

*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
August 19 2024 – 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 Minutes from July 15, 2024 Regular Council Meeting.](#)
- E. PRESENTATIONS, PUBLIC HEARINGS & RELATED APPROVALS
 - a. Pinning Ceremony of new HLPD Officer Justin Hall.
 - b. Nate Walbruch, HLWW Schools Superintendent.
 - c. [Public Hearing – Street Reconstruction Plan for USDA Street Reconstruction Project.](#)
- F. CITIZEN INPUT
- G. COUNCIL/COMMITTEE REPORT
- H. DEPARTMENT REPORTS
- I. CONSENT AGENDA
 - a. [Consider Accepting all Reports & Payment of Claims.](#)
 - b. [Consider Various Personnel Appointments.](#)
 - c. Consider Setting Special Budget Workshop Date for September 9, 2024.
 - d. Set Truth in Taxation 2025 Public Hearing for December 9, 2024 7pm.
- J. NEW BUSINESS
 - a. [Consider Resolution Approving Street Reconstruction Plan.](#)
 - b. Consider Approving Easements for Street Reconstruction Project.
 - c. [Consider Various Library Project Approvals.](#)
 - d. [Consider Approving Quote for HVAC Replacement at Historic City Hall.](#)
 - e. [Consider Approving Abatement of a Hazardous Building at 1113 7th Avenue.](#)
- K. OLD BUSINESS
 - a. Belinda Larson/Paul Bravinder Grand 8 Market Update
- L. ADMINISTRATOR'S REPORT
- M. ADJOURN

A workshop of the full city council will follow the regular city council meeting.



CITY OF HOWARD LAKE

Nicholas A. Haggenmiller, City Administrator

625 8TH Avenue - PO Box 736 - Howard Lake, MN 55349

Phone: 320-543-3670 | cityadmin@howard-lake.mn.us | www.howard-lake.mn.us

HOWARD LAKE CITY COUNCIL

Howard Lake City Hall -

July 15, 2024

MEETING MINUTES

COUNCIL PRESENT

Mayor Zimmerman

Allan Munson

Jason Deiter

Gene Gilbert

Tom Kutz

COUNCIL ABSENT

STAFF PRESENT

Nick Haggenmiller, City Administrator

ALSO PRESENT

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

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

APPROVAL OF MINUTES

Council Member Deiter moved to approve the minutes from the June 17, 2024 Council Meeting. The motion was seconded by Council Member Munson and passed unanimously.

PUBLIC HEARING/PRESENTATION

None.

CITIZEN INPUT

Neil Wikoff, owner of The Vintage Exchange addressed council requesting permission for upcoming flea markets to be approved immediately. Council agreed but instructed City Administrator Haggenmiller to draft a proposed policy for use of public space.

COUNCIL/COMMITTEE REPORT

N/A

DEPARTMENT REPORTS

None.

CONSENT AGENDA

- a. Consider Accepting all Reports & Payment of Claims.
- b. Consider Approving Street Closure for Wright County Fair.
- c. Consider Approving Liquor & Special Event License for Wright County Fair.
- d. Consider Approving Street Closure for Lions Club parking Lot Party.
- e. Consider Approving Personnel Appointments
- f. Consider Approving Election Judges for the August Primary Election and the November General Election.
- g. Consider Approving store front grant for Encourage Counseling Services at 824 6th St.
- h. Consider Independent Contractor Agreement for Grant Writing Services for FEMA Grant.

The Consent Agenda was unanimously approved MSP Deiter/Gilbert.

NEW BUSINESS

- a. **Consider Approval of Legal Services Agreement for USDA Street Reconstruction Projects.**
Haggenmiller informed the council that staff is nearly complete with preparing necessary documents and submittals needed for financing for the pending street and utility reconstruction project. The proposed legal services agreement states that City Attorney Mike Couri will represent the City on the matter.

The agreement was approved unanimously MSP Kutz/Deiter.

OLD BUSINESS

None.

ADMINISTRATORS REPORT

None.

ADJOURN

Council Member Kutz moved to adjourn the meeting at 7:45 pm. The motion was seconded by Council Member Munson and passed unanimously.

Attest – City Administrator/Clerk

Mayor

CITY OF HOWARD LAKE, MINNESOTA

NOTICE OF PUBLIC HEARING
ON THE PROPOSAL TO ADOPT A STREET RECONSTRUCTION PLAN AND THE
INTENT TO ISSUE GENERAL OBLIGATION STREET RECONSTRUCTION BONDS

Notice is hereby given that the City Council of the City of Howard Lake, Minnesota, will meet on August 19, 2024, at approximately 7:00 p.m. at City Hall, 625 8th Avenue, in Howard Lake, Minnesota, for the purpose of conducting a public hearing on (a) the proposal to adopt a street reconstruction plan covering the years 2024-2028 and (b) the intent to issue general obligation street reconstruction bonds in an amount not to exceed \$2,260,000 to finance a portion of the street reconstruction improvements described in the street reconstruction plan.

A draft copy of the street reconstruction plan is on file with the City Administrator and is available for public inspection.

If a petition requesting a vote on the issuance of the general obligation street reconstruction bonds is signed by voters equal to five percent of the votes cast in the last municipal general election and is filed with the City Clerk within 30 days of August 19, 2024, the City may issue the general obligation street reconstruction bonds only after obtaining the approval of a majority of the voters voting on the question of the issuance of the general obligation street reconstruction bonds.

CITY OF HOWARD LAKE
CLAIMS & DONATIONS APPROVED
DATE - August 19, 2024

GENERAL FUND	CHECKS:	62986 – 63102	\$870,258.32
PAYROLL		27576-27594, 503496 – 503558	66,631.49
ELECTRONIC		1711-1746	<u>120,035.77</u>
TOTAL			\$1,056,925.58

AMBULANCE CLMS	CHECKS:	6101-6107	5,402.03
ELECTRONIC			
TOTAL			\$5,402.03

CITY OF HOWARD LAKE

08/15/24 2:07 PM

Page 1

***Check Summary Register©**

Checks 07/16/24-08/15/24

Name	Check Date	Check Amt	
1010 CITIZEN ALLIANCE			
1711e MN DEPT OF REVENUE	7/18/2024	\$1,759.48	
1712e PERA	7/18/2024	\$7,713.07	
1713e THE LINCOLN NATIONAL LIFE IN	7/19/2024	\$1,298.75	
1714e INTERNAL REVENUE SERVICE	7/24/2024	\$9,055.65	
1715e MN DEPT OF REVENUE	7/24/2024	\$1,792.55	
1716e PERA	7/24/2024	\$7,531.58	
1717e LEAP-WEX	7/24/2024	\$1,085.08	
1718e AETNA HEALTH	7/27/2024	\$13,625.46	
1719e AUTHNET GATEWAY BILLING	7/27/2024	\$25.00	
1720e LS WEEKEND CASH	7/27/2024	\$1,300.00	
1721e PAYMENT ALLIANCE EFTTRANS	7/27/2024	\$1,016.58	
1722e KWIK TRIP INC.	7/27/2024	\$269.60	
1723e MN DEPT OF REVENUE	7/27/2024	\$9,641.00	
1724e CITIZENS ALLIANCE BANK	7/27/2024	\$95.36	Return deposit item
1725e U.S. POSTAL SERVICE	7/27/2024	\$447.85	
1726e MN DEPT OF REVENUE	7/30/2024	\$468.40	Supplemental Payroll 05-03-2024
1727e U.S. POSTAL SERVICE	8/5/2024	\$495.60	UTILITY BILLING JULY POSTAGE
1728e THE LINCOLN NATIONAL LIFE IN	8/5/2024	\$1,298.75	
1729e XCEL ENERGY	8/5/2024	\$8,105.79	
1730e INTERNAL REVENUE SERVICE	8/7/2024	\$9,637.66	
1731e MN DEPT OF REVENUE	8/7/2024	\$1,925.14	
1732e PERA	8/7/2024	\$8,262.40	
1733e LEAP-WEX	8/7/2024	\$1,135.08	
1734e CUSTOMERS	8/8/2024	\$239.95	
1735e HEARTLAND PYMT SERVICES	8/12/2024	\$3,490.32	June Bank Statement
1736e MN DEPT OF REVENUE	8/12/2024	\$0.00	Difference in 1694e and bank statement
1737e AETNA HEALTH	8/12/2024	\$12,503.78	
1738e PSN	8/12/2024	\$1,002.52	
1739e WEX HEALTH INC	8/12/2024	\$462.50	
1740e AUTHNET GATEWAY BILLING	8/12/2024	\$25.00	
1741e MN DEPT OF REVENUE	8/12/2024	\$12,370.00	May Sales Tax Return
1742e LS WEEKEND CASH	8/12/2024	\$1,150.00	
1743e U.S. POSTAL SERVICE	8/12/2024	\$454.74	
1744e XCEL ENERGY	8/12/2024	\$133.85	
1745e NCR SECURE PAY	8/12/2024	\$187.28	
1746e CITIZENS ALLIANCE BANK	8/12/2024	\$30.00	ACH Origination Batch Fee
27576 GOEPFERT, THOMAS	7/26/2024	\$650.93	
27577 DICKENS, CHRISTENA M	7/26/2024	\$138.52	
27578 DRUSCH, JACOB D	7/26/2024	\$204.96	
27579 MAGES, ALEX	7/26/2024	\$301.78	
27580 PETERSON, JEREMY	7/26/2024	\$23.09	
27581 ROKOLA, MARQUESE W	7/26/2024	\$104.35	
27582 STOLL, ERIC	7/26/2024	\$207.79	
27583 WIECH, KYLE	7/26/2024	\$138.52	
27584 HARTNECK, SEAN M.	7/26/2024	\$323.54	
27585 GOEPFERT, THOMAS	8/9/2024	\$542.83	
27586 DICKENS, CHRISTENA M	8/9/2024	\$226.70	
27587 DRUSCH, JACOB D	8/9/2024	\$138.52	
27588 MAGES, ALEX	8/9/2024	\$183.21	
27589 PETERSON, JEREMY	8/9/2024	\$115.44	
27590 ROKOLA, MARQUESE W	8/9/2024	\$949.19	
27591 STOLL, ERIC	8/9/2024	\$311.30	
27592 WIECH, KYLE	8/9/2024	\$161.46	
27593 CHAFFINS, GORDON	8/9/2024	\$282.14	

