

CITY COUNCIL AGENDA

Brainerd, Minnesota

TUESDAY January 16, 2018

7:30 P.M.

Brainerd City Hall

Council Chambers

1. **Call To Order - 7:30 PM**

2. **Roll Call**

___ K. Bevans ___ D. Badeaux ___ G. Johnson ___ S. Hilgart

___ J. Lambert ___ K. Stunek ___ D. Pritschet ___ Mayor Menk

3. **Pledge Of Allegiance**

4. **Approval Of Agenda - Voice Vote**

5. **Consent Calendar**

NOTICE TO PUBLIC - all matters listed are considered routine by the Council and will all be enacted by one (1) motion. There will be no separate discussion of these items unless good cause is shown prior to the time the Council votes on the motion to be ADOPTED BY ROLL CALL

A. **Approval Of Minutes**

1. Regular Meeting Held on January 2, 2018

Documents:

[20180102_CCdraft.pdf](#)

B. **Approval Of Licenses**

1. Contractor Licenses - 1 - New, 23 - Renewals

Documents:

[2018-01-16 License RPT.pdf](#)

C. **Department Activity Reports**

1. Police Chief
2. Finance Director

Documents:

[*Police Dept Report.pdf*](#)

D. Adopt Resolution Accepting Donations & Contributions For 4th Quarter 2017 - (See Resolution)

[*Documents:*](#)

[*RES Accepting Donations 2017 4th Qtr.pdf*](#)

E. On-Sale / Sunday Liquor License - Submitted By Isaac Carranza And Devon Walstead, Owners Of SE'z, 707 Laurel Street, Brainerd - Contingent Upon City Code And Licensing Requirements

F. Temporary On-Sale Liquor License - Submitted By The Crossing Arts Alliance For An Event To Be Held February 9, 2018 At 711 Laurel Street, Brainerd - Contingent Upon Background Check

6. Council Committee Reports

A. Personnel And Finance Committee

[*Documents:*](#)

[*20180116_PF.pdf*](#)

1. Approval Of Bills & Payments To Contractors

<u>Contractor</u>	<u>Imp #</u>	<u>Project</u>	<u>Amount Paid</u>	<u>Amount Retained</u>
Anderson Brothers	15-12	S. 6th Street Frontage thru 01/08	\$1,260	\$66
Tom's Backhoe	12/21/17	DT Snow Removal	\$9,175	\$0

2. Brainerd Sports & Marine Excise Tax

[*Documents:*](#)

[*Brainerd Sports and Marine Excise Tax.pdf*](#)

3. Police Officer Resignation & Request For New Officer Hiring List

[*Documents:*](#)

[*Police Officer Resignation.pdf*](#)

4. Purchase Of New Fire Tender Truck

[*Documents:*](#)

[Purchase Fire Truck Tender.pdf](#)

5. Request For Funds To Assist With Asbestos Abatement - 707 Laurel Street

[Documents:](#)

[Assistance with Asbestos Abatement.pdf](#)

6. National Joint Powers Alliance (NJPA) Funding For 2018 Interns

[Documents:](#)

[NJPA funding for 2018 Interns.pdf](#)

7. Compensation System And Pay Equity Study Update

[Documents:](#)

[Classification and Compensation Study.pdf](#)

8. Agreement To Provide Health Care Services To Low Income Individuals

[Documents:](#)

[Agreement to Provide Health Care Services to Low Income Individuals.pdf](#)

9. State Minnesota Investment Funds (MIF)

[Documents:](#)

[RES State MIF Funds.docx.pdf](#)

B. Safety And Public Works Committee

[Documents:](#)

[20180116_SPW.pdf](#)

1. Pavement Management, Sanitary Sewer, And Draft 5-Year Capital Improvement Plan Presentations

[Documents:](#)

[Pavement Management, Sanitary Sewer, and 5 Year Capital Improvement Plan Presentations.pdf](#)

2. Multi-Use Trail Maintenance Discussion

[Documents:](#)

[Multi-Use Trail Maintenance Discussion.pdf](#)

3. County Road 142 Easement Vacation - Crow Wing County Resolution

Documents:

County Road 142 Easement Vacation - Crow Wing County Resolution.pdf

7. **Unfinished Business**

- A. **Call For Applicants - Informational**
(Application Information at the City's Website
<http://www.ci.brainerd.mn.us>)

PLEASE NOTE: THIS INCLUDES ANY EXPIRING TERMS UP FOR REAPPOINTMENT - ALL CURRENT MEMBERS ARE REQUIRED TO REAPPLY

Mayor Recommended: (all terms expire on 12/31 of said year)

Cable TV Advisory Committee - 1 term (*Expire 2020 - pending approval*)

Charter Commission - 1 term (Expire 2020) - 1 term (Expire 2021)

Housing & Redevelopment Authority - 1 term (Expire 2022)

Library Board Representative - 1 term (Expire 2023)

Library Board - 1 term (Expire 2023) - 1 term (*Expire 2023 - pending approval*)

Parks and Recreation - 1 term (Expire 2022)

Public Utility Commission - 1 term (Expire 2022)

Transportation Advisory Committee - 2 terms (*Expire 2018 - pending approval*) - 3 terms (*Expire 2019 - pending approval*)

Council President Recommended: (all terms expire on 12/31 of said year)

Police & Fire Civil Service Commission - 1 term (*Expire 2020 - pending approval*)

8. **New Business**

- A. **Adoption Of Resolution Providing For The Issuance And Sale Of General Obligation Bonds, Series 2018A, In The Proposed Aggregate Principal Amount Of \$5,735,000**

Documents:

RES Issuance and Sale of GO Series 2018A.pdf

- B. **Purchase Agreement For Water Tower Site**

Documents:

BPU Water Tower Land.pdf

9. **Planning Commission**

- A. **Second Ordinance Reading - Zoning Text Amendment - Remove School Off-Street Parking Requirements**

Documents:

B. Comprehensive Plan Steering Committee Vacancy Appointment

Documents:

Comprehensive Plan Steering Committee.pdf

10. **Public Forum**

Time allocated for citizens to bring matters not on the agenda to the attention of the Council - Time limits may be imposed

11. **Staff Reports**

(Verbal: Any Updates since Packet)

12. **Council Member Reports**

13. **Committee Recommendations - Recommended By Mayor Menk**

- A. Cable TV Advisory - Jan Lambert - Term to Expire 12/31/2020
- B. Library Board - Sheila DeChantal - Term to Expire 12/31/2023
- C. Transportation Advisory - Nathan Bertram - Term to Expire 12/31/2018
- D. Transportation Advisory - Mary Wohl - Term to Expire 12/31/2018
- E. Transportation Advisory - Anita Walker - Term to Expire 12/31/2019
- F. Transportation Advisory - Jeff Czczok - Term to Expire 12/31/2019
- G. Transportation Advisory - Kevin Larson - Term to Expire 12/31/2019

COUNCIL LIAISON RECOMMENDATION:

Airport Commission: Council Member Stunek

14. **Committee Recommendations - Recommended By Council President**

- A. Police & Fire Civil Service Commission - Ray Charpentier - Term to Expire 12/31/2020

15. **Adjourn**

NOTE: Safety and Public Works Committee will meet at 6:00 P.M.
Personnel and Finance Committee will meet at 6:45 P.M.

ANY INDIVIDUAL NEEDING SPECIAL ACCOMMODATIONS,
PLEASE CALL 828-2307
Visit the [City's Website](http://ci.brainerd.mn.us) (ci.brainerd.mn.us)

MISSION

"Provide high quality, cost effective public services and leadership in creating
a sustainable city"

7:15 P.M. – Presentation: Brainerd Fire Chief – Hurricane Deployment Presentation

The Chair welcomed Mr. Tim Holmes, Brainerd Fire Chief, who was recently deployed to Florida to assist in the Hurricane Irma recovery efforts. Chief Holmes thanked the Council for the opportunity to represent the State of Minnesota as well as the City of Brainerd in assisting with the tragedy and for being able to present tonight. Chief Holmes spoke about the devastation and the relief efforts that the team worked on, as well as photos and lessons learned of the experience.

Pursuant to due call and notice thereof, the regular meeting of the Brainerd City Council was called to order at 7:37 P.M. by Council President Pritschet.

Upon roll call, the following members were noted as present: Bevans, Badeaux, Johnson, Hilgart, Lambert, Stunek and Pritschet. Mayor Menk was also noted as present.

Council President Pritschet opened the meeting with the Pledge of Allegiance to the Flag.

MOVED AND SECONDED BY ALDERMEN JOHNSON AND HILGART, DULY CARRIED, TO APPROVE THE AGENDA.

MOVED AND SECONDED BY ALDERMEN BEVANS AND HILGART, DULY CARRIED, TO MOVE ITEM #D “ON-SALE / SUNDAY LIQUOR LICENSE SUBMITTED BY THOMAS L. MURRAY, OWNER OF THE PARLOR, 714 LAUREL AND PORTION OF 718 LAUREL STREET, BRAINERD” FROM THE CONSENT CALENDAR TO NEW BUSINESS.

MOVED AND SECONDED BY ALDERMEN JOHNSON AND HILGART TO ADOPT THE CONSENT CALENDAR AS AMENDED.

A. Approval of the Minutes of the Regular Meeting held on December 18, 2017 - Approved

B. Approval of Licenses - Approved

Contractor Licenses – 3 – New, 32 – Renewals

C. Department Activity Reports - Approved

1. Fire Chief
2. Parks Director

D. Adoption of a Resolution Approving Signature Authorization for 2018 Capital Projects for the Brainerd Lakes Regional Airport – (See Attached) – Adopted by Resolution No. 01:18

E. Designation of Brainerd Dispatch as Official Newspaper for Calendar Year 2018 Pursuant to City Charter; And Authorize Signature on Contract with Dispatch – Approved

F. Designation of Financial Institutions as Depositories for 2018 Pursuant to City Charter - Approved

Upon roll call, members Bevans, Badeaux, Johnson, Hilgart, Lambert, Stunek and Pritschet voted “aye.” No member voted “nay.” The Chair declared the motion carried.

