CITY OF HOWARD LAKE

City Council Meeting

The City of Howard Lake strives to build upon its good neighbor traditions –
A welcoming community for all, supported by vibrant and engaged businesses and community organizations, involved citizens, and diverse amenities that provide a well-rounded quality of life.

TENTATIVE AGENDA
February 21, 2023 – 7:00 pm

A. CALL TO ORDER
B. PLEDGE OF ALLEGIANCE
C. APPROVAL OF AGENDA
Any additions, deletions, modifications to the agenda will be done at this time.
D. COUNCIL MEETING MINUTES
  a. Consider Approving Council Meeting Minutes from the January 17, 2023 Council Meeting.
E. CITIZEN INPUT
F. COUNCIL/COMMITTEE REPORT
G. DEPARTMENT REPORTS
H. CONSENT AGENDA
  a. Consider Accepting all Reports & Payment of Claims.
  b. Consider Approval of Wine & Beer Liquor License for the Howard Lake Pit Stop LLC.
  c. Consider Modifying June Council Meeting Date.
I. PRESENTATIONS, PUBLIC HEARINGS & RELATED APPROVALS
  a. Howard Lake Police Department – Pinning Ceremony Sean and Beau Hartneck.
  b. Set Public Hearing for 2023 Street & Utility Reconstruction Project: March 20, 2023 7pm.
  c. Continued Public Hearing for TIF 1-23 Terning Trails Apartment Project.
J. NEW BUSINESS
  a. Consider Resolution 23-02 Approving TIF 1-23 Terning Trails Apartment Project.
  b. Consider Resolution 23-03 Approving the Removal of Parcels from TIF District.
  c. Consider Resolution 23-04 Approving the Issuance of a $384,000 GO Equipment Bond Series 2023A.
  d. Consider Fee and Scope of Services for Water Quality Improvement Study.
K. OLD BUSINESS
L. ADMINISTRATOR'S REPORT
M. ADJOURN

CITY OF HOWARD LAKE

Nicholas A. Haggenmiller, City Administrator

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HOWARD LAKE CITY COUNCIL
Howard Lake City Hall -
January 17, 2023

MEETING MINUTES

COUNCIL PRESENT	**COUNCIL ABSENT**
Mayor Zimmerman	
Tom Kutz	
Allan Munson	
Jason Deiter	
Gene Gilbert	

STAFF PRESENT
Nick Haggenmiller, City Administrator
Meagan Theisen, Assistant City Administrator
Jared Merges, Public Works Lead

ALSO PRESENT
Josh Halvorson, Bolton & Menk

CALL TO ORDER
Mayor Zimmerman called the meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE
All present recited the Pledge of Allegiance.

APPROVAL OF AGENDA
Haggenmiller mentioned moving iteming J.E. to a workshop if the public hearings run long.

Council Member Kutz moved to approve the agenda. The motion was seconded by Council Member Munson and passed unanimously.

APPROVAL OF MINUTES
Council Member Kutz moved to approve the minutes from the November 21st regular Council meeting. The motion was seconded by Council Member Munson and passed unanimously.

CITIZEN INPUT
No residents addressed the Council.

COUNCIL/COMMITTEE REPORT
N/A

DEPARTMENT REPORTS
N/A

CONSENT AGENDA

a. CONSIDER ACCEPTING ALL REPORTS AND PAYMENT OF CLAIMS

GENERAL FUND	60232-60399	$803,803.06
PAYROLL	27198-27227, 502413-52520	$131,410.29
ELECTRONIC	1328-1350	$66,949.80
TOTAL		**$1,002,163.15**
AMBULANCE CLAIMS	5914-5925	$7,998.36
ELECTRONIC		
TOTAL		**$7,998.36**

b. Consider Refusing to Waive the Statutory Tort Liability Limit.
c. Consider 2023 Meeting Schedule.
d. Consider Approval of 2023 Fees and Charges Schedule.
e. Consider Resolution 23-01 Approving 2023 Utility Enterprise Fees & Charges.
f. Consider Approval of Various Personnel Appointments.
g. Consider Approval of Joint Powers Agreement for BCA
h. Consider Approval of 2023 Pay Equity Report

Council Member Deiter moved to approve the Consent Agenda. The motion was seconded by Council Member Gilbert and passed unanimously.

PUBLIC HEARING/PRESENTATION

a. Gavin Woodland, Wright County Health Promotion Coordinator

Gavin addressed the Council and gave a presentation of the importance of radon testing & where you can get radon test kits.

b. 2022 Project Awards

Mayor Zimmerman announced the award for Downtown Revitalization to Kelli Burau.
He also announced the award for Commercial Renovation to Pit Stop- Mocha Moose – A&W Restaurant, the Rollins Family.

c. Good Neighbor Days Committee Recognition

Mayor Zimmerman recognized the retiring members of the Good Neighbor Days Committee and provided them a plaque for their years of service.

The committee members took pictures with the council.

d. PUBLIC HEARING – WELL HEAD PROTECTION PLAN

Mayor Zimmerman closed the regular Council meeting at 7:21 pm.
Mayor Zimmerman opened the Public Hearing at 7:21 pm.

Halvorson provided a summer of the Well Head Protection Plan process and the goals of the plan.

Mayor Zimmerman closed the Public Hearing at 7:27 pm.

e. PUBLIC HEARING – TIF 1-23 TERNIGN TRAILS APARTMENT
Continued to February 21, 2023 Meeting.

NEW BUSINESS

a. **Discuss/Consider Modifications to Chapter 12.07 Semi Tractor Ordinance**
Haggenmiller presented the staff report, highlighting the complaints from neighbors in the Lakeridge Neighborhood.
Council discussed options and possible modifications to the ordinance.
Following discussion, Council determined they would like to keep the ordinance as is for now and enforce the "no idling" verbiage.

b. **Consider Approval of Well Head Protection Plan**
Following the Public Hearing, Halvorson is recommending to approve the Well Head Protection Plan.

Council Member Deiter moved to approve the WHP. The motion was seconded by Council Member Munson and passed unanimously.

c. **Consider Approval of Contract Modification for Design Services for Library Project**
Haggenmiller presented the staff report and reviewed the previous Library Project timeline and the revised timeline.

d. **Consider Approval of Fee and Scope of Services for Parking Lot Reconstruction Project**
Haggenmiller presented the staff report. Council reviewed possible designed options that will be explored for the east parking lot at Historic City Hall. Haggenmiller also mentioned this research would include design work at Lions Park.

Council Member Deiter moved to approve the Fees and Scope of Services for the Parking Lot Reconstruction Project. The motion was seconded by Council Member Kutz and passed unanimously.

e. **Consider Repair/Replacement of Payloader**
Theisen presented the staff report to Council, including information on the current payloader and the options for replacement.
Jared Merges, Public Works Lead, also addressed the Council on existing issues with the payloader and the benefits of replacing would provide to the department.

Council Member Kutz moved to approve the purchase of a new payloader. The motion was seconded by Council Member Gilbet and passed unanimously.

Council Member Kutz moved to declare the old payloader as surplus equipment and directed staff to sell it. The motion was seconded by Council Member Deiter and passed unanimously.

f. **Consider 2023 Committee Appointments and Designations**
Haggenmiller reviewed the staff report, highlighting changes and updates to the local groups such as Good Neighbor Days and the Senior Services Committee.

Council reviewed the recommended designations.

Council Member Kutz moved to approve the 2023 Committee Appointments and Designations. The motion was seconded by Council Member Deiter and passed unanimously.

OLD BUSINESS

None.

ADMINISTRATORS REPORT

None.

ADJOURN

Council Member Kutz moved to adjourn the meeting at 8:41 pm. The motion was seconded by Council Member Gilbert and passed unanimously.

________________________________ ________________________________

Attest – City Administrator/Clerk Mayor

CITY OF HOWARD LAKE
CLAIMS & DONATIONS APPROVED
DATE - January 18, 2023 - February 21, 2023

GENERAL FUND	**CHECKS: 60400-60569**	**$419,938.58**
PAYROLL	**27228-27241, 502521-502573**	**58,960.35**
ELECTRONIC	**1351-1383**	**66,941.05**
TOTAL		**$545,839.98**

AMBULANCE CLAIMS	**CHECKS: 5926-5933**	**$6,058.24**
ELECTRONIC		
TOTAL		**$6,058.24**

Approved:

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1010 CITIZEN ALLIANCE

1351e	INTERNAL REVENUE SERVICE	1/18/2023	$8,563.37	PR 01-13-2023
1352e	MN DEPT OF REVENUE	1/18/2023	$1,593.44	PR 01-13-2023
1353e	PERA	1/18/2023	$7,314.38	PR 01-13-2023
1354e	LEAP-WEX	1/18/2023	$512.53	PR 01-13-2023
1366e	INTERNAL REVENUE SERVICE	1/27/2023	$8,104.10	01-27-2023 PR
1367e	MN DEPT OF REVENUE	1/27/2023	$1,623.47	01-27-23 PR WH
1368e	PERA	1/27/2023	$7,555.31	01-27-23 PR WH
1369e	LEAP-WEX	1/27/2023	$512.53	01-27-23 PR WH
1370e	AUTHNET GATEWAY BILLING	1/31/2023	$25.00	
1371e	HEARTLAND PYMT SERVICES	1/31/2023	$1,738.92	
1372e	PSN	1/31/2023	$979.02	
1373e	LS WEEKEND CASH	1/31/2023	$2,000.00	
1374e	CITY OF BUFFALO	1/31/2023	$60.00	ACCT# 26-022950-00
1375e	NCR SECURE PAY	1/31/2023	$156.23	
1376e	WEX HEALTH INC	1/31/2023	$8.25	
1377e	CITIZENS ALLIANCE BANK	1/31/2023	$30.00	
1378e	MN DEPT OF REVENUE	2/6/2023	$0.00	Jan 2023 sales tax LS
1378e	MN DEPT OF REVENUE	2/6/2023	$6,538.00	Jan 2023 sales tax LS
1379e	MN DEPT OF REVENUE	2/6/2023	$2,170.00	Jan 2023 general sales tx
1380e	INTERNAL REVENUE SERVICE	2/10/2023	$8,077.91	PR3 02-10-2023 WH
1381e	MN DEPT OF REVENUE	2/10/2023	$1,543.93	PR3 02-10-2023 WH
1382e	PERA	2/10/2023	$7,322.13	PR3 02-10-2023 WH
1383e	LEAP-WEX	2/10/2023	$512.53	PR3 02-10-2023 WH
27228	GOEPFERT, THOMAS	1/27/2023	$477.40	
27229	MANZ, KRISTINA J	1/27/2023	$103.40	
27230	MILLER, EDWARD M	1/27/2023	$182.55	
27231	BONNICK, STEVEN	1/27/2023	$262.86	
27232	GOEPFERT, THOMAS	2/10/2023	$412.67	
27233	ARNOLD, KAYLA	2/10/2023	$92.35	
27234	DRUSCH, JACOB D	2/10/2023	$279.14	
27235	MAGES, ALEX	2/10/2023	$138.52	
27236	PETERSON, JEREMY	2/10/2023	$23.09	
27237	SHEROD, JOSEPH L.	2/10/2023	$138.52	
27238	STOLL, ERIC	2/10/2023	$267.24	
27239	WIECH, KYLE	2/10/2023	$23.09	
27240	MANZ, KRISTINA J	2/10/2023	$103.40	
27241	MILLER, EDWARD M	2/10/2023	$207.10	
60400	XCEL ENERGY	1/18/2023	$0.00	Reissued as Check #60401
60401	XCEL ENERGY	1/18/2023	$8,328.07	Was Ck#60400
60402	ADVANCED POWER SERVICES,	1/19/2023	$295.00	A/P ACCRUE 2022
60403	AMERICAN SOLUTIONS FOR BU	1/19/2023	$78.24	A/P ACCRUE 2022
60404	CENTERPOINT ENERGY	1/19/2023	$981.54	A/P ACCRUE 2022
60405	CENTRAL FIRE PROTECTION, IN	1/19/2023	$574.35	A/P ACCRUE 2022
60406	CENTURYLINK	1/19/2023	$523.93	A/P ACCRUE 2022
60407	DAHLHEIMER BEVERAGE, LLC	1/19/2023	$3,273.00	A/P ACCRUE 2022
60408	FINKEN WATER CENTERS	1/19/2023	$72.15	A/P ACCRUE 2022
60409	GOPHER STATE ONE-CALL, INC	1/19/2023	$22.95	A/P ACCRUE 2022
60410	HALVORSON LEGAL	1/19/2023	$1,050.00	A/P ACCRUE 2022
60411	JOHNSON BROTHERS LIQUOR C	1/19/2023	$2,059.52	A/P ACCRUE 2022
60412	MYRA LAWAY	1/19/2023	$36.25	A/P ACCRUE 2022
60413	MADDEN GALANTER HANSEN	1/19/2023	$42.00	A/P ACCRUE 2022
60414	DEBRA MCALPINE	1/19/2023	$20.35	A/P ACCRUE 2022
60415	MEDIACOM LLC	1/19/2023	$236.90	A/P ACCRUE 2022
60416	METRO WEST INSPECTION SER	1/19/2023	$10,424.58	A/P ACCRUE 2022

60417	MIDWEST MACHINERY CO	1/19/2023	$1,443.83	A/P ACCRUE 2022
60418	MPPOA	1/19/2023	$0.00	A/P ACCRUE 2022
60419	PHILLIPS WINE & SPIRITS	1/19/2023	$1,747.56	A/P ACCRUE 2022
60420	PIT STOP TIRE & AUTO	1/19/2023	$968.01	A/P ACCRUE 2022
60421	STREICHER'S	1/19/2023	$53.97	A/P ACCRUE 2022
60422	T-MOBILE	1/19/2023	$386.01	A/P ACCRUE 2022
60423	VERIZON CONNECT NWF, INC	1/19/2023	$97.14	A/P ACCRUE 2022
60424	WEX BANK	1/19/2023	$200.06	A/P ACCRUE 2022
60425	JOHNS COLLISION LLC	1/23/2023	$22,568.42	2020 Tahoe repair
60426	BELLBOY CORPORATION	1/25/2023	$1,509.71	
60427	BREAKTHRU BEVERAGE	1/25/2023	$1,586.25	
60428	CAPITOL BEVERAGE SALES	1/25/2023	$1,754.54	
60429	CARLOS CREEK WINERY	1/25/2023	$636.00	
60430	CENTRAL SQUARE TECHNOLOG	1/25/2023	$2,260.87	
60431	CINTAS	1/25/2023	$174.81	
60432	DAHLHEIMER BEVERAGE, LLC	1/25/2023	$2,840.50	
60433	EARTHLINK INC	1/25/2023	$13.95	
60434	FARM-RITE EQUIPMENT, INC	1/25/2023	$344.11	
60435	GB LAND LLC	1/25/2023	$50,000.00	Refund playground escrow
60436	GOPHER STATE ONE-CALL, INC	1/25/2023	$50.00	Annual fee
60437	H.H.H. INCORPORATED	1/25/2023	$278.50	Special Vehicle Stickers
60438	HAWKINS, INC	1/25/2023	$2,362.38	
60439	INNOCAST CORPORATION	1/25/2023	$1,204.55	
60440	JACKS TOWING, INC	1/25/2023	$200.00	
60441	JOE'S SPORT SHOP	1/25/2023	$5,124.32	
60442	JOHNSON BROTHERS LIQUOR C	1/25/2023	$3,713.02	
60443	BRIAN KITTOCK	1/25/2023	$944.00	Reimbursement
60444	MYRA LAWAY	1/25/2023	$16.17	
60445	MARCO	1/25/2023	$407.45	
60446	MARIE LEISTIKO	1/25/2023	$58.00	Refund UB acct 00-6069-00
60447	MEDIACOM LLC	1/25/2023	$264.90	
60448	MN CHIEFS OF POLICE ASSN_	1/25/2023	$342.00	2023 membership
60449	MN PUBLIC FACILITIES AUTHOR	1/25/2023	$23,483.05	PFA GO Bond interest
60450	MN RURAL WATER ASSN	1/25/2023	$825.00	MRWA TECHNICAL CONFERENCE
60451	536600-NCPERS GROUP LIFE IN	1/25/2023	$32.00	
60452	NELSON ELECTRIC MOTOR REP	1/25/2023	$300.00	
60453	PAUMEN COMPUTER SERVICES	1/25/2023	$690.00	
60454	PAUSTIS WINE COMPANY	1/25/2023	$433.00	
60455	PHILLIPS WINE & SPIRITS	1/25/2023	$13,564.06	
60456	PLUNKETT'S PEST CONTROL	1/25/2023	$247.41	
60457	ST. PAUL STAMP WORKS, INC	1/25/2023	$106.21	
60458	STREICHER'S	1/25/2023	$104.98	
60459	THE HOME CITY ICE COMPANY	1/25/2023	$105.85	
60460	VINOCOPIA, INC	1/25/2023	$673.17	
60461	VISA	1/25/2023	$602.98	
60462	WRIGHT HENNEPIN ELECTRIC	1/25/2023	$1,016.00	
60463	CENTERPOINT ENERGY	1/25/2023	$3,620.01	
60464	CINTAS	1/25/2023	$5.64	
60465	EMERGENCY APPARATUS MAIN	1/25/2023	$1,530.07	
60466	EMERGENCY AUTOMOTIVE	1/25/2023	$278.40	
60467	PAUL KOCH	1/25/2023	$68.00	SWIM LESSONS
60468	LOGIC PROJECTS, LLC	1/25/2023	$500.00	
60469	MINNESOTA UI FUND	1/25/2023	$128.49	
60470	MULLIN TRUCKING, INC	1/25/2023	$3,614.62	
60471	MUMFORD SANITATION	1/25/2023	$6,799.13	Spring Clean Up