CITY OF HOWARD LAKE

08/15/24 2:07 PM

Page 2

***Check Summary Register©**

Checks 07/16/24-08/15/24

Name	Check Date	Check Amt	
27594	HARTNECK, BEAU P.	8/9/2024	\$350.57
62986	ASSURED SECURITY	7/19/2024	\$572.00 Install Security Door to bathroom Area
62987	BELLBOY CORPORATION	7/19/2024	\$1,455.92 Liquor
62988	BREAKTHRU BEVERAGE	7/19/2024	\$829.13 Beer
62989	CAPITOL BEVERAGE SALES	7/19/2024	\$1,160.92 Credit
62990	CINTAS	7/19/2024	\$81.14 Traffic Mat, Wellness Mat, Trash Can Lid
62991	COKATO TRANSPORTATION, IN	7/19/2024	\$90.00 Drug Collection - Drug Analysis
62992	DAHLHEIMER BEVERAGE GREE	7/19/2024	\$4,879.14 Beer
62993	DELANO RENTAL, INC	7/19/2024	\$203.66 Brush Mower Toro
62994	EMERGENCY AUTOMOTIVE	7/19/2024	\$26.45 Shipping and Handling
62995	HOWARD LAKE TIRE & AUTO	7/19/2024	\$382.04 Reference Number 1001733
62996	JOE'S SPORT SHOP	7/19/2024	\$1,050.39
62997	JOHNSON BROTHERS LIQUOR C	7/19/2024	\$727.17 Credit
62998	Knoll, Derek & Amanda	7/19/2024	\$800.00 Reimbursement for overpayment on wedding b
62999	MARCO	7/19/2024	\$435.99 Standard Payments and Freight Fee
63000	MEDIACOM LLC	7/19/2024	\$306.17 Individual Services
63001	MIDWEST MACHINERY CO	7/19/2024	\$322.98 Blade
63002	MN PUBLIC FACILITIES AUTHOR	7/19/2024	\$382,551.43 2009 PFA Sewer Revenue Note
63003	MN RURAL WATER ASSN	7/19/2024	\$817.00 Meters and Connections
63004	NCPERS GROUP LIFE INS	7/19/2024	\$48.00 July 2024
63005	PAUMEN COMPUTER SERVICES	7/19/2024	\$630.00 Scheduled Support
63006	PHILLIPS WINE & SPIRITS	7/19/2024	\$2,102.13 Liquor
63007	PREMIUM WATERS, INC	7/19/2024	\$48.97 Supples
63008	REEDS AND RUSHES	7/19/2024	\$783.66 June Gratuity
63009	Schmidt, Rene & Peter	7/19/2024	\$504.75 Reimbursement for overpayment on bar tab
63010	SOUTHERN GLAZER WINE & SPI	7/19/2024	\$6,270.28 Liquor
63011	THE HOME CITY ICE COMPANY	7/19/2024	\$588.28 Ice
63012	WRIGHT HENNEPIN ELECTRIC	7/19/2024	\$1,111.00 Electric
63013	XCEL ENERGY	7/19/2024	\$1,206.39 Electricity Service
63014	AMAZON CAPITAL SERVICES	7/26/2024	\$341.30 Supplies
63015	BREAKTHRU BEVERAGE	7/26/2024	\$458.87 Beer
63016	CAPITOL BEVERAGE SALES	7/26/2024	\$3,270.96 Liquor
63017	CENTERPOINT ENERGY	7/26/2024	\$296.24 Acct 8000016347-9
63018	CINTAS	7/26/2024	\$81.14 Mats, trash can lid
63019	CORE & MAIN	7/26/2024	\$629.10 Repair lids
63020	DAHLHEIMER BEVERAGE GREE	7/26/2024	\$3,085.35 Credit
63021	EARTHLINK INC	7/26/2024	\$18.26 Telephone
63022	HAWKINS, INC	7/26/2024	\$2,915.25 Chlorine Cylinder
63023	Steve Baer/In The Fields	7/26/2024	\$1,150.00 Deposit for GND 2025
63024	JOHNSON BROTHERS LIQUOR C	7/26/2024	\$2,391.01 Pop/Mixes
63025	MN VALLEY TESTING LAB, INC	7/26/2024	\$52.75 Testing Services
63026	SECURITY BANK & TRUST	7/26/2024	\$14,971.29 Interest Loan Number 407241
63027	VIKING COCA-COLA	7/26/2024	\$169.65 Pop/mixes
63028	H & S SEALCOATING INC	7/26/2024	\$16,310.00 BLOCK 18 PARKING LOT
63029	NINJA ANYWHERE	7/26/2024	\$990.00 GOOD NEIGHBOR DAYS 2025 NINJA EVENT
63030	INTERNAL REVENUE SERVICE	7/30/2024	\$2,409.70 Supplemental Payroll 05-03-2024
63031	BELLBOY CORPORATION	8/2/2024	\$1,106.26 Liquor
63032	BOBBING BOBBER BREWING C	8/2/2024	\$87.96 Beer
63033	BREAKTHRU BEVERAGE	8/2/2024	\$1,676.54 Credit
63034	CENTURYLINK	8/2/2024	\$635.99 Account Number 313493414
63035	CINTAS	8/2/2024	\$190.47 Traffic Mat - Wellness Mat - Trashh can lid - LS
63036	DAHLHEIMER BEVERAGE GREE	8/2/2024	\$4,934.54 Credit -
63037	DAKOTA SUPPLY GROUP	8/2/2024	\$4,922.76 KMSTR MN 2100 3/4" 32GPM RF
63038	JOHNSON BROTHERS LIQUOR C	8/2/2024	\$1,186.30 Liquor
63039	MYRA LAWAY	8/2/2024	\$45.61 Event Supplies and Store Flowers

CITY OF HOWARD LAKE

08/15/24 2:07 PM

Page 3

***Check Summary Register©**

Checks 07/16/24-08/15/24

Name	Check Date	Check Amt	
63040	MEDIACOM LLC	8/2/2024	\$166.90 Individual Services
63041	MUMFORD SANITATION	8/2/2024	\$12,006.95 COMPOST LEASE
63042	PHILLIPS WINE & SPIRITS	8/2/2024	\$3,912.41 Liquor
63043	SOUTHERN GLAZER WINE & SPI	8/2/2024	\$964.84 Liquor
63044	STREICHER'S	8/2/2024	\$379.96 Credit - Earpiece: 360 Flexo, 3.5mm, 12in
63045	THE HOME CITY ICE COMPANY	8/2/2024	\$311.95 Ice
63046	VERIZON	8/2/2024	\$120.03
63047	VISA	8/2/2024	\$185.70
63048	WASTEWATER COMMISSION	8/2/2024	\$100,861.24 Sonstegard Discharge Fee - June 2024
63049	WSB	8/2/2024	\$3,245.25 Public Planning Project
63050	AMAZON CAPITAL SERVICES	8/8/2024	\$125.36 Coffee
63051	BOLTON & MENK, INC	8/8/2024	\$24,413.00 Professional Services May 25 - June 21
63052	ALICIA BOLTZ	8/8/2024	\$17.50 Swim Lesson Reimbursement
63053	CENTERPOINT ENERGY	8/8/2024	\$230.69 Acct #8266449-1
63054	CINTAS	8/8/2024	\$81.14 Traffic Mat - Wellness Mat - Trash Can Lid
63055	DAHLHEIMER BEVERAGE GREE	8/8/2024	\$10,442.12 Beer
63056	DAVID DROWN ASSOCIATES	8/8/2024	\$6,000.00 TIF Reporting Fee - 10 Districts
63057	ENCOURAGE COUNSELING	8/8/2024	\$5,000.00 Storefront Grant
63058	GOPHER STATE ONE-CALL, INC	8/8/2024	\$107.45 Fax Tickets
63059	HERALD JOURNAL PUBLISHING	8/8/2024	\$2,263.01 Public Accuracy Test - Filing Notice - Primary
63060	IUOE LOCAL 49 FRINGE BENEFI	8/8/2024	\$48.00 Weekly Dues - July
63061	JOE'S SPORT SHOP	8/8/2024	\$1,359.33
63062	KLEIN UNDERGROUND, LLC	8/8/2024	\$5,000.00 Invoice Number 58356
63063	KWIK TRIP INC.	8/8/2024	\$273.39 July Statement
63064	LEAGUE OF MN CITIES INS TRU	8/8/2024	\$16,203.00 Workers Comp
63065	MARCO TECHNOLOGIES LLC	8/8/2024	\$579.40 Calling Charges
63066	METRO WEST INSPECTION SER	8/8/2024	\$7,990.53 Finalized Permits July 2024
63067	MIDWEST MACHINERY CO	8/8/2024	\$284.78 Parts Sale
63068	NIX, ALVIN & ANDREA	8/8/2024	\$151.11 Overpayment on Utility Bill Reimbursement
63069	PLUNKETT'S PEST CONTROL	8/8/2024	\$220.12 Fire Barn - General Pest Control
63070	SJE INVESTMENTS LLC	8/8/2024	\$5,000.00 Storefront Grant
63071	STREICHER'S	8/8/2024	\$51.96 Open Ear Insert
63072	TIMMYS PUB CLUB, LLC	8/8/2024	\$80.00 Tap/Coupler/Line Cleaning - Jockey Box Rental
63073	T-MOBILE	8/8/2024	\$342.38
63074	USA BLUEBOOK	8/8/2024	\$719.66 Chlorine - Fluoride - Anhydrous
63075	VIA ACTUARIAL SERVICES	8/8/2024	\$2,600.00 July Services
63076	VIKING COCA-COLA	8/8/2024	\$330.50 Mixes
63077	WINSTED FARMERS COOP	8/8/2024	\$351.84 Oil/Gas
63078	XCEL ENERGY	8/8/2024	\$1,135.76 Disconnection Notice
63079	ABDO FINANCIAL SOLUTIONS	8/14/2024	\$9,479.17 August Services for 2024 Calendar Year
63080	AMAZON CAPITAL SERVICES	8/14/2024	\$298.31 Heavy Duty Trash Bags
63081	AUTOMATIC SYSTEMS CO	8/14/2024	\$3,417.75 Faulted PLC at Fairgrounds elevated tank - Mic
63082	BELLBOY CORPORATION	8/14/2024	\$3,393.05 Wine
63083	BIRCHDALE FIRE & SECURITY, L	8/14/2024	\$310.29 733 6th Street Monitoring Services and Tech S
63084	BREAKTHRU BEVERAGE	8/14/2024	\$888.29 Liquor
63085	CAPITOL BEVERAGE SALES	8/14/2024	\$7,658.52 Beer Credit
63086	CINTAS	8/14/2024	\$81.14 Traffic Mat - Wellness Mat - Trash Can Lid
63087	DAHLHEIMER BEVERAGE GREE	8/14/2024	\$4,455.98 Beer
63088	FAMILY COUNSELING CENTER	8/14/2024	\$500.00 Pre-employment Evaluations
63089	FASTENAL	8/14/2024	\$37.71 Parts
63090	FINKEN WATER CENTERS	8/14/2024	\$75.65 Water Drinking - Bottle Deposit - Fuel Surcharge
63091	FORSMAN PROPERTIES, LLC	8/14/2024	\$109,192.03 Forsman Farms - 1st Half Payment 2024
63092	GB LAND LLC .	8/14/2024	\$14,570.19 Terning Trails 2 - 1st Half Payment 2024
63093	HAWKINS, INC	8/14/2024	\$3,678.22 Freight Charge - Fuel Surcharge - Tank 165 G
63094	INTL UNION OF OPERATING EN	8/14/2024	\$105.00 Monthly Dues - August 2024