Council Committee Reports

Personnel and Finance Committee Report

Approval of Bills, Transfer of Funds & Payments to Contractors - Approved

General Fund to Airport Fund per Budget	\$155,500
General Fund to Mayor Contingency Fund per Budget	\$2,500
General Fund to IT Capital Fund per Budget	\$20,000
Public Safety Fund to Fire Capital Fund per Budget	\$57,000
Public Safety Fund to Debt Service Fund per Budget	\$51,946

<u>Contractor</u>	<u>Imp. #</u>	<u>Project</u>	<u>Amount Paid</u>	<u>Amount Retained</u>
S.E.H.	14-15	Airport Util Ext thru 11/30	\$4,906	\$0
S.E.H.	17-08	2019 SRTS Sidewalks thru 11/30	\$9,886	\$0

MOVED AND SECONDED BY ALDERMEN JOHNSON AND STUNEK TO APPROVE THE PAYMENT OF BILLS, TRANSFER OF FUNDS AND PAYMENTS TO CONTRACTORS AS RECOMMENDED BY PERSONNEL AND FINANCE COMMITTEE.

Upon roll call, members Bevans, Badeaux, Johnson, Hilgart, Lambert, Stunek and Pritschet voted “aye.” No member voted “nay.” The Chair declared the motion carried.

Fire Department Grant Applications - Approved

MOVED AND SECONDED BY ALDERMEN JOHNSON AND HILGART, DULY CARRIED, TO AUTHORIZE THE FIRE DEPARTMENT TO APPLY FOR THE FEMA ASSISTANCE TO FIREFIGHTERS GRANT AND THE WALMART COMMUNITY GRANT.

Committee Chair Johnson indicated the FEMA grant program has a 10% local match and would be used for an upgrade to the current back-up generator at Station 1 and for the purchase of a new generator at Station 2. The Walmart Community grant would be used to support public safety programs through education or equipment.

Parks and Recreation – 2018 Seasonal Employee Pay Rates - Approved

MOVED AND SECONDED BY ALDERMEN JOHNSON AND STUNEK, DULY CARRIED, TO APPROVE THE 2018 SEASONAL EMPLOYEE PAY RATES AS PROVIDED.

Resolution & Joint Powers Agreement (JPA) with BCA for National Incident-Based Reporting System (NIBRS) Project – Adopted by Resolution No. 02:18

MOVED AND SECONDED BY ALDERMEN JOHNSON AND HILGART TO ADOPT RESOLUTION NO. 02:18 AUTHORIZING THE POLICE CHIEF TO SIGN AND EXECUTE THE INCLUDED JOINT POWERS ALLIANCE (JPA) WITH THE BCA TO COMMENCE THE NATIONAL INCIDENT-BASED REPORTING SYSTEM (NIBRS) PROJECT UPGRADE TO THE POLICE RECORDS MANAGEMENT SYSTEM.

RESOLUTION NO. 02:18

Upon roll call, members Bevans, Badeaux, Johnson, Hilgart, Lambert, Stunek and Pritschet voted "aye." No member voted "nay." The Chair declared the motion carried.

Safety and Public Works Committee Report

Tax Forfeit Non-Conservation Parcel – 601 S 10th St - Approved

MOVED AND SECONDED BY ALDERMEN BEVANS AND BADEAUX, DULY CARRIED, TO APPROVE THE NON-CONSERVATION STATUS AS CLASSIFIED BY CROW WING COUNTY AND ALLOWING THE COUNTY TO PROCEED WITH AN ALTERNATE SALE PROCEDURE WITH THE BRAINERD HRA.

Multi-Use Trail Snow Removal - Informational

Committee Chair Bevans indicated the topic was generated by citizens complaining about snow removal on multi-use trails, sidewalks and along highways in the City limits. Staff is gathering information regarding current ordinances from other cities for snow removal and discussion will take place on whether change is needed.

(Added Item) 5 Year Capital Improvement Plan – Informational

Committee Chair Bevans stated the 5 year capital improvement plan for streets and sewers will be discussed at the next Safety and Public Works Committee meeting.

Unfinished Business

Call for Applicants – Informational:

(Application Information at www.ci.brainerd.mn.us/boards/)

PLEASE NOTE: THIS INCLUDES ANY EXPIRING TERMS UP FOR REAPPOINTMENT – ALL CURRENT MEMBERS ARE REQUIRED TO REAPPLY

Mayor Recommended: (all terms expire on 12/31 of said year)

Cable TV Advisory Committee – 1 term (Expire 2020)

Charter Commission – 1 term (Expire 2020) – 1 term (Expire 2021)

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Public Utility Commission – 1 term (Expire 2022)

Transportation Advisory Committee – 2 terms (Expire 2018) – 3 terms (Expire 2019)

Council President Recommended: (all terms expire on 12/31 of said year)
Police & Fire Civil Service Commission – 1 term (Expire 2020)

New Business

City Hall Annex Remodel - Approved

Building Official Caughey briefly explained the background of the annex remodeling project that is currently occupied by the State of Minnesota Drivers License Agency. The remodel is part of the agreement for the extension of the lease. There were three bids submitted for the project.

MOVED AND SECONDED BY ALDERMEN BEVANS AND LAMBERT, DULY CARRIED, TO ACCEPT STAFF RECOMMENDATION AWARDDING THE CONTRACT TO APPARENT LOW BIDDER, BARATTO BROTHERS CONSTRUCTION INC.

Transportation Alternative Project Funding Resolutions – Adopted by Resolution No. 03:18 and No. 04:18

City Engineer Sandy indicated Ms. Heidi Peper from SEH addressed the Council at the December 11, 2017 special council meeting regarding the funding opportunities for the Three Bridges Trail project which include the Federal Transportation Alternative grant. This grant application is due January 12, 2018 and requires two approved resolutions – Sponsoring Agency and Agreeing to Maintain the Facility.

Council Member Lambert questioned the estimated cost of the project. Finance Director Hillman explained the Federal Transportation Alternative grant will fund for 80% of the construction cost. Ms. Peper had indicated there are other funding sources available; we started with the larger funding sources first and will proceed onto the smaller sources. Council Member Hilgart questioned what the cost of the project is estimated at so we know how much our 20% will be. Finance Director Hillman indicated that we do not know the amount yet and there is currently no planning grant. Mayor Menk explained this is only stating that we will match it at the 20% level if we choose to proceed with the project. If the project entails more than what the Council or community wants to do, the grant can be turned down. This is basically one step towards approval and proceeding.

City Planner Ostgarden stated there have not been any detailed cost estimations done. There was no available financing to complete the in depth engineering and design work to be able to estimate a total project or phases of the project. These resolutions needed to be completed initially in order to complete the application for the grant funding.

MOVED AND SECONDED BY ALDERMEN BEVANS AND BADEAUX TO ADOPT RESOLUTION NO.03:18 AGREEING TO ACT AS A SPONSORING AGENCY FOR A TRANSPORTATION ALTERNATIVES PROJECT IDENTIFIED AS MISSISSIPPI RIVER THREE BRIDGES TRAIL AND HAS REVIEWED AND APPROVED THE PROJECT AS PROPOSED.

RESOLUTION NO. 03:18

Upon roll call, members Bevans, Badeaux, Johnson, Stunek and Pritschet voted "aye." Members Hilgart and Lambert voted "nay." The Chair declared the motion carried.

MOVED AND SECONDED BY ALDERMEN BEVANS AND JOHNSON TO ADOPT RESOLUTION NO.04:18 AGREEING TO MAINTAIN THE FACILITY CONSTRUCTED FOR A TRANSPORTATION ALTERNATIVES PROJECT IDENTIFIED AS MISSISSIPPI RIVER THREE BRIDGES TRAIL AND HAS REVIEWED AND APPROVED THE PROJECT AS PROPOSED.

RESOLUTION NO. 04:18

Upon roll call, members Bevans, Badeaux, Johnson, Hilgart, Lambert, Stunek and Pritschet voted "aye." No member voted "nay." The Chair declared the motion carried.

On-Sale / Sunday Liquor License – Submitted by Thomas L. Murray, owner of The Parlor, 714 Laurel and Portion of 718 Laurel Street, Brainerd – Contingent Upon City Code and Licensing Requirements - Approved

Finance Director Hillman briefly explained the background of the license and clarified the property situation.

MOVED AND SECONDED BY ALDERMEN BEVANS AND JOHNSON, DULY CARRIED, TO APPROVE THE LIQUOR LICENSE FOR THE PARLOR WITH THE CONDITIONS OF MEETING ALL CITY CODE AND LICENSING REQUIREMENTS AND THE PREVIOUS LICENSE IS THEN MADE VOID.

Committee Member Johnson stated currently the City of Brainerd mandates a code stating if a business chooses to open a liquor establishment, it must be in the designated liquor zones. It is suggested to amend that requirement to allow a business to operate in other areas.

Mayor Menk asked City Attorney Langel if this would pose a problem in expanding or limiting the number of licenses within the downtown general business district. City Attorney Langel indicated the size and/or location of the zone is entirely up to the Council. There is no state law mandating a liquor zone, only the City code which set the number of licenses to twelve.

Council discussion took place.

MOVED AND SECONDED BY ALDERMEN JOHNSON AND STUNEK, DULY CARRIED, TO DIRECT STAFF TO INITIATE THE ACTION NECESSARY TO AMEND THE ORDINANCE REGARDING THE LIQUOR ZONE.

Planning Commission

First Reading of Proposed Ordinance No. 1476 – An Ordinance Amending Section 22-8 – Off-Street Parking Requirement for Schools - Approved

City Planner Ostgarden explained the history of off-street parking and the minimum requirements in the City. Due to the recent discussions regarding the school district referendum and the potential for reuse of the school facilities, the Planning Commission looked at the issue of off-street parking requirements for schools. It was the Planning Commission's

recommendation to eliminate the requirement. The decision whether or not additional off-street parking spaces should be provided and the number of spaces should be a school district decision and not a city requirement.

City Planner Ostgarden indicated a Planning Commission member is attending the meeting tonight and has some insight on the topic if the Council is interested.

The Chair welcomed Mr. Charles Marohn, 616 N. 4th Street who took the opportunity to present a PowerPoint regarding parking and the drawbacks of having parking requirements.

Council discussion took place.

MOVED AND SECONDED BY ALDERMEN JOHNSON AND BEVANS TO APPROVE THE FIRST READING OF ORDINANCE NO. 1476 AMENDING ZONING ORDINANCE SECTION 22-8 OFF STREET PARKING NUMBER OF SPACES REQUIRED; REMOVING THE OFF STREET PARKING REQUIREMENTS FOR SCHOOLS.

Members Bevans, Badeaux, Johnson, Hilgart and Stunek voted “aye”. Members Lambert and Pritschet voted “nay”. The Chair declared the motion carried.

Public Forum

The Chair opened the Public Forum at 8:45 p.m.

No one came forward.

The Chair closed the Public Forum at 8:45 p.m.

Staff Reports

City Planner Ostgarden recognized Ms. Ashley Kaisershot from National Joint Powers Alliance (NJPA), who is attending the meeting tonight. Ms. Kaisershot started today serving as the Riverfront Coordinator and will also be working on the Comprehensive Plan.