60472	NORTHWEST ASSOC CONSULT	1/25/2023	$2,157.10	
60473	PREMIUM WATERS, INC	1/25/2023	$74.82	
60474	STREICHER'S	1/25/2023	$5,063.04	
60475	THEIN WELL	1/25/2023	$8,233.66	
60476	VISA	1/25/2023	$1,535.62	
60477	WRIGHT COUNTY FINANCE DEP	1/25/2023	$292.62	
60478	XCEL ENERGY	1/25/2023	$733.06	
60479	BREAKTHRU BEVERAGE	2/1/2023	$2,072.67	
60480	CAPITOL BEVERAGE SALES	2/1/2023	$4,887.75	
60481	CARLOS CREEK WINERY	2/1/2023	$750.00	
60482	DAHLHEIMER BEVERAGE, LLC	2/1/2023	$6,355.26	
60483	JOHNSON BROTHERS LIQUOR C	2/1/2023	$3,643.32	
60484	PHILLIPS WINE & SPIRITS	2/1/2023	$2,994.57	
60485	VIKING BEVERAGES.	2/1/2023	$562.00	CREDIT
60486	VINOCOPIA, INC	2/1/2023	$736.25	
60487	LDF	2/1/2023	$1,064.00	LDF Membership
60488	MPPOA	2/1/2023	$420.00	MPPOA Membership
60489	BOLTON & MENK, INC	2/2/2023	$16,148.00	2022 expense
60490	ISD #2687	2/2/2023	$14,377.96	2022 expense tax abatement
60491	BOLTON & MENK, INC	2/2/2023	$450.00	
60492	CENTRA SOTA COOP - BUFFAL	2/2/2023	$1,536.14	
60493	CENTURYLINK	2/2/2023	$619.80	
60494	CINTAS	2/2/2023	$76.43	
60495	COKATO TRANSPORTATION, IN	2/2/2023	$210.00	
60496	GREATER MN COMMUNICATION	2/2/2023	$240.00	Envelopes
60497	MEDIACOM LLC	2/2/2023	$111.42	
60498	MINN DEPARTMENT OF HEALTH	2/2/2023	$64.00	Water Supply exam
60499	MN VALLEY TESTING LAB, INC	2/2/2023	$26.06	
60500	MUMFORD SANITATION	2/2/2023	$11,458.94	COMPOST LEASE
60501	ODP BUSINESS SOLUTIONS	2/2/2023	$195.65	
60502	ST. PAUL STAMP WORKS, INC	2/2/2023	$14.70	Pet tags
60503	TIMMYS PUB CLUB, LLC	2/2/2023	$40.00	
60504	VERIZON	2/2/2023	$80.02	
60505	WELLES, GEOFFERY	2/2/2023	$312.50	
60506	WRIGHT COUNTY AUDITOR/TRE	2/2/2023	$730.95	Pay PID 109-010-028070
60507	DAHLHEIMER BEVERAGE, LLC	2/8/2023	$970.95	
60508	RED BULL DISTRIBUTION CO, IN	2/8/2023	$130.08	
60509	BELLBOY CORPORATION	2/8/2023	$1,449.51	
60510	BIRCHDALE FIRE & SECURITY, L	2/8/2023	$144.96	
60511	KEITH BOBROWSKE	2/8/2023	$65.00	Cell Allowance
60512	BREAKTHRU BEVERAGE	2/8/2023	$957.16	
60513	CAPITOL BEVERAGE SALES	2/8/2023	$2,786.39	
60514	CENTERPOINT ENERGY	2/8/2023	$1,514.24	
60515	COKATO PARTS CITY	2/8/2023	$36.93	
60516	DAHLHEIMER BEVERAGE, LLC	2/8/2023	$1,127.17	
60517	FINKEN WATER CENTERS	2/8/2023	$15.65	
60518	GOPHER STATE ONE-CALL, INC	2/8/2023	$14.85	
60519	NICK HAGGENMILLER	2/8/2023	$365.00	Cell Allowance
60520	HALVORSON LEGAL	2/8/2023	$2,598.75	
60521	HERALD JOURNAL PUBLISHING	2/8/2023	$69.92	
60522	JOE'S SPORT SHOP	2/8/2023	$1,511.42	
60523	JOHNSON BROTHERS LIQUOR C	2/8/2023	$324.32	
60524	MYRA LAWAY	2/8/2023	$65.00	Cell Allowance
60525	LEAGUE OF MINN CITIES	2/8/2023	$720.00	
60526	MARCO TECHNOLOGIES LLC	2/8/2023	$516.31	

60527	DEBRA MCALPINE	2/8/2023	$65.00	Car Allowance
60528	MEI TOTAL ELEVATOR SOLUTIO	2/8/2023	$999.43	
60529	MENARDS-BUFFALO	2/8/2023	$110.86	
60530	JARED MERGES	2/8/2023	$65.00	Cell Allowance
60531	MULLIN TRUCKING, INC	2/8/2023	$6,207.52	
60532	NORTHWEST ASSOC CONSULT	2/8/2023	$4,444.02	
60533	JIM OTTENSTROER	2/8/2023	$65.00	Cell Allowance
60534	PHILLIPS WINE & SPIRITS	2/8/2023	$481.49	
60535	PIT STOP TIRE & AUTO	2/8/2023	$595.29	
60536	PRECISION WELDING LLC	2/8/2023	$390.00	
60537	CLAYTON PRESTIDGE	2/8/2023	$65.00	Cell Allowance
60538	STREICHER'S	2/8/2023	$596.98	
60539	THEISEN, MEAGAN	2/8/2023	$215.00	Cell Allowance
60540	T-MOBILE	2/8/2023	$386.03	
60541	WEIDNER PLUMBING & HEATIN	2/8/2023	$250.00	
60542	WELLES, GEOFFERY	2/8/2023	($487.50)	
60542	WELLES, GEOFFERY	2/8/2023	$487.50	
60543	WEX BANK	2/8/2023	$306.85	
60544	WRIGHT COUNTY FINANCE DEP	2/8/2023	$600.00	
60545	ZIEGLER INC	2/8/2023	$2,892.33	
60546	MN DNR ECO WATERS	2/9/2023	$599.39	Permit Number 1984-3227
60547	BREAKTHRU BEVERAGE	2/15/2023	$2,680.76	
60548	CENTRA SOTA COOP - BUFFAL	2/15/2023	$551.30	
60549	CINTAS	2/15/2023	$174.81	
60550	HAWKINS, INC	2/15/2023	$453.40	Remote meter
60551	JOHNSON BROTHERS LIQUOR C	2/15/2023	$1,128.18	
60552	MYRA LAWAY	2/15/2023	$58.21	
60553	LEAGUE OF MN CITIES INS TRU	2/15/2023	$76,365.00	2023 Insurance Premium
60554	MADDEN GALANTER HANSEN	2/15/2023	$105.00	
60555	MEDIACOM LLC	2/15/2023	$11.27	
60556	METRO WEST INSPECTION SER	2/15/2023	$3,845.68	
60557	MID AMERICA METER INC	2/15/2023	$87.77	
60558	MN PEIP	2/15/2023	$17,975.43	March health ins premiums
60559	MN VALLEY TESTING LAB, INC	2/15/2023	$36.92	
60560	PHILLIPS WINE & SPIRITS	2/15/2023	$1,010.14	
60561	PREMIUM WATERS, INC	2/15/2023	$67.56	
60562	SOUTHERN GLAZER WINE & SPI	2/15/2023	$330.80	
60563	THE BROKEN BOLT	2/15/2023	$200.00	
60564	ULINE	2/15/2023	$159.40	
60565	VERIZON CONNECT NWF, INC	2/15/2023	$97.14	
60566	VICK, DAN	2/15/2023	$133.29	Refund ovrpmt UB
60567	WELLES, GEOFFERY	2/15/2023	$400.00	1/27-2/10
60568	WRIGHT COUNTY JOURNAL PR	2/15/2023	$55.00	ANNUAL SUBSCRIPTION
60569	XCEL ENERGY	2/15/2023	$726.48	
502521e	CARGILL, ZACHARY C	1/27/2023	$208.75	
502522e	HAGGENMILLER, NICHOLAS A	1/27/2023	$3,717.85	
502523e	MERGES, JARED M	1/27/2023	$2,298.79	
502524e	MONSON, GABRIEL J	1/27/2023	$195.76	
502525e	THEISEN, MEAGAN	1/27/2023	$2,121.08	
502526e	OTTENSTROER, JAMES D	1/27/2023	$1,920.53	
502527e	PRESTIDGE, CLAYTON P	1/27/2023	$1,369.89	
502528e	SWENDSEN, JENNIFER	1/27/2023	$2,390.45	
502529e	DULLE, KAREN A.	1/27/2023	$315.14	
502530e	LAWAY, MYRA	1/27/2023	$2,034.64	
502531e	MCALPINE, DEBRA-ANN	1/27/2023	$1,202.81	

502532e	MCALPINE, LEXI	1/27/2023	$39.05
502533e	OTTENSTROER, MACKENZIE R	1/27/2023	$183.40
502534e	REMER, TANYA M	1/27/2023	$1,178.44
502535e	VIRNACA, TASIA, R	1/27/2023	$372.46
502536e	HAGLIN, SERENA P	1/27/2023	$35.00
502537e	HALL, JUSTIN D	1/27/2023	$196.26
502538e	JOHNSON, JACOB D	1/27/2023	$1,920.20
502539e	PREUSSE, MITCHELL D	1/27/2023	$1,051.45
502540e	SZCZEPANIK, DARIUSZ J	1/27/2023	$2,045.74
502541e	THOMPSON, DAVID G	1/27/2023	$2,466.21
502542e	THOMPSON, KYLE	1/27/2023	$816.47
502543e	CARGILL, ZACHARY C	2/10/2023	$417.79
502544e	HAGGENMILLER, NICHOLAS A	2/10/2023	$3,717.85
502545e	MERGES, JARED M	2/10/2023	$2,162.02
502546e	MONSON, GABRIEL J	2/10/2023	$120.72
502547e	THEISEN, MEAGAN	2/10/2023	$2,121.08
502548e	OTTENSTROER, JAMES D	2/10/2023	$1,775.31
502549e	PRESTIDGE, CLAYTON P	2/10/2023	$1,369.89
502550e	SWENDSEN, JENNIFER	2/10/2023	$2,390.45
502551e	BERG, TIMOTHY W	2/10/2023	$92.35
502552e	BOBROWSKE, KEITH	2/10/2023	$115.44
502553e	DALBEC, JOSHUA S	2/10/2023	$69.26
502554e	DALBEC, MATTHEW R	2/10/2023	$115.44
502555e	KITTOCK, BRIAN	2/10/2023	$92.35
502556e	KITTOCK, NICOLE D	2/10/2023	$151.61
502557e	LOEBERTMANN, AMANDA G	2/10/2023	$300.14
502558e	LOEBERTMANN, CRAIG	2/10/2023	$277.05
502559e	PETERSON, DAVID T	2/10/2023	$207.79
502560e	STUEVEN, MARK J	2/10/2023	$23.09
502561e	DULLE, KAREN A.	2/10/2023	$124.68
502562e	LAWAY, MYRA	2/10/2023	$2,034.64
502563e	MCALPINE, DEBRA-ANN	2/10/2023	$1,202.81
502564e	MCALPINE, LEXI	2/10/2023	$59.80
502565e	OTTENSTROER, MACKENZIE R	2/10/2023	$183.38
502566e	REMER, TANYA M	2/10/2023	$607.04
502567e	VIRNALA, TASIA, R	2/10/2023	$306.55
502568e	HALL, JUSTIN D	2/10/2023	$73.75
502569e	JOHNSON, JACOB D	2/10/2023	$1,920.20
502570e	PREUSSE, MITCHELL D	2/10/2023	$1,160.38
502571e	SZCZEPANIK, DARIUSZ J	2/10/2023	$2,045.74
502572e	THOMPSON, DAVID G	2/10/2023	$2,466.21
502573e	THOMPSON, KYLE	2/10/2023	$463.84
		Total Checks	$545,839.98

CITY OF HOWARD LAKE

*Check Summary Register©

Checks 01/18/23-02/21/23

	Name	Check Date	Check Amt	
1012	**CAB - AMBULANCE**			
5926	ALLINA HEALTH EMS	1/25/2023	$200.00	
5927	BOUNDTREE MEDICAL	1/25/2023	$431.85	
5928	CENTRAL MCGOWAN, INC	1/25/2023	$255.83	
5929	CITY OF HOWARD LAKE	1/25/2023	$4,000.00	DECEMBER 2022 P/R
5930	JOE'S SPORT SHOP	1/25/2023	$429.34	
5931	STRYKER SALES, LLC	1/25/2023	$259.80	
5932	ZOLL MEDICAL CORPORATION	1/25/2023	$361.42	
5933	HOWARD LAKE POSTMASTER	1/25/2023	$120.00	Stamps
		Total Checks	$6,058.24	

HOWARD LAKE CITY COUNCIL MEETING

February 21, 2023

AGENDA ITEM: **Consider On-sale Liquor License for the Pit Stop**

SECTION: New Business

FROM: Nick Haggenmiller, City Administrator

BACKGROUND: The Howard Lake Pit Stop is seeking to add tap-craft beer to their product offering at the Mocha Moose Coffee Shop. Their application and location have been evaluated by the state and they are eligible to be approved for a liquor license pending City approvals.

DECISION MAKING METRICS:

FINANCIAL: Liquor Licenses are $2,000 per year, plus an additional $200 per year to have Sunday sales. The Pit Stop's application indicates they will have Sunday sales. Staff is recommending NOT collecting this fee for FY2023. Doing so, is a consistent with assistance provided to the business community at start up as well as during covid19.

LEGAL: State Law dictates various rules and regulations surrounding the sale of alcohol. The applicant and staff have worked closely with the Alcohol Gambling Enforcement (AGE) at the State of Minnesota to ensure compliance.

COUNCIL ACTION REQUESTED:

ATTACHMENTS:

1. Liquor License Application

HOWARD LAKE CITY COUNCIL MEETING

February 21, 2023

AGENDA ITEM: Consider Modifying June Council Meeting Date

SECTION: New Business

FROM: Nick Haggenmiller, City Administrator

BACKGROUND: At the annual organizational meeting, the city council sets proposed meeting dates for the calendar year. June 19^{th} known as Juneteenth Day was missed. Juneteenth Day is now a federally recognized holiday. Howard Lake started to recognize the holiday in 2022.

In recognition of this day, city hall will be closed and the regularly scheduled meeting will need to be moved. Standard protocol in these instances is to move to Tuesday. Therefore, the June meeting date will be June 20, 2023 at 7pm.

DECISION MAKING METRICS:

FINANCIAL: Open

LEGAL: Open

COUNCIL ACTION REQUESTED: Modify council meeting date for June to June 20, 2023 at 7pm.

ATTACHMENTS: N/A

HOWARD LAKE CITY COUNCIL MEETING

February 21, 2023

AGENDA ITEM: **(Continued Public Hearing)** TIF 1-23 Terning Trails Multi-Family Development.
(New Business) Consider Resolution 23-02 Approving TIF 1-23

SECTION: Public Hearing

FROM: Nick Haggenmiller, City Administrator
Shannon Sweeney, Financial Advisor
Buffalo Lake LLC, Developer

BACKGROUND: The City has approved a purchase agreement with Buffalo Lake LLC to develop a multi-family (apartment) project and twin homes on property owned by the City of Howard Lake, located immediately west of the Good Samaritan Society Lodge.

The initial public hearing was initially opened in December 2022 and tabled. The matter was tabled once again In order for the TIF plan to be drafted and distributed to all pertinent taxing jurisdictions, a solid scope of the project is needed along with a proposed valuation and build out schedule. In order to establish a functioning site plan – the scope of the project and therefore the other needed items were not solidified by time the original materials were shared with the other taxing districts.

The initial scope included:

- Market Rate Project
- ~~30~~ 45 units, mixed occupancy (studio/1-2 bedroom)
- ~~30~~ 45 tuck under garages
- ~~30~~ 45 detached garage units
- ~~4 twinhomes~~
- Estimated Valuation ~~$5.1~~ $5.5 Million

Staff has spent considerable time working with the developer to work out site plan issues. Twinhomes were removed in order to make the overall site plan function appropriately. It is anticipated that a second phase inclusive of 45 more units would be constructed upon buildout and full occupancy of the initial phase. The council action proposes authorizes the creation of the TIF district. Therefore, the following general track has been and will be followed:

▪ City Council Approves Purchase Agreement	Completed fall 2022
▪ City Council Approves TIF Plan	Current council action proposed
▪ Parks and Planning Commission Approvals	Anticipated March 2023
▪ Adopt Necessary Legal Documents by Council	Anticipated April 2023
▪ Closing/Begin Construction	Anticipated May/June 2023

DECISION MAKING METRICS:

FINANCIAL: Open

LEGAL: The financial advisor has drafted all documents related to this matter.

COUNCIL ACTION REQUESTED: Pass Resolution approving the creation of TIF 1-23 Terning Trails Apartment

ATTACHMENTS:

1. Shannon Sweeney Memo
2. Concept Site Plan
3. Resolution 23-02 Approving

DDA
David Drown Associates, Inc.
Public Finance Advisors

Cologne Office:
10555 Orchard Road
Cologne, MN 55322
Phone: (952) 356-2992
shannon@daviddrown.com

February 15, 2023

City of Howard Lake
Attn: Nicholas Haggenmiller, City Administrator
P.O. Box 736
Howard Lake, MN 55349

Re: TIF District 1-23 (Apartment Project)

Honorable Mayor, Council Members, and Administrator Haggenmiller:

The City of Howard Lake has been working with a developer who is interested in constructing rental housing units on land owned by the city and immediately west of and adjacent to The Lodge of Howard Lake assisted living facility. The developer has requested tax increment financing assistance to make the project financially feasible.

Tax Increment Financing or TIF is a tool that captures new property taxes that are generated because of new development that occurs within the boundaries of a designated TIF District. For the proposed project, the city is considering the creation of a housing tax increment district which can capture tax increments for up to 26-years. A housing tax increment district would would impose income restrictions on the rental housing units. The housing unit income restrictions would be applied for the life of the subsidy, and would include either of the following:

At least 20% of the residential units in the project must be occupied or available for occupancy by persons whose incomes do not exceed 50% of the County median income (adjusted annually); or

At least 40% of the residential units in the project must be occupied or available for occupancy by persons whose incomes do not exceed 60% of the County median income (adjusted annually).