CITY OF HOWARD LAKE

08/15/24 2:07 PM

Page 4

***Check Summary Register©**

Checks 07/16/24-08/15/24

	Name	Check Date	Check Amt	
63095	JOHNSON BROTHERS LIQUOR C	8/14/2024	\$1,626.44	Credit
63096	MEDIACOM LLC	8/14/2024	\$11.27	Individual Services
63097	PHILLIPS WINE & SPIRITS	8/14/2024	\$1,216.07	Liquor
63098	PREMIUM WATERS- WILLMAR	8/14/2024	\$58.47	Supplies - Service Charge
63099	STREICHER'S	8/14/2024	\$805.85	Trousers Cargo
63100	THE HOME CITY ICE COMPANY	8/14/2024	\$360.25	Ice
63101	THE LODGE OF HOWARD LAKE,	8/14/2024	\$10,184.71	The Lodge of Howard Lake - 1st Half Payment
63102	XCEL ENERGY	8/14/2024	\$9,984.41	Electricity Service
503496e	Bass-Haiven, Amanda	7/26/2024	\$86.58	
503497e	HAGGENMILLER, NICHOLAS A	7/26/2024	\$4,160.15	
503498e	MERGES, JARED M	7/26/2024	\$2,151.28	
503499e	REMER, TANYA M	7/26/2024	\$1,643.30	
503500e	THEISEN, MEAGAN	7/26/2024	\$2,267.71	
503501e	ZANDER, SHARI	7/26/2024	\$457.82	
503502e	DEITER, CHASE	7/26/2024	\$739.70	
503503e	OTTENSTROER, JAMES D	7/26/2024	\$1,993.06	
503504e	PRESTIDGE, CLAYTON P	7/26/2024	\$1,592.98	
503505e	BOBROWSKE, KEITH	7/26/2024	\$92.35	
503506e	BRAVINDER, SETH Z	7/26/2024	\$23.09	
503507e	DRUSCH, ZACHARY R.	7/26/2024	\$570.83	
503508e	KITTOCK, BRIAN	7/26/2024	\$161.46	
503509e	KITTOCK, NICOLE D	7/26/2024	\$118.77	
503510e	LOEBERTMANN, AMANDA G	7/26/2024	\$184.70	
503511e	LOEBERTMANN, CRAIG	7/26/2024	\$69.26	
503512e	PETERSON, DAVID T	7/26/2024	\$46.17	
503513e	BORRELL, JENNIFER M	7/26/2024	\$75.93	
503514e	BORRELL, JOSHUA K	7/26/2024	\$75.93	
503515e	DAHL, LORI	7/26/2024	\$399.49	
503516e	HORSTMANN, REBECCA A	7/26/2024	\$91.74	
503517e	LAWAY, MYRA	7/26/2024	\$2,130.11	
503518e	MCALPINE, DEBRA-ANN	7/26/2024	\$1,356.31	
503519e	MILLER, EDWARD M	7/26/2024	\$297.52	
503520e	SOTHAN, LAURIN B	7/26/2024	\$547.19	
503521e	VIRNALA, TASIA, R	7/26/2024	\$354.81	
503522e	JOHNSON, JACOB D	7/26/2024	\$2,091.13	
503523e	PREUSSE, MITCHELL D	7/26/2024	\$338.76	
503524e	SZCZEPANIK, DARIUSZ J	7/26/2024	\$2,403.75	
503525e	THOMPSON, DAVID G	7/26/2024	\$2,700.83	
503526e	THOMPSON, KYLE	7/26/2024	\$283.92	
503527e	HAGGENMILLER, NICHOLAS A	8/9/2024	\$4,160.15	
503528e	MERGES, JARED M	8/9/2024	\$2,168.96	
503529e	REMER, TANYA M	8/9/2024	\$1,673.43	
503530e	THEISEN, MEAGAN	8/9/2024	\$2,235.94	
503531e	ZANDER, SHARI	8/9/2024	\$900.31	
503532e	DEITER, CHASE	8/9/2024	\$312.40	
503533e	OTTENSTROER, JAMES D	8/9/2024	\$1,887.10	
503534e	PRESTIDGE, CLAYTON P	8/9/2024	\$1,654.44	
503535e	BOBROWSKE, KEITH	8/9/2024	\$69.26	
503536e	BRAVINDER, SETH Z	8/9/2024	\$46.17	
503537e	DRUSCH, ZACHARY R.	8/9/2024	\$627.08	
503538e	KITTOCK, BRIAN	8/9/2024	\$92.35	
503539e	KITTOCK, NICOLE D	8/9/2024	\$269.01	
503540e	LOEBERTMANN, AMANDA G	8/9/2024	\$253.96	
503541e	LOEBERTMANN, CRAIG	8/9/2024	\$46.17	
503542e	PETERSON, DAVID T	8/9/2024	\$138.52	

CITY OF HOWARD LAKE

08/15/24 2:07 PM

Page 5

***Check Summary Register©**

Checks 07/16/24-08/15/24

	Name	Check Date	Check Amt
503543e	STUEVEN, MARK J	8/9/2024	\$46.17
503544e	DAHL, LORI	8/9/2024	\$238.62
503545e	HORSTMANN, REBECCA A	8/9/2024	\$354.74
503546e	KOOSMAN, BRADLY S	8/9/2024	\$414.46
503547e	KOOSMAN, HOPE A	8/9/2024	\$414.46
503548e	LAWAY, MYRA	8/9/2024	\$2,130.11
503549e	MAGES, LAURA A	8/9/2024	\$220.25
503550e	MCALPINE, DEBRA-ANN	8/9/2024	\$1,542.08
503551e	MILLER, EDWARD M	8/9/2024	\$139.74
503552e	SOTHAN, LAURIN B	8/9/2024	\$395.45
503553e	VIRNALA, TASIA, R	8/9/2024	\$375.67
503554e	JOHNSON, JACOB D	8/9/2024	\$2,091.13
503555e	PREUSSE, MITCHELL D	8/9/2024	\$1,374.72
503556e	SZCZEPANIK, DARIUSZ J	8/9/2024	\$2,403.75
503557e	THOMPSON, DAVID G	8/9/2024	\$2,700.83
503558e	THOMPSON, KYLE	8/9/2024	\$392.59
Total Checks			\$1,056,925.58

FILTER: [Check Date] between #07/16/24# and #08/15/24# and [Check Nbr]>0 and [Cash Act]='1010'

CITY OF HOWARD LAKE

08/15/24 2:03 PM

Page 1

***Check Summary Register©**

JULY 2024

	Name	Check Date	Check Amt	
1012	CAB - AMBULANCE			
6101	AVOCATION SOFTWARE	7/12/2024	\$250.00	Annual Support Fee
6102	CITY OF HOWARD LAKE	7/12/2024	\$2,788.00	
6103	JOE'S SPORT SHOP	7/12/2024	\$463.80	Oil/Gas
6104	KEAVENY PHARMACY	7/12/2024	\$1,174.06	Medical Supplies
6105	T-MOBILE	7/12/2024	\$47.28	Ambulance Phone and Tablet
6106	Wadzink, Lynn	7/12/2024	\$295.00	Refund For Overpayment
6107	ZOLL MEDICAL CORPORATION	7/12/2024	\$383.89	Cable, V Lead ECG, AAMI, PROPAQ MD
	Total Checks		\$5,402.03	

FILTER: ((([Act Year]='2024' and [period] in (7))) and ((true)) and [Cash Act]='1012')



HOWARD LAKE CITY COUNCIL MEETING

August 19, 2024

AGENDA ITEM: Consider Accepting Various Personnel Appointments

SECTION: Consent

FROM: Meagan Theisen, Assistant City Administrator

BACKGROUND: Per statute, the City Administrator appoints and the City Council confirms employment classification as part of the official record. The following individuals are submitted for approval:

Hired – Justin Hall | HLPD

Hired – Lori Dahl | Sales Clerk, Howard Lake Wine & Spirits

Resigned – Hunter Williams | HLPD

DECISION MAKING METRICS:

FINANCIAL: This position is budgeted as part of the 2024 General Fund Budget.

LEGAL: All personnel appointments are contingent upon successful background check.

STRATEGIC PLAN: Deliver High Quality, Reliable Infrastructure and Public Services

COUNCIL ACTION REQUESTED: Approve appointments as presented.

ATTACHMENTS: N/A



HOWARD LAKE CITY COUNCIL MEETING

August 19, 2024

AGENDA ITEM: Consider Resolution Approving Street Reconstruction Plan.

SECTION: **New Business**

FROM: City Administrator, Nick Haggenmiller
Municipal Advisor, Shannon Sweeney

BACKGROUND: The City is advancing forward with a comprehensive street reconstruction project. Doing so requires various financing mechanisms to be used which also requires different compliance measures of the City. In this specific case, the Street Reconstruction Authority is used, but requires the City to adopt a Street Reconstruction Plan. This plan is subject to a reverse referendum.

Shannon Sweeney's memo further and better details the background, need and steps forward.

DECISION MAKING METRICS:

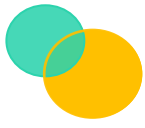
FINANCIAL: The plan itself does not have a material expense. The proposed reconstruction projects total \$12.3 Million with approvals anticipated in September.

LEGAL: This action is brought forward by our Financial Advisor. The bonds themselves will be handled by Attorney Mary Ipple.

COUNCIL ACTION REQUESTED: Adopt resolution approving street reconstruction plan.

ATTACHMENTS:

1. Memo/Sweeney
2. Resolution
3. Street Reconstruction Plan



DDA

David Drown Associates, Inc.
Public Finance Advisors

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

August 14, 2024

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

RE: Street Reconstruction Financing – Street Reconstruction Plan

Honorable Mayor, Council Members, and Administrator Haggenmiller:

The City is in the process of implementing various street and utility reconstruction activities that will be funded by a variety of sources including a USDA-RD loan. A USDA-RD Loan is required to comply with state statutes in the same manner as if the City issued bonds to fund the project. For the purpose of funding street costs without the use of special assessments, we generally look to Street Reconstruction Authority granted under M.S. 475.58 Subd. 3b.

Prior to awarding a construction contract and issuing street reconstruction bonds, Minnesota Statutes require the adoption of a street reconstruction plan following a public hearing on this matter. The Street Reconstruction Plan must include estimates for projects to be funded with General Obligation Street Reconstruction Bonds for a five-year period. The plan must be approved by a two-thirds majority of the City Council members present when the plan is adopted. The bonds are subject to referendum voter approval only if a petition requesting a vote signed by five percent of the votes cast in the last municipal general election is filed with the City Clerk within 30 days of the public hearing (reverse referendum).

If a petition is not received within 30 days of the public hearing, the City Council can initiate the process to issue bonds to finance street reconstruction activities. Please note that statute is specific in indicating that these bonds can only be issued for reconstruction of existing improvements (including necessary safety improvements) and they do not allow for enhancements such as new curb and gutter where it did not previously exist. We will likely be relying on tax abatement authority for any enhancements that need to be funded through the USDA-RD loan.

Street reconstruction bonds are also subject to the statutory debt limit which is 3% of the estimated market value of taxable property in the municipality. The City has approximately \$3,081,441 in remaining capacity under the statutory debt limit, and the proposed Street Reconstruction Plan would use \$2,260,000 of that capacity. Bonds issued for utility projects do not count toward the debt limit.