Council Member Reports

Council Member Johnson announced a follow-up to the housing voucher application for homeless veterans. The VA denied the application due to there being no homeless veterans in Crow Wing County.

Council Member Bevans stated the Charter Commission met on December 26, 2017. The Commission requests the Council inform them on areas and topics they would like the Charter to address in the coming year and discussion was held regarding the primary election system. The Economic Development Authority (EDA) will be meeting on Thursday, January 4, 2018 at 7:30 a.m.

Mayor Menk announced the City of Brainerd will be hosting a group from Deluxe Corporation with the Small Business Revolution Main Street Program on January 10th and 11th, 2018. Brainerd is one of ten finalists in the program to be eligible to win \$500,000 to enhance our downtown business district. There will be a reception at Roundhouse Brewery on January

10th at 5:30 p.m. Walking tours will take place on January 11th with introductions and group consultations with the program representatives.

Adjourn To Roundhouse Brewery for the Small Business Revolution Main Street Reception on January 10, 2018 at 5:30 p.m.

The Chair adjourned the meeting at 8:45 p.m.

Cassandra Torstenson
City Administrator

CITY OF BRAINERD
LICENSED CONTRACTORS
CITY COUNCIL MEETING
January 16, 2018
(1 New, 23 Renewals)

CONTRACTOR	TELEPHONE	TYPE	INSURANCE	BOND	STATE NO.
PROJECT ONE CONSTRUCTION, INC. 10375 COUNTY ROAD 8 KIMBALL, MN 55353 18-0098	(320) 398-7000	GENL	1/1/2019	12/31/2018	
WESTERN PRODUCTS, INC. 474 45TH STREET S. FARGO, ND 58103 18-0099	(701) 293-5310	GENL	1/1/2019	12/31/2018	CR004286
IDEAL CONCRETE CONSTRUCTION INC 7757 WISE RD BRAINERD, MN 56401 18-0100	(320) 420-2458	MASO	6/26/2018	12/31/2018	
RARDIN CONSTRUCTION, INC. 10990 COUNTY ROAD 77 SW NISSWA, MN 56468 18-0101	(218) 829-6507	GENL	1/1/2019	12/31/2018	BC003746
CLUEVER CONSTRUCTION, INC. 12674 KNOLLWOOD DRIVE S BAXTER, MN 56425 18-0102	(218) 829-2550	GENL	5/26/2018	12/31/2018	BC002557
MID-STATE REFRIGERATION, HEATING-AC 604 LINCOLN AVENUE NE ST. CLOUD, MN 56304 18-0103	(320) 251-6861	MECH	12/31/2018	8/18/2018	MB003246 PC005306
ST. CLOUD REFRIGERATION DBA: SCR 604 LINCOLN AVENUE NE ST. CLOUD, MN 56304 18-0104	(320) 251-6861	MECH	12/31/2018	8/15/2018	MB003247
TIM THOMPSON PLUMBING, LLC 16675 JACKSONVILLE ACRES BRAINERD, MN 56401 18-0105	(218) 829-3858	PLUM	10/16/2018	12/31/2018	PC643406
RANDY'S PLUMBING & HEATING 8216 INDUSTRIAL PARK ROAD BAXTER, MN 56425 18-0106	(218) 829-5736	MECH	6/1/2018	2/18/2018	MB698075 PC644775
MASTER PLUMBING & HEATING OF BRD 17131 MOGENSEN ROAD BRAINERD, MN 56401 18-0107	(218) 829-2443	MECH	10/15/2018	5/10/2018	MB005013 PC644493
KEVIN'S PLUMBING & HEATING, LLC 11799 GREGORY DRIVE SW BRAINERD, MN 56401 18-0108	(218) 821-5844	PLUM	7/26/2018	12/31/2018	PC644497

CITY OF BRAINERD
LICENSED CONTRACTORS
CITY COUNCIL MEETING
January 16, 2018
(1 New, 23 Renewals)

CONTRACTOR	TELEPHONE	TYPE	INSURANCE	BOND	STATE NO.
ACCESS NORTH 606 5TH STREET NW BRAINERD, MN 56401 18-0109	(218) 262-6675	FRAM	6/1/2018	12/31/2018	
HY-TEC CONSTRUCTION OF BRAINERD 11360 BUSINESS 371 PO BOX 621 BRAINERD, MN 56401 18-0110	(218) 829-8529	GENL	4/1/2018	12/31/2018	BC050648
MINNESOTA SEAMLESS CONCEPTS INC 3622 30TH STREET SE, SUITE 4 ST CLOUD, MN 56304 18-0111 (New)	(320) 733-2633	GENL	7/21/2018	12/31/2018	BC712606
H&H MASONRY, LLC 23305 STATE HWY 18 DEERWOOD, MN 56444 18-0112	(218) 764-2389	MASO	7/8/2018	12/31/2018	
LAKES AREA PLUMBING 8354 WALDEN ROAD BRAINERD, MN 56401 18-0113	(218) 855-0155	MECH	9/1/2018	9/24/2018	MB003499 PC643829
METROPOLITAN MECHANICAL CONTRACTORS 7450 FLYING CLOUD DR EDEN PRAIRIE, MN 55344-3720	(952) 941-7010	MECH	12/31/2018	3/29/2018	MB004842 PC642833 HC000087
CENTERPOINT ENERGY MINNESOTA GAS 6161 GOLDEN VALLEY RD GOLDEN VALLEY, MN 55422 18-0115	(763) 512-2764	MECH	10/1/2018	8/20/2018	MB003503
REGAL CONTRACTORS, INC. 717 JULEP ROAD WAITE PARK, MN 56387 18-0116	(320) 253-1161	DRYW	1/1/2019	12/31/2018	
TDS METROCOM LLC 6224 LAKELAND AVE N SUITE 105 BROOKLYN PARK, MN 55428 18-0117	(763) 450-3494	UTIL	1/1/2019	12/31/2018	
QUICK CONSTRUCTION, INC. PO BOX 324 PILLAGER, MN 56473 18-0118	(218) 829-6203	GENL	2/22/2018	12/31/2018	BC320749
JIM'S HEATING & AIR LLC 14748 LEISURE ROAD PIERZ, MN 56364 18-0119	(320) 468-6742	MECH	4/13/2018	8/31/2018	MB003683

CITY OF BRAINERD
 LICENSED CONTRACTORS
CITY COUNCIL MEETING
January 16, 2018
 (1 New, 23 Renewals)

CONTRACTOR	TELEPHONE	TYPE	INSURANCE	BOND	STATE NO.
WEATHERPROOFING TECHNOLOGIES, INC. 3735 GREEN ROAD BEACHWOOD, OH 44122 18-0120	(800) 852-6013	GENL	4/1/2018	12/31/2018	
5 STAR HEATING AND AIR LLC 1516 3RD STREET N ST. CLOUD, MN 56303 18-0121	(320) 241-9001	MECH	11/15/2018	6/20/2018	MB682971 PC677163

**BRainerd POLICE DEPARTMENT
MEMORANDUM**

TO: Brainerd City Council

FROM: Police Chief Corky McQuiston

DATE: 01-11-18

RE: Monthly Report



2017 SHOP WITH A COP

Again, this year we were very fortunate to have the Lakes Area Law Enforcement Association coordinate the annual Shop-with-a-Cop event. On December 2nd, 9th, and 13th, Brainerd and Baxter Police Officers picked up 20 different kids each weekend.

The officers had breakfast with the children and then went Christmas Shopping with them. This event could not happen without the generosity of Wal-Mart, Mills Fleet Farm, Target, and the westside McDonalds Restaurant and the McDonalds Restaurant inside Wal-Mart.

MITTEN TREE

If you are active on Facebook, you probably also saw that for the second year in a row we are also able to host the Mitten Trees outside the entrance to the police department. Local volunteers hand-make hats and mittens and place them on the tree for anyone in need.

The tree has been restocked several times with the extremely cold weather we have experienced. If you see Kristy from Utrinkets at 617 Laurel Street, please thank her for organizing this again this year. The quality of these handmade hats and mittens make them very nice & useful.



DECEMBER TRAINING



As part of the increase in training reimbursement funding from the POST board that was authorized during the last legislative session, mandated Diversity training for license renewals is now a component. In December, all officers participated in a POST certified 4-credit class titled Cultural Diversity Training on Islam. This was free of charge and provided to us by the Islamic Resource Group (IRG) based out of St. Anthony, Minnesota.

The speaker that came to our department and presented on this, John Emery, is a nine-year US Army Veteran. John served as a translator and interrogator, including service in the US, North Africa, Persian Gulf, and Guantanamo Bay, Cuba.

Coincidentally, John is an American convert to Islam, so he has a natural ability to help address common misconceptions about Muslims. John can easily explain and relate things to help gain a better understanding of the Islamic faith and common practices among them as to how we could recognize this in our community.



The other half of that in-service training day for officers included time with the Ti Training Use of Force Simulator at Central Lakes College. We are very fortunate that because of Officer Troy Schreifels' affiliation with the college, we are able to use this free of charge.

SANTA AT THE WOMEN'S SHELTER

With the help of local businessman John Thelen and Officer Troy Schreifels we were able to give Santa Claus and one of his elves an escort to the Women's shelter to distribute toys to the children there. This has been a service the police department has been doing for the past 15+ years.



Critical Issues Forum



On December 13th, I attended a MN Police Chief's Association Critical Issues forum in Bloomington focused on Law Enforcement Solutions to the mental health crisis. It was very interesting to hear from other agencies that have embedded mental health workers assigned to officers in their agencies or co-responder projects and how those resources respond and follow-up with persons in a mental health crisis.

Along with state-wide law enforcement officials, the discussion included a panel of speakers with a State House Representative, the POST Board director, Mental Health professionals and service providers. One of the highlights of the presentation was KSTP Channel 5 Eyewitness news Chief Meteorologist Ken Barlow. Ken openly discussed his past and his journey in recognizing his bipolar disorder.

Body Worn Camera Data Report



Month	Number of Videos	Hours of Videos	GB of Videos	Average MB per Video	Average Time Length of Videos	Average Number of Videos Per Day
November	1155	70 Hours	413 GB	357 MB	12 Minutes	38.5
December	1149	114 Hours	438 GB	381.MB	12 Minutes	37

Conduct on Premises Activity Report for December

ICR	Date Reported	Title	Address	Summary
17017041	12/06/17	Conduct on Premises	220 North 4 th Street	Conduct on premises.
17017116	12/08/17	Conduct on Premises	812 Juniper Street	Conduct on premises.
17017214	12/10/17	Conduct on Premises	214 South 8 th Street	Conduct on premises.
17018098	12/26/17	Conduct on Premises	715 Ivy Street	Conduct on Premises.
17018118	12/27/17	Conduct on Premises	1204 West Campus Drive	Conduct on Premises.
17018212	12/29/17	Conduct on Premises	1823 Oak Street	Conduct on Premises.

