment.

Date Ordered	Date Shipped	Customer PO #	Job Name	Job #	Bill of Lading	Shipped Via	Invoice#
6/19/23	6/23/23	SEE BELOW	RICHARD AVE	RICHARD		BLACKDOG:ALLOW	T066857

Product Code	Description	Quantity		E/O	Price	UM	Extended Price
		Ordered	Shipped				
	CUSTOMER PO#- HERMANTOWN - FABRIC/DT						
1308NW125360	8 OZ NONWOVEN 12.5X360 (500SY) BID SEQ# 20	11000	11000		1.03000	SY	11,330.00
1304NW125360	4 OZ NONWOVEN 12.5X360 (500SY) BID SEQ# 30	2000	2000		.68000	SY	1,360.00
1315PDWAW20	15 GOLDFLO WTIB SOLID 20' AASHTO DUAL WALL BID SEQ# 50	40	40		12.08000	FT	483.20
04043510P	4 PVC SDR35 SWR PERF PIPE 10' SWB GREEN BID SEQ# 60	3150	3150		2.78000	FT	8,757.00
131216GES	12 CMP 16GA END SECTION BID SEQ# 70	2	2		152.76000	EA	305.52
1312CMP16G20	12" 16GA CMP GALV CORR 20' BID SEQ# 80	40	40		17.40000	FT	696.00
1312CMP16BG	12" 16GA CMP GALV BAND BID SEQ# 90	1	1		49.91000	EA	49.91
27042HH	4 PVC SDR35 SWR 22-1/2 HXH SOLVENT WELD (GLUE) BID SEQ# 100	4	4		5.63000	EA	22.52
27044HH	4 PVC SDR35 SWR 45 HXH SOLVENT WELD (GLUE) BID SEQ# 110	6	6		5.13000	EA	30.78
04043510S	4 PVC SDR35 SWR PIPE SWB 10' BID SEQ# 560	10	10		2.66000	FT	26.60
13200WTK	200WTK WVN GEO 12.5X432 600SY BID SEQ# 580	600	600		.49000	SY	294.00
29APPQMEK	PVC PRIMER/CLEANER PURPLE-QT	4	4		25.39000	EA	101.56



INVOICE

1830 Craig Park Court
St. Louis, MO 63146

Invoice # T066857
Invoice Date 6/23/23
Account # 126001
Sales Rep MITCH ENTZMINGER
Phone # 763-428-7473
Branch #243 St Michael, MN
Total Amount Due \$25,700.97

Remit To:
CORE & MAIN LP
PO BOX 28330
ST LOUIS, MO 63146

ULLAND BROTHERS CARLTON 000/0000
PO BOX 340 00000
CLOQUET MN 55720-0340

Shipped To:
INT: RICHARD AVE & LINDGREN RD
KURT LIND 218-966-6488
HERMANTOWN, MN

CUSTOMER JOB- RICHARD RICHARD AVE

Thank you for the opportunity to serve you! We appreciate your prompt payment.

Date Ordered 6/19/23 Date Shipped 6/23/23 Customer PO # SEE BELOW Job Name RICHARD AVE Job # RICHARD Bill of Lading Shipped Via BLACKDOG:ALLOW Invoice# T066857

Product Code	Description	Quantity		B/O	Price	UM	Extended Price
		Ordered	Shipped				
29APCHQ	PVC CEMENT HEAVY - QUART	8	8		32.22000	EA	257.76

CUSTOMER PO#- HERMANTOWN - FABRIC/DT

Freight Delivery Handling Restock Misc

Subtotal: 23,714.85
Other: .00
Tax: 1,986.12

Terms: NET 30
Ordered By: RYAN

Invoice Total: **\$25,700.97**

This transaction is governed by and subject to Core & Main's standard terms and conditions, which are incorporated by reference and accepted.
To review these terms and conditions, please visit: <http://tandc.coreandmain.com/>



CITY COUNCIL MEETING DATE: August 21, 2023

TO: Mayor & City Council

FROM: John Mulder, City Administrator

SUBJECT: Engineering Proposal – Segment 4 Hermantown Connector Trail

RESOLUTION: 2023-120 **ORDINANCE:** **OTHER:**

REQUESTED ACTION

Accept proposal from Northland Consulting Engineers for the design and construction engineering services for construction of improvements to Fichtner Park as part of the community recreation initiative.

BACKGROUND

As part of the Community Recreation Initiative, the City is planning on improvements to Fichtner Park. It is recommended that the City proceed with the base plan (the finish line plan) for construction in 2024. It is recommended that the City hire Northland Consulting Engineers to prepare the detailed plans and specifications. Final plans will be presented to the City Council before requesting bids. Plans would be finalized so that bids could be received in spring of 2024, and construction could begin as soon as possible.