The 5-year Street Reconstruction Plan as required by statute provides for the implementation of approximately \$2,260,000 in projects that would be funded by General Obligation Street Reconstruction Bonds (including USDA-RD Loans). While the adoption of the plan does not obligate the City to issue bonds it does provide the authority for funding street reconstruction activities up to the amount identified within the plan as an alternative to the implementation of special assessments.

As the reverse referendum period has to expire before the Council is able to award a construction contract, it is our intent to satisfy that requirement so that when bids are received for the USDA-RD Phase 1 Project, the Council is able to make an award soon thereafter if determined to be appropriate.

Enclosed for City Council consideration is a draft street reconstruction plan and a resolution providing for its adoption which also provides preliminary approval for the issuance of bonds associated with the implementation of the plan. Please feel free to contact me if I can be of any assistance in answering questions regarding the information provided.

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,

A handwritten signature in cursive script, reading "Shannon Sweeney". The ink is a light grey or blue color. The signature is fluid and connected, with a large initial 'S'.

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: August 16, 2024

Pursuant to due call, a regular meeting of the City Council of the City of Howard Lake, Wright County, Minnesota, was duly held at the City Hall on August 19, 2024, at 7:00 P.M., for the purpose, in part, of adopting a street reconstruction plan and authorizing issuance of street reconstruction bonds.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 24-09

RESOLUTION ADOPTING A STREET RECONSTRUCTION PLAN AND APPROVING THE ISSUANCE
OF GENERAL OBLIGATION STREET RECONSTRUCTION BONDS

WHEREAS, the City of Howard Lake, Minnesota (the "City"), has determined that it is in the best interest of the City to authorize the issuance and sale of general obligation street reconstruction bonds pursuant to Minnesota Statutes, Section 475.58, subdivision 3b, as amended (the "Act"), to finance the cost of street reconstruction projects, as described in the proposed street reconstruction plan described below, a copy of which is on file in the City Administrator's office; and

WHEREAS, pursuant to the Act, the City is authorized to issue and sell general obligation street reconstruction bonds for street reconstruction under the circumstances and within the limitations set forth in the Act. The Act provides that street reconstruction may be financed with general obligation street reconstruction bonds following a public hearing on the adoption of a street reconstruction plan and the issuance of general obligation street reconstruction bonds, and other proceedings conducted in accordance with the requirements of the Act; and

WHEREAS, pursuant to the Act, the City has prepared a five-year street reconstruction plan, which describes the streets to be reconstructed, the estimated costs and any planned reconstruction of other streets in the City, including the issuance of general obligation street reconstruction bonds under the Act (the "Plan"), to determine the funding strategy for street reconstruction projects; and

WHEREAS, on August 16, 2024, the City Council held a public hearing on the adoption of the Plan and the issuance of not to exceed approximately \$2,260,000 in general obligation street reconstruction bonds (the "Bonds") under the Plan for street reconstruction improvements to those streets described in the Plan (the "Street Reconstruction Project") after publication of the notice of public hearing not less than 10 days nor more than 28 days prior to the date thereof in the City's official newspapers; and

WHEREAS, all parties were given an opportunity to express their views with respect to the proposal to adopt the Plan and to undertake and finance the Street Reconstruction Project by the issuance of Bonds and any written comments submitted prior to the public hearing were considered.

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

1. City Policies and Goals. The financing of the Street Reconstruction Project and the issuance and sale of the Bonds would further the policies and goals of the City as set forth in the Plan, herein adopted by the City Council in connection with the issuance of the Bonds.

2. Adoption of Street Reconstruction Plan. Based on information received at the public hearing, such written comments (if any) and such other facts and circumstances as the City Council deems relevant, it is hereby found, determined and declared that:

- (a) the Street Reconstruction Project proposed in the Plan will allow the City to upgrade its transportation infrastructure to accommodate existing residential and commercial development; and
- (b) the Plan is hereby approved and adopted in the form presently on file with the City.

3. Authorization and Approval of Bonds. Subject to the contingency described in Paragraph 5 hereof, the City is hereby authorized to issue the Bonds, the proceeds of which will be used, together with any additional funds of the City which might be required, to finance certain costs of street reconstruction projects and to pay costs of issuance of the Bonds as provided for in the 2024-2028 Street Reconstruction Plan.

4. Execution of Documents. The Mayor and City Administrator are authorized and directed to execute such other documents and instruments as may be required to give effect to the transactions herein contemplated.

5. Voter Referendum Contingency. Pursuant to the Act, a petition requesting a vote on the question of issuing the Bonds, signed by voters equal to five percent of the votes cast in the last municipal general election, may be filed within thirty days of the public hearing. Upon receipt of such petition within the prescribed time period, the City may issue the Bonds only after obtaining the approval of a majority of the voters voting on the question of the issuance of the Bonds. The authorizations and approvals contained herein are subject to and contingent upon not receiving such a petition, or, in the event such a petition is filed, the approving vote of a majority of the voters voting on the question of the issuance of the Bonds.

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 Clerk 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 adopting a street reconstruction plan and the issuance of general obligation street reconstruction bonds.

WITNESS my hand on August 19, 2024.

City Clerk

DRAFT

City of Howard Lake, Minnesota Street Reconstruction Plan 2024 – 2028

Proposed for Adoption: August 19, 2024



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

City of Howard Lake, MN Street Reconstruction Plan 2024 – 2028

Statutory Authority and Requirements

Minnesota Statutes, Section 475.58, Subd. 3b. (the “Act”), authorizes a Minnesota city to adopt a Street Reconstruction Plan (a “Plan”). The Plan must cover a five-year period and set forth the street reconstruction projects proposed to be financed, the estimated costs, and any planned reconstruction of other streets in the municipality over the next five years. The Plan must be approved by a two-thirds majority of members of the City Council present at the meeting after a public hearing.

Street reconstruction includes utility replacement and relocation and other activities incidental to the street reconstruction including turn lanes and other improvements having a substantial public safety function. Realignments and other modifications to intersect with state and county roads and the local share of state and county road projects are also eligible costs.

Except in the case of turn lanes, safety improvements, realignments, intersection modifications, and the local share of state and county road projects, street reconstruction does not include the portion of the project cost allocable to widening a street or adding curbs and gutters where none previously existed. A city may issue general obligation bonds for improvements included in an approved Plan if the following conditions are satisfied:

1. The Plan has been approved following a public hearing for which notice has been published at least ten days, but not more than 28 days prior to the hearing.
2. The issuance of obligations to finance the Plan or any portion thereof has been approved following the public hearing described above.
3. The Plan and the issuance of obligations to finance the Plan or any portion thereof must be approved by a vote of a two-thirds majority of the members of the governing body present at meeting(s) following the public hearing.
4. The approved obligations are subject to referendum voter approval only if a petition requesting a vote and signed by five percent of the votes cast in the last municipal general election is filed with the City Clerk within 30 days of the hearing on the Plan.

This Plan provides for the issuance of general obligation street reconstruction bonds in an aggregate principal amount not to exceed \$2,260,000 (the “Bonds”) for street reconstruction projects contemplated in the years 2024 through 2028 as described below.

History and Existing Street Reconstruction Bonds

The City of Howard Lake (“City”) has not previously adopted a Street Reconstruction Plan and has no street reconstruction bonds outstanding.

Net Debt Limits

Minnesota Statutes, Section 475.53, Subd. 1, states that no municipality, except a school district or a city of the first class, shall incur or be subject to a net debt in excess of three percent of the market value of taxable property in the municipality. Bonds issued under the authority granted in this Plan are also subject to the net debt limit restriction described above. The City currently has the following net debt capacity:

Payable 2024 Taxable Market Value

2024 Taxable Market Value	265,740,400
times 3%	.03
Max Net Debt Limit	7,972,212
Less Outstanding Debt that Applies	4,890,771
Available Debt Capacity*	\$3,081,441

*Available debt capacity is a calculation of obligations subject to the net debt limit including a 2024 USDA-RD loan that is in the process of closing.

The City proposes to issue the Bonds pursuant to this Plan in the years 2024 through 2028. The proposed bond issuance is within the City's net debt limit.

Proposed Capital Improvements & Cost Estimates

The City has identified deficiencies in some of its local streets and utilities and has applied for federal funding through the United States Department of Agriculture – Rural Development. Additionally, the State of Minnesota (MNDOT) is proposing to reconstruct Trunk Highway 12 through the City, of which the City of Howard Lake will be required to pay a portion of the project costs. Estimated costs for the projects including that portion to be funded with street reconstruction bonds is provided in the table below.

The City will issue additional bonds (USDA-RD Loans) under separate authority for a portion of the street reconstruction and utility reconstruction costs that are incurred as a part of the 2024 project. A map of the streets to be reconstructed as a part of the USDA Phase 1 Infrastructure Project (2024 project) is attached.

City of Howard Lake, Minnesota - 5 Year Street Reconstruction Plan by Funding Source

Year:	Project Area:	Street Reconstruction Bonds	Cash Reserves	Utility Revenue & Abatement Bonds	Total:
2024	USDA Phase 1 Infrastructure Project (see map)	1,400,000	-0-	10,023,746	11,423,746
2025	Trunk Highway 7 Project	860,000	-0-	-0-	860,000
2026	No planned street reconstruction				
2027	No planned street reconstruction				
2028	No planned street reconstruction				
	Total by Funding Source:	2,260,000	-0-	10,023,746	12,283,746

The City of Howard Lake reserves the right to adjust the amounts listed above and the years of project implementation/completion as needed with the limitation that the City will not issue more than \$2,260,000 in General Obligation Street Reconstruction Bonds during the 5-year period covered by this Plan. The City of Howard Lake may issue bonds under other authorities granted to the City under Minnesota Statutes for projects not contemplated by this Plan.





United States Department of Agriculture

February 22, 2024

City of Howard Lake
625 8th Avenue
Howard Lake, MN 56201

SUBJECT: Letter of Conditions
Recipient Name: City of Howard Lake
Project Name: CF Street Improvements
CFDA NUMBER – 10.760
CF Loan: \$3,150,000

Dear Mayor and City Council:

This letter, with attachments, establishes conditions that must be understood and agreed to by the applicant before further consideration may be given to the application for Federal Assistance. The State and Area Office staff of USDA Rural Development (RD) will administer the loan funds for this project on behalf of the Rural Housing Service. All parties may access information and regulations referenced in this letter at our website located at:

<https://www.rd.usda.gov/programs-services/community-facilities>. Any changes in project cost, source of funds, scope of services, or any other significant change (this includes significant changes in the Borrower's financial condition, operation, organizational structure or executive leadership) in the project or applicant must be reported to and approved by USDA Rural Development by written amendment to this letter. **Any changes not approved by USDA Rural Development will be cause for discontinuing processing of the application.** If you do not meet the conditions of this letter, the Agency reserves the right to withdraw Agency funding.

This letter is not to be considered as loan approval or as representation to the availability of funds. The application can be processed on the basis of a USDA Rural Development loan not to exceed \$3,150,000. Funds for this project are provided by the Rural Housing Service (RHS).

Please complete and return the attached Form RD 1942-46, "Letter of Intent to Meet Conditions," and Form RD 1940-1, "Request for Obligation of Funds," within the next seven (7) days, if you desire that we give further consideration to your application. The execution of these and all other documents required by USDA Rural Development must be authorized by appropriate resolutions of the applicant's governing body.