Monthly Police Activity

December	2017	2016
Calls	1529	1425
Citations (Inc. Parking)	364	282
Part I and Part II Crimes Reported	191 **	282

**** Note: This does not include files that have not yet been coded.**

225 parking tickets were issued in the month of December with the following dispositions:

5	Dismissed
0	Business Validations
100	Paid in Full
1	Partial Payments Received
119	No Payment Received

Revenue Recapture Receipts:

To Date: \$ 33,788.69

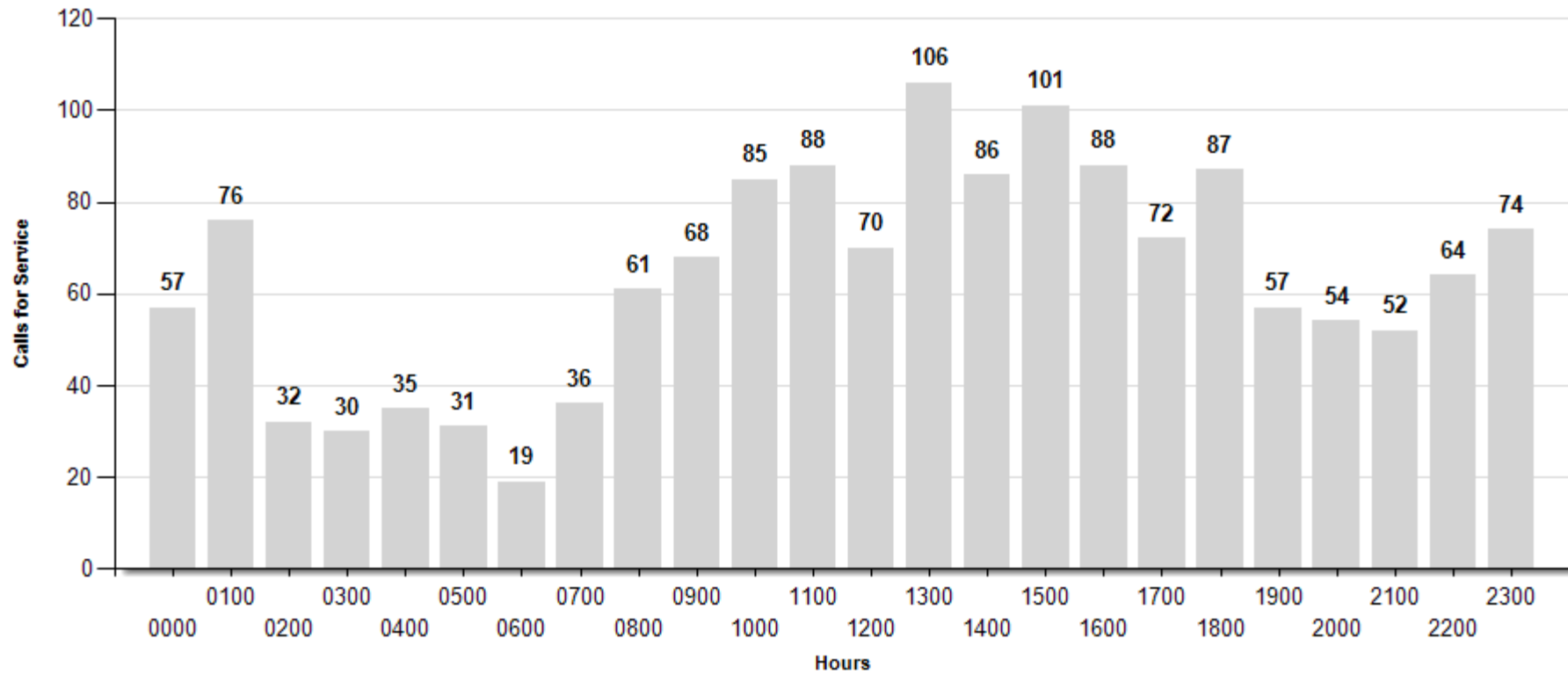
In 2017: \$ 5,779.23



Calls for Service Hourly

12/1/2017 to 12/31/2017

Total Calls: 1569



MEMO

TO: Mayor and Council

FROM: City Administrator Cassandra Torstenson

DATE: January 9, 2018

RE: Resolution Accepting Donations & Contributions for 4th Quarter 2017

Attached is a resolution accepting donations and contributions that have been made to the City of Brainerd for the period of October 1, 2017 through December 31, 2017. The City is very appreciative to all who have made these contributions. The funds from the donations and contributions will be used as requested by the donor.

A resolution needs to be adopted with a two-thirds vote of the Council. The item appears on the January 16, 2018 agenda.

If you have any questions, please don't hesitate to contact me.

\dj

**RESOLUTION
NO. XX:XX**

**RESOLUTION ACCEPTING DONATIONS AND/OR CONTRIBUTIONS
FROM OCTOBER 1, 2017 THROUGH DECEMBER 31, 2017**

WHEREAS, the City of Brainerd is generally authorized to accept donations of real and personal property pursuant to Minnesota Statutes Sections 465.03 for the benefit of its citizens and is specifically authorized to accept gifts and bequests for the benefit of recreational service pursuant to Minnesota Statutes Section 471.17; and

WHEREAS, the following persons and entities have offered to contribute the gifts and cash sums set forth below to the City:

<u>Name of Donor</u>	<u>Amount</u>	<u>Requested Use of Donation or Contribution</u>
----------------------	---------------	--

SEE ATTACHED LIST OF DONORS

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BRAINERD, MINNESOTA that all donations and/or contributions described above are hereby graciously accepted by the City of Brainerd and shall be used as requested by the donors or grant requirements.

BE IT FURTHER RESOLVED, that the City Council expresses its gratitude to the donors of the gifts.

Adopted this ____ day of _____, 2018

DAVID J. PRITSCHET
President of the Council

Approved this ____ day of _____, 2018

EDWIN L. MENK
Mayor

ATTEST: _____
CASSANDRA L. TORSTENSON
City Administrator

LEGIONVILLE

Organization Name	2017
Mid-MN Federal Credit Union	\$ 500.00

RECEIVED

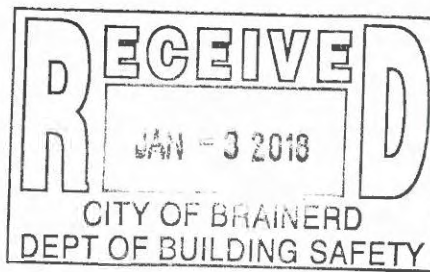
JAN -5 2018

CITY OF BRAINERD
ADMINISTRATION

Brainerd Parks and Recreation
Contributions and Donations October-December 2017

Received From	Receipt Date	Type of Donation	Amount Received
Audriana Wallin	10/03/17	Memorial tree plaque	\$25.00
Brainerd Jaycees	10/05/17	Special Events-Great Pumpkin Festival	50.00
Brainerd Jaycees	10/05/17	MMP field improvements-banner program	150.00
Walmart	10/19/17	Supplies and pumpkins-Great Pumpkin Festival	in-kind
Audriana Wallin	05/28/03	Memorial bench	704.00
Brainerd Lakes Area Women of Today	11/21/17	Defray costs of cleaning brass plaques-Gregory Park	157.14
Hockey House Sports Inc	12/13/17	Case of hockey pucks	in-kind
TOTAL			\$1,086.14

MEMO



www.ci.brainerd.mn.us

TO: Finance Director Connie Hillman
FROM: Fire Chief Tim Holmes
DATE: January 2, 2018
SUBJECT: 2017 – 4th Quarter Donations

CH

4th Quarter donations for the Brainerd Fire Department are as follows:

- | | | |
|---------------|---------|----------|
| • Lowell PTA | \$ 250 | Donation |
| • Fox, Edward | \$2,000 | Capital |

Feel free to contact me with any questions.

MEMO

TO: Connie Hillman, Finance Director

FROM: Corky McQuiston, Chief of Police

DATE: October 4, 2017

RE: 4th Quarter 2017 Donations

The Brainerd Police Department received the following donations from October – December, 2017:

- Pet Smart \$20.00 gift card for K-9 Program

If you have any questions, please don't hesitate to contact me.

\dj

**CITY OF BRAINERD
PERSONNEL AND FINANCE COMMITTEE
AGENDA**

January 16, 2018
City Hall Conference Room
6:45 PM

1. Approval of Bills & Payments to Contractors

<u>Contractor</u>	<u>IMP#</u>	<u>Project</u>	<u>Amount Paid</u>	<u>Amount Retained</u>
Anderson Brothers	15-12	S. 6 th St. Frontage thru 01/08	\$1,260	\$66
Tom's Backhoe	12/21/17	DT Snow Removal	\$9,175	\$0