This work would be done under the City Engineer’s existing contract

SOURCE OF FUNDS (if applicable)

416-419100-305 – Funded by Sales Tax

ATTACHMENTS

Proposal - **to be distributed on Monday at the meeting.**

Resolution No. 2023-120

Resolution Accepting A Proposal For Engineering Services With A Total Not To Exceed Contract Amount Of \$233,880.00 For Fichtner Park Improvements As Part Of The Community Recreation Initiative From Northland Consulting Engineers

WHEREAS, the City of Hermantown (“City”) desires to obtain design and construction engineering services with respect to Improvements to Fichtner Park (“Project”); and

WHEREAS, Northland Consulting Engineers (“Engineer”) submitted a proposal as shown on Exhibit A to the City to provide such services and

WHEREAS, the City Council believes that it is in the best interests of the City of Hermantown to accept the proposal.

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

1. The proposal from Northland Consulting Engineers for design and construction engineering services attached hereto as Exhibit A for Fichtner Park Improvements is hereby accepted.

2. The source of payment for the consultant services will be City Fund No. 416-419100-305 – Funded by Sales Tax

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 _____, Mayor Boucher, aye.

and the following voted in opposition thereto:

None.

WHEREUPON, such resolution was declared duly passed and adopted August 21, 2023.

EXHIBIT A

Civil Engineering Fee Proposal



Date: 8/18/23

Proposal #: P0810

Project Title: Fichtner Park Improvements
Project Location: Hermantown, MN
Company: City of Hermantown
Client Contact: John Mulder
Full Address: 5105 Maple Grove Road, Hermantown, MN 55811

Client Email: jmulder@hermantownmn.com
Office Phone: 218-729-3600
Cell Phone:

Project Description

Northland Consulting Engineer's understands the City of Hermantown's desire to make improvements to Fichtner Field at the intersection of Maple Grove Road and Ugstad Road. With the recent passing of the Community Recreation Initiative, the City is now committed to making the improvements to the park as depicted in the Master Plan prepared in July 2023.

Scope of Civil Engineering Services

1. Meetings and Communications.
2. Site and Grading Plan
3. Storm Water Management Plan
4. Cost Estimating
5. Landscape Architecture Design

Proposed Fee Calculation Table	Estimated Hours / Hourly Rates					Extended Cost
	Principal	PE	Tech.	Clerical	Other	
Design Engineering	\$185.00	\$145.00	\$85.00	\$60.00		
Communications with City, Park Board, Design Team, and FieldTurf	40	40				\$ 13,200.00
Site and Grading Plan	24	32	240			\$ 29,480.00
Utility Plan	8	12	40			\$ 6,620.00
Storm Water Management Plan	8	24	40			\$ 8,360.00
Turf Field Subgrade and Drainage Detailing	8	16	40			\$ 7,200.00
Bidding Documents and Specifications	16	40		40		\$ 11,160.00
Bidding Services	8	16				\$ 3,800.00
					Subtotal	\$ 79,820.00
Construction Engineering	\$185.00	\$145.00	\$85.00	\$60.00		
Project Management	60	80				\$ 22,700.00
Preconstruction Conference and Award Bid	4	8				\$ 1,900.00
Weekly Construction Meetings and Summaries	10	20				\$ 4,750.00
Shop Drawing Review		24				\$ 3,480.00
Construction Inspection (Based on 20 hours per week for 20 weeks)			400			\$ 34,000.00
Material Testing Coordination		8	8			\$ 1,840.00
Review and Prepare Payment Applications	4	20				\$ 3,640.00
Record Drawing Preparation		8	24			\$ 3,200.00
					Subtotal	\$ 75,510.00
Sub-Consultant - SAS + Associates						
Design Development Documents			LUMP SUM			\$ 17,000.00
Coordination for Construction Plans			LUMP SUM			\$ 1,500.00
Construction Documents/Specs			LUMP SUM			\$ 11,200.00
Construction Observation			LUMP SUM			\$ 8,000.00
					Subtotal	\$ 37,700.00
Sub-Consultant - RW Fern and Associates						
Architectural and Structural Engineering for concessions/storage and a two-story press box.			LUMP SUM			\$ 19,850.00
					Subtotal	\$ 19,850.00
Sub-Consultant - CMTA - Mechanical, Electrical, Plumbing						
Plumbing Plan and Electrical Plan for site lighting, field lighting, and buildings.			LUMP SUM			\$ 21,000.00
					Subtotal	\$ 21,000.00
Total NCE Engineering Fees						\$ 233,880.00

Assumptions

1. Compensation for services described above will be performed on a Lump-Sum-Fee basis based on the overall project description and scope of services listed above.
2. Additional Services may be required. Additional services will be performed only upon written approval by the client and billed on an hourly rate basis in accordance with NCE current rate schedule.
3. If acceptable, this proposal along with the attached terms and conditions sheet will serve as our contract for the project.

We understand that this proposal including the attached terms and conditions will serve as our contract for this project.

Submitted By

 8/18/23

Signature _____ Date _____
 David Bolf, P.E.
 Principle Partner - Civil Department Manager
 Northland Consulting Engineers LLP

Accepted By

Signature _____ Date _____
 Printed Name _____
 Title _____
 Representing _____