The loan will be considered approved on the date Form RD 1940-1, "Request for Obligation of Funds," is mailed by USDA Rural Development. This is also the date that the interest rate is established. If the interest rate is lower at the time of loan closing, you must make a request in writing to receive the lower rate in effect.

Rural Development • Saint Paul State Office
375 Jackson St., Suite 410 • St. Paul, MN 55101
Voice (651)602-7800

USDA is an equal opportunity provider, employer, and lender.

The loan will be repayable over a period not to exceed 20 years from the date of loan closing at the market interest rate. The first interest installment will be due no later than one full year from the date of loan closing. The loan repayment will be made in amortized annual installments.

Project Budget—Based on Standard Form 424, “Application for Federal Assistance,” the project cost and funding will be as follows:

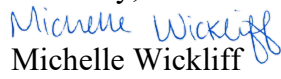
a. <u>Project Cost</u>	<u>USDA Loan</u>
Construction	\$2,030,000
Administrative	223,435
Engineering	628,348
Interest	63,404
Contingencies	204,813
TOTAL:	\$3,150,000
b. <u>Source of Funds</u>	
USDA Loan	\$ 3,150,000

Any changes in funding sources following obligation of Agency funds must be reported to the processing official. Project feasibility and funding will be reassessed if there is a significant change in project costs after bids are received. If actual project costs exceed the project cost estimates, an additional contribution by the borrower may be necessary.

The applicant will ensure projects are completed in a timely, efficient, and economical manner. Section I of the attached conditions must be satisfied prior to interim loan closing or before construction begins, whichever occurs first, in either case not later than one (1) year from the date of this letter. **In the event the project has not advanced to the point of construction within one (1) year, USDA Rural Development reserves the right to discontinue the processing of the application.**

If you have any questions, feel free to contact this office.

Sincerely,



Michelle Wickliff
Area Specialist

cc: Community Programs Director, USDA Rural Development,
Bond Counsel
Architect
Attorney
Accountant
Interim Lender

ATTACHMENT TO LETTER OF CONDITIONS

SECTION I. CONDITIONS TO BE SATISFIED PRIOR TO LOAN CLOSING OR BEFORE CONSTRUCTION BEGINS, WHICHEVER OCCURS FIRST

1. Disbursement of Funds

- a. Interim loan financing during construction will be required in accordance with 7 CFR 1942.17 (n)(3) for all construction loans over \$50,000. The applicant must provide Rural Development a copy of the proposed interim financing package prior to execution.
- b. The applicant's contribution of funds toward the project cost shall be considered the first funds expended and must be deposited in its project account before construction is started. Please provide Rural Development evidencing applicant's contribution.
- c. Agency funds will not be used to pre-finance funds committed to the project from other sources.
- d. The Debt Collection Improvement Act (DCIA) of 1996 requires that all Federal payments be made by Electronic Funds Transfer/Automated Clearing House (EFT/ACH). Borrowers receiving payments by EFT will have funds directly deposited to a specified account at a financial institution with funds being available to the recipient on the date of payment. The borrower should complete Form SF-3881, Electronic Funds Transfer Payment Enrollment Form, for each account where funds will be electronically received. The completed form(s) must be received by Rural Development at least forty-five (45) days prior to the first advance of funds. Failure to do so could delay loan closing.

2. Security Requirements

(Public Body Applicants select from paragraphs a, b, c, d & o)

- a. At loan closing the applicant will execute the attached Form RD 1942-47, "Loan Resolution (Public Bodies)". Please note the refinancing provision in paragraph 2. Also, on page 3 there is a certification to be executed at loan closing.
- c. The applicant is a legally organized municipality under Sections of the applicable State Government and will evidence the loan with a General obligation bond. The bond will be fully registered as to both principal and interest in the name of the United States of America, Rural Development. The General Obligation bond must be prepared in accordance with 7 CFR 1942, Subpart A, and State law. The assistance and opinion of a recognized bond counsel must be obtained.

The bond and any ordinance or resolution relating thereto must not contain any provision in conflict with the Agency Loan Resolution, applicable regulations, or its

- authorizing law. In particular, there must be no defeasance or refinancing clause in conflict with the graduation requirements of 7 U.S.C. 1983.
- d. At loan closing, the applicant will execute the attached Form RD 1942-9 “Loan Resolution (Security Agreement)”. Please review the refinancing provision on page 4, section 7. Also note the certification on the bottom of page 4, which is to be executed at the time of loan closing.
 - e. The applicant and the applicant’s financial institution(s) will execute the USDA RHS Community Facility Program, Deposit Account Control Agreement. This is required on all account(s) the applicant has which the Agency will be taking a security interest in, including but not limited to, all primary accounts where the facilities operating, and non-operating revenues are deposited and any accounts holding the debt service reserve(s) for the Agency loan(s). Please note the Termination of Agreement provision, item number 8.
3. **Applicant Certifications**—As applicable: The applicant will certify that all parcel holders who benefit from the project will be assessed in accordance with State law to repay the USDA loan. The proposed assessment roll must be approved by the USDA Rural Development prior to adoption by the County.
 4. **Insurance and Bonding Requirements**—The applicant must provide evidence of adequate insurance and fidelity bond coverage by loan closing or start of construction, whichever occurs first. Adequate coverage, in accordance with USDA Rural Development’s regulations, must then be maintained for the life of the loan and evidence must be submitted to Rural Development annually. Evidence that coverage is being maintained must be provided annually thereafter. It is the responsibility of the applicant and not that of USDA Rural Development to assure that adequate insurance and fidelity bond coverage is maintained. Applicants are encouraged to review coverage amounts and deductible provisions with their attorney, consulting engineer, and/or insurance provider(s).
 - a. **Property Insurance**—Fire and extended coverage will be required on all above-ground structures, including applicant-owned equipment and machinery housed therein. Provide USDA Rural Development with proof of coverage and attach Lender’s Loss Payable Endorsement (438 BFU or equivalent) naming the UNITED STATES OF AMERICA as lender.
 - b. **Corporate Liability Insurance** - The Applicant will provide public liability, and property damage insurance in an amount to adequately protect the applicant from civil action arising from the function of the applicant relative to the project.
 - c. **Workers’ Compensation Insurance**—The applicant will be required to carry workers’ compensation insurance for all employees in accordance with the State law. Provide USDA Rural Development with proof of coverage.

- d. General liability and vehicular coverage must be maintained—Provide USDA Rural Development with proof of coverage.
 - e. Fidelity Bond—Persons who have access to the funds and custody to any property will be covered by a fidelity bond or an adequate crime policy that protects the applicant from an employee crime. Coverage may be provided either for all individual positions or persons, or through “blanket” coverage providing protection for all appropriate employees and/or officials. The amount of coverage required by USDA Rural Development will be sufficient to cover the total annual debt and reserve service requirements for the loan. The United States of America will be named as co-obligee on the bond. A certified power-of-attorney with effective date will be attached to each bond. Provide USDA Rural Development with a copy of the bond and the power of attorney.
5. **Civil Rights & Equal Opportunity**— The borrower has received an award of Federal funding and is required to comply with U.S. statutory and public policy requirements, including but not limited to:
- a. **Section 504 of the Rehabilitation Act of 1973** – Under Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Agency financial assistance. The Standard for compliance is the Architectural Barriers Act Accessibility Standards (ABAAS).
 - b. **Civil Rights Act of 1964** – All recipients are subject to, and facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and 7 CFR 1901, Subpart E, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by Paragraph 1901.202(e) of this Title.
 - c. **The Americans with Disabilities Act (ADA) of 1990** – This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications.
 - d. **Age Discrimination Act of 1975** – This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.
 - e. **Limited English Proficiency (LEP) under Executive Order 13166** - LEP statutes and authorities prohibit exclusion from participation in, denial of benefits of, and discrimination under Federally assisted and/or conducted programs on the ground of race, color, or national origin. Title VI of the Civil Rights Act of 1964 covers program access for LEP persons. LEP persons are individuals who do not speak English as

their primary language and who have a limited ability to read, speak, write, or understand English. These individuals may be entitled to language assistance, free of charge. The recipient must take reasonable steps to ensure that LEP persons receive the language assistance necessary to have meaningful access to USDA programs, services, and information the recipient provides. These protections are pursuant to Executive Order 13166 entitled, “Improving Access to Services by Persons with Limited English Proficiency” and further affirmed in the USDA Departmental Regulation 4330-005, “Prohibition Against National Origin Discrimination Affecting Persons with Limited English Proficiency in Programs and Activities Conducted by USDA.”

- f. **Controlled Substances Act** - Even though state law may allow some activities, as a recipient of Federal funding, you are subject to the Controlled Substances Act. Specific questions about the Controlled Substances Act should be directed to the Servicing Official who will contact the Office of General Counsel, as appropriate.

Agency financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap. The recipient must display posters (provided by the Agency) informing users of these requirements, and the Agency will monitor the recipient’s compliance with these requirements during regular compliance reviews.

As a recipient of Rural Development funding, you are required to post a copy of the Non-Discrimination Statement listed below in your office and include in full, on all materials produced for public information, public education, and public distribution both print and non-print.

Non-Discrimination Statement

“This institution is an equal opportunity provider and employer.”

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at <https://www.ocio.usda.gov/document/ad-3027>, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

If the material is too small to permit the full statement to be included, the material at a minimum includes the statement in print size no smaller than the text that “This institution is an equal opportunity provider and employer.”

6. **Written Agreements for Professional Services**

- a. The bond counsel services agreement submitted by Bond Counsel is satisfactory to USDA Rural Development.
- b. The legal service agreement submitted by Legal Representative is satisfactory to USDA Rural Development.

- c. An Agreement for Engineering Services with Engineer will have to be approved by USDA Rural Development.
9. **Land and Rights-of-Way**—The applicant must present satisfactory evidence that they have obtained, or can obtain, any and all lands, rights-of-way, easements, permits and franchises which are required by the architectural/engineering plan. Acquisitions of necessary land and rights must be accomplished in accordance with the Uniform Relocation and Real Property Acquisition Act. The following forms, copies of which are attached, may be used for these purposes:
- Form RD 442-21, “Right-of-Way Certificate” (with map attached)
 - Form RD 442-22, “Opinion of Counsel Relative to Rights-of-Way”
10. **System Policies, Procedures, Contracts, and Agreements** – The facility must be operated on a sound business plan which involves adopting policies, procedures, and/or ordinances outlining the conditions of service and use of the proposed system.
- a. **Conflict of Interest Policy** – Prior to obligation of funds, you must certify in writing that your organization has in place up-to-date written standards of conduct covering conflict of interest. The standards of conduct must include disciplinary actions in the event of a violation by officers, employees, or agents of the borrower. The standards identified herein apply to any parent, affiliate or subsidiary organization of the borrower that is not a state or local government, or Indian Tribe. Policies and accompanying documents shall be furnished to Rural Development upon request.
- You must also submit a disclosure of planned or potential transactions related to the use of Federal funds that may constitute or present the appearance of personal or organizational conflict of interest. Disclosure must be in the form of a written letter signed and dated by the applicant’s official. A negative disclosure in the same format is required if no conflicts are anticipated.
- Sample conflict of interest policies may be found at the National Council of Nonprofits website, <https://www.councilofnonprofits.org/tools-resources/conflict-of-interest>, or in Internal Revenue Service Form 1023, Appendix A, “Sample Conflict of Interest Policy,” at <http://www.irs.gov/pub/irs-pdf/i1023.pdf>. Though these examples reference non-profit corporations, the requirement applies to all types of Agency borrowers.
- Assistance in developing a conflict of interest policy is available through Agency-contracted technical assistance providers if desired.
- b) **Contracts for Other Services/Lease Agreement** – Drafts of any contracts or other forms of agreements for other services, including audit, management, operation, and maintenance, or lease agreements covering real property essential to the successful operation of the facility, must be submitted to the Agency for review and concurrence prior to advertising for bids.
 - c) **Parity/Intercreditor Agreement** – Projects with parity liens must have in place a written agreement between the parity lenders. The draft agreement must receive Agency concurrence prior to advertising for bids.
11. **Permits**—All permits involving Federal, State, and local agencies must be obtained and evidence thereof provided to USDA Rural Development prior to bidding.