2. Brainerd Sports & Marine Excise Tax

3. Police Officer Resignation & Request for New Officer Hiring List

4. Purchase of New Fire Tender Truck

5. Request for Funds to Assist with Asbestos Abatement – 707 Laurel Street

6. National Joint Powers Alliance (NJPA) Funding for 2018 Interns

7. Compensation System and Pay Equity Study Update

8. Agreement to Provide Health Care Services to Low Income Individuals

9. State Minnesota Investment Funds (MIF)



Brainerd City Council Agenda Request

Requested Meeting Date: January 6, 2018

Title of Item: Brainerd Sports & Marine Excise Tax

☐ INFORMATION ONLY ☐ CONSENT AGENDA ☒ P&F COMMITTEE ☐ SPW COMMITTEE ☐ MAIN AGENDA	Action Requested: ☒ Approve/Deny Motion ☐ Adopt Resolution (attach draft) ☐ Direction Requested ☐ Discussion Item ☐ Hold Public Hearing* ☐ Ordinance 1 st Reading <i>*provide copy of published hearing notice</i>
Submitted by: Connie Hillman	Department: Finance
Presenter (Name & Title): Finance Director Hillman	Estimated Time Needed: 5 Minutes
Summary of Issue: The City received the attached letter from Brainerd Sports & Marine, along with a check and report paying the Motor Vehicle Excise Tax for sales of boat trailers for January - September 2017 (\$602) and another report and check paying the tax for October 2017 (\$59). We have since received a report and payment for November as well (\$16). As stated in the letter, Brainerd Sports & Marine had been paying excise tax to the state as local sales tax, assuming since the new owner purchased Brainerd Sports & Marine in 2009 until January 2017. All of their bookkeeping was done by an outside accounting firm and the error was not discovered until October 2017. Brainerd Sports & Marine is requesting that all excise tax that was paid to the State as local sales tax from 2009-2016 rather than being paid as excise tax directly to the City be forgiven, as well as any late fees, penalties and interest that may apply.	
Alternatives, Options, Effects on Others/Comments: It is noted in the letter that Brainerd Sports & Marine did not receive information on the Motor Vehicle Excise Tax Report. As part of the legislation passed in 2007, the City of Brainerd is to administer the excise tax itself. The assumption of why Brainerd Sports & Marine did not receive information is because information was sent out to any entity with a Second-Hand Automobile License, which Brainerd Sports & Marine did not have, and wasn't known as a licensed auto dealer. Staff has confirmed with our City Attorney, and has communicated with Brainerd Sports & Marine, that they should apply and obtain a Second-Hand Automobile License as per Sales Tax Fact Sheet 164, and City Code, the motor vehicle definition includes a trailer, and Brainerd Sports & Marine sells used trailers. Staff still needs to research if there is any set late fees, penalties or interest for not paying the excise tax or obtaining the license, before the council meeting Tuesday evening. The license has an annual fee of \$50.	
Recommended Action/Motion: Approve or deny Brainerd Sports & Marine's request to forgive the excise tax paid to the State as local sales tax rather than being paid directly to the City from 2009-2016, as well as any penalties and interest that may apply for not paying the tax directly to the City, or for not applying and obtaining a Second-Hand Automobile License.	
Financial Impact: <i>Is there a cost associated with this request:</i> ☐ Yes ☐ No <i>What is the total cost, with tax and shipping</i> \$ _____ <i>Is this budgeted?</i> ☐ Yes ☐ No <i>Please Explain:</i> The City should have received the local sale tax from the State.	

BRAINERD SPORTS & MARINE

November 2, 2017

City of Brainerd
501 Laurel Street
Brainerd MN 56401

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NOV - 6 2017

CITY OF BRAINERD
ADMINISTRATION

RE: Excise Tax

When the excise tax first went into effect in Brainerd, the accounting company used by Brainerd Sports and Marine coded all the excise tax to the local sales tax payable account and that excise tax was paid to the state as local sales tax. In late 2016 a full time in house accounting person was hired.

In January she was shown how to invoice boat and trailers sales, and entered 1 or 2 invoices at that time. Several weeks later when she was invoicing she asked if there was sales tax on boat trailers. Since there is no sales tax on trailers and no account listed for local excise tax on the books, all the local excise tax was coded to the license and title fees payable account. This is the account that the MN Excise tax is coded to.

It was recently discovered that these taxes had not been paid since the state license department does not collect and redistribute the local portion of the local excise tax as it does with the local sales tax. The local tax report form was located after contacting the city for clarification on the process. Each trailer sale was reviewed and we are now submitting payment for the unpaid taxes. Accounts have been set up to properly submit future payments.

Attached is a list of all the sales on which the excise tax was not paid. Included also is payment for the unpaid taxes. Since Brainerd Sports & Marine did not receive a copy of the City of Brainerd Excise tax Report form from the city and the fact that those taxes were set up by an outside accounting firm we request that all late fees, penalties and interest be waived.

Sincerely,



Brian Halverson

Owner

Brainerd Sports & Marine



MOTOR VEHICLE EXCISE TAX REPORT
CITY OF BRAINERD, MINNESOTA

B: B Boat Rec Inc DBA
Brainerd Sports Marine
Business name

Po Box 732
Mailing Address

Brainerd MN 56401
City State Zip Code

9916513
Sales and Use Tax Account Number

11/12 - 9/17
Reporting Period (Month & Year)

Due Date
(20th of each month following reporting period)

Vehicles Sold Under \$4,000

1. Monthly Retail Vehicle Sales	\$ 108306.60
2. Sales Tax Rate (.5% of Retail Sales)	0.005
3. Excise Tax Due (line 1 multiplied by line 2)	\$ 541.53

Vehicles Sold Over \$4,000

1. Number of Vehicles Sold	3
2. Sales Tax Per Vehicle Sold	\$ 20.00
3. Excise Tax Due (line 1 multiplied by line 2)	\$ 60.00

\$ 601.53

I declare and certify under penalty of law that I have examined this statement and that to the best of my knowledge and belief is true and complete.

Julie Peterson
Signature

11-2-17
Date

Julie Peterson
Printed Name

Controller
Title

Make checks payable to: City of Brainerd

Submit payment and report to: City of Brainerd
Administration Department
501 Laurel Street
Brainerd, MN 56401
218-828-2307

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NOV - 6 2017
CITY OF BRAINERD
ADMINISTRATION

Excise Tax Summary

31-Jan	2700	13.50	
	2700		13.50
29-Mar	3700	18.50	
29-Mar	1449	7.25	
30-Mar	1946	9.73	
30-Mar	700	3.50	
	7795		38.98
26-Apr	250	1.25	
27-Apr	2730	13.65	
27-Apr	1689	8.45	
28-Apr	2400	12.00	
	7069		35.35
11-May	1584	7.92	
13-May	700	3.50	
15-May	1500	7.50	
19-May	2599	13.00	
23-May	1399	7.00	
23-May	1500	7.50	
24-May	1150	5.75	
24-May j	1999	10.00	
24-May	500	2.50	
24-May	1799	9.00	
24-May	1000	5.00	
25-May	2199	11.00	
31-May	1800	9.00	
31-May	2230	11.15	
31-May	3304	16.52	
	25263		126.32
5-Jun	1800	9.00	
5-Jun	1699	8.50	
7-Jun	1185	5.93	
13-Jun	2039	10.20	
21-Jun	1140	5.70	
21-Jun	2199	11.00	
21-Jun	3379	16.90	
26-Jun	1449	7.25	
29-Jun	1500	7.50	
29-Jun	1610	8.05	
30-Jun	2199	11.00	
30-Jun	2320	11.60	
30-Jun	2255	11.28	
30-Jun	3559	17.80	
30-Jun	1700	8.50	
30-Jun	2722	13.61	
30-Jun	1684	8.42	
30-Jun	1689	8.45	
30-Jun	750	3.75	
30-Jun	1962	9.81	
30-Jun	600	3.00	

30-Jun	700	3.50	
30-Jun	<u>4060</u>	20.00	
	44200		220.70
22-Jul	1489	7.45	
24-Jul	2076.62	10.38	
24-Jul	400	2.00	
24-Jul	2289	11.45	
25-Jul	1574	7.87	
26-Jul	275	1.38	
27-Jul	1690	8.45	
27-Jul	<u>1709</u>	8.55	
	11502.62		57.51
24-Aug	2150	10.75	
24-Aug	1709	8.55	
24-Aug	3469	17.35	
24-Aug	4475	20.00	
24-Aug	2000	10.00	
24-Aug	1300	6.50	
30-Aug	300	1.50	
30-Aug	1709	8.55	
30-Aug	<u>600</u>	3.00	
	17712		86.19
27-Sep	4051	20.00	
27-Sep	400	2.00	
28-Sep	<u>200</u>	1.00	
	4651		23.00
			<u>601.53</u>

120892.62
 4051
 4475
4060
 108306.62



MOTOR VEHICLE EXCISE TAX REPORT
CITY OF BRAINERD, MINNESOTA

B.B. Boat & Rec Inc DBA Brainerd Sports Marine 9916513
Business name Sales and Use Tax Account Number

PO Box 732
Mailing Address

10-17
Reporting Period (Month & Year)

Brainerd MN 56401
City State Zip Code

10-20-17
Due Date
(20th of each month following reporting period)

Vehicles Sold Under \$4,000

1. Monthly Retail Vehicle Sales	\$ 11,871.00
2. Sales Tax Rate (.5% of Retail Sales)	0.005
3. Excise Tax Due (line 1 multiplied by line 2)	\$ 59.38

Vehicles Sold Over \$4,000

1. Number of Vehicles Sold	—
2. Sales Tax Per Vehicle Sold	\$ 20.00
3. Excise Tax Due (line 1 multiplied by line 2)	\$

I declare and certify under penalty of law that I have examined this statement and that to the best of my knowledge and belief is true and complete.

[Signature]
Signature

11-2-17
Date

Julie Peterson
Printed Name

Controller
Title

Make checks payable to:

City of Brainerd

Submit payment and report to:

City of Brainerd
Administration Department
501 Laurel Street
Brainerd, MN 56401
218-828-2307

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CITY OF BRAINERD
ADMINISTRATION



Brainerd City Council Agenda Request

Agenda Item #

Requested Meeting Date: January 16, 2018

Title of Item: Police Officer Resignation & Request to Establish New Eligibility List

☐ INFORMATION ONLY ☐ CONSENT AGENDA ☒ P&F COMMITTEE ☐ SPW COMMITTEE ☐ MAIN AGENDA	Action Requested: ☒ Approve/Deny Motion ☐ Adopt Resolution (attach draft) ☐ Direction Requested ☐ Discussion Item ☐ Hold Public Hearing* ☐ Ordinance 1 st Reading <i>*provide copy of published hearing notice</i>
Submitted by: CHIEF MCQUISTON	Department: POLICE
Presenter (Name & Title): CHIEF MCQUISTON	Estimated Time Needed: 10 MINUTES
Summary of Issue: Police Officer Troy Nash has been offered a position with the Crow Wing County Sheriff's Department and we anticipate having his letter of resignation by the meeting on January 16th. We are requesting to establish a new Police Officer Eligibility List for the purpose of filling that position.	
Alternatives, Options, Effects on Others/Comments:	
Recommended Action/Motion: Accept Officer Nash's resignation with regret and Authorize the Police & Fire Civil Service Commission to establish a new Police Officer Eligibility List.	
Financial Impact: Is there a cost associated with this request: ☒ Yes ☐ No What is the total cost, with tax and shipping \$ _____ Is this budgeted? ☒ Yes ☐ No <u>Please Explain:</u> The position and costs associated with the process are within the department's current budget.	