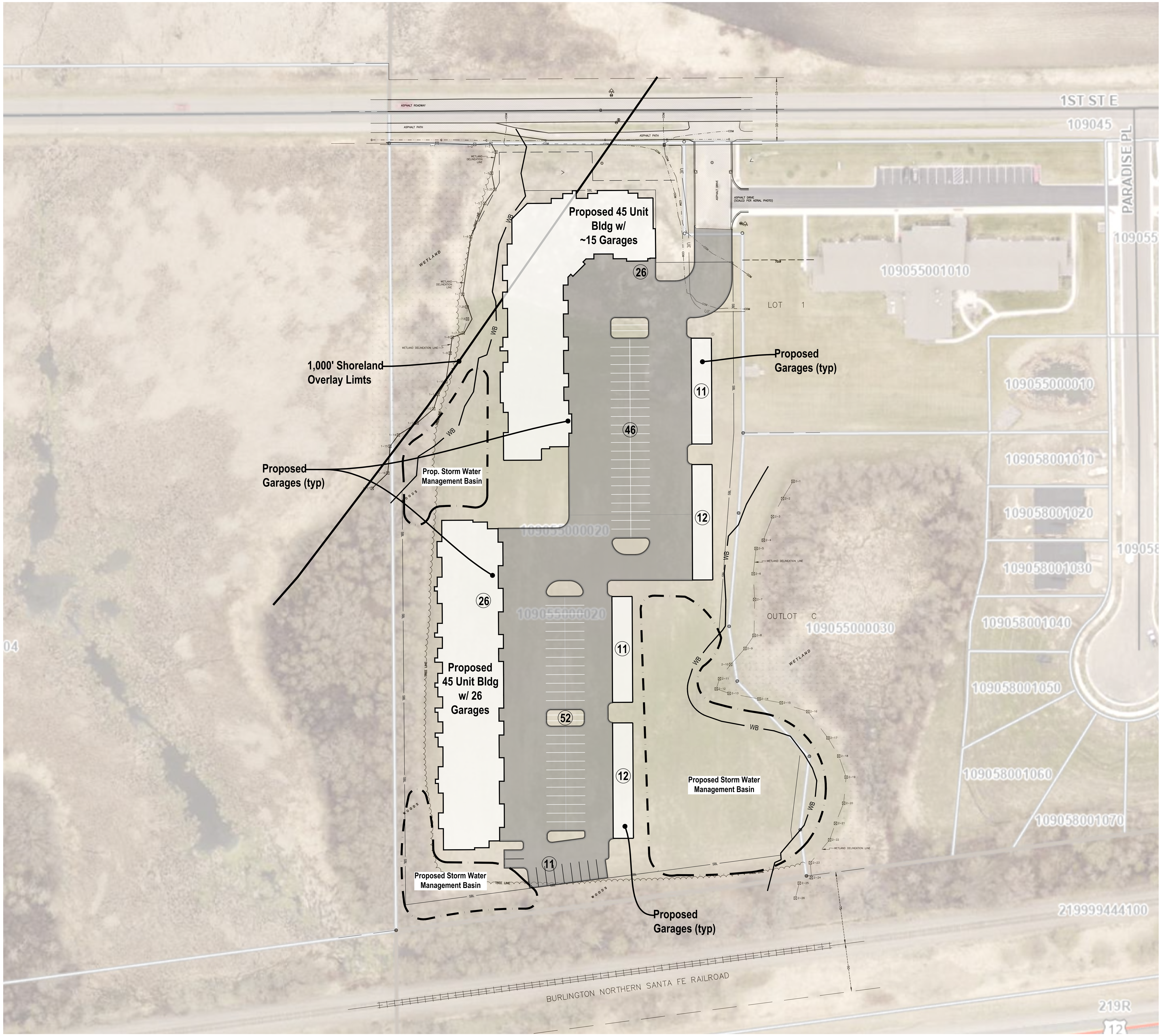
For tax increment financing to be available for a project, the city must undertake a process defined by Minnesota Statutes to create a tax increment district. A public hearing is required as part of this process which will be held at the February 21, 2023 meeting. The purpose of the public hearing is to receive public comment regarding the creation of the proposed tax increment district.

Copies of the tax increment plan have been distributed to Wright County and the HLWW School District in advance of the public hearing. Following the public hearing the City Council will be asked to consider a resolution adopting a tax increment plan. A development (TIF) agreement is still in process and will be considered at a future meeting.

Please feel free to contact me if I can be of any assistance in answering questions regarding the information provided. Thank you.

Sincerely,

Shannon Sweeney, Associate
David Drown Associates, Inc.



BUFFALO LAKE PARTNERS

SITE PLAN

Project: Multi-Family in Howard Lake
Date: 02-13-2023

Concept Data

# Units:	90
Parking Required:	225
Total Parking Provided:	194
# Surface:	107
# Garage:	87

N

0 50 100

LRC Land & Resource Consulting

Address: 14260 23rd Ave N
Plymouth, MN
Phone: 763-340-0699

DRAFT

City of Howard Lake, Minnesota

Tax Increment Financing District No. 1-23

(Terning Trails Apartment Project)

To be Adopted: February 21, 2023

DDA

David Drown Associates, Inc.
Public Finance Advisors

Minneapolis Office:
5029 Upton Avenue South
Minneapolis, MN 55410
612-920-3320 (phone); 612-605-2375 (fax)
www.daviddrown.com

TABLE OF CONTENTS

Tax Increment Financing Plan for Tax Increment Financing District No. 1-23

Section 1 Definitions

The terms defined in this section have the meanings given herein, unless the context in which they are used indicates a different meaning:

"Authority" means the City Council of the City of Howard Lake, Minnesota.

"City" means the City of Howard Lake, Minnesota.

"City Council" means the City Council of the City of Howard Lake, Minnesota.

"County" means Wright County, Minnesota.

"County Board" means the County Board of the County.

"Developer" means any person undertaking construction or renovation of taxable property within the Project Area.

"Development District" means the City's previously established Municipal Development District No. 1, as modified.

"Development Program" means the Development Program for Municipal Development District No. 1, as modified.

"Project Area" means the geographic area of Municipal Development District No. 1.

"School District" means the Independent School District No. 2687 (Howard Lake-Waverly-Winsted District).

"State" means the State of Minnesota.

"TIF Act" means Minnesota Statutes, Sections 469.174 through 469.1794, both inclusive.

"TIF District" means Tax Increment Financing District No. 1-23.

"TIF Plan" means the tax increment financing plan for the TIF District (this document).

Section 2 Statement of Need and Public Purpose

There is a need for new development within the corporate limits of the City to provide affordable housing opportunities, to improve the tax base, and to improve the general economy of the state.

Section 3 Statutory Authorization

The Authority is empowered under the provisions of the TIF Act to establish a tax increment financing district.

Section 4 Statement of Objectives

See the Development Program for Municipal Development District No. 1.

Section 5 Specific Development Expected to Occur in the TIF District

A private developer is proposing to construct two 30-unit apartment buildings and 12-units (6-buildings) of attached housing (duplexes) in at least two phases. The proposed project will assist in meeting the demand for affordable housing within the City of Howard Lake.

Section 6 Property to be Included in the TIF District

The TIF District includes two vacant parcels located within the City of Howad Lake. A map showing the location of the TIF District is provided in Exhibit 1 and the present parcel identification numbers and values are summarized in Exhibit 2. The area encompassed by the TIF District shall also include all street rights-of-way and utility or drainage easements located upon or adjacent to the property described in Exhibits 1 and 2.

Section 7 Estimated Sources and Uses of Funds (Public Costs)

The estimated costs of the proposed development in the TIF District which are eligible for reimbursement with tax increments of the TIF District and the projected sources of revenue available to fund these costs are summarized below.

Uses of Funds (Public Costs)

Capital Costs:	
Acquisition	500,000
Utilities	1,000,000
Site Improvements	1,150,000
Streets & Sidewalks	1,150,000
	$3,800,000
Finance Costs	
Bond & Note Interest Payments	$722,320
Administrative Costs	
Administrative costs paid with TIF	$150,000
Total Uses of Funds	**$4,722,320**

Sources of Funds

Tax Increments	4,522,320
Interest Earnings	250,000
Total Sources of Funds	**$4,722,320**

The Authority reserves the right to adjust the amount of any of the line items listed above or to incorporate additional eligible items, so long as the total estimated public cost is not increased.

Section 8 Estimated Impact on Other Taxing Jurisdictions

Exhibit 4 shows the estimated impact on other taxing jurisdictions if the projected Retained Captured Net Tax Capacity of the TIF District were hypothetically available to the other jurisdictions. The Authority believes that there will be no adverse impact on other taxing jurisdictions during the life of the TIF District, since only limited development would have occurred without the establishment of the TIF District and the provision of public assistance. A positive impact on other taxing jurisdictions will occur when the TIF District is decertified and the development therein becomes part of the general tax base.

Section 9 Fiscal and economic implications

M.S. Section 469.175 Subdivision (2b) requires a specific description of the fiscal and economic implications of the proposed TIF District on City-provided services, plus an estimate of the total TIF that will be generated over the life of the TIF District attributable to each taxing jurisdiction.

City Service Costs. The proposed project is anticipated to result in the development of 72 housing units. New infrastructure will be installed to serve a portion of the project by the Developer. Expected impacts on general government and administration expenses will be very small as the proposed project is anticipated to have little impact on existing services. The City proposes to provide TIF assistance by reimbursing a portion of the tax increments to the Developer. It is likely that the TIF District will not impact City debt levels and will not affect the City's ability to borrow for future projects.

TIF Attribution. The City projects TIF collections will total $4,522,320 over the life of the TIF District. Assuming current tax rates remain unchanged, $2,117,657 will come from the City share of taxes; $1,368,996 from the County share, and $1,035,667 from the School share of tax levy.

Section 10 Property to be acquired in the TIF District

The Authority may reimburse the developers or purchasers for the costs of any or all of the property located within the TIF District, and any such acquisition shall be considered authorized by this TIF Plan. Please see Exhibit 2 for a complete listing of parcels.

Section 11 Estimated Amount of Bonded Indebtedness

The Authority plans to provide TIF assistance by reimbursing a portion of the tax increments from the TIF District to the Developer. However, should the present development plan not materialize, the Authority reserves the right to issue G.O. TIF bonds of which tax increments will be responsible for the repayment of an amount not to exceed $3,800,000 in principal and $772,320 in interest (including capitalized). M.S. 475.58 Subd. 1 allows for the issuance of bonds that have a principal amount of up to 5 times the amount to be paid with tax increment.

Interfund Loans, including a negative balance in the TIF fund, must be authorized by resolution of the entity advancing the loan, within 60 days of the date money is transferred, advanced or spent. The resolution must include the terms and conditions for repayment of the loan to include, at a minimum, the source of the loan, the principal amount of the loan, the interest rate, and the maximum term. The interest rate to be charged on internal loans shall be 4% based upon the limit of the greater of the rates specified under Minnesota Statutes 270C.40 or 549.09 as of the date this Plan is approved. Terms may be modified or amended by the entity before the latest decertification of any District from which the advance or loan is to be repaid.

Section 12 Designation of TIF District as a Housing District *(not qualified)*

The Tax Increment District qualifies as a housing district. A housing district is a type of tax increment financing district which consists of a project intended for occupancy, in part, by persons or families of low and moderate income. Low and moderate income is defined by federal, state and sometimes local legislation. A housing district may contain and provide assistance to commercial, retail, or other nonresidential uses, as long as the square footage of these uses does not exceed 20% of the total square footage of buildings in the TIF District.

Housing districts are subject to various income limitations. For owner occupied residential property, 95% of the housing units must be initially purchased and occupied by individuals whose family income is less than or equal to the income requirements for qualified mortgage bond projects under Section 143(f) of the Internal Revenue Code. Generally, the initial occupants must have incomes of 100% or less of statewide median income for families of two or less, and 115% of statewide median income for families of three or more. For residential rental property, the property must satisfy the income requirements for a qualified residential rental project as defined in Section 142(d) of the Internal Revenue Code. This requires that at least 40% of the units are rented to families with incomes at or below 60% of county median income, or 20% of the units rented to families with incomes at or below 50% of county median income, adjusted for family size. These requirements apply for the life of the District. The Authority will assure housing development within the District meets the above criteria. The Authority reserves the right, however, to remove property from the TIF District to accommodate proposed housing development(s) which do not meet these criteria.

Section 13 Original Net Tax Capacity

The County Auditor shall certify the Original Net Tax Capacity of the TIF District, which will be the total Net Tax Capacity of all property in the TIF District as certified by the State Commissioner of Revenue. For districts certified between January 1 and June 30, inclusive, this value is based on the previous assessment year. For districts certified between July 1 and December 31, inclusive, this value is based on the current assessment year.

The Estimated Market Value of all property within the TIF District as of January 1, 2022 for taxes payable in 2023 is estimated to be $287,000. The Original Net Tax Capacity of the TIF District will be approximately $3,588.

Each year the County Auditor will certify the amount that the Original Net Tax Capacity has increased or decreased as a result of:

1. changes in the tax-exempt status of property;
2. reductions or enlargements of the geographic area of the TIF District;
3. changes due to stipulation agreements or abatements; or

4. changes in classification rates.

Section 14 Original Local Tax Rate

The County Auditor will also certify the Original Tax Capacity Rate of the TIF District. This rate is the sum of all local tax rates that apply to property in the TIF District. This rate must match the same taxes payable year as the Original Net Tax Capacity.

In future years, the amount of tax increment generated by the TIF District will be calculated using the lesser of (a) the sum of the current local tax rates at that time or (b) the Original Tax Capacity Rate of the TIF District.
The sum of all local tax rates that apply to property in the TIF District for taxes payable in 2022 is **144.490**%. The final Original Local Tax Rate may be higher or lower than this value as the payable 2023 tax rate will be the frozen rate.

Taxing Jurisdiction	Payable 2022 Tax Rate
City of Howard Lake	67.660%
Wright County	43.740%
ISD # 2687	33.090%
Total	**144.490%**

The State property tax on commercial, industrial and certain other property classes is not captured by the TIF District. However, this state tax does not apply to most residential property. Additionally, a portion of the school tax rate attributed to local operating costs is also not captured by the TIF District.

Section 15 Projected Retained Captured Net Tax Capacity and Tax Increment

Each year the County Auditor will determine the current Net Tax Capacity of all property in the TIF District. To the extent that this total exceeds the Original Net Tax Capacity, the difference is known as the Captured Net Tax Capacity of the TIF District. It is the Authority's intention to retain 100% of the Captured Net Tax Capacity of the TIF District. Such amount shall be known as the Retained Captured Net Tax Capacity of the TIF District.
Exhibit 3 estimates the total amount of retained net captured tax capacity, gross tax increments, adjustments, and the net tax increment revenues which will be available annually and cumulatively over the life of the TIF District.

Section 16 Statutory Duration of the TIF District

Housing districts may remain in existence through the end of the 25th year following receipt of the first tax increment, resulting in 26 TIF collections. The Authority anticipates that the TIF District will receive the first increment payment in 2025, and **elects to delay the receipt of the first increment collection until taxes payable 2025**. The District is expected to remain in existence the maximum duration allowed by law (projected to be through 2050). Modifications of this plan (see Section 28) shall not extend these duration limits.

Section 17 Use of Tax Increments – Housing Districts

Tax increments derived from a housing district must be used solely to finance the costs of projects defined in Section 12. The cost of public improvements directly related to the housing projects and the allocated administrative expenses of the Authority may be included in the cost of a housing project.

Section 18 Use of Tax Increments – General

Each year the county treasurer will deduct an estimated 0.36% of the annual tax increment generated by the TIF District and pay such amount to the state general fund. Such amounts will be appropriated to the state auditor for the cost of financial reporting and auditing of tax increment financing information throughout the state. Exhibit 3 shows the projected deduction for this purpose over the anticipated life of the TIF District.
The Authority has determined that it will use 100% of the remaining tax increment generated by the TIF District for any of the following purposes:

1. pay for the estimated public costs of the TIF District (including administrative expenses, see Section 7) and City administrative costs associated with the TIF District (see Section 22);
2. pay principal and interest on tax increment bonds, notes or other financial obligations issued to finance the public costs of the TIF District;

3. accumulate a reserve securing the payment of tax increment bonds or other bonds issued to finance the public costs of the TIF District;
4. pay all or a portion of the county road costs as may be required by the County Board under M.S. Section 469.175, Subdivision 1a; or
5. return excess tax increments to the County Auditor for redistribution to the City, County and School District in proportion to their local tax capacity rates.

Tax increments from property located in one county must be expended for the direct and primary benefit of a project located within that county, unless both County Boards involved waive this requirement. Tax increments shall not be used to circumvent levy limitations.

Tax increment cannot be used to finance the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the State or Federal government. This prohibition does not apply to the construction or renovation of a parking structure, a common area used as a public park, or a facility used for social, recreational, or conference purposes and not primarily for conducting the business of the community.
If there exists any type of agreement or arrangement providing for the developer, or other beneficiary of assistance, to repay all or a portion of the assistance that was paid or financed with tax increments, such payments shall be subject to all of the restrictions imposed on the use of tax increments. Assistance includes sales of property at less than the cost of acquisition or fair market value, grants, ground or other leases at less then fair market rent, interest rate subsidies, utility service connections, roads, or other similar assistance that would otherwise be paid for by the developer or beneficiary.

Section 19 "Green Acres"

A TIF District may NOT include parcels that qualified as "green acres" in any of the five (5) years preceding the request for certification, unless 85% of development in the district is restricted to qualified manufacturing or distribution facilities directly related to production of tangible personal property and paying at least 90% of its employees wages equal to or greater than 160% of the federal minimum wage, or if the TIF District to be created is a housing district.

Section 20 4-Year Knock-Down Rule

If after four years from certification of the TIF District no demolition, rehabilitation, renovation, or qualified improvement of an adjacent street has commenced on a parcel located within the TIF District, then that parcel shall be excluded from the TIF District and the Original Net Tax Capacity shall be adjusted accordingly. Qualified improvements of a street are limited to construction or opening of a new street, relocation of a street, or substantial reconstruction or rebuilding of an existing street. The Authority must submit to the County Auditor, by February 1 of the fifth year, evidence that the required activity has taken place for each parcel in the TIF District.
If a parcel is excluded from the TIF District and the Authority or owner of the parcel subsequently commences any of the above activities, the Authority shall certify to the County Auditor that such activity has commenced and the parcel shall once again be included in the TIF District. The County Auditor shall certify the net tax capacity of the parcel, as most recently certified by the Commissioner of Revenue, and add such amount to the Original Net Tax Capacity of the TIF District.