- 12. Environmental Reviews**— The project as proposed has been evaluated to be consistent with the National Environmental Policy Act. Other Federal, State, tribal, and local laws, regulations and or permits may apply or be required. During any stage of project development, including construction, should environmental issues develop which require mitigation measures, USDA Rural Development applicants are required to notify USDA Rural Development and comply with such mitigation measures. Failure by an applicant to implement mitigation measures may disqualify the project from Agency funding. Mitigation measures identified or prepared as part of the State Environmental Act if applicable and NEPA environmental process must be implemented. If the project or any project element deviates from or is modified from the originally approved project, additional environmental review may be required.

No project specific mitigation measures were identified for this project.

13. Architectural and Construction

- a. USDA Rural Development must approve any agreements or modifications to agreements for professional planning and design services.
- b. All construction will be completed under contract. The planning, bidding, contracting, and construction must comply with 7 CFR 1942, Subpart A, and any additional requirements of the State's law and the requirements of other County, State, or Federal agencies.
- c. The following must be reviewed and approved by USDA Rural Development in the sequence indicated:
 - i. Preliminary Engineering Report
 - ii. Agreement for Engineering Services
 - iii. Final Plans and Specifications for the project
 - iv. Draft/Construction Bid Documents, prior to Going Out to Bid
 - v. Bid Award Information.
 - vi. Executed Contract Documents
- d. Affirmative steps should be taken to assure that small, minority and/or women-owned businesses are utilized as source of supplies, equipment, construction, and services.
- e. The Plans & Specifications must be reviewed and approved, when applicable, by any regulatory or other agencies that are required to review these documents.
- f. A representative of USDA Rural Development will attend all pre-construction conferences in connection with this project. These conferences must be held prior to the issuance of the Notice to Proceed to the contractors. The applicant's architect will conduct the conference and document the discussions and agreements.

14. BUILD AMERICA, BUY AMERICA ACT (BABAA) The borrower/recipient must comply with the provisions of the Build America, Buy America Act (the “Act”). Pub. L. No. 117-58, §§ 70901-52, enacted on November 15, 2021. The Act requires that “none of the funds made available for a Federal financial assistance program for infrastructure may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States.” Borrowers/Recipients of an award of Federal financial assistance from a program for infrastructure are hereby notified that none of the funds provided under this award may be used for a project for infrastructure unless:

- a. All iron and steel used in the project are produced in the United States. This means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States;
- b. All manufactured products used in the project are produced in the United States. This means the manufactured product was manufactured in the United States, and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation; and
- c. All construction materials are manufactured in the United States. This means that all manufacturing processes for the construction material occurred in the United States.

The BABAA requirement applies to the entirety of an infrastructure project, even if only a portion of the project is funded by Federal funds. The requirement applies to each product, manufactured good, or construction material incorporated in the project.

14.1. Definitions (as applied in this condition only)

Construction Materials—include an article, material, or supply—other than an item of primarily iron or steel; a manufactured product; cement and cementitious materials; aggregates such as stone, sand, or gravel; or aggregate binding agents or additives—that is or consists primarily of:

- non-ferrous metals;
- plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables);
- glass (including optic glass);
- lumber; or
- drywall.

Domestic Content Procurement Preference—means all iron and steel used in the project are produced in the United States; the manufactured products used in the project are produced in the United States; or the construction materials used in the project are produced in the United States.

Infrastructure—includes, at a minimum, the structures, facilities, and equipment for, in the United States, roads, highways, and bridges; public transportation; dams, ports, harbors, and other maritime facilities; intercity passenger and freight railroads; freight and intermodal facilities; airports; water systems, including drinking water and wastewater systems; electrical

transmission facilities and systems; utilities; broadband infrastructure; and buildings and real property. Infrastructure also includes structures, facilities, and equipment that generate, transport, and distribute energy, including electric vehicle (EV) charging stations. “Infrastructure” has a broad interpretation and the definition provided is illustrative and not exhaustive.

Manufactured Product—Items assembled out of components, or otherwise made or processed from raw materials into finished products. Manufactured products must be manufactured (assembled) in the United States, and the cost of components that were mined, produced, or manufactured in the United States must be greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation.

Manufacturer’s Certification—Documentation provided by a manufacturer, certifying that the items provided by manufacturer meet the domestic preference requirements of the Act.

Project—means the construction, alteration, maintenance, or repair of infrastructure in the United States.

14.2. Compliance

The borrower/recipient must comply with the provisions of the Build America, Buy America Act (BABAA). Pub. L. No. 117-58, §§ 70901-52, enacted on November 15, 2021. By accepting these conditions, the borrower/recipient attests that they or their designee(s) will maintain documentation for BABAA provisions to indicate compliance.

Minimum records include certifications from manufacturers, the architect/engineers, and the prime contractor. Supporting documentation includes purchasing records and notes and photos taken by the Resident Project Representative (RPR)/ Resident Inspector (RI). Documentation must be available and reviewable upon request.

14.3. Evidence Standards

Manufacturers

For each item to which BABAA applies (every item permanently installed on the project, except for aggregate and aggregate binding materials), a manufacturer’s certification letter or other document demonstrating compliance is required. It must, at a minimum, identify the item being certified (short written description as well as part number, if applicable) and affirm that the item complies with BABAA. This document must be signed by an authorized company representative. The manufacturer may submit a letter on letterhead or provide other evidence acceptable to the Agency.

Architects and Engineers (A/E)

The need to comply with BABAA will be spelled out in agreements for A/E services, construction contracts, and procurement contracts. Generally, the A/E contract will

include, as a basic service, obtaining and maintaining all BABAA documentation (particularly manufacturers' certifications) during construction, which shall be transferred to the (borrower/recipient) upon substantial completion of the project. The architect or engineer should certify in writing to the completeness and accuracy of the manufacturers' certifications.

Resident project representative (RPR) / Resident inspector (RI)

As part of their duties, RPR/RI will be instructed to verify items delivered to the site and installed are accompanied by documentation of compliance with BABAA. They will photograph items as appropriate. RPR/RI daily logs and photographs will become part of the construction record and can be used as supporting information during audits, providing evidence for items that are buried or otherwise inaccessible.

Contractors

The construction contract(s) will include a requirement to procure and install only items that comply with BABAA or are subject to a waiver approved by the Secretary of Agriculture or designee. The contractors are to provide manufacturers' certifications for all BABAA compliant items to the architect/engineer no later than with applications for payment. At substantial completion, the contractor will be required to certify that all items used on the contract complied with BABAA and that all manufacturers' certifications were provided to the architect/engineer.

14.4. Obtaining Waivers under the BABA Act

The Secretary of Agriculture or a designee may grant waivers to the procurement requirements under the following conditions:

(1) *Nonavailability*. The Secretary of Agriculture or delegate determines that the iron, steel or relevant manufactured goods or construction materials are not produced or manufactured in sufficient and reasonably available commercial quantities of a satisfactory quality.

(2) *Unreasonable cost*. The Secretary of Agriculture or delegate determines that the inclusion of domestic iron, steel, or relevant manufactured goods will increase the cost of the overall project by more than 25%.

(3) *Inconsistent with public interest*. The Secretary of Agriculture or delegate determines that the application of these restrictions would be inconsistent with the public interest.

14.5. BABAA Waivers for Rural Development

A waiver of the domestic procurement requirement for a specific product in a specific infrastructure project may be obtained upon a satisfactory showing of evidence that the waiver is warranted by a (borrower/recipient) and a recommendation by the

Agency. Waivers of the procurement requirement are granted by the Secretary of Agriculture or by a designee of the Secretary. The requirements are posted publicly at the USDA OCFO website: USDA Buy America Waivers for Federal Financial Assistance | USDA located at <https://www.usda.gov/ocfo/federal-financial-assistance-policy/USDABuyAmericaWaiver>

Before submitting a request for waiver, (borrower/recipient) should determine whether they qualify for agency-wide public interest waivers that have already been approved by USDA. One such public interest waiver is referred to as the “*De Minimis*, Small Grants, and Minor Components” waiver, which has three parts. *De Minimis* is intended to prevent restrictions on the procurement of materials and products that represent a small portion of an infrastructure project, specifically no more than 5% of the project costs up to a maximum of \$1,000,000, from hindering the overall project. *Small Grants* exempts projects below the Federal Simplified Acquisition Threshold of \$250,000 (the grant section also applies to small loans and loan guarantees). The *Minor Components* provision of the waiver exempts miscellaneous components of iron and steel that make up no more than 5% of the total cost of an iron or steel product used in a project.

15. **Electronic Funds Transfer**—All loan funds will be transferred to borrowers via Electronic Funds Transfer/Automated Clearinghouse Systems (EFT/ACH). Normal transfers will be ACH, with money being placed in Borrower's account two business days after the USDA processing office approves the pay request. The applicant must submit the Electronic Funds Transfer Form containing the banking (ACH) information to the USDA Servicing Office at least 90 days prior to the date of loan closing. Failure to do so could delay loan closing.
16. **Automatic Payments**—The applicant is required to participate in the Pre-Authorized Debit (PAD) payment process for all new and existing indebtedness to USDA Rural Development. It will allow for the applicant's payment to be electronically debited from its account on the date their payment is due. Form RD 3550-28, “Authorization Agreement for Pre-Authorized Payments,” is attached. Please fill out and sign your “Individual/Company Information” section, then have your financial institution/bank fill out the bottom portion prior to submitting the form to the USDA Rural Development service office.
17. **Loan Closing**—The permanent loan will be closed in accordance with USDA Rural Development instructions, the legal requirements of the USDA Office of General Counsel, and this Letter of Conditions. All applicable closing documents, including bond documents, must be submitted to USDA Rural Development at least 90 days prior to the planned closing date. Prior to loan closing, a request for reimbursement must be submitted to USDA with all the supporting invoices.
18. **Operating Budget**—Prior to loan closing, USDA Rural Development must review the applicant's approved operating budget. The budget must balance and include the proposed USDA debt service and reserve obligations. Each year the USDA loan is

outstanding, the applicant will adopt an annual budget which provides for the annual debt service and reserve payments.