Brainerd City Council Agenda Request

Requested Meeting Date: January 16th, 2018

Title of Item: Purchase of New Fire Tender Truck

☐ INFORMATION ONLY ☐ CONSENT AGENDA ☒ P&F COMMITTEE ☐ SPW COMMITTEE ☐ MAIN AGENDA	Action Requested: ☒ Approve/Deny Motion ☐ Adopt Resolution (attach draft) ☐ Direction Requested ☐ Discussion Item ☐ Hold Public Hearing* ☐ Ordinance 1 st Reading <i>*provide copy of published hearing notice</i>
Submitted by: Fire Chief Holmes	Department: Fire
Presenter (Name & Title): Fire Chief Holmes	Estimated Time Needed: 5 minutes
Summary of Issue: Request authorization to move forward with the process of purchasing a new fire truck through the HGAC process. The new truck will be a Tender; designed to haul large amounts of water.	
Alternatives, Options, Effects on Others/Comments: H-GAC process is very similar to NJPA. All contracts have been awarded by virtue of a public competitive procurement process compliant with state statutes. The estimated cost of the proposed truck, through the H-GAC process, is \$250,000. Summary of the H-GAC process: 1. Finalize apparatus spec and pricing. 2. Upon acceptance of price and spec, manufacturer will translate the content into the HGAC published base model and options. 3. Manufacturer will provide us with pricing sheets that we will forward to HGAC for their review. 4. Upon HGAC review and price verification, we will provide a Purchase Order or letter of intent to purchase. 5. HGAC will respond with order confirmation.	
Recommended Action/Motion: Authorize the Fire Chief to move forward with the purchase of a new fire tender truck through the HGAC process.	
Financial Impact: <i>Is there a cost associated with this request:</i> ☒ Yes ☐ No <i>What is the total cost, with tax and shipping</i> \$ 250,000 <i>Is this budgeted?</i> ☒ Yes ☐ No \$75,000 from the fire capital fund and the remaining \$175,000 bond. <i>Please Explain:</i>	



Brainerd City Council Agenda Request

Requested Meeting Date: January 16, 2018

Title of Item: Request for Funds to Assist with Asbestos Abatement-707 Laurel Street

☐ INFORMATION ONLY ☐ CONSENT AGENDA ☒ P&F COMMITTEE ☐ SPW COMMITTEE ☐ MAIN AGENDA	Action Requested: ☒ Approve/Deny Motion ☐ Adopt Resolution (attach draft) ☐ Direction Requested ☐ Discussion Item ☐ Hold Public Hearing* ☐ Ordinance 1 st Reading <i>*provide copy of published hearing notice</i>
Submitted by: Connie Hillman	Department: Finance
Presenter (Name & Title): Jennifer Bergman, Brainerd HRA Executive Director	Estimated Time Needed: 5 Minutes
Summary of Issue: At the January 4, 2018 EDA meeting, the board approved the recommendation from staff to fund the commercial rehab project at 707 Laurel Street from Fund 209 as presented. Attached you will find the information provided to the EDA Board.	
Alternatives, Options, Effects on Others/Comments:	
Recommended Action/Motion: Approve or deny to fund the commercial rehab at 707 Laurel Street from Fund 209 as presented.	
Financial Impact: Is there a cost associated with this request: ☒ Yes ☐ No What is the total cost, with tax and shipping \$ <u>est. 73,001</u> Is this budgeted? ☐ Yes ☒ No Budget is not adopted for Fund 209 <u>Please Explain:</u>	

MEMO



To: Brainerd EDA Board Members

From: Jennifer Bergman, Brainerd HRA Executive Director
Connie Hillman, City of Brainerd Finance Director

Date: January 2, 2018

Re: Consider Application for Commercial Rehab at 707 Laurel St.

Background

Sarah Hayden Shaw recently purchased the Iron Rail building located at 707 Laurel Street. The commercial space is currently vacant and she will be vacating the residential property on the 2nd floor to remove the asbestos, replace the insulation and install new furnaces.

Request

Attached is an application for assistance with this project. Mrs. Shaw is requesting assistance from the Crow Wing County (CWC) HRA and the City of Brainerd. The estimated project cost is \$98,000:

\$30,000	Removal of vermiculite insulation, ductwork and furnaces plus air and surface testing and pipe wrap removal
\$32,000	Re-insulation, 7,000 sq ft to R-50 under roof
\$36,000	Replace 3 furnaces and ductwork
\$98,000	Total

Mrs. Shaw is requesting \$85,000 in assistance.

The CWC HRA Board considered a request from Mrs. Shaw for a deferred loan through the HRA's TIF Revolving Loan fund. The only eligible expense in this program is the asbestos abatement. The CWC HRA authorized \$24,999 in the form of a forgivable loan which would be a 0% interest loan, forgiven at a rate of 10% per year and completely forgiven after the 10th year contingent upon the contribution of funds from the City of Brainerd.

The City of Brainerd's Commercial Rehabilitation Loan/Grant Assistance Program Policies and Procedures state that the City of Brainerd will provide up to a \$25,000 deferred loan and up to a \$25,000 traditional loan per project for a total assistance of \$50,000 per project (see Attached Policies and Procedures). This is based on a 1/3 deferred loan, 1/3 traditional loan and 1/3 applicant match.

Based on this model, a maximum of \$25,000 could be provided as a deferred loan and \$25,000 as a revolving loan leaving the owner contribution of \$48,000 which exceeds the 1/3 match requirement. The Policies and Procedures do not specify whether the applicant match must be their own funds or if other programs

Funds Available

The eligible funds the City has available to contribute are from the Small Cities grants. Currently, the local income (cash in Fund 275) the City has already been committed to a project. The program income (cash in Funds 215, 298, and Willows 209) is committed as leverage for a grant the City recently submitted a preliminary proposal for, as well as completing the current SCDP/Downtown grant.

The City may have additional program income for the fiscal year that will be ending September 30, 2018, but we will not know for sure until that date. So, at this time, the funds the City would have available to match the HRA funds for asbestos abatement would be from the Old Housing grant (Fund 209). Some of the funds from the old housing grant is currently committed for the demolition of the motel at 507 6th Street South.

Recommendation

The estimated project cost is \$98,000. After the \$24,999 contribution from the CWC HRA, this leaves a balance of \$73,001. Based on the Policies and Procedures, staff would recommend the following:

\$24,333:	Revolving Loan
\$24,333	Deferred Loan
\$24,335	Owner Contribution



324 East River Road
Brainerd, MN 56401

Phone: 218/828-3705
Fax: 218/828-8817

August 1, 2017

Dear Owner,

Attached is the application for the commercial building improvement program. Please complete, sign and date the application. The HRA also needs the following information prior to setting up your initial inspection

1. Privacy Notice statement (enclosed) – sign and date
2. Program expectations form (enclosed) – sign and date
3. Conflict of interest form (enclosed) – sign and date
4. Form of Identification – driver's license, etc.
5. Proof of insurance – copy of declaration page

I look forward to meeting you and working with you in the weeks ahead. Call me at 824-3426 if you have any questions.

When you have completed the above items please return them to me. I will contact you after I have reviewed the application.

Thank you

Sincerely,

A handwritten signature in black ink, appearing to read "John Schommer", with a long horizontal flourish extending to the right.

John Schommer

Rehabilitation Coordinator





Brainerd HRA

324 East River Road
Brainerd, MN 56401

Phone: 218/828-3705
Fax: 218/828-8817

**Commercial Rehabilitation
Loan Application**

Applicant Information

Name of Applicant:

Sarah Hayden Shaw

DUNS Number

Federal ID Number or
Social Security Number:

[REDACTED]

☒ Owner or ☐ Tenant

Street/Address
of Applicant:

521 N. 9th St

Office Phone:

218 760 6837

City, State,
Zip Code:

Brainerd MN 56401

Home Phone:

Contact Person:

Sarah Hayden Shaw

Office Phone:

Home Phone:

Property Information

Address of Building
to be Rehabilitated:

707 Laurel

Estimated Age of Building:

94 yrs

Number of Stories:

2 + basement

Estimated Market Value:

\$ 230,000

Current Property Taxes:

\$

General Description of Building:

Commercial main floor + basement (Bk) 9 apts above

Existing Building Use:

Vacant, most recently bar + apartments

Proposed Use of Building:

Retail commercial + apartments

Is this building within a correct zoning classification? ☒ Yes ☐ No

Current zoning?

Variances/special
use permits?

Is the building in a Historic District?

☐ Yes ☒ No

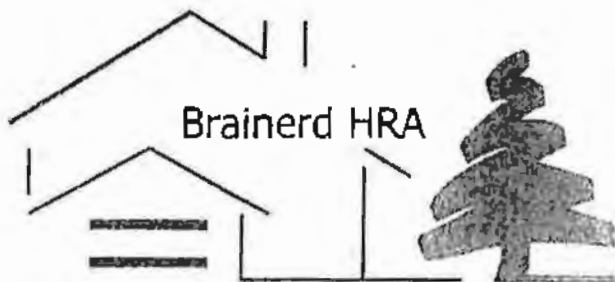
Is it on the National Historic Register?

☐ Yes ☒ No

Is it in a Floodplain?

☐ Yes ☒ No





Brainerd HRA

324 East River Road
Brainerd, MN 56401

Phone: 218/828-3705
Fax: 218/828-8817

**Commercial Rehabilitation
Loan Application**

Ownership Information

Ownership interest in property to be improved:

☐ Contract for Deed

☐ Free and Clear

☒ Mortgage

☐ Lessee: Specify terms of Lease: _____

☐ Other: Specify: _____

Name(s) on Title: Specify ownership interest of each name on the title:

Sarah Hayden Shaw (Joint ownership, spouse)

Edward Shaw (Joint ownership, spouse)

Amount of Outstanding Principal owed on Building:

\$ 125,000

NOTE: Attach proof that mortgage is current and proof of insurance on the building

Estimated Rehabilitation Costs and Requested Loan Information

Describe Proposed Improvements: (SCDP funds can only be used for exterior improvements and to correct code violations.)

Exterior: _____

Signs: _____

Awnings: _____

Mechanical Systems: _____

Architectural Services: _____

Interior: _____

Estimated Total Cost of Proposed Rehabilitation Work: \$ 98,000

Requested Loan Amount from Program: \$ 85,000

Matching Amount: \$ 13,000

Sources of Match: ☒ Personal Savings ☐ Mortgage ☐ Private Loan ☐ Other _____

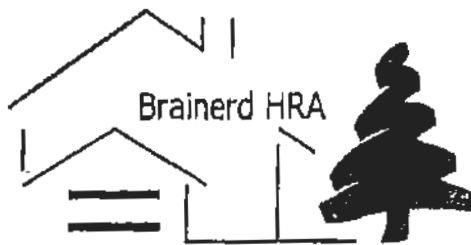
I/we certify that all statements on this application are true and correct to the best of my/our knowledge. I/we understand that any intentional misstatements will be grounds for disqualification. I authorize program representatives the right to access the property to be improved for the purpose of inspecting or obtaining information for the rehabilitation loan program.