Section 21 Tax Increment Pooling – 5-year Rule

At least 80% of the tax increments from the TIF District must be expended on activities within the district or to pay for bonds used to finance the estimated public costs of the TIF District. No more than 20% of the tax increments may be spent on costs outside of the TIF District, but within the boundaries of the Project Area. All administrative expenses are considered to have been spent outside of the TIF District. Revenues derived from tax increments paid by properties in the district are considered to have been spent within the TIF District if such amounts are:

1. actually paid to a third party for activities performed within the TIF District within five years after certification of the district;
2. used to make payments or reimbursements to a third party under binding contracts for activities performed within the TIF District, which were entered into within five years after certification of the district; or
3. used to pay bonds that were issued and sold to a third party, the proceeds of which are reasonably

expected on the date of issuance to be spent within the later of the five-year period or a reasonable temporary period or are deposited in a reasonably required reserve or replacement fund.

Beginning with the sixth year following certification of the TIF District, at least 80% of the tax increments must be used to pay outstanding bonds or make contractual payments obligated within the first five years. When outstanding bonds have been defeased and sufficient money has been set aside to pay for such contractual obligations, the TIF District must be decertified.

The Authority also elects the option provided by M.S. 469.1763 to increase the amount of expenditures permitted outside the District by up to an additional 10%. However, these expenditures are limited to assisting housing which meets the requirements of a low income housing building defined under section 42(c) of the Internal Revenue Code.

The Authority expects that a portion of tax increments may be used for housing expenses elsewhere within the boundaries of Municipal Development District No. 1.

Section 22 Excess Tax Increment

On December 31st of each year, the Authority must determine the amount of excess increments for the TIF District. Excess increments may only be used to:

1. prepay any outstanding tax increment Bonds;
2. discharge the pledge of tax increments on any outstanding Bonds;
3. pay amounts into an escrow account dedicated to the payment of any outstanding Bonds; or
4. return excess tax increments to the County Auditor for redistribution to the City, County and School District in proportion to their local tax capacity rates. The County Auditor must report to the Commissioner of Education the amount of any excess tax increment redistributed to the School District within 30 days of such redistribution.

Allocation of excess increments must be completed by September 31st in the year following the year in which the excess increments were generated

Section 23 Limitation on Administrative Expenses

Administrative expenses are defined as all costs of the Authority other than:

1. amounts paid for the purchase of land;
2. amounts paid for materials and services, including architectural and engineering services directly connected with the proposed development within the TIF District;
3. relocation benefits paid to, or services provided for, persons or businesses located within the TIF District; or
4. amounts used to pay interest on, fund a reserve for, or sell at a discount, tax increment bonds.

Administrative expenses include amounts paid for services provided by bond counsel, fiscal consultants, planning or economic development consultants, and actual costs incurred by the City in administering the TIF District. Tax increments may be used to pay administrative expenses of the TIF District up to the lessor of (a) 10% of the total estimated public costs authorized by the TIF Plan or (b) 10% of the total tax increments actually received.

Section 24 Prior Planned Improvements

The City shall accompany its request for certification to the County Auditor with a listing of all properties within the TIF District for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan. The County Auditor shall increase the Original Net Tax Capacity of the TIF District by the Net Tax Capacity of each improvement for which a building permit was issued.

Section 25 Development Agreements

If more than 10% of the acreage of a project (which contains an economic development district) is to be acquired by the Authority with proceeds from tax increment bonds then, prior to such acquisition, the Authority must enter into an agreement for the development of the property. Such agreement must provide recourse for the Authority should the development not be completed.

Section 26 Exempt from Business Subsidy Laws

Minnesota Statutes 116J.991 requires an Authority providing a business with a subsidy worth $25,000 to complete a subsidy approval process. Housing assistance, however, is exempt from the requirements.

Section 27 Assessment Agreements

The City may, upon entering into a development agreement, also enter into an assessment agreement with the developer, which establishes a minimum market value of the land and improvements for each year during the life of the TIF District.

The assessment agreement shall be presented to the County or City Assessor who shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land, and so long as the minimum market value contained in the assessment agreement appears to be a reasonable estimate, shall certify the assessment agreement as reasonable. The assessment agreement shall be filed for record in the office of the County Recorder of each county where the property is located. Any modification or premature termination of this agreement must first be approved by the City, and if the project is valued below the minimum market value, also approved by the County and School District.

Section 28 Modifications of the Tax Increment Financing Plan

Any reduction or enlargement in the geographic area of the Project Area or the TIF District; increase in the amount of bonded indebtedness to be incurred; increase in the amount of capitalized interest; increase in that portion of the Captured Net Tax Capacity to be retained by the Authority; increase in the total estimated public costs; or designation of additional property to be acquired by the Authority shall be approved only after satisfying all the necessary requirements for approval of the original TIF Plan. This paragraph does not apply if:

1. the only modification is elimination of parcels from the Project Area or the TIF District; and

2. the current net tax capacity of the parcels eliminated equals or exceeds the net tax capacity of those parcels in the TIF District's Original Net Tax Capacity, or the Authority agrees that the TIF District's Original Net Tax Capacity will be reduced by no more than the current net tax capacity of the parcels eliminated.

The Authority must notify the County Auditor of any modification that reduces or enlarges the geographic area of the Project Area or the TIF District. The geographic area of the TIF District may be reduced but not enlarged after five years following the date of certification.

Section 29 Administration of the Tax Increment Financing Plan

Upon adoption of the TIF Plan, the Authority must submit a copy of such plan to the State Auditor's Office and the Department of Revenue. The Authority must also request that the County Auditor certify the Original Net Tax Capacity and Net Tax Capacity Rate of the TIF District. To assist the County Auditor in this process, the Authority must submit copies of the TIF Plan, the resolution establishing the TIF District and adopting the TIF Plan, and a listing of any prior planned improvements. The Authority must also send the County Assessor any assessment agreement establishing the minimum market value of land and improvements in the TIF District, and shall request that the County Assessor review and certify this assessment agreement as reasonable.
The County will distribute to the Authority the amount of tax increment as it becomes available. The amount of tax increment in any year represents the applicable property taxes generated by the Retained Captured Net Tax Capacity of the TIF District. The amount of tax increment may change due to development anticipated by the TIF Plan, other development, inflation of property values, or changes in property classification rates or formulas. In administering and implementing the TIF Plan, the following actions should occur on an annual basis:

1. Prior to July 1, the Authority shall notify the County Assessor of any new development that has occurred in the TIF District during the past year to insure that the new value will be recorded in a timely manner.
2. If the County Auditor receives the request for certification of a new TIF District, or for modification of an existing TIF District, before July 1, the request shall be recognized in determining local tax rates for the current and subsequent levy years. Requests received on or after July 1 shall be used to determine local tax rates in subsequent years.

3. Each year the County Auditor shall certify the amount of the Original Net Tax Capacity of the TIF District. The amount certified shall reflect any changes that occur as a result of the following:
   a. the value of property that changes from tax-exempt to taxable shall be added to the Original Net Tax Capacity of the TIF District. The reverse shall also apply;
   b. the Original Net Tax Capacity may be modified by any approved enlargement or reduction of the TIF District;
   c. if laws governing the classification of real property cause changes to the percentage of Estimated Market Value to be applied for property tax purposes, then the resulting increase or decrease in net tax capacity shall be applied proportionately to the Original Net Tax Capacity and the Retained Captured Net Tax Capacity of the TIF District.

The County Auditor shall notify the Authority of all changes made to the Original Net Tax Capacity of the TIF District.

Section 30 Financial Reporting and Disclosure Requirements

The Authority is responsible for information and financial reporting on the activities of the TIF District. These responsibilities include:

1. Prepare and Publish an Annual Statement. No later than August 1 of each year, the Authority must prepare and publish an annual statement which includes at least the following information:

   a. tax increment received and expended in that year
   b. Original Net Tax Capacity
   c. captured Net Tax Capacity
   d. amount of outstanding bonded indebtedness
   e. increments paid to other government bodies
   f. administrative costs
   g. increments paid directly or indirectly outside of the district
   h. if a fiscal disparities contribution is computed under section 469.177, Subd. 3(a), the increase in property tax imposed on other properties in the municipality as a result of the fiscal disparities contribution in the manner prescribed by the commissioner of revenue.

   A copy of the annual statement must also be provided to the State Auditor, county board and county auditor, and the municipality.

2. Prepare an Annual Report. (469.175 Subds. 5 and 6) The State Auditor enforces the provisions of the TIF Act and has full responsibility for financial and compliance auditing of the Authority's use of tax increment financing. The State Auditor's office provides detailed tax increment reporting forms for use in complying with annual reporting requirements. On or before August 1 of each year, the Authority and/or the City must prepare a status and financial report for the TIF District and submit it to the state auditor, the county board, the county auditor, and the governing body of the municipality, if the municipality is not also the authority.

Section 31 Findings and Need for Tax Increment Financing

In establishing the TIF District, the City makes the following findings:

1. The TIF District qualifies as a housing district;

   See Section 12 of this document for the reasons and facts supporting this finding.

2. 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, and the increased market value of the site that could reasonably be expected to occur without the use of tax increment 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 TIF District permitted by the TIF Plan;

   The project developer has indicated that TIF assistance is necessary to control certain development costs such that a reasonable rental rate can be achieved which will enable the developer to secure private financing. Without tax increment assistance, the developer believes that the project will not be able to achieve final pricing that will enable the developer to be successful.

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. Such analysis is included as Exhibit 5, indicates that:

a. The increase in estimated market value of the proposed developments is $10,027,000; and

b. The present value of expected tax increments collected over the maximum duration of the TIF District is $2,204,226; and

c. The expected increased estimated market value of the site without the use of tax increment is $750,000, assuming the land is developed for single-family residential use.

3. The TIF Plan conforms to the general plan for development or redevelopment of the City as a whole.

   The reasons and facts supporting this finding are that the housing developments proposed for the TIF District are generally consistent with the City's development plan and zoning ordinances, and serves to promote the City's development objectives.

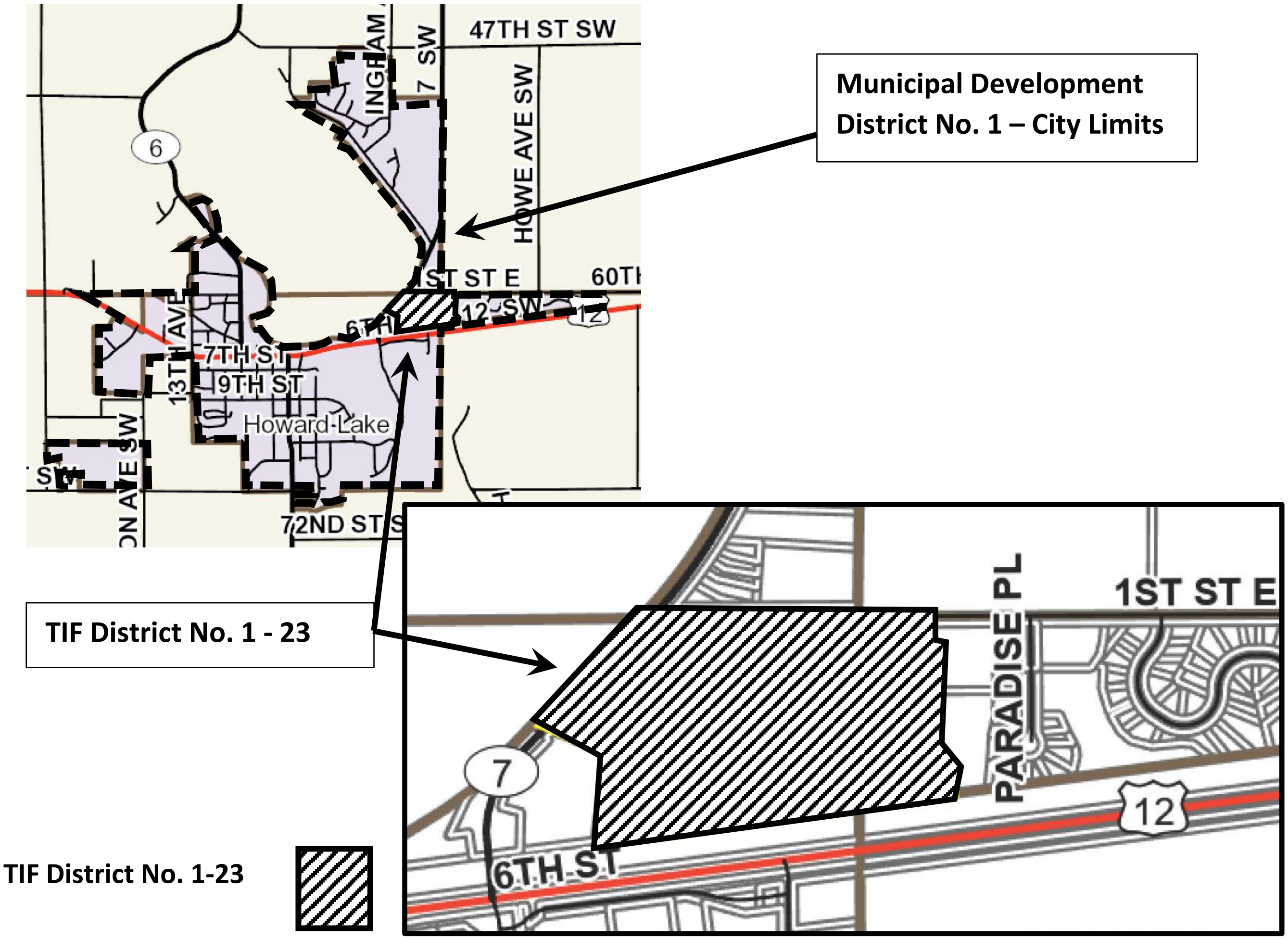
4. The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of the Project Area by private enterprise.

   The reasons and facts supporting this finding are that the development activities are necessary so that development and redevelopment by private enterprise can occur within Municipal Development District No. 1.

Exhibits

City of Howard Lake, Minnesota

Tax Increment Financing District No. 1-23



The boundaries of Municipal Development District No. 1 are coterminous with the City Limits.

City of Howard Lake, Minnesota
TIF District No. 1-23

Parcel Summary -- Areas, Values & Conditions

Owner of Record	Parcel I.D.#	Land Value	Building Value	Total Value	Est. Original Tax Cap.
City of Howard Lake	109-055-000020	226,700	-	226,700	2,834
James & Margaret Attwood	109-500-031304	60,300	-	60,300	754
		287,000	-	287,000	3,588

City of Howard Lake, Minnesota
TIF District No. 1-23

Tax Increment Projections

Valuations & Projected Increases

	Market	Tax Capacity
Original Values:	287,000	3,588
Increased Value: (Apartments & Townhomes)	10,314,000	128,925

Tax Rate Assumptions:

	2022 Tax Rate
City of Howard Lake	67.660%
Wright County	43.740%
School District 2687	33.090%
Other	0.000%
	144.490%

Projected Tax Increment

Payable Year	Original Tax Capacity	Projected Tax Capacity	Net Captured Tax Capacity	Less Fiscal Disparities	Retained Net Captured Tax Capacity	Projected Tax Rate*	**Gross Tax Increment**	Adjustments: 1.00% Admin. Retainage	Adjustments: 0.36% State Auditor's Deduction	**TOTAL NET REVENUES**
2023	3,588	3,588	-	-	-	144.49%				
2024	3,588	3,588	-	-	-	144.49%	**-**	-	-	**-**
2025	3,588	64,463	60,875	-	60,875	144.49%	**87,958**	880	317	**86,762**
2026	3,588	64,463	60,875	-	60,875	144.49%	**87,958**	880	317	**86,762**
2027	3,588	128,925	125,338	-	125,338	144.49%	**181,100**	1,811	652	**178,637**
2028	3,588	128,925	125,338	-	125,338	144.49%	**181,100**	1,811	652	**178,637**
2029	3,588	128,925	125,338	-	125,338	144.49%	**181,100**	1,811	652	**178,637**
2030	3,588	128,925	125,338	-	125,338	144.49%	**181,100**	1,811	652	**178,637**
2031	3,588	128,925	125,338	-	125,338	144.49%	**181,100**	1,811	652	**178,637**
2032	3,588	128,925	125,338	-	125,338	144.49%	**181,100**	1,811	652	**178,637**
2033	3,588	128,925	125,338	-	125,338	144.49%	**181,100**	1,811	652	**178,637**
2034	3,588	128,925	125,338	-	125,338	144.49%	**181,100**	1,811	652	**178,637**
2035	3,588	128,925	125,338	-	125,338	144.49%	**181,100**	1,811	652	**178,637**
2036	3,588	128,925	125,338	-	125,338	144.49%	**181,100**	1,811	652	**178,637**
2037	3,588	128,925	125,338	-	125,338	144.49%	**181,100**	1,811	652	**178,637**
2038	3,588	128,925	125,338	-	125,338	144.49%	**181,100**	1,811	652	**178,637**
2039	3,588	128,925	125,338	-	125,338	144.49%	**181,100**	1,811	652	**178,637**
2040	3,588	128,925	125,338	-	125,338	144.49%	**181,100**	1,811	652	**178,637**
2041	3,588	128,925	125,338	-	125,338	144.49%	**181,100**	1,811	652	**178,637**
2042	3,588	128,925	125,338	-	125,338	144.49%	**181,100**	1,811	652	**178,637**
2043	3,588	128,925	125,338	-	125,338	144.49%	**181,100**	1,811	652	**178,637**
2044	3,588	128,925	125,338	-	125,338	144.49%	**181,100**	1,811	652	**178,637**
2045	3,588	128,925	125,338	-	125,338	144.49%	**181,100**	1,811	652	**178,637**
2046	3,588	128,925	125,338	-	125,338	144.49%	**181,100**	1,811	652	**178,637**
2047	3,588	128,925	125,338	-	125,338	144.49%	**181,100**	1,811	652	**178,637**
2048	3,588	128,925	125,338	-	125,338	144.49%	**181,100**	1,811	652	**178,637**
2049	3,588	128,925	125,338	-	125,338	144.49%	**181,100**	1,811	652	**178,637**
2050	3,588	128,925	125,338	-	125,338	144.49%	**181,100**	1,811	652	**178,637**
							4,522,320	**45,223**	**16,280**	**4,460,817**

City of Howard Lake, Minnesota
TIF District No. 1-23

STATEMENT OF FISCAL AND ECONOMIC IMPACTS OF PROPOSED TIF DISTRICT

	Without TIF District		With TIF District					
Taxing Jurisdiction	2022 Taxable Net Tax Capacity[1]	2022 Local Tax Rate	2022 Taxable Net Tax Capacity[1]	Projected Captured Net Tax Capacity	Hypothetical Tax Generated By TIF	New Taxable Net Tax Capacity	Hypothetical Adjusted Local Tax Rate	Hypothetical Decrease in Tax Rate
City of Howard Lake, Minnesota	1,803,129	67.66%	1,803,129	125,338	84,803	1,928,467	63.263%	4.397%
Wright County	199,120,569	43.74%	199,120,569	125,338	54,823	199,245,907	43.712%	0.028%
School District 2687	11,774,601	33.09%	11,774,601	125,338	41,474	11,899,939	32.741%	0.349%
Other [2]	--	0.00%	--	-	-	--	0.00%	--
Totals		144.49%			181,100		139.717%	4.773%

Statement #1: If all of the projected captured net tax capacity of the project were hypothetically available to each taxing jurisdiciton if TIF were not used, the tax capacities of each jurisdiction would be increased by the amounts shown above, and the local tax rates of each jurisdiction would be decreased by the amounts shown.