19. System for Award Management Registration and Unique Entity ID—You as the recipient must maintain the currency of your information in the System for Award Management (SAM) until you submit the final financial report required under this award and all grant funds under this award have been disbursed or de-obligated, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term. Recipients can register on-line at (<https://www.sam.gov>) You as the recipient may not make a sub-award to an entity unless the entity has provided its Unique Entity ID from SAM.gov to you.

20. Suspension and Debarment Screening – You will be asked to provide information on the principals of your organization. Agency staff must conduct screening for suspension and debarment of the entity, as well as its principals through the Do Not Pay Portal.

a. Principal –

- i. An officer, director, owner, partner, principal investigator, or other person within a participant with management or supervisory responsibilities related to a covered transaction; or
- ii. A consultant or other person, whether or not employed by the participant or paid with federal funds, who –

- 1. Is in a position to handle federal funds;

- 2. Is in a position to influence or control the use of those funds; or,

Occupies a technical or professional position capable of substantially influencing the development or outcome of an activity required to perform the covered transaction. (2 CFR §180.995)

21. Litigation. You are required to notify the Agency within 30 days of receiving notification of being involved in any type of litigation prior to loan closing or start of construction, whichever occurs first. Additional documentation regarding the situation and litigation may be requested by the Agency.

SECTION II. LOAN CONDITIONS TO BE SATISFIED DURING CONSTRUCTION

1. **Disbursement of Grant Funds** (if applicable)—USDA Rural Development funds will be advanced as they are needed in the amount(s) necessary to cover the Rural Development proportionate share of obligation due and payable to the Grantee. Interest earned on grant funds in excess of \$250 for Nonprofits and \$100 for Public Bodies per year will be submitted to Rural Development at least quarterly, as required in 2 CFR part 200 as applicable.
2. **Inspections**— A full-time resident inspector is required during construction. This service is to be provided by the consulting architect or other arrangements as approved by the Agency. Prior to the pre-construction conference, a resume of qualifications of the resident inspector(s) will be submitted to the owner and Agency for review and approval. The owner will provide a letter of acceptance for all proposed observers to the architect and Agency. The inspection reports must be available to USDA, Rural Development for

review at any time. These reports must be kept at the project site or borrower's office, if nearby.

3. **Monthly Reporting**—The applicant must monitor and provide a monthly report to USDA Rural Development on actual performance during construction for each project financed, or to be financed, in whole or in part with USDA Rural Development funds, to include Forms RD 1924-18, “Partial Payment Estimate”; RD 1924-7, “Contract Change Order”; SF-270, “Request for Advance or Reimbursement” (non-construction); SF-271, “Outlay Report and Request for Reimbursement for Construction Programs”; and Project Daily Inspection Reports.
4. **Final Inspection**—A final inspection will be made by USDA Rural Development on the component USDA is financing before final payment is made.
5. **Excess Funds**—Any remaining funds must be utilized for approved purposes within 60 days following the final inspection or the funds will be canceled without further notification from USDA Rural Development.

SECTION III. LOAN CONDITIONS TO BE SATISFIED AFTER PROJECT COMPLETION

1. **Financial Statements**—To be submitted on an annual basis in accordance with the following:
 - a. 2 CFR Part 200, Subpart F establishes audit requirements that borrowers and grantees must follow. Borrowers and grantees who expend \$750,000 or more in Federal awards in their fiscal year, have CF loan balances totaling \$750,000 or more, or a combination of the two must submit an audit in accordance with 2 CFR 200, Subpart F.

Federal funds expended during a borrowers fiscal year: 2 CFR Part 200, Subpart F requires a borrower that expends \$750,000 or more in Federal awards in their fiscal year to submit a single or program-specific audit. A CF direct loan, guaranteed loan, and/or grant, or any combination thereof, are considered Federal awards.

Grantees: Grantees that expend \$750,000 or more in a year in Federal awards must have an audit conducted in accordance with 2 CFR Part 200, Subpart F except when the grantee elects to have a program specific audit conducted.

Prior loan and loan guarantees: 2 CFR Part 200, §200.502(b) establishes the basis for including loan and loan guarantees (loans) on the Schedule of Expenditures of Federal Awards (SEFA). The value of new loans made or received during the audit period plus the beginning of the audit period balance of loans from previous years for which the Federal Government imposes continuing compliance requirements must be reported on the SEFA. CF Program loans require its borrowers to meet continuing compliance requirements. Continuing compliance requirements that CF borrowers

must meet include, but are not limited to, funding reserves, maintaining insurance, deposit funds in Federally insured banks, meet financial covenants, maintain sufficient debt service ratios, comply with civil rights requirements, and comply with additional requirements established as part of the loan approval process.

Borrowers and grantees must submit audits within nine months from the end of the borrower's fiscal year or 30 days after receipt from the auditor, whichever is earlier. The audited financial statements must be submitted to the Federal Audit Clearinghouse.

- b. All borrowers exempt from the audit requirements cited in 1(a) above, and who do not otherwise have annual audits, will within 60 days following the end of the borrower's fiscal year furnish Rural Development with annual financial statements, consisting of a verification of the organizations, balance sheet and statement of income and expenses.

Grantees exempt from the audit requirements cited in 1(a) above, and who do not otherwise have annual audits, will within 60 days following the end of the fiscal year in which any grant funds were expended furnish Rural Development with annual financial statements consisting of a verification of the organizations, balance sheet and statement of income and expenses.

The borrower/grantee may use Forms RD 442-2 "Statement of Budget, Income and Equity" and 442-3 "Balance Sheet", or similar format to provide the financial information. For borrowers using Form RD 442-2, the dual purpose of fourth quarter management reports, when required, and annual statements of income will be met with this one submission.

2. **Quarterly Reports**—A quarterly management report will be required for the first year for new borrowers and for all borrowers experiencing financial or management problems for one year from the date problems were noted. If the borrower's account is current at the end of the year, the processing office may waive the required reports. The recipient may use Form RD 442-2 or similar format to provide this information, and the reports are to be signed by the appropriate borrower official and submitted within 30 days of each quarter's end.
3. **Audit agreement**—If you are required to obtain the services of a licensed Certified Public Accountant (CPA), you must enter into a written audit agreement with the auditor. The audit agreement may include terms and conditions that you and auditor deem appropriate.
4. **Limitations of Additional Debt**- You will not borrow any money from any source or enter into any contract or agreement or incur any other liabilities in connection with making extensions or improvements to the Facility, exclusive of normal maintenance, without obtaining the prior written consent of the Agency.

5. **Compliance Reviews**—Rural Development will be required to periodically conduct a compliance review of this facility and operation. Compliance reviews will be completed one year after loan closing and every three years thereafter. You will need to provide the local office the statistical information as requested.

The Agency will conduct regular compliance reviews of the borrower and its operation in accordance with 7 CFR Part 1901, Subpart E, and 36 CFR 1191, Americans with Disabilities Act (ADA) Accessibility Guidelines for Buildings and Facilities; Architectural Barriers Act (ABA) Accessibility Guidelines. Compliance reviews will typically be conducted in conjunction with the security inspections described in this letter. If beneficiaries (users) are required to complete an application or screening for the use of the facility or service that the recipient provides, the recipient must request and collect data by race (American Indian or Alaska Native, Asian, Black or African American, White); ethnicity (Hispanic or Latino, Not Hispanic or Latino); and by sex. The Agency will utilize this data as part of the required compliance review.

6. **Security Inspections**—Rural Development is required to conduct an inspection of the facility a minimum of once every three years. The recipient must participate in these inspections and provide the required information.
7. **Graduation**—You may be required to refinance (graduate) the unpaid balance of the RD loan, in whole or in part, if at any time RD determines your entity is able to obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time, the recipient will be requested to refinance. The ability to refinance will be assessed every other year for those loans that are five years old or older.
8. **Prepayment and Extra Payments** - Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of borrower, with no penalty.

Security instruments, including bonding documents, must contain the following language regarding extra payments, unless prohibited by State statute:

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of borrower. Refunds, extra payments and loan proceeds obtained from outside sources for the purpose of paying down the Agency debt, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of borrower to pay the remaining installments as scheduled in your security instruments.



HOWARD LAKE CITY COUNCIL MEETING

August 19, 2024

AGENDA ITEM: Consider Library Dedication Approvals.

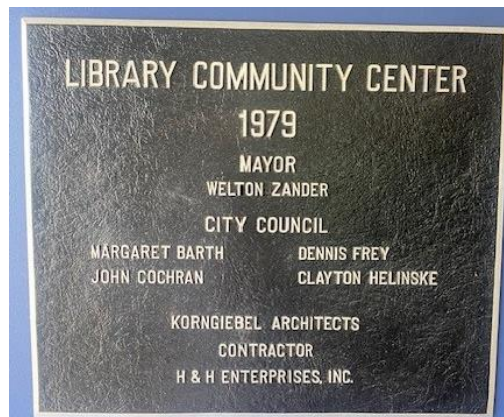
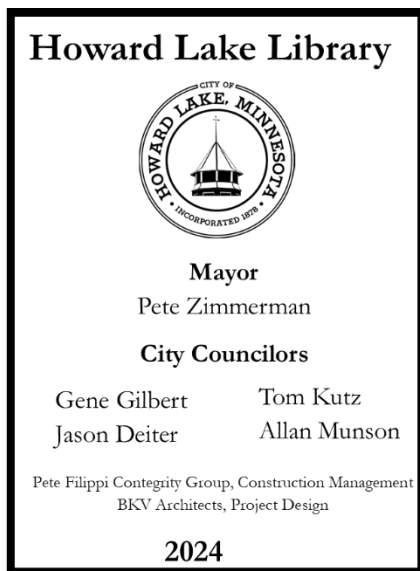
SECTION: New Business

FROM: City Administrator

BACKGROUND: The library construction project is nearly complete

Dedication Plaque

The City generally installs dedication plaques for major construction projects listing the mayor, council, contractor and architect. The former library also used the same consideration as shown below in the picture. However, council is asked whether or not to give additional recognition to the following: Great River Regional Library, Friends of the Library, Minnesota Department of Education. Once feedback has been received Casting Creations will be contacted to fabricate the plaque.



Dedication Event

In lieu of a ground breaking or grand opening events, council previously expressed interest in a dedication ceremony at a later date. Council is asked to consider a date and provide direction to staff to plan an event. Items of consideration include:

- Day of the week
- Time of the day
- Length of the engagement
- Invite list
- Entertainment/refreshments/food

Disposal of Surplus Property

The City has previously determined there is not a future need for the building and real estate. City staff has been reaching out to various builders, developers, investors about possible redevelopment. This specific agenda item is specifically With the former library/community room vacated there are old furniture, fixtures, equipment to dispose of. To do so, the City needs to comply with certain requirements. In review of city policies, we do not have a policy or ordinance guiding this matter. Therefore, council is asked to direct staff under statute and their stated preferences.

Method of Disposal

Proposed is a tiered system for the disposal of items that seeks to be fair, compliant and manageable.