Applicant: _____

Date: _____



See back
for more
detailed
accounting



324 East River Road
Brainerd, MN 56401

Phone: 218-824-3432
Fax: 218-828-8817

Privacy Notice

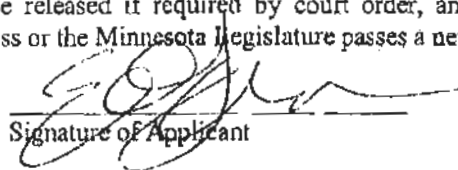
We are asking that you provide information for the Rehabilitation Program to determine if you are eligible to participate in the program.

Your name, address and the amount of assistance you receive are considered public data under the Minnesota Data Practices Act. Other information that you provide to the rehabilitation program about you and your household is considered private data.

We will use your private data only when it is required for administration and management of the program. Persons or agencies with whom this information may be shared include:

- Staff and other persons involved in program administration.
- Local loan committee members who approve applications.
- Auditors who perform required audits of this program.
- Authorized personnel from the Minnesota Dept. of Employment and Economic Development, the U. S. Dept. of Housing and Urban Development or other local, state and federal agencies providing funding assistance for your loan.
- Members of the local governing board for the purpose of addressing/resolving applicant complaints (as addressed in the project's policy and procedural manual).
- Those persons who you authorize to see it.
- Law enforcement personnel in the case of suspected fraud or other enforcement authorities as required.

We cannot release private data to anyone else or use the private data in any other way unless you give us permission by completing a consent form that we will provide. Please keep in mind, however, that data must be released if required by court order, and, in addition, your private data may be released if Congress or the Minnesota Legislature passes a new law that authorizes or requires such release of data.


Signature of Applicant

12/6/17
Date

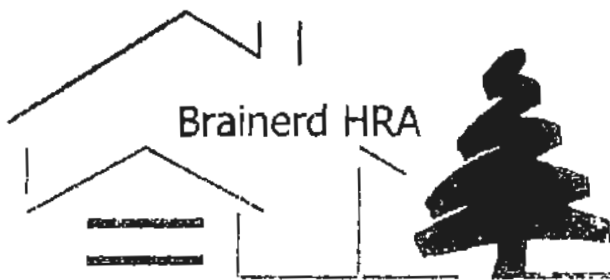
Signature of Co-Applicant

Date

Minnesota law gives you important rights in regard to information maintained about you. These include:

- The right to see and obtain copies of the data maintained on you,
- Be told the contents and meaning of the data, and
- Challenge the accuracy and completeness of the data.

To learn more about these rights, contact Dennis Christenson at 218-824-3432.



324 East River Road
Brainerd, MN 56401

Phone: 218/828-3705
Fax: 218/828-8817

What To Expect and What Not To Expect From The Commercial Rehabilitation Program

Things that Businesses do in the Commercial Rehabilitation Program

The Rehabilitation Program Staff will help during the property process, but businesses are responsible for making the choices and doing the work listed below.

1. Businesses provide the program staff with necessary information promptly.
2. Businesses, not the program staff, choose contractors to put together bids.
3. Businesses, not the program staff, select the contractor to do the work on the house.
4. Businesses sign home improvement contracts with the selected contractor.
5. Businesses request and approve payments to their contractors.
6. Businesses are part of inspecting and approving work performed by their contractors
7. Businesses work with contractors to settle disagreements during the job.
8. Businesses contact their contractors to ask them to correct problems covered by contractor warranties during the first year after the job is completed.

Things you should think about before taking out a Home Improvement Loan

1. Not all the work that Applicants want to be done can always be done. SCDP funds can only be used for exterior and code violation corrections.
2. Don't expect the property to be completely new after the work is done.
3. It can be stressful working in a property while a contractor is performing the work.
4. Very few times in life is anyone completely satisfied with things they buy or have repaired. Having a property repaired is no different.
5. Finally, the program staff is not the contractor and cannot guarantee that Businesses will be satisfied with the work done by the contractors.

Signature of Application: _____

date: _____

Signature of Application: _____

date: _____



324 East River Road
Brainerd, MN 56401

Phone: 218/828-3705
Fax: 218/828-8817

CONFLICT OF INTEREST INTERVIEW FORM

Small Cities Development Program

Are you or have you been one of the following, during the last 12 months, an

	YES	NO
Employee	_____	<u>X</u>
Consultant	_____	<u>X</u>
Officer	_____	<u>X</u>
Elected official	_____	<u>X</u>
Appointed official	_____	<u>X</u>

Of the State of Minnesota, City of Crosby or Brainerd HRA.

Or, do you/have you or any family member has a business relationship with any of the above names agencies?

YES _____ NO X

If yes, describe:

Note: if conflict exists, it may be possible for the grantee and its agents to request an exception to the conflict from the funding agency.

Signature of Applicant: _____

Date: 12/6/17











COMMERCIAL REHABILITATION

LOAN / GRANT ASSISTANCE PROGRAM

POLICIES AND PROCEDURES

FOR BUSINESSES IN DOWNTOWN BRAINERD

Amended 298

Approved: September 3, 2002

City of Brainerd
501 Laurel St.
Brainerd, MN 56501

(W) 218/828-2309
(F) 218/828-2316

Table of Contents

I.	Purpose and Intent	1
II.	Statement of Affirmative Action	1
III.	Conflict of Interest	1
IV.	Eligibility	2
V.	Assistance	3
VI.	Contracting Procedures	3
VII.	Promissory Note / DEFERED LOAN	6
VIII.	Promissory Note / Traditional Loan	7
IX.	Appeals	7
X.	Amendments	7
XI.	Check List	8
XII.	Maps	Appendix I

COMMERCIAL REHABILITATION LOAN / GRANT ASSISTANCE PROGRAM FOR BUSINESSES IN DOWNTOWN BRAINERD

I. Purpose and Intent

With this adopted document the City of Brainerd hereby sets forth the policies and procedure guidelines governing the Downtown **Commercial Rehabilitation Loan & Grant Program** for businesses in Brainerd, Minnesota as outlined in the 1992 Community Development Block grant. The purpose of this document is to establish guidelines by which businesses may obtain assistance for the rehabilitation of their business or organization. The program will provide **deferred loan assistance** and a **traditional loan** to eligible businesses. (1/3 Loan, 1/3 Grant, 1/3 Personal Financing) Funding for this assistance was made available through this program utilizing federal **SMALL CITIES DEVELOPMENT PROGRAM** funds available to the City of Brainerd by the Minnesota Department of Trade and Economic Development. This program funding is limited to exterior improvements and code violations. This program will not address business equipment, inventory, operating loans, nor interior fixtures.

The designated Project Administrator is the Director of the Brainerd Economic Development Authority (EDA) and the Director of the Brainerd Housing and Redevelopment Authority. The Project Administrator is responsible for the overall administration of the program.

II. Statement of Affirmative Action

It is the policy of the City of Brainerd that no individual shall be discriminated against because of race, color, religion, creed, sex, national origin, disability, marital status, age or status with respect to public assistance.

III. Conflict of Interest

Federal regulations (24 CFR 570.611) and Minnesota Statutes 471.87-471.88 specify that elected officials, employees of SCDP grant recipients, and others who are in position to participate in the decision-making process of the Program may not:

- A. Obtain personal or financial interest or benefits, including money, favors, gratuities, entertainment or anything of value that might be interpreted as conflict of interest.

- B. Obtain a direct or indirect interest in any contract, subcontract, or agreement for any activity. This prohibition extends to contracts in which a spouse, minor child, or business associate may have personal or financial interest.

(There are exceptions to the statutory prohibition. The city council may, by unanimous vote, contract for goods and services with an interested officer of the city in a number of cases including, with certain procedural safeguards, a contract for which competitive bids are not required by law (generally involving not more than \$25,000). The elected city official, or other person with a potential conflict of interest must file an affidavit and the council must adopt a resolution that make clear that the price is as good as the city could obtain elsewhere.)

IV. Eligibility

- A. Businesses or Organizations who own property in the designated area as outlined in the 1992 City of Brainerd Community Development Block Grant.
- B. Assistance will be limited to "for-profit and non-profit" businesses.
- C. Unable to Finance on Their Own.

In order to receive assistance, applicants must demonstrate that they are unable to finance the full amount of necessary repairs on their own.

Each applicant shall submit an application and letter outlining their inability to finance the project on their own. This will initiate a program application, which shall then be evaluated by the City of Brainerd Economic Development Authority (EDA) according to their standard lending criteria (credit- worthiness, income, expenses, assets, debt load, equity, etc.) and approved by the City of Brainerd, City Council.

- D. Applicant must be able to provide a 1/3 financial match to project. (in-kind contributions are not expectable.)

E. Property Tax Delinquency, Default, and Bankruptcy

No assistance is to be provided if property taxes are delinquent and unpaid. Applicants may apply for the Program and have their eligibility determined, but no rehabilitation work shall be placed under contract unless property taxes are paid in full. No building shall receive assistance if: (1) the owner is in default of a mortgage, contract for deed, or comparable obligation; or (2) the owner is currently engaged in bankruptcy proceedings.

V. Assistance

- A. The City of Brainerd will provide up to a \$25,000 deferred loan and up to a \$25,000 traditional loan per project. For a total assistance of \$50,000.00 per project. (note: the program is based on a 1/3 deferred Loan, 1/3 traditional loan, and a 1/3 applicant match.)

VII. Contracting Procedures

- A. The contractors will be responsible for securing insurance in the amounts specified by the City. The contractors must provide proof of insurance coverage via Certificate of Insurance Coverage.
- B. The contract is between the applicant and the contractor. An applicant is free to choose any licensed contractor that is not subject to conflict of interest regulations.
- C. Contracting will be done on an "informal" bid basis conducted by the applicant. A minimum of two bids shall be solicited for each improvement project. Proof of bids must be presented to the Project Administrator.
- D. The contract shall be awarded to the lowest base bid unless one of the following circumstances occurs:
1. The bid is determined to be unrealistically low and the contractor agrees to withdraw the bid;
 2. The contractor has failed to follow the procedures as outlined in the instructions to the bidders;

3. The applicant does not want the low contractor to perform the work and agrees to pay the difference between the lowest bid and the preferred contractor's bid;
 4. There appears to have been collusion between two or more contractors in which case all bids in the questionable trade category will be thrown out and different contractors solicited for bids; and
 5. The contractor fails to bid according to the specifications, and it proves impossible to compare that contractor's bid with the other contractors'.
- E. The contract will mandate that the contractor comply with all applicable labor standards provisions including but not limited to, **Davis-Bacon and Related Acts requirements relative to prevailing wage rates**, employer-paid benefits, overtime, submission of payrolls, and wage interviews.
- F. Upon execution of the contract by the applicant, the Project Administrator will package the project. A Notice to Proceed is then issued to the accepted contractors. That notice will allow the contractor 45 working days in which to complete the awarded contract.
- G. Change Orders
- All change orders to the contract require the signature of both the applicant and the contractor. All costs above the original award shall be covered by the applicant.
- H. Disbursement of Funds
- No disbursement of funds shall be authorized until the Project Administrator has approved all or a portion of the work that has been completed. Approval shall be evidenced by an executed Completion Certificate which shall be acknowledged to the Project Administrator. No exception to this provision shall be allowed without written notification by the City Council.