Statement #2: As the projected captured tax capacity of the project would not be available without the use of TIF, the tax capacities and tax rates of each jurisdiction will not be affected.

Statement #3: The estimated amount of tax increment generated over the life of the TIF District is estimated to be $4,522,320.

Statement #4 A description of the probable impact of the TIF District on City services as a result of the creation of this TIF District would include the following: The City will be collecting an estimated $2,117,657 in city property tax revenue from the proposed project area and applying it to project related expenses rather than general services such as police, fire, and other services not paid by user fees.

Statement #5: The estimated amount of increment attributed to the school districts' tax levies and captured as a result of the creation of this TIF District is $1,035,667 for School District 2687.

Statement #6: The estimated amount of increment attributed to the county tax levy and captured as a result of the creation of this TIF district is $1,368,996.

(1) Taxable net tax capacity = total net tax capacity less value captured in TIF Districts and powerline value.
(2) The impacts upon other taxing jurisdictions not included since they represent a small percentage of the total tax rate.

City of Howard Lake, Minnesota
TIF District No. 1-23

Market Value Analysis

Increased Market Value of Site	$	10,027,000
Less Present Value of TIF Revenues	$	2,204,226
	$	7,822,774
Estimated Increased Site Value w/out TIF	$	750,000
Net Value Increase	$	7,072,774

Present Value of Tax Increments

Calculation Date:	12/7/2022
Present Value Factor:	5.00%

#	Year	Gross Tax Increment	Present Value
1	2023	-	-
2	2024	-	-
3	2025	87,958	75,982
4	2026	87,958	72,364
5	2027	181,100	141,897
6	2028	181,100	135,140
7	2029	181,100	128,704
8	2030	181,100	122,576
9	2031	181,100	116,739
10	2032	181,100	111,180
11	2033	181,100	105,886
12	2034	181,100	100,843
13	2035	181,100	96,041
14	2036	181,100	91,468
15	2037	181,100	87,112
16	2038	181,100	82,964
17	2039	181,100	79,013
18	2040	181,100	75,251
19	2041	181,100	71,667
20	2042	181,100	68,255
21	2043	181,100	65,005
22	2044	181,100	61,909
23	2045	181,100	58,961
24	2046	181,100	56,153
25	2047	181,100	53,479
26	2048	181,100	50,933
27	2049	181,100	48,507
28	2050	181,100	46,197
		4,522,320	2,204,226

EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE
CITY OF HOWARD LAKE, MINNESOTA

HELD: February 21, 2023

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Howard Lake, Wright County, Minnesota, was duly called and held on the 21st day of February, 2023, at 7:00 p.m.

The following members of the City Council were present:

And the following were absent:

Member _____________ introduced the following resolution and moved its adoption:

RESOLUTION NO. 23-02

APPROVING THE ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 1-23
WITHIN MUNICIPAL DEVELOPMENT DISTRICT NO. 1
AND THE ADOPTION OF TAX INCREMENT FINANCING PLAN RELATING THERETO

WHEREAS:

A. It has been proposed that the City of Howard Lake, Minnesota (the "City"), create Tax Increment Financing District No. 1-23 within Municipal Development District No. 1, and adopt a tax increment financing plan relating thereto, under the provisions of Minnesota Statutes, Sections 469.174 to 469.1794 (inclusive, the "Act"); and

B. The City has investigated the facts and caused to be created the Tax Increment Financing Plan for Tax Increment Financing District No. 1-23 within Municipal Development District No. 1; and

C. The City has performed all actions required by law to be performed prior to the creation of Tax Increment Financing District No. 1-23 and the adoption of the tax increment financing plan relating thereto, including, but not limited to, notification of Wright County and Howard Lake-Waverly-Winsted School District #2687, having taxing jurisdiction over the property to be included in Tax Increment Financing District No. 1-23, and the holding of a public hearing upon published notice as required by law;

NOW, THEREFORE, BE IT RESOLVED, by the City as follows:

1. Tax Increment Financing District No. 1-23. The City hereby approves the establishment of Tax Increment Financing District No. 1-23 within Municipal Development District No. 1, the boundaries of which are fixed and determined as described in the Tax Increment Financing Plan.

2. Tax Increment Financing Plan. The Tax Increment Financing Plan are adopted as the tax increment financing plan for Tax Increment Financing District No. 1-23 and the City makes the following findings:

    (a) Tax Increment Financing District No. 1-23 is a housing district as defined in Minnesota Statutes, Section 469.174, Subd. 11:

Criteria for this type of district is described in Section 12 of the Tax Increment Financing Plan. The City will ensure all development is in compliance with income limits.

(b) The proposed development, in the opinion of the City, would not 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. 1-23 permitted by the Tax Increment Financing Plan.

The project developer has indicated that TIF assistance is necessary to control certain development costs such that a reasonable rental rate can be achieved which will enable the developer to secure private financing. Without tax increment assistance, the developer believes that the project will not be able to achieve final pricing that will enable the developer to be successful.

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 indicates that:

1. The increase in estimated market value of the proposed developments is $10,027,000; and
2. The present value of expected tax increments collected over the maximum duration of the TIF District is $2,204,226; and
3. The expected increased estimated market value of the site without the use of tax increment is $750,000, assuming the land is developed for single-family residential use.

(c) The Tax Increment Financing Plan for Tax Increment Financing District No. 1-23 conforms to the general plan for development or redevelopment of the City of Howard Lake as a whole.

The reasons and facts supporting this finding are that the housing developments proposed for the TIF District are generally consistent with the City's development plan and zoning ordinances and serves to promote the City's development objectives.

(d) The Tax Increment Financing Plan will afford maximum opportunity, consistent with the sound needs of the City of Howard Lake as a whole, for the development of Tax Increment Financing District No. 1-23 by private enterprise.

The reasons and facts supporting this finding are that the development activities are necessary so that development and redevelopment by private enterprise can occur within the Municipal Development District No. 1.

3. Public Purpose. The adoption of the Tax Increment Financing Plan conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the City, to provide employment opportunities, to improve the tax base, and to improve the general economy of the State and thereby serves a public purpose.

4. Authorization of Interfund Loan. The City hereby authorizes internal funding in a principal amount equal to all Project costs listed in the TIF Budget. Funds will be provided from the General Fund, repaid over the term of the TIF District, and include interest at a fixed rate of

4.0%. (This interest rate is the greater of the rates specified under Minnesota Statutes 270C.40 and 549.09.)

5. Certification. The Auditor of Wright County is requested to certify the original net tax capacity of Tax Increment Financing District No. 1-23 as described in the Tax Increment Financing Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased in accordance with the Act; and the City Administrator is authorized and directed to forthwith transmit this request to the County Auditor in such form and content as the Auditor may specify, together with a list of all properties within Tax Increment Financing District No. 1-23 for which building permits have been issued during the 18 months immediately preceding the adoption of this Resolution.

6. Filing. The City Administrator is further authorized and directed to file a copy of the Tax Increment Financing Plan with the Commissioner of Revenue and the Office of the State Auditor.

The motion for the adoption of the foregoing resolution was duly seconded by member _________ and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA)
CITY OF HOWARD LAKE) SS
COUNTY OF WRIGHT)

I, the undersigned, being the duly qualified and acting Administrator of the City of Howard Lake, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council of said City, duly called and held on the date therein indicated, insofar as such minutes relate to the establishment of Tax Increment Financing District No. 1-23 within Municipal Development District No. 1 in the City.

WITNESS my hand this 21st day of February, 2023.

____

City Administrator

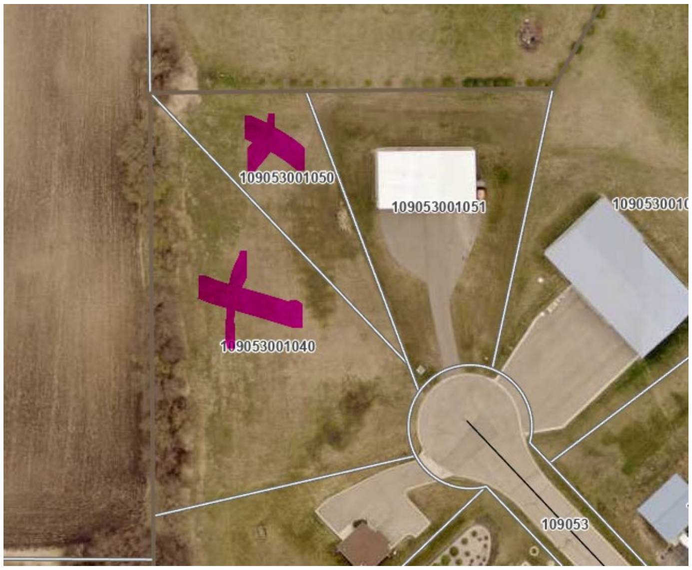
HOWARD LAKE CITY COUNCIL MEETING

February 21, 2023

AGENDA ITEM: Consider Resolution 23-03 Removing Parcels from TIF

SECTION: District New Business

FROM: Nick Haggenmiller, City Administrator



BACKGROUND: At the time Forsman Farms TIF district was created, the City included the entire undeveloped portions of the industrial park. Currently, an entity is interested in developing the last two parcels of phase 1. Removing these parcels from the initial TIF district and placing them in a newly established TIF district permits the City to capture the TIF increment for the full 9 year period permitted by state law.

General Project Status
Following council action in December, staff has had minimal contact with the interested entity. Most recently, in January we received a copy of a survey for the site.

As a reminder, a considerable amount of due diligence and various city approvals are <u>still required</u> before this project is considered approved and green lit. These items include engineered site plan, financial underwriting, and all legal approvals including the purchase agreement. This current council action involves the TIF district only. The TIF district does not specifically apply to the applicant or project. That said, we are clearly responding to a specific development request and have used their project assumptions in the drafting of the TIF plan.

DECISION MAKING METRICS:

FINANCIAL: There is a fee of about $7,000 associated with the establishment of the TIF district.

LEGAL: The City's financial advisor drafted all relevant agreements presented.

COUNCIL ACTION REQUESTED: Pass Resolution 23-02 removing parcels from previous TIF district and placing them in new district.

ATTACHMENTS:

1. Shannon Sweeney Staff Memo
2. Resolution 23-03

DDA
David Drown Associates, Inc.
Public Finance Advisors

Cologne Office:
10555 Orchard Road
Cologne, MN 55322
Phone: (952) 356-2992
shannon@daviddrown.com

February 15, 2023

City of Howard Lake
Attn: Nicholas Haggenmiller, City Administrator
P.O. Box 736
Howard Lake, MN 55349

Re: Resolution Removing Parcels from TIF District 1-18

Honorable Mayor, Council Members, and Administrator Haggenmiller:

The City of Howard Lake has been working with Passive Solar Housing Coop who is interested in constructing a manufacturing facility on land owned by the city in the industrial park. The City has taken action to include the property that Passive Solar is intending to develop in TIF District 1-24. Those parcels are presently located in TIF District 1-18 and will need to be removed prior to certifying the new TIF District with Wright County.

Enclosed you will find a resolution initiating action to remove the parcels from TIF District 1-18 so that they can be included in TIF District 1-24. Please feel free to contact me if I can be of any assistance in answering questions regarding the information provided.

Sincerely,

Shannon Sweeney

Shannon Sweeney, Associate
David Drown Associates, Inc.

EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE CITY
OF HOWARD LAKE, MINNESOTA

HELD: February 21, 2023

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Howard Lake, Wright County, Minnesota, was duly called and held on the 21st day of February, 2023, at 7:00 p.m.

The following members of the Council were present:

and the following were absent:

Member __________________introduced the following resolution and moved its adoption:

RESOLUTION 23-03
AMENDING THE BOUNDARIES OF
TAX INCREMENT FINANCING DISTRICT NO. 1-18

WHEREAS:

A. In April 2016, the City of Howard Lake, Minnesota (the "City") created Tax Increment Financing District No. 1-18 for the purposes of assisting Forsman Farms in the construction of a processing facility; and

B. The City now proposes to remove a portion of the property included in TIF District No. 1-18; and

C. Minnesota Statutes Chapter 469.175 subdivision 4(a) permits removal of parcels to occur without notification or a public hearing if the current net tax capacity of the parcels to be removed equals or exceeds the original net tax capacity of the parcels, or the authority agrees that the original net tax capacity of the TIF District will be reduced by no more than the current net tax capacity of the parcels removed.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Howard Lake:

1. Removal of parcels from TIF District No. 1-18. The City hereby removes the following parcels from TIF District No. 1-18:

   109053001040
   109053001050

2. Agreement to limit tax capacity removed. The City agrees that the original net tax capacity of the TIF District will be reduced by no more than the current net tax capacity of the parcels removed.

3. Filing. The City Administrator is authorized and directed to file a copy of this resolution with the County Auditor.

The motion for the adoption of the foregoing resolution was duly seconded by member __________________ and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA)
COUNTY OF WRIGHT)
CITY OF HOWARD LAKE)

I, the undersigned, being the duly qualified and acting City Administrator of the City of Howard Lake, Minnesota, DO HEREBY CERTIFY that, I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council of said City insofar as such minutes relate to Tax Increment Financing District No. 1-18 in the City.

WITNESS my hand this ______ day of_______________, 2023.

____
City Administrator

HOWARD LAKE CITY COUNCIL MEETING

February 21, 2023

AGENDA ITEM: Consider Resolution 23-04 Approving the Issuance of GO Equipment Certificate 2023A

SECTION: New Business

FROM: Nick Haggenmiller, City Administrator

BACKGROUND: At the January council meeting, the unanticipated purchase of a payloader was approved by the city council. Additionally, the 2023 Capital Plan includes the purchase of a police squad car. By consensus, the council directed staff to seek the use of an equipment certificate.

<u>Equipment Purchases</u>
- 2023 Catepillar Payloader $300,000
- 2024 Chevrolet Tahoe $60,000

The police squad is currently being investigated by staff for purchase at a later date. The police department have opted to delay purchase of the Tahoe 3 consecutive years citing existing squads remaining in good condition and generally having a longer service life than Crown Victoria's (which the CIP was drafted using the assumption of purchase).

<u>Equipment Certificate</u>
- MIDI Program through Minnesota Rural Water
- $384,000 total issuance ($24,000 included for various underwriting expenses)
- 10 year repayment
- Estimated $50,000 per year payments
- 3.05% interest rate
- Anticipated Closing Date – March 7, 2023

DECISION MAKING METRICS:

FINANCIAL: Noted above.

LEGAL: The City's Financial Advisor/ David Drown & Associates and City's Bond Counsel/TAFT Law have represented the city for this debt issuance. It is noted that the attached resolution directs the Mayor and City Administrator to execute any/all related documents necessary.

COUNCIL ACTION REQUESTED: Pass Resolution Approving the Issuance of $384,000 in GO Equipment Certificate Debt.

ATTACHMENTS:
1. Memo/Sweeney
2. Resolution 23-04

DDA
David Drown Associates, Inc.
Public Finance Advisors

Cologne Office:
10555 Orchard Road
Cologne, MN 55322
(952) 356-2992
shannon@daviddrown.com

February 15, 2023

City of Howard Lake
Nick Haggenmiller, City Administrator
P.O. Box 736
Howard Lake, MN 55349

RE: Equipment Financing

Honorable Mayor, Council Members, and Administrator Haggenmiller:

The purpose of this letter is to provide project financing recommendations for the purchase of a new Caterpillar wheel loader and a Chevrolet Tahoe police squad vehicle. We have recommended the use of the Minnesota Rural Water Midi-Loan Program due to the efficient issuance costs for a transaction of this size.

2023A G.O. Equipment Certificate of Indebtedness:
Attached you will find a final schedule based on the program interest rate agreed to by First Independent Bank which serves as the program lender for Minnesota Rural Water Association. We estimate the total costs of the equipment financing as follows:

Equipment Purchases	$360,000.00
MN Rural Water Program Fees	12,690.00
Capitalized Interest	10,540.80
Surplus Funds	769.20
TOTAL PROJECT COSTS:	$384,000.00

The funding sources to be utilized to finance project costs are summarized below:

G.O. Equipment Certificate of Indebtedness:	**$384,000.00**
TOTAL FUNDING SOURCES:	$384,000.00

Payment and Revenue Requirements:
The equipment certificate has been structured with a 10-year term with nine principal payments (see attached). Payments will average approximately $49,000 per year. The interest rate on the certificates is 3.05%.

$384,000 General Obligation Equipment Certificate of Indebtedness – 2023A:
If the Council chooses to pursue the finance of the equipment costs as proposed, David Drown Associates, Inc. recommends the issuance of $384,000 of a General Obligation Equipment Certificate of Indebtedness through the Minnesota Rural Water Midi-Loan Program.

Key elements include:

- 10-year term with interest capitalized through the first 11 months, and 9 principal payments
- Callable 2/1/2029 or any date thereafter at par ($200 fee for partial prepayments)
- Sale of bonds utilizing the MN Rural Water Midi-Loan Program

- We do not recommend purchasing a credit rating as it is not required under the program

Schedule and Issuance:
The proposed schedule for putting the equipment financing in place is as follows:

February 21, 2023	City Council adopts award resolution
March 7, 2023	Closing

If the Council determines that it is appropriate to proceed with the proposed equipment financing, it would be appropriate to act upon the enclosed resolution prepared by the City's bond counsel which awards the sale of the equipment certificates to the MN Rural Water Association program lender.

Thank you for your time and consideration of this material. Please feel free to contact me if you would like to discuss this information in additional detail.