- Provide opportunity for donations to be returned to donor(s).
 - Existing mural has been requested by Ms. Lachermeier.
 - Friends of the Library may retrieve certain donations such as the story time rug
- Re-Home amongst other city facilities and locations.
 - The need for storage and shelving exists in most city facilities.
- Provide opportunity for non profits for use.
 - Area schools, churches, libraries, cities etc.
- Open Sale
 - Items worthy of sale can be listed online or via garage sale format.
- Refuse
 - Ultimately any remaining items at this point will be trashed.

DECISION MAKING METRICS:

FINANCIAL:

- Plaque Cost \$1,000 (estimate)
- Dedication Ceremony Budget should be discussed/provided by council
- Disposal Will be cost neutral or see nominal revenue.

LEGAL:

- The City does not have a disposal policy which means we must rely on Minnesota Statutes and the Minnesota Cities Handbook Chapter 22 Expenditures, Contracts, Purchasing and Disposal.
- Further noted, city council and city staff is generally prohibited from receiving materials unless sealed bids are used.

COUNCIL ACTION REQUESTED: Discuss

ATTACHMENTS: Open



HOWARD LAKE CITY COUNCIL MEETING

August 19, 2024

AGENDA ITEM: Consider Approving Quote for HVAC Replacement at Historic City Hall.

SECTION: New Business

FROM: City Administrator

BACKGROUND: Historic City Hall HVAC consists of several units that serve different portions of the building. Three units have been installed new or replaced existing within the last 5 years. The remaining unit is 23 years old and residential grade. This unit supports the sales floor of the liquor store. The unit has failed completely and replacement is necessary.

Multiple quotes have been sought; to date only one quote has been returned by Air Pro/Litchfield. Airpro is our contracted HVAC maintenance contractor currently. The quote proposes a 90% efficiency rate for a 70K furnace and 2.5Ton AC unit. The quote further includes a thermostat and exhaust pipe.

There was consideration given to modifying duct work to rely solely on the primary HVAC unit. However, the recommendation to replace like for like remains as the estimated cost savings was not substantial and replacing provides some redundancy in systems.

DECISION MAKING METRICS:

FINANCIAL: The total quote is for \$12,016. We will verify/confirm, but it is assumed that this unit only supports the liquor store portion of the building. Therefore, the liquor enterprise fund will be expensed.

COUNCIL ACTION REQUESTED: Approve quote for \$12,016 to AirPro for the purchase and installation of an HVAC system.

ATTACHMENTS:

1. Quote from Air Pros



NickHaggenmiller_W...



Air-Pro Heating and Cooling LLC
PO Box 351
Litchfield, MN 55355

Phone: (320) 291-3994
airpro.mn@gmail.com
airprocentralmn.com

Bill to
Nick Haggenmiller
625 8th Ave
Howard Lake, MN 55349

Work Order Description

Fail AC Compressor on old system furnace/ AC off sales liquors building both MFG date Sept 2001 so 23 years old

Sale price include new thermostat, condensate drain pump, and updated PVC return French Air exhaust pipe needed for Rheem 95% efficient furnace and the new AC will be 13 seer

Old equipment furnace is 90% efficient and AC is 10 Seer so improved efficiency all around in new equipment

Quote #: q1673

Item	Description	Quantity	Amount
Silver - R95 Single Stage 70K	Rheem Silver R95 Single Stage 70K Furnace	1	\$6,419.00
Silver - RA13 AC 2.5 Ton	Rheem Silver - RA13 AC 2.5 Ton	1	\$5,597.00

Subtotal: \$12,016.00

Tax: \$0.00

Total: \$12,016.00

Payments: \$0.00



Air-Pro Heating and Cooling LLC
PO Box 351
Litchfield, MN 55355

Phone: (320) 291-3994
airpro.mn@gmail.com
airprocentralmn.com

Attachments

1. [WO_2891IMG_a0d4.jpg](#)
2. [WO_2891IMG_c7cd.jpg](#)
3. [WO_2891IMG_2f4a.jpg](#)
4. [WO_2891IMG_2acb.jpg](#)



HOWARD LAKE CITY COUNCIL MEETING

August 19, 2024

AGENDA ITEM: Consider Approving Resolution Ordering the Abatement of a Hazardous Building at 1113 7th Avenue.

SECTION: New Business

FROM: City Administrator

BACKGROUND: On or about January 17, 2024 the residence located at 1113 7th Avenue was subject to a structure fire. The property has been declared a total loss. To date, the property remains standing and unsecured. It is understood that various inspections, investigations need to occur. Additionally, recognizing the family involved has suffered a tremendous loss.

To that end, the City has been in regular contact with the property owner and provided informal extensions and understanding to the status of the property. Following the receipt of numerous complaints about the property and identifying it as a hazard due to its unsecured state and overall condition, a Hazardous Structure notification was sent on July 8, 2024. This notice provided 14 days to remedy the matter.

In full transparency, city staff has communicated with the property owner as recently as August 13, 2024 who indicated at that time he would be into city hall to obtain necessary demolition permits. This has not yet occurred. Following the prescriptive timelines included in the letter, staff is bringing the matter forward for council consideration.

However, with that stated, it is assumed that pending council approval of this resolution, formal action would stop immediately upon owner compliance.

DECISION MAKING METRICS:

FINANCIAL: The City may incur significant legal costs and expenses associated with abatement if/as this matter proceeds. Anticipate an estimated \$5,000 in legal fees and estimated \$20,000 for demolition and abatement of issues on site. As noted, these expenses would be assessed to the property and must be satisfied if/when there is a property sale.

LEGAL: Enforcing the hazardous structure statute (MS 463.19) requires the city attorney to file a complaint at district court. If followed fully, likely there would be a hearing with the judge who would likely provide additional time to remedy before providing the City with some sort of judgement to proceed. If the matter results in a favorable judgement, the City would proceed with the demolition and abatement of the matters listed. These costs would be paid by the City but assessed to the property.

COUNCIL ACTION REQUESTED: Approving Resolution Ordering the Abatement of a Hazardous Building at 1113 7th Avenue.

ATTACHMENTS:

1. Hazardous Structure Letter
2. Hazardous Structure Resolution



CITY OF HOWARD LAKE

Nicholas A. Haggenmiller, City Administrator

625 8TH Avenue - PO Box 736 - Howard Lake, MN 55349

Phone: 320-543-3670 | cityadmin@howard-lake.mn.us | www.howard-lake.mn.us

July 8, 2024

Robert Weege
1113 7th Avenue
PO Box 519
Howard Lake MN 55319

RE: The Matter of a Hazardous Structure Located at 1113 7th, Howard Lake, Wright County, Minnesota 55349

TO: Owners and lienholders of the above real estate:

PLEASE BE ADVISED that the primary residential structure on this property has been identified as a potentially hazardous structure. This letter is intended to notify you of such declaration that will be made via council order if and when corrective measures are not made or agreed upon between the City and you as the property owner. This action would be pursuant to order of the Howard Lake City Council and by authority of Minnesota Statutes 463.15 et seq. You have fourteen (14) days from the date of this letter, to remedy the hazardous condition of the building on the property located at 1113 7th Ave, Howard Lake, Wright County, Minnesota 55349.

A structure fire occurred on or about January 17, 2024. The City has attempted work through various timelines for demolition since that time. Over the last couple of months, the property has been identified to be unsecured, subject to nuisance issues. The property additionally has code issues of abandoned vehicles and property, tall grass throughout the property.

It is further the understanding of the City that necessary clearances have been made to provide for the approval of the demolition of the structure. At this point, the City is following necessary policies and procedures concerning hazardous structures to ensure that the issue is settled in a more timely manner. Please be aware that a demolition permit is required.

The aforementioned hazards must be completely corrected or removed within fourteen days from the date of this letter. If you fail to remedy the hazardous conditions, such declaration will be under consideration at the next City Council meeting on **August 19, 2024 at 7 p.m.** The City will seek permission from the District Court for the City to remove the hazardous conditions of the building, including demolition of the building and destruction and removal of all personal property within the building. The City will move the District Court for summary enforcement of this Order pursuant to Minn. Stat. 463.19. Upon enforcement of the Order by the City, all costs expended by the City will be assessed against the real property and collected as other taxes as provided in Minn. Stat. 463.21 & 463.22.

Please do not hesitate to contact me with any questions or to discuss your intentions with the structure.

For the City,

Thank you! For the City,

Nick Haggenmiller
City Administrator

**CITY OF HOWARD LAKE
RESOLUTION 24-**

**RESOLUTION APPROVING NUISANCE ABATEMENT OF A HAZARDOUS
BUILDING LOCATED AT 1113 7th AVENUE, HOWARD LAKE, MINNESOTA**

WHEREAS, pursuant to City Ordinance Chapter 6.01, staff has inspected property owned by Robert Weege located at 1113 7th Avenue, legally described as follows:

Property ID Number: 109010032030

Brief Legal: SECT-03 TWP-118 RANGE-027 ORIGINAL PLAT HOWARD LK BLOCK-032 LT3 & N10FT OF LT 4 BLK 32 EX E159FT OF S6FT OF N10FT OF LT 4 & VACATED ALLEY ALSO TH PRT OF BLK32 DES COM NE COR OF BLK32 TH S89D51'0"W ALG N LN 350FT TH S148.20FT TH S89D53'34"E166FT TO LN PAR/W & 17FT W FR,AS MSD AT R AGLS TO W LN OF LT3&POB TH CONT S89D 53'34"E 9FT TO LN PAR/W&8FT W FR AS MSD AT R AGLS TO, W LN.

WHEREAS, pursuant to Minnesota Statute §§ 463.15 and 463.261 and Howard Lake City Code Chapter 17.06.01, the City Council finds the house structure located at 1113 7th Avenue to be a hazardous building; and

WHEREAS, the property was subject to a fire on or about January 17, 2024; and,

WHEREAS, the property remains a hazard to the public and included within this order is the identification of additional nuisance abatement items including the following curbside observations taken on August 16, 2024:

- Total loss of house structure due to fire.
- Property currently not secured and open to vandals and rodents.
- Miscellaneous debris around the property.
- Inoperable, unlicensed vehicle.
- Substantial amounts of brush, limbs and overgrowth.
- Tall grass and weeds.
- Unsecured accessory structure.

WHEREAS, the property owner received notices in July 8, 2024 requesting corrective action to the hazards listed above within 14 days; and

WHEREAS, the issue remains uncorrected and the structures remain a hazard to the public.

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

1. The Order for removal of the above-referenced hazardous building is hereby adopted and its findings, terms and conditions are incorporated herein by reference.
2. The Mayor, City Administrator, City Building Inspector and City Attorney, are authorized and directed to prepare, sign and serve documents, or cause the same to occur, and take such other actions as are necessary to enforce the terms and conditions of the attached Order.

BE IT FURTHER RESOLVED that any costs associated with abating the nuisance, including contractors, engineering, attorney's fees and court costs shall be assessed to the property taxes for the property legally described above.

PASSED AND ADOPTED this 19th day of August 2024.

Peter Zimmerman, Mayor

ATTEST:

Nicholas Haggemiller, City Administrator-Clerk



EMERGENCY
REPAIRS