Sincerely,

Shannon Sweeney, Associate
David Drown Associates, Inc.

EXTRACT OF MINUTES OF A MEETING
OF THE CITY COUNCIL OF THE
CITY OF HOWARD LAKE, MINNESOTA

HELD: FEBRUARY 21, 2023

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Howard Lake, Wright County, Minnesota, was duly called and held at the City Hall on February 21, 2023, at 7:00 P.M., for the purpose, in part, of authorizing the issuance and awarding the sale of a $384,000 General Obligation Equipment Certificate of Indebtedness, Series 2023A.

The following members were present: ____

and the following were absent: ____

Member _____________ introduced the following resolution and moved its adoption:

RESOLUTION NO. 23-04

PROVIDING FOR THE ISSUANCE AND SALE OF A $384,000 GENERAL OBLIGATION EQUIPMENT CERTIFICATE OF INDEBTEDNESS, SERIES 2023A, AND LEVYING A TAX FOR THE PAYMENT THEREOF

A. WHEREAS, the City of Howard Lake, Minnesota (the "City"), has heretofore determined and declared that it is necessary and expedient to issue a $384,000 General Obligation Equipment Certificate of Indebtedness, Series 2023A (the "Certificate"), pursuant to Minnesota Statutes, Chapter 475 and Minnesota Statutes, Section 412.301, to finance the acquisition of capital equipment for the City (the "Equipment"); and

B. WHEREAS, the Equipment has an expected useful life at least as long as the term of the Certificate; and

C. WHEREAS, the principal amount of the Certificate to be issued does not exceed one-quarter of one percent (0.25%) of the estimated market value of the taxable property in the City; and

D. WHEREAS, the City has retained David Drown Associates, Inc., in Minneapolis, Minnesota ("David Drown"), as its independent municipal advisor for the sale of the Certificate and was therefore authorized to sell the Certificate by private negotiation in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9); and

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

1. <u>Acceptance of Offer</u>. The offer of the First Independent Bank, in Russell, Minnesota (the "Purchaser"), to purchase the Certificate and to pay therefor the sum of $384,000,

plus interest accrued to settlement, if any, all in accordance with the terms and at the rate of interest hereinafter set forth, is hereby accepted.

2. Certificate Terms; Original Issue Date; Denominations; Maturities; Interest and Redemption. The City shall forthwith issue the Certificate, which shall be in fully registered form without interest coupons, shall be dated, mature, bear interest, and be subject to redemption and be payable as provided in the form of the Certificate.

3. Purpose. The Certificate shall provide funds to finance the Equipment. The total cost of the Equipment, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Certificate.

4. Registrar. The City Administrator, in Howard Lake, Minnesota, is appointed to act as registrar and transfer agent with respect to the Certificate (the "Registrar"), and shall do so unless and until a successor Registrar is duly appointed. The Registrar shall also serve as paying agent unless and until a successor paying agent is duly appointed. Principal and interest on the Certificate shall be paid to the registered owner (or record owner) of the Certificate in the manner set forth in the form of Certificate.

5. Form of Certificate. The Certificate, together with the Certificate of Registration, shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
WRIGHT COUNTY
CITY OF HOWARD LAKE

R-1 $384,000

GENERAL OBLIGATION EQUIPMENT CERTIFICATE OF INDEBTEDNESS,
SERIES 2023A

Interest Rate	Maturity Date	Date of Original Issue
3.05%	February 1, 2033	March 7, 2023

REGISTERED OWNER: FIRST INDEPENDENT BANK, RUSSELL, MINNESOTA

PRINCIPAL AMOUNT: THREE HUNDRED EIGHTY FOUR THOUSAND DOLLARS

THE CITY OF HOWARD LAKE, WRIGHT COUNTY, MINNESOTA (the "Issuer" or the "City"), certifies that it is indebted and, for value received, hereby promises to pay to the registered owner specified above, or assigns duly certified on the Certificate of Registration attached to and made a part of this Certificate (the "Owner"), unless called for earlier redemption, in the manner hereinafter set forth, the $384,000 principal amount of this Certificate in the principal installments due on February 1 of the years and in the amounts, respectively, as follows, with each such principal installment bearing interest until paid at the interest rate of 3.05% per annum:

Principal Installments Due February 1	Amount
2025	$38,000
2026	39,000
2027	40,000
2028	41,000
2029	42,000
2030	44,000
2031	45,000
2032	47,000
2033	48,000

Interest. Interest shall be payable semiannually on February 1 and August 1of each year, commencing February 1, 2024, and shall be calculated on the basis of a 360-day year consisting of twelve thirty-day months.

Payment Instructions. Interest and principal shall be paid by check, ACH debit, wire transfer or draft mailed to the Owner at the address listed on the Certificate of Registration attached to and made a part of this Certificate. At the time of final payment of all principal of and interest on this Certificate, the Owner shall surrender this Certificate to the City Administrator, Howard Lake, Minnesota (the "Registrar").

Redemption. This Certificate shall be subject to redemption and prepayment at the option of the Issuer on February 1, 2029 and any date thereafter, in whole or in part, upon written notice to the Owner, at the redemption price equal to par plus accrued interest to date of prepayment. Any partial payments by the Issuer are subject to a $200 fee. Mailed notice of redemption shall be given to the Registrar and to the holder of the Certificate at least thirty (30) days prior to the date fixed for redemption.

Date of Payment Not a Business Day. If the nominal date for payment of any principal of or interest on this Certificate shall not be a business day of the Issuer or of the Owner, then the date for such payment shall be the next such business day and payment on such business day shall have the same force and effect as if made on the nominal date of payment.

Issuance; Purpose; General Obligation. This Certificate is issued as a single instrument pursuant to and in full conformity with the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council on February 21, 2023 (the "Resolution"), for the purpose of providing money to finance the acquisition of capital equipment for the Issuer. This Certificate is payable out of the General Obligation Equipment Certificate of Indebtedness, Series 2023A Fund of the Issuer. This Certificate constitutes a general obligation of the Issuer and to provide moneys for the prompt and full payment of its principal, premium, if any, and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

Transfer. This Certificate is transferable, as provided in the Resolution, upon the Register kept by the Registrar, or designee, upon surrender of this Certificate together with a written instrument of transfer duly executed by the Owner or the Owner's attorney duly authorized in writing, and thereupon a new, fully registered Certificate in the same principal amount shall be issued to the transferee in exchange therefor (or the transfer shall be duly recorded on the Register and the Certificate of Registration hereof), upon the payment of charges and satisfaction of applicable conditions, if any, as therein prescribed; provided that such transfer may occur only with respect to the entire Certificate. The Issuer may treat and consider the person in whose name this Certificate is registered as the absolute Owner hereof for the purpose of receiving payment of or on account of the principal of and interest on this Certificate and for all other purposes whatsoever.

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

Fees upon Transfer or Loss. The Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Certificate and any legal or unusual costs regarding transfers and lost Certificate.

Registration. This Certificate shall not be valid or become obligatory for any purpose or be entitled to any security unless the Certificate of Registration hereon shall have been executed by the Registrar.

Qualified Tax-Exempt Obligation. This Certificate has been designated by the Issuer as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Certificate, have been done, have happened and have been performed, in regular and due form, time and manner as required by law and that this Certificate, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Howard Lake, Wright County, Minnesota, by its City Council has caused this Certificate to be executed on its behalf by the manual signatures of its Mayor and its City Administrator, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

Date of Registration:	CITY OF HOWARD LAKE WRIGHT COUNTY, MINNESOTA
March 7, 2023	
REGISTRABLE BY AND PAYABLE AT:	(Do not sign) Mayor
OFFICE OF THE CITY ADMINISTRATOR City of Howard Lake, Minnesota	(Do not sign) City Administrator

CERTIFICATE OF REGISTRATION

The transfer of ownership of the principal amount of the attached Certificate may be made only by the registered owner or the registered owner's legal representative last noted below:

DATE OF REGISTRATION	REGISTERED OWNER	SIGNATURE OF REGISTRAR (CITY ADMINISTRATOR)
March 7, 2023	First Independent Bank 300 Front Street P.O. Box 360 Russell, Minnesota 56169	(Do not sign)

6. Execution. The Certificate shall be in typewritten form, shall be executed on behalf of the City by the manual signatures of its Mayor and City Administrator, the seal having been omitted as permitted by law. In the event of disability or resignation or other absence of either such officer, the Certificate may be signed by the signature of that officer who may act on behalf of such absent or disabled officer. In case either such officer whose signature shall appear on the Certificate shall cease to be such officer before the delivery of the Certificate, such signature shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

7. Delivery; Application of Proceeds. The Certificate when so prepared and executed shall be delivered by the City Administrator to the Purchaser upon receipt of the purchase price and the Purchaser shall not be obliged to see to the proper application thereof.

8. Funds and Accounts. There is hereby created a special fund to be designated the "General Obligation Equipment Certificate of Indebtedness, Series 2023A Fund" (the "Fund") to be administered and maintained by the City Administrator as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Fund shall be maintained in the manner herein specified until the Certificate and the interest thereon have been fully paid. There shall be established and maintained in the Fund the following separate accounts:

(a) Capital Account. To the Capital Account there shall be credited the proceeds of the sale of the Certificate, less capitalized interest. From the Capital Account there shall be paid all costs and expenses of the acquisition of the Equipment including all costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65. The moneys in the Capital Account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Certificate may also be used to the extent necessary to pay interest on the Certificate due prior to the anticipated date of commencement of the collection of taxes herein levied.

(b) Debt Service Account. There are hereby irrevocably appropriated and pledged to, and there shall be credited to, the Debt Service Account: (i) capitalized interest in the amount of $10,540.80 (together with interest earnings thereon and subject to such other adjustments as are appropriate) to provide sufficient funds to pay interest due on the Certificate on or before February 1, 2024; (ii) any collections of all taxes, herein, or hereafter levied for the payment of the Certificate and interest thereon; (iii) all funds remaining in the Capital Account after the payment of all costs of the acquisition of the Equipment; (iv) all investment earnings on funds held in the Debt Service Account; and (v) any money which is properly available and is appropriated by the governing body of the City to the Debt Service Account. The Debt Service Account shall be used solely to pay the principal and interest of the Certificate and any other general obligation certificate of the City hereafter issued by the City and made payable from said account as provided by law.

No portion of the proceeds of the Certificate shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Certificate was issued and (2) in addition to the above in an amount not greater than the lesser of five percent of the proceeds of the Certificate or $100,000. To this effect, any proceeds of the Certificate and any sums from time to time held in the Capital Account or Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the Certificate payable therefrom) in excess of amounts which under then applicable federal arbitrage regulations may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in the Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Certificate to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

9. Tax Levy; Coverage Test. To provide moneys for payment of the principal and interest on the Certificate there is hereby levied upon all of the taxable property in the City a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the City for the years and in the amounts as follows:

Year of Tax Levy	Year of Tax Collection	Amount
2023	2024	$51,428
2024	2025	52,031
2025	2026	51,832
2026	2027	51,601
2027	2028	51,338
2028	2029	52,093
2029	2030	51,734
2030	2031	52,392
2031	2032	51,937

The tax levies are such that if collected in full they will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Certificate. The tax levies shall be irrepealable so long as the Certificate is outstanding and unpaid, provided that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61, Subdivision 3.

10. General Obligation Pledge. For the prompt and full payment of the principal and interest on the Certificate, as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Certificate and any other obligations payable therefrom, the deficiency shall be promptly paid out of any other funds of the City which are available for such purpose, and such other funds may be reimbursed with or without interest from the Debt Service Account when a sufficient balance is available therein.

11. Certificate of Registration and Tax Levy. The City Administrator is hereby directed to file a certified copy of this resolution with the County Auditor of Wright County, Minnesota, together with such other information as each such County Auditor shall require, and to obtain the County Auditor's certificate that the Certificate has been entered in the County Auditor's Register and that the tax levy required by law has been made.

12. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser, and to the attorneys approving the legality of the issuance of the Certificate, certified copies of all proceedings and records of the City relating to the Certificate and to the financial condition and affairs of the City, and such other affidavits, certificates and information as are required to show the facts relating to the legality and marketability of the Certificate as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, Certificate and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

13. Compliance With Reimbursement Regulations. The provisions of this paragraph are intended to establish and provide for the City's compliance with United States Treasury Regulations Section 1.150-2 (the "Reimbursement Regulations") applicable to the "reimbursement proceeds" of the Certificate, being those portions thereof which will be used by the City to reimburse itself for any expenditure which the City paid or will have paid prior to the Closing Date (a "Reimbursement Expenditure").

The City hereby certifies and/or covenants as follows:

(a) Not later than sixty days after the date of payment of a Reimbursement Expenditure, the City (or person designated to do so on behalf of the City) has made or will have made a written declaration of the City's official intent (a "Declaration") which effectively (i) states the City's reasonable expectation to reimburse itself for the payment of the Reimbursement Expenditure out of the proceeds of a subsequent borrowing; (ii) gives a general and functional description of the property, project or program to which the Declaration relates and for which the Reimbursement Expenditure is paid, or identifies a specific fund or account of the City and the general functional purpose thereof from which the Reimbursement Expenditure was to be paid (collectively the "Project"); and (iii) states the maximum principal amount of debt expected to be issued by the City for the purpose of financing the Project; provided, however, that no such Declaration shall necessarily have been made with respect to: (i) "preliminary expenditures" for the Project, defined in the Reimbursement Regulations to include engineering or architectural, surveying and soil testing expenses and similar prefatory costs, which in the aggregate do not exceed 20% of the "issue price" of the Certificate, and (ii) a de minimis amount of Reimbursement Expenditures not in excess of the lesser of $100,000 or five percent of the proceeds of the Certificate.

(b) Each Reimbursement Expenditure is a capital expenditure or a cost of issuance of the Certificate or any of the other types of expenditures described in Section 1.150-2(d)(3) of the Reimbursement Regulations.

(c) The "reimbursement allocation" described in the Reimbursement Regulations for each Reimbursement Expenditure shall and will be made forthwith following (but not prior to) the issuance of the Certificate, and not later than three years after the later of (i) the date of the payment of the Reimbursement Expenditure, or (ii) the date on which the Project to which the Reimbursement Expenditure relates is first placed in service.

Each such reimbursement allocation will be made in a writing that evidences the City's use of Certificate proceeds to reimburse the Reimbursement Expenditure and, if made within thirty days after the Certificate is issued, shall be treated as made on the day the Certificate is issued.

Provided, however, that the City may take action contrary to any of the foregoing covenants in this paragraph upon receipt of an opinion of its Bond Counsel for the Certificate stating in effect that such action will not impair the tax-exempt status of the Certificate.

14. Defeasance. When the Certificate has been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Certificate shall cease. The City may discharge its obligations with respect to the Certificate by irrevocably depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or if the Certificate should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also at any time discharge its obligations with respect to the Certificate, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, subject to sale and/or reinvestment, to pay all amounts to become due thereon to maturity.

15. Negative Covenant as to Use of Proceeds and Equipment. The City hereby covenants not to use the proceeds of the Certificate or to use the Equipment, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Equipment, in such a manner as to cause the Certificate to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

16. Tax-Exempt Status of the Certificate; Rebate. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Certificate, including without limitation (i) requirements relating to temporary periods for investments, (ii) limitations on amounts invested at a yield greater than the yield on the Certificate, and (iii) the rebate of excess investment earnings to the United States, if the Certificate (together with other obligations reasonably expected to be issued and outstanding at one time in this calendar year) exceeds the small issuer exception amount of $5,000,000.

For purposes of qualifying for the exception to the federal arbitrage rebate requirements for governmental units issuing $5,000,000 or less of bonds, the City hereby finds, determines and declares that (i) the Certificate is issued by a governmental unit with general taxing powers, (ii) the Certificate is not a private activity bond, (iii) ninety-five percent or more of the net proceeds of the Certificate is to be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City), and (iv) the aggregate face amount of all tax exempt bonds (other than private activity bonds) issued by the City (and all subordinate entities thereof, and all entities treated as one issuer with the City) during the calendar year in which the Certificate is issued and outstanding at one time is not reasonably expected to exceed $5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

17. Designation of Qualified Tax-Exempt Obligations. In order to qualify the Certificate as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code, the City hereby makes the following factual statements and representations:

(a) the Certificate is issued after August 7, 1986;

(b) the Certificate is not a "private activity bond" as defined in Section 141 of the Code;

(c) the City hereby designates the Certificate as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code;

(d) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2023 will not exceed $10,000,000;

(e) not more than $10,000,000 of obligations issued by the City during this calendar year 2023 have been designated for purposes of Section 265(b)(3) of the Code; and

(f) the aggregate face amount of the Certificate does not exceed $10,000,000.

The City shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this paragraph.

18. Offering Circular. The Offering Circular relating to the Certificate prepared and distributed by David Drown is hereby approved and the officers of the City are authorized in connection with the delivery of the Certificate to sign such certificates as may be necessary with respect to the completeness and accuracy of the Offering Circular.

19. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

20. Headings. Headings in this resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

The motion for the adoption of the foregoing resolution was duly seconded by member __________________ and, after a full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof: ____

and the following voted against the same: ____

Whereupon the resolution was declared duly passed and adopted.

STATE OF MINNESOTA
COUNTY OF WRIGHT
CITY OF HOWARD LAKE

I, the undersigned, being the duly qualified and acting City Administrator of the City of Howard Lake, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council duly called and held on the date therein indicated, insofar as such minutes relate to providing for the issuance and sale of a $384,000 General Obligation Equipment Certificate of Indebtedness, Series 2023A.

WITNESS my hand on February 21, 2023.

____
City Administrator

HOWARD LAKE CITY COUNCIL MEETING

February 21, 2023

AGENDA ITEM: Consider Fee and Scope of Services for Water Quality Improvement Study

SECTION: New Business

FROM: Nick Haggenmiller, City Administrator
Josh Halvorson, City Engineer
Wright Soil Water Conservation District
Howard Lake Watershed Alliance

BACKGROUND: Historically, non-city groups and efforts have shouldered the majority of water quality related initiatives. Wright Soil Water Conservation District has been responsible for numerous projects and initiatives, primarily aimed at sediment runoff from farm fields that lead to ditches, streams surrounding Howard Lake. The Howard Lake Watershed Alliance (Lake Association) has been active in educational events as well as securing substantial grant funding for vegetative and invasive species prevention and treatment. The City has supported monetarily as well as treats for various things such as milfoil and swimmer's itch.

In January 2023, a working group with representation from these groups was formed with the intention to better coordinate resources and efforts. The desire to do so has long been present, but how to best proceed as well as how to fund efforts have been unknown. The timing recognizes funding opportunities not available previously.

<u>Project Scoping</u>
By consensus, it was agreed to focus on areas and priorities that generally fell into the following criteria:
- Located within corporate city limits
- Involve properties or property owners believed to be more likely to work with the city on possible projects in the future.
- Does not interfere and preferably coordinates efforts previously started and underway.

<u>Proposed Study</u>
Our project partners have identified stormwater outlets that surround the water body of Howard Lake. In quick summary, the City submitted a grant application to Wright County Water Quality Grant Program that seeks to pre-treat these areas. An expanded scope is included as drafted by the city engineer and includes the following:
- Infrastructure analysis
    - Project area prioritization
- Develop hydrologic analysis and water quality models
- Develop Stormwater Management Plan
    - Including pre-treatment options
    - Including cost estimates
- General implementation strategies

The scope of services does NOT include any engineering or expenses associated with physical projects. It is the hope of this working group to identify additional grant sources to assist with implementation.

<u>Wright County Water Quality Grant</u>
Wright County has allocated funding for water quality improvement projects using a portion of their ARPA funds. The City has applied for funding under this program and has received tentative approval. These funds coincide but are separate from funds available through Wright Soil and Water that is directly tied to the 12 Mile Creek Watershed District for implementation projects.

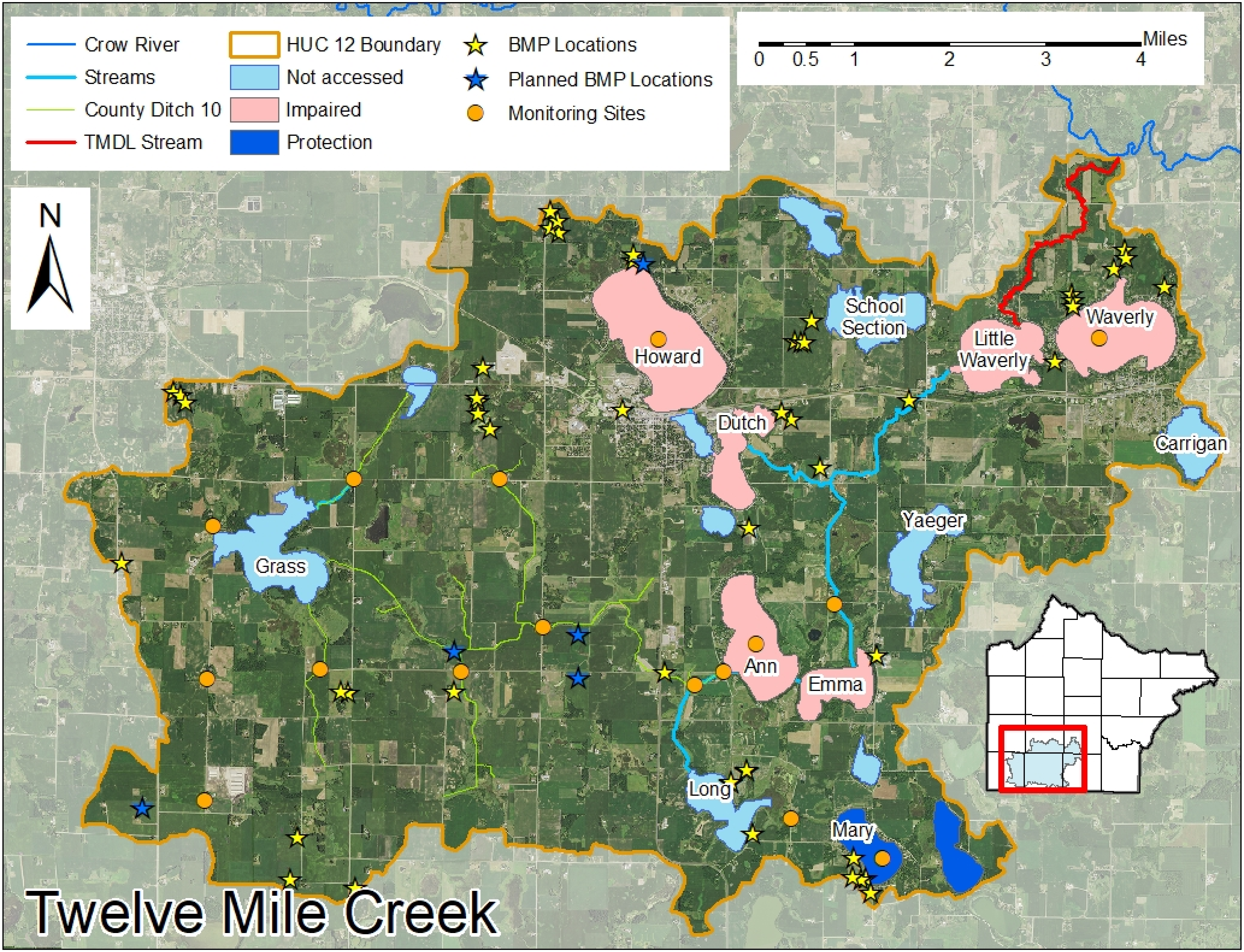
DECISION MAKING METRICS:

FINANCIAL: The BMI scope of services seeks $40,000 to complete the work as presented. The City has received notification of tentative funding of $30,000. The general fund engineering budget would be used for the remainder of the fees. Assuming council deems this a funding priority, future funding allocations should be considered through the budget approval process.

LEGAL: Open

COUNCIL ACTION REQUESTED: Approve the scope and fee of services as presented subject to official grant approval.

ATTACHMENTS:
1. Aerial showing stormwater study locations
2. Bolton and Menk Proposal
3. 12 Mile Creek Map
4. Howard Lake Report Card



Crow River
Streams
County Ditch 10
TMDL Stream
HUC 12 Boundary
Not accessed
Impaired
Protection
BMP Locations
Planned BMP Locations
Monitoring Sites
Miles
0 0.5 1 2 3 4
N
Howard
School Section
Little Waverly
Waverly
Dutch
Carrigan
Yaeger
Grass
Ann
Emma
Long
Mary
Twelve Mile Creek

BOLTON & MENK
Real People. Real Solutions.

2040 Highway 12 East
Willmar, MN 56201-5818

Ph: (320) 231-3956
Fax: (320) 231-9710
Bolton-Menk.com

January 31, 2023

Nick Haggenmiller, City Administrator
City of Howard Lake
625 8th Ave
PO Box 736
Howard Lake, MN 55349

RE: Proposal for Watershed Implementation Study & Improvement Plan
Howard Lake, MN

Dear Mr. Haggenmiller:

The City of Howard Lake is seeking funding through Wright County Soil and Water Conservation District and their Water Quality Improvement Grant Program to complete a Watershed Implementation Study & Improvement Plan. This includes a two phased approach to complete a study and establish an implementation plan to address specific water quality issues and set in motion a sustainable approach to protecting environmental resources for generations to come. The City has identified several primary study locations, which include but may not necessarily be limited to, the following areas:

- Lions Park
- US Highway 12 Drainage Area including:
    - Mallard Pass Lake
    - Stormwater Pond north of BNSF Rail/CSAH 6
- Sonstegard/Wright County Fair Grounds
- Codgers Cove Stormwater Pond

If the proposal and the attached Terms of Proposal are acceptable, please return one signed copy to verify your acceptance. When signed, this proposal and the attached terms shall constitute the agreement between the City of Howard Lake and Bolton & Menk, Inc. Thank you for considering and working with Bolton & Menk, Inc., for your engineering needs! Please review the attached documents and contact me at 320-905-3520 or email me at joshua.halvorson@bolton-menk.com if you have questions or concerns.

Sincerely,
Bolton & Menk, Inc

Joshua J. Halvorson, P.E.
City Engineer

Timothy J. Olson, PE, CFM
Principal Water Resources Engineer

Attachments (3):
Scope of Services
Terms of Proposal
Site Locations Map

SCOPE OF SERVICES

A successful Watershed Implementation Study & Improvement Plan relies on a complete understanding of the City's current drainage infrastructure, flooding and water quality issues and a comprehensive set of tools that are effective for prioritizing mitigation and improvement projects. Below is our approach to developing sustainable solutions that can be supported by the community and its stakeholders. The City of Howard Lake and Wright County SWCD can be confident in Bolton & Menk's policy to staff all major projects using a team approach and always maintaining close coordination with city staff. The team assembled for this project will provide the following.

- Project management
- Technical review of critical infrastructure information and targeting project prioritization areas
- Hydrologic, hydraulic, and water quality model development
- Preliminary water quality improvements
- Project exhibits, reports, and estimated costs

Task 1: Communication

Subtask 1.1: Kick Off Meeting

Upon notice to proceed, we will work directly with applicable staff to immediately schedule a kickoff meeting. We will identify critical infrastructure data to be collected, project goals, and expected deliverables.

Subtask 1.2: Project Update and Coordination Meetings

We anticipate up to four (4) additional coordination meetings throughout the project to examine the hydraulic modeling information and develop prioritized project areas. We assume these meetings will be conducted via teleconference, when practical. Fees outlined below assume up to two (2) meetings face to face, for budgeting purposes.

Task 2: Infrastructure Analysis & Project Area Prioritization

Subtask 2.1: Infrastructure Analysis

Bolton & Menk will utilize existing as-built plans and utility base map information to help populate infrastructure elevations and pipe sizes. This data will be used in model development.

Subtask 2.2: Project Area Prioritization

Bolton & Menk will compile a preliminary issues map that includes all base map and survey data collected and schedule a meeting to review available information and prioritize project areas. This will include a preliminary assessment of space needs, anticipated water quality treatment mechanisms, and assessment resolution (i.e scale and complexity of hydraulic and water quality modeling efforts).

Task 3: Develop Hydraulic and Water Quality Models

Subtask 3.1: Develop Hydraulic Modeling

Final infrastructure data and drainage areas will be imported into the hydraulic model. All geometric attributes, or data fields, will be mapped within the model to the representative modeling element property thereby expediting the model building process. We will utilize Atlas 14 rain fall depths and the MSE 3 rainfall distributions to calculate critical overland and piped discharge rates within the priority areas and outflow into major surface water collection systems and tributary outfalls.

Subtask 3.2: Develop Water Quality Modeling

Locations for potential water quality solutions will be identified. Based on hydraulic modeling, preliminary sizing will also be provided. The Minimal Impact Design Standards (MIDS) calculator or P8 water quality model will be used to determine measurable water quality improvements that can be utilized in future grant applications.

Best Management Practices (BMPs) that work in the landscape and consider long term maintenance will be described in the final Stormwater Management Plan to provide flexibility in future projects. This summary will also include discussion of erosion and sediment control BMPs required during construction.

Task 4: Develop Stormwater Management Plan

Subtask 4.1: Develop Preliminary Plan, Exhibits and Cost Estimates

The Stormwater Management Plan will include the following components.

- Summary of existing drainage conditions.
- Proposed flood mitigation improvements.
- Proposed water quality improvements and options for BMPs based on location.
- Required erosion and sediment control BMPs during construction.
- Preliminary cost estimates.
- Anticipated timeline for projects coupled with Lake County and City roadway improvements.
- Summary of potential grant programs.
- Exhibits and tables.

Subtask 4.2: Present Final Stormwater Management Plan

A draft plan will be presented to the stakeholders for review. Upon completion of edits, the final plan will be presented to the stakeholders for approval.

SCHEDULE

The scope of services within this proposal will take between six (6) and eight (8) months to complete, upon execution by the City. Bolton & Menk, Inc. proposes the following schedule to develop materials included in the scope and provide the City with time to seek external funding and develop construction plans for any of the recommended elements they desire to further develop.

This schedule will be adjusted based on progression on task deliverables or decisions by the Owner that may refine anticipated project development.

Project Schedule - 2023	
Task	**Finish**
Scope of Services Approval	Early March
Project Kick-off Discussion	Late March
Data Review and Modeling	July/August
Plan/Report Development	September/October

FEES

Bolton & Menk, Inc. understands the importance of delivering project tasks on time and within budget. We closely monitor our time, budget, and efficiency of our staff to provide value and savings to our clients. We propose to provide the described work on an HOURLY NOT TO EXCEED contract up to a total fee of **$40,000**. Hours will be billed monthly only for work completed on the project. If the project takes less time, the City will be billed only for hours worked, unless given approval to proceed with additional work outside our scope of services.

Bolton & Menk, Inc. understand the proposed scope of work is dynamic and subject to modification, our scope of services and estimated fee is open to further negotiation. Fees that are normal and customary expenses associated with operating a professional business will not be charged separately. Unless otherwise agreed, the above rates include vehicle and personal expenses, mileage, telephone, and routine expendable supplies; and no separate charges will be made for these activities and materials.

ACCEPTANCE

The undersigned represents that it is the City of Howard Lake or has been authorized to accept this Proposal on behalf of the City of Howard Lake. The City of Howard Lake agrees to the Terms and Conditions as stated above and as attached to this Proposal. Unless otherwise replaced or modified by a separately executed, written Agreement, this Proposal shall constitute the full and complete agreement between the City of Howard Lake and Bolton & Menk, Inc.

Accepted by:

____

Print Name/Title

____

Signature and Date

Watershed Implementation Study & Improvement Plan

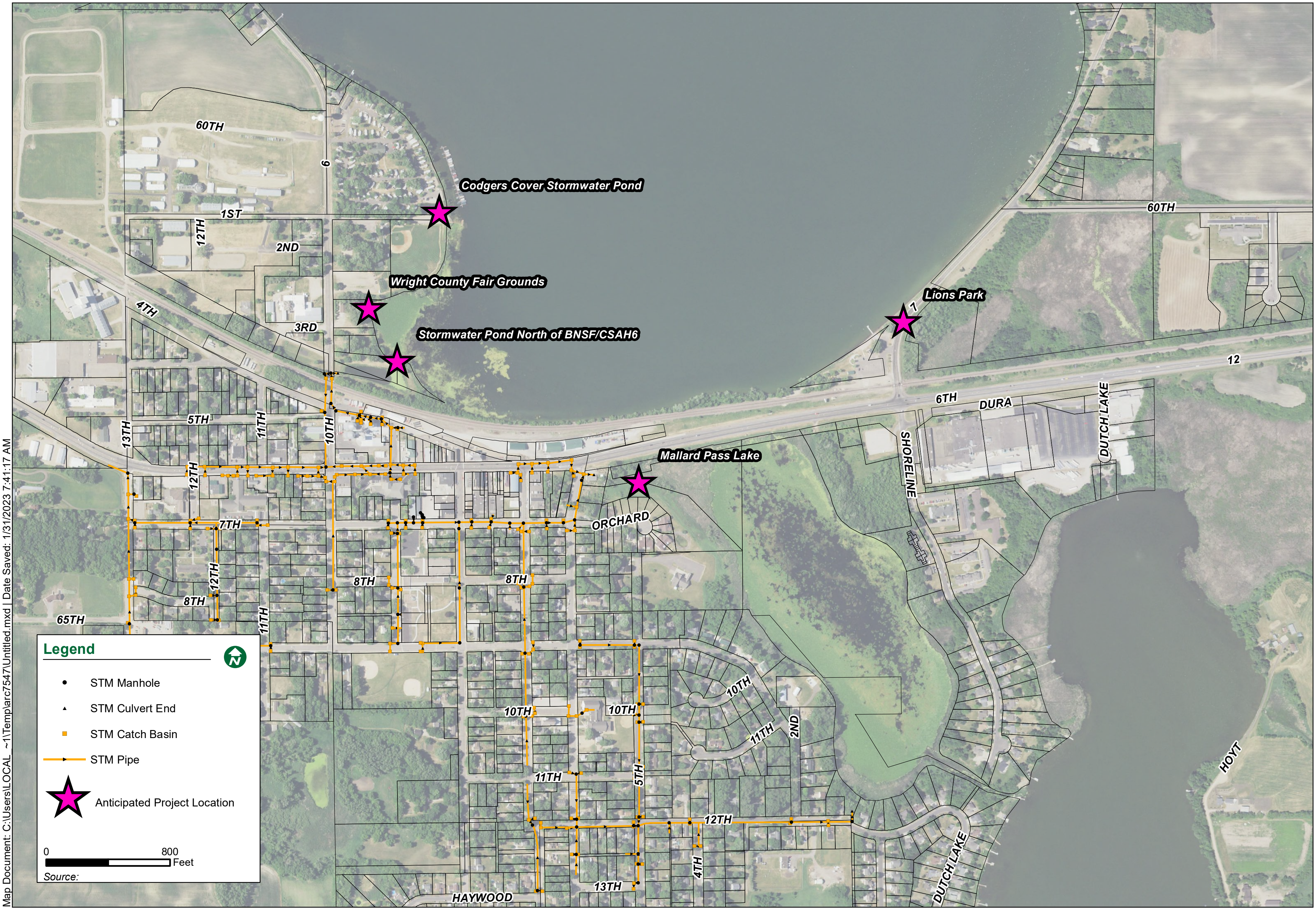
Howard Lake, MN

Location Map

January 2023

BOLTON & MENK

Real People. Real Solutions.



Map Document: C:\Users\LOCAL ~1\Temp\arc7547\Untitled.mxd | Date Saved: 1/31/2023 7:41:17 AM

Terms of Proposal
Bolton & Menk, Inc.

The accompanying Proposal (hereinafter referred to as "Proposal") is subject to the following terms and conditions. These Terms of Proposal (hereinafter referred to as "Terms") are an integral part of the accompanying Proposal as if stated directly therein. No change or deviation from these Terms will be binding without the written approval of Bolton & Menk, Inc. (BMI). Such changes may require an adjustment in the proposed fee, schedule, or scope of Proposal.

A. Services: BMI proposes to perform the services ("Services") outlined in the Proposal for the stated fee arrangement. Changes required by the CLIENT or other controlling entities (regulatory agencies, contractors, courts, etc.) from the scope or schedule described in the Proposal are "Additional Services" and will be invoiced on an hourly basis in addition to the stated fee arrangement.

B. Information from Client: The CLIENT shall place any and all previously acquired information in its custody at the disposal of BMI for its use. This information should include current site property descriptions (from abstract, title opinion or title commitment); other legal documents affecting the site; copies of previous surveys, maps, utility locates, engineering studies and plans; existing or required soils and geotechnical reports; governmental, regulatory and utility reviews and determinations; and all other pertinent information. BMI may rely on accuracy of CLIENT provided information. CLIENT shall promptly inform BMI of any alleged defects in the Services.

C. Access to Site: The CLIENT will guarantee access to and make all provisions for entry upon public portions of the project and reasonable efforts to provide access to private portions and pertinent adjoining properties as needed for the performance of Services

D. Client Provided Services. BMI's Services do not include legal, insurance counseling, accounting, independent cost estimating, financial advisory or municipal advisor services and the CLIENT shall provide such services as may be required for completion of the project. The CLIENT may hire, at its discretion, when requested by BMI, an independent test company to perform laboratory and material testing services, and soil investigation that can be justified for proper completion of BMI's Services. If CLIENT elects not to hire an independent test company, CLIENT shall provide BMI with guidance and direction on completing those aspects of BMI's Services that require additional testing data.

E. Permits. The CLIENT will obtain any and all regulatory permits required for the proper and legal execution of the Project. BMI will assist CLIENT with permit preparation and documentation to the extent described in the attached Proposal. BMI makes no representations as to acceptability or approvability of the project or permit applications. CLIENT's obligation for payment of fees owed BMI is not contingent upon project approval

F. Standard of Care: Professional services provided under this Agreement will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of BMI's profession currently practicing under similar conditions. **BMI makes no warranties, expressed or implied, or otherwise with respect to any services performed or furnished.**

G. Utilities: Except as otherwise explicitly stated in the proposal, if utility surveys are included in scope of services, utilities will be located from available utility records, utility company locates and surface evidence of underground improvements. Some subsurface improvements may not be disclosed by such methods and CLIENT assumes responsibility for cost of exploratory excavations and other work to assure utility locations.

H. Opinions or Estimates of Project Costs: Where provided by the BMI as part of the Services or otherwise, opinions or estimates of construction cost will generally be based upon public construction cost information. Since BMI has no control over the cost of labor, materials, competitive bidding process, weather conditions and other factors affecting the cost of construction, all cost estimates are opinions for general information of the CLIENT and BMI does not warrant or guarantee the accuracy of construction cost opinions or estimates.

I. Construction Phase Services: It is agreed that BMI and its representatives shall not at any time supervise, direct, control, or have authority over any contractor's work, nor shall BMI have authority over or be responsible for the means, methods, techniques, sequences, or procedures of construction selected or used by any contractor, or the safety precautions and programs incident thereto, for security or safety at any project site, nor for any failure of a contractor to comply with Laws and Regulations applicable to that contractor's furnishing and performing of its work. BMI shall not be responsible for the acts or omissions of any contractor. CLIENT acknowledges that the on-site contractor(s) are solely responsible for construction site safety programs and their enforcement.

J. Ownership of Documents: Drawings and Specifications and all other documents (including electronic and digital versions of any documents) prepared or furnished by BMI are instruments of service in respect to the Project and BMI shall retain an ownership interest therein. Upon payment of all fees owed to the CONSULTANT, the CLIENT shall acquire a limited license in all identified deliverables (including Reports, Plans and Specifications) for any reasonable use relative to the Project and the general operations of the CLIENT.

K. <u>Reuse of Documents:</u> CLIENT may make and disseminate copies for information and reference in connection with the use and maintenance of the project by the CLIENT. However, such documents are not intended or represented to be suitable for reuse by CLIENT or others on extensions of the Project or on any other project. Any reuse by CLIENT or, any other entity acting under the request or direction of the CLIENT, without written verification or adaptation by BMI for such reuse will be at CLIENT'S sole risk and without liability or legal exposure to BMI and CLIENT shall indemnify and hold harmless BMI from all claims, damages, losses, and expenses including attorney's fees arising out of or resulting from such reuse.

L. <u>Billings and Payments:</u> Payment to BMI will be made by the CLIENT upon billing at intervals not more often than monthly. If CLIENT fails to make any payment for undisputed services and expenses within 45 days after date of the invoice, a service charge of one and one-half percent (1.5%) per month or the maximum rate permitted by law, whichever is less, will be charged on any unpaid balance. In addition, if the CLIENT fails to make payment for undisputed services and expenses within 60 days after the date of the invoice, BMI may, upon giving seven days' written notice to CLIENT, suspend services and withhold project deliverables due until BMI has been paid in full for all past due amounts for undisputed services, expenses and charges, without waiving any claim or right against the CLIENT and without incurring liability whatsoever to the CLIENT

M. <u>Certificates of Insurance:</u> BMI will maintain, at its expense, statutory worker's compensation insurance coverage, automobile liability insurance, commercial general liability insurance and professional liability coverage for claims arising from bodily injury, death or property damage which may arise from the negligent performance by BMI or its employees. BMI will, upon request, furnish Certificates of Insurance documenting terms of coverages. BMI will not be required to extend coverages beyond those which are usual and customary for similar firms practicing similar surveying and engineering services unless BMI is reimbursed for additional premium expenses.

N. <u>INDEMNIFICATION OF CLIENT</u>: BMI shall indemnify and hold harmless CLIENT from losses, damages, and judgments (including reasonable attorneys' fees and expenses of litigation) arising from claims or actions relating to the proposed services, provided that any such claim, action, loss, damages, or judgment is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property, but only to the extent caused by the negligent acts and omissions of BMI or its employees, agents, or subconsultants.

O. <u>INDEMNIFICATION OF BMI</u>: CLIENT shall indemnify and hold harmless BMI from losses, damages, and judgments (including reasonable attorneys' fees and expenses of litigation) arising from claims or actions relating to the proposed services, provided that any such claim, action, loss, damages, or judgment is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property, but only to the extent caused by the negligent acts and omissions of the CLIENT or its employees, agents, or other consultants

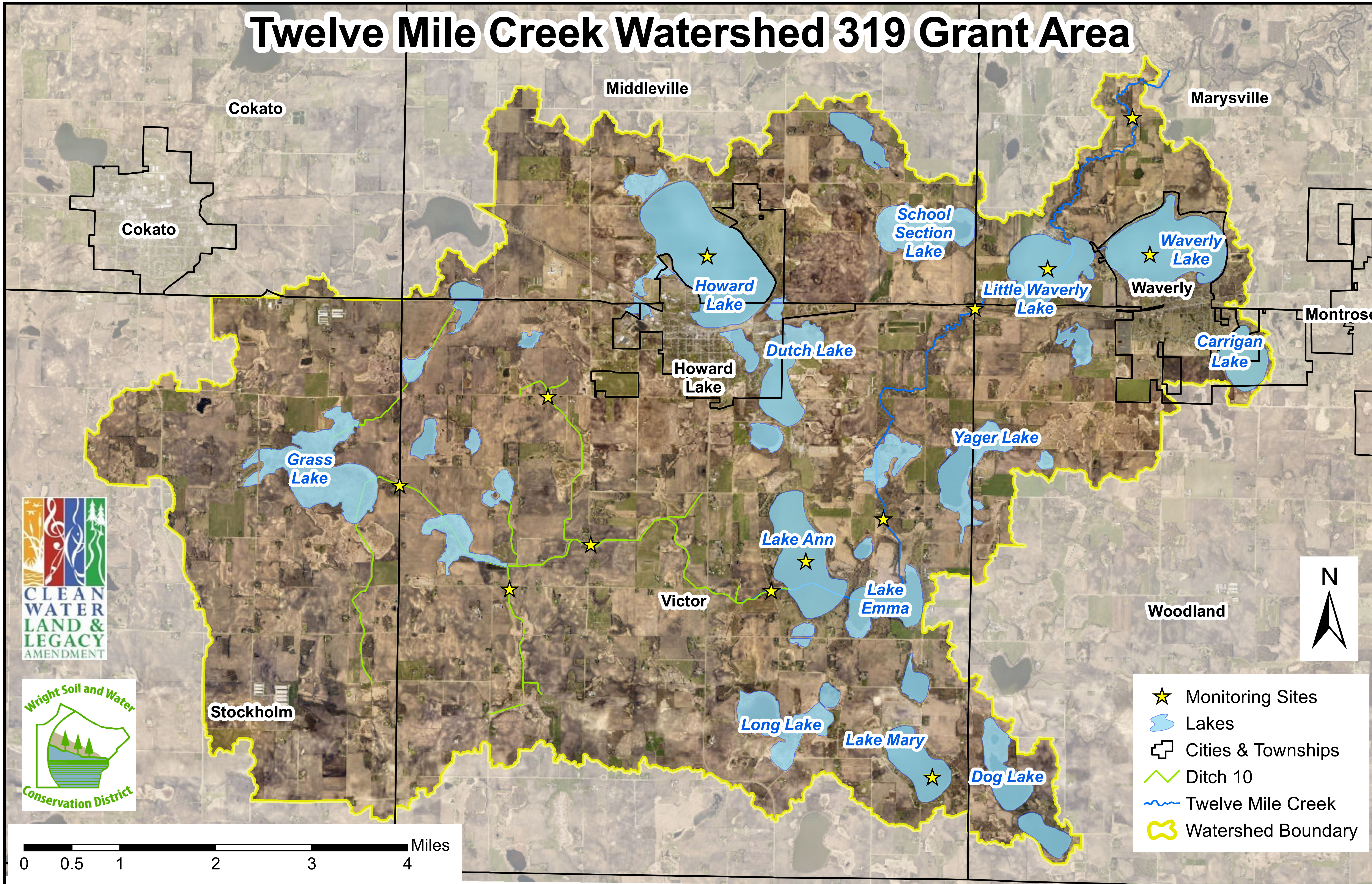
P. <u>Waiver of Claims</u>: To the fullest extent permitted by law, Client and BMI waive against each other, and the other's employees, partners, officers, agents, insurers, and subcontractors, claims for or entitlement to special, incidental, indirect, or consequential damages arising out of, resulting from, or any way related to this Proposal and the Services, from any cause or causes. CLIENT waives claims against BMI individual employees and agrees any claim, demand or suit shall be asserted only against the BMI corporate entity.

Q. <u>Jurisdiction and Dispute Resolution</u>: All agreements executed for performance of the Services are to be governed by the law of the State of Minnesota. Any claims or disputes made during or after the performance of services between BMI and the CLIENT shall first be submitted to mediation for resolution prior to bringing an action in a court of competent jurisdiction.

R. <u>Agreement:</u> If the Proposal is accepted, the CLIENT and BMI will enter into an Agreement incorporating the accompanying Proposal, these Terms and such additional terms and conditions as may be mutually acceptable to BMI and CLIENT. In the absence of a separate, executed written agreement, the accompanying Proposal and these Terms of Proposal shall constitute the whole and complete agreement between BMI and the CLIENT.

S. <u>Termination of Services</u>: Any agreement created as provided herein may be terminated by the CLIENT or BMI should the other fail to perform its obligations hereunder; or, by BMI if the presence of an unknown or undisclosed federally, state or locally regulated hazardous material is encountered. In the event of termination, the CLIENT shall pay BMI for all services rendered to the date of termination, all reimbursable expenses, and reimbursable termination expenses.

T. <u>Withdrawal of Proposal:</u> This Proposal constitutes a non-binding offer to perform services and BMI reserves the right to withdraw or modify this proposal, without liability to the CLIENT, at any time prior to execution of a signed agreement.


Twelve Mile Creek Watershed 319 Grant Area
Middleville
Cokato
Cokato
Marysville
School Section Lake
Howard Lake
Howard Lake
Little Waverly Lake
Waverly Lake
Waverly
Montrose
Carrigan Lake
Dutch Lake
Yager Lake
Grass Lake
Lake Ann
Lake Emma
Victor
Woodland
Stockholm
Long Lake
Lake Mary
Dog Lake
N
CLEAN WATER LAND & LEGACY AMENDMENT
Wright Soil and Water Conservation District
Monitoring Sites
Lakes
Cities & Townships
Ditch 10
Twelve Mile Creek
Watershed Boundary
Miles
0
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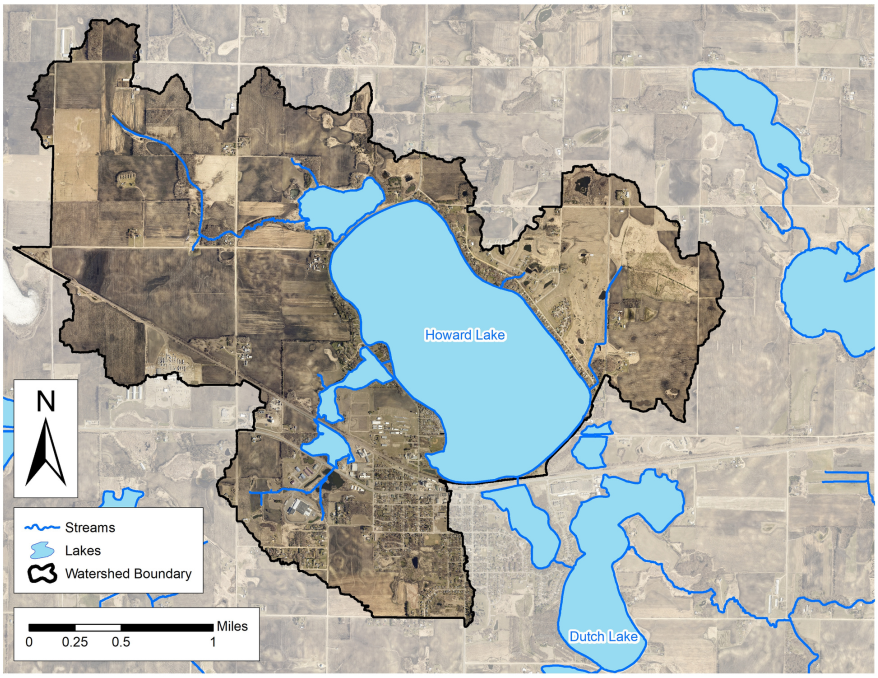
4

Howard Lake Quick Guide



Summary

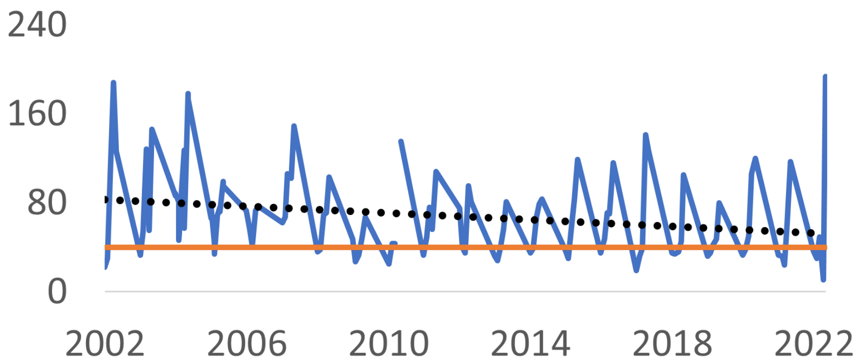
Lake ID: **86-0199-00**
Nearby: **Howard Lake, MN**
Surface Area: **745 acres**
Watershed Area: **acres**
Ordinary High Water Level: **999 ft**
Max Depth: **39 ft** Average Depth: **16 ft**
AIS: **Curly-leaf pondweed, common carp, Eurasian watermilfoil**
Impairments: **Nutrients, Fish Life**

Classification: E

A classification of E means the lake is Eutrophic or "well nourished". Contrary to it's meaning these lakes are generally considered impaired. The water is generally green with algae especially later in the summer. Some recreation will be hindered. Fisheries may be limited.

How to read the graphs

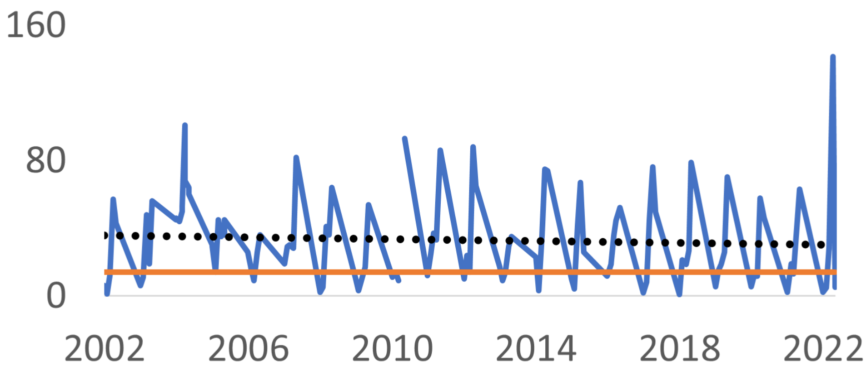
The solid blue lines show the change in water quality. The lower the line the healthier the lake. The SWCD's goal is for the solid blue like to be below the orange line. This is the threshold for impairment. The dotted line shows the trend over time. A minimum of 5 years of recent dats is required for a trend.



Phosphorus

Phosphorus is needed by plants and animals to survive, but can cause algae blooms if there is too much phosphorus available. Some sources of high phosphorus are fertilizer, human and animal waste, and soil erosion

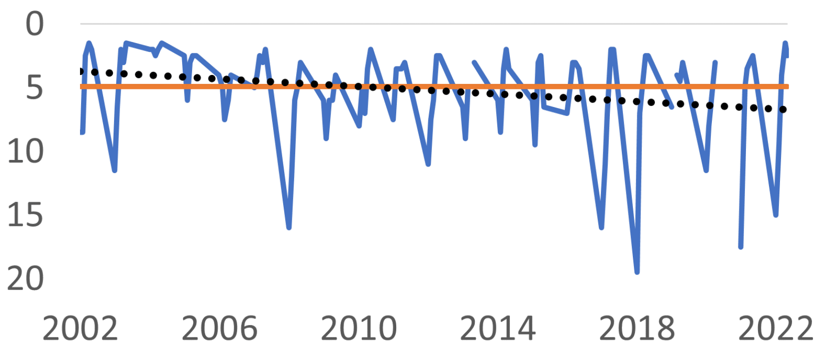
Trend: **Improving**



Chlorophyll-a

Chlorophyll-a is a measurement of the amount of algae in a lake. Some algae can produce dangerous toxins. High algal concentrations threaten aquatic life and can impede recreation and enjoyment of the lake

Trend: **Improving**



Clarity

Clarity is affected by the abundance of algae and sediment in the water column. Low clarity means sunlight does not reach deeper portions of the lake to support plant and animal life. In this graph the lower the line the deeper sunlight can penetrate

Trend: **Improving**