The following shall guide the disbursement of funds to the contractor:

1. No pre-payments are allowed for any reason;
2. Partial payments are not allowable for any work not yet completed and will be limited to 80% of the total due on the completed portions of the project;
3. Payments will be made only after the work is completed according to the specifications contained within the Scope of Work and meets with the approval of the applicant and the Project Administrator. In order for the contractor to be paid, a signed (by both the applicant(s) and the Project Administrator) Completion certificate must be executed at the time of payment; and
4. Payments will be made only upon presentation of the following documents:
 - a. Billing Statement,
 - b. Lien Waiver, and
 - c. Completion Certificate.

VIII. Promissory Note / DEFERED LOAN

All recipients of this assistance will need to sign a promissory note as a condition for receiving such assistance. The promissory note would be in existence for ten years (120 months) from the date that the assistance is distributed and shall be reduced on a monthly basis as outlined below. As a condition for receiving such assistance, the recipient will promise to stay in business and not sell or otherwise convey the land and/or buildings for ten years. If the recipient sells or conveys the property prior to ten years, repayment must occur according to the following schedule:

<u>Time</u>	<u>Repayment</u>
0- 12 months	100%
13 - 24 months	90%
25 months - 36 months	80%
37 months – 48 months	70%
49 months – 60 months	60%
61 months – 72 months	50%
73 months – 84 months	40%
85 months – 96 months	30%
96 months – 108 months	20%
108 months – 120 months	10%
121 months -	0%

IX. Promissory Note / Traditional Loan

All recipients of this assistance will need to sign a promissory note as a condition for receiving such assistance. Furthermore, they shall have a 15 year amortization schedule at 3% unless otherwise changed by the EDA.

X. Appeals

Each applicant making application for financial assistance under this program shall have the right to appeal any determination by the Project Administrator. Appeals will be determined by the Brainerd Economic Development Authority.

XI. Amendments

These policies and procedures may be amended or changed at any time by the City Council of the City of Brainerd, except where a signed agreement (committed funding) precludes such a change.

CHECK LIST FOR SUBMITAL

- _____ Fill out application.
- _____ Scope of Work Application.
- _____ Letter outlining financial needs.

CITY OF BRAINERD
COMMERCIAL REHABILITATION PROGRAM APPLICATION

Date: _____

SECTION I. APPLICANT(S) INFORMATION

Name of Applicant	Owner ☐	Tenant ☐	Social Security No.(s) or MN Tax ID No.(s) and Fed. ID No.
-------------------	--------------------------------	---------------------------------	--

Address (Street, City, State, Zip Code) _____

Telephone: Home: () _____

Work: () _____

SECTION II. BUILDING INFORMATION

Address of Property to be Improved: _____

Name(s) of owner (if different from applicant): _____

(Address)

(Telephone)

Legal Description:

Current Assessors Market value: _____

Current property taxes: _____ (attach statement)

The building was built in what year: _____

Number of stories: _____

Square Footage/Floor: _____

Gross Area of Non-Residential Space: _____ sq. ft.
(Commercial, office, owner-occupied unit, etc.)

Is the property a designated historic bldg.? ☐ Yes ☐ No

Floodplain? ☐ Yes ☐ No

Current Zoning? _____

Variance/Special Use Permits: _____

SECTION III. ESTIMATED REHABILITATION COSTS AND REQUESTED GRANT/LOAN

Proposed Rehabilitation/Construction: (SCDP funds can be used for exterior and code violation corrections only).

DESCRIPTION OF WORK: Be Specific ESTIMATED COST:
(Attach Contractors Cost Estimates, if available)

Estimated Total Cost of Proposed Work: \$ _____

Requested Grant/Deferred Loan Amount: \$ _____
(Max. 1/3 of cost)

Requested Loan Amount: (Max 1/3 of cost at 3% not \$ _____
to exceed 15 years)

Matching Amount (Source) \$ _____

If a Financial Institution is involved you will be required to sign a waiver authorizing the lender to share data concerning your financial ability.

The City of Brainerd may request additional information if deemed necessary by the city.

THE CITY OF BRAINERD or an authorized representative shall have the right to inspect the property to be improved at any time from the date of the Grant upon giving due notice to the occupant(s).

Any person who makes a false statement or misrepresentation in connection with the application for or use of SCDP funds shall be subject to a fine or imprisonment, or both and/or may be required to return all or part of the Grant funds to THE CITY OF BRAINERD.

I, the undersigned, certify subject to penalty under law that all the above information is true and correct to the best of my knowledge and belief, and that the provisions stated above are accepted and agreed to. I understand that I will make the final selection of the improvements to be made with the grant proceeds; that the contract for the improvements will be solely between the contractor and me; and that neither the City of Brainerd nor the Administering Entity will be liable for the inadequate performance of the improvements by my contractor.

Signature

Date

**Commercial Rehabilitation Program
City of Brainerd**

**Scope of Work
Requested Rehabilitation Assistance**

Name of Business:

Description of work:

(By trade, describe work to be completed indicating linear feet, square feet, sizes, specifications of work/materials specific enough that costs can be estimated.)

Compliance with Davis-Bacon wage rates is required.

Prepared by:

Signature: _____ Date: _____

(Printed name of person signing): _____



Brainerd City Council Agenda Request

Requested Meeting Date: January 16, 2018

Title of Item: National Joint Powers Alliance (NJPA) Funding for 2018 Interns

☐ INFORMATION ONLY ☐ CONSENT AGENDA ☒ P&F COMMITTEE ☐ SPW COMMITTEE ☐ MAIN AGENDA	Action Requested: ☒ Approve/Deny Motion ☐ Adopt Resolution (attach draft) ☐ Direction Requested ☐ Discussion Item ☐ Hold Public Hearing* ☐ Ordinance 1 st Reading <i>*provide copy of published hearing notice</i>
Submitted by: Kris Schubert	Department: Administration
Presenter (Name & Title): HR Coordinator Kris Schubert	Estimated Time Needed: 5 minutes
Summary of Issue: NJPA, as part of its City and County Solutions Program, assists Region 5 entities with paid internship costs. We have participated in this program for the past couple of years and the opportunity has been very beneficial for both the intern and the City. NJPA has provided the attached updated program requirements. This confirms that NJPA is still willing to reimburse the City for wages up to \$12 per hour; however, the City will now be required to cover the employer's FICA and Medicare payroll tax portion which is 7.65% of wages. Also attached is the Staffing Agreement for the current Planning Intern for the 2018 Spring Semester. Each Intern agreement will exceed the \$5,000 threshold in the City's Grant Application Notification Policy. We are officially notifying the Council of our intent to submit multiple NJPA Intern Agreements/grant applications for all eligible positions. NJPA's reimbursement for each internship will vary between \$6,000 - \$9,600 per position depending on the the actual working days. After NJPA's reimbursement, the City's cost will be less than \$750 for each internship based on \$12 per hour wage.	
Alternatives, Options, Effects on Others/Comments: We are hoping to hire seven interns in 2018 in the following areas: Code Enforcement, IT/GIS, Planning (2), Parks, Engineering, and HR. I believe BPU and the Airport will both be hiring an intern as well. Per NJPA's updated guidelines, it will not fund more than one intern per semester per discipline in 2018. There is an option to have the Intern be employed by NJPA and just assigned to work in Brainerd. For this, the individual must reside in the Region 5 area. By using this option (see sample Student Intern Agreement attachment), the City would not have to pay the employer's tax expense. We will utilize this option if available.	
Recommended Action/Motion: Recommended action is to authorize submittal of all eligible NJPA Intern Staffing Agreements for 2018.	
Financial Impact: <i>Is there a cost associated with this request:</i> ☒ Yes ☐ No <i>What is the total cost, with tax and shipping</i> \$ <u>up to \$750/intern</u> <i>Is this budgeted?</i> ☒ Yes ☐ No <i>Please Explain:</i> This cost represents the employer's FICA and Medicare payroll tax per position after the NJPA reimbursement. There may be an additional city cost if the hourly wage needs to exceed \$12 per hour to be competitive. 2018 budgeted funds will be utilized for the City's portion.	

Internship Program Requirements



Please complete this form and submit invoice to:

National Joint Powers Alliance (NJPA)

202 12th Street NE

Staples MN 56479

anna.gruber@njpacoop.org

National Joint Powers Alliance (NJPA), through a partnership among the Minnesota Service Cooperatives, provides internship placement in member Cities, Counties, and Other Governmental Subdivisions (CCOGA). The program allows for the financial support of an intern for \$12 an hour, up to 40 hours/week, for the duration of the internship within a semester. The internship must meet the following requirements:

- ☐ Student Enrolled in a Post-Secondary Institution (Minimum of Part Time)
- ☐ Semester is Fall, Spring, or Summer and a Maximum of 16 Weeks
- ☐ Maximum of One Intern per Career Discipline per Entity per Semester
- ☐ No reimbursements of travel costs, meals, conferences, etc. are included
- ☐ Intern Spots Must Be Secured within 60 Days of the Start of the Semester
 - ☐ Any Requests after 60 Days will be placed on a Waiting List and reviewed or approved as funding permits
- ☐ Interns may not repeat Internship Program and are limited to one, 16-week internship
- ☐ Internships must be career based and be providing professional experience relative to the student's post-secondary major or minor program, as determined by NJPA
- ☐ Interns and Entities must submit Internship or Repayment Agreement before start date
- ☐ Internship Agreement Invoices must include student name, address, dates, hours worked, description of hours worked, total hours x rate of pay, and total of the invoice.
 - ☐ Invoices may be submitted bi-weekly
 - ☐ Payment takes place on Thursday of each week
 - ☐ Invoices must be received by Tuesday at 4 pm to be guaranteed payment that week Thursday
- ☐ Repayment Agreement Invoices must include supporting documents of time paid to the intern (copies of paystubs). Repayment Agreements will not cover any fringe costs
- ☐ Interns and Entities must submit below forms and reports, as well as an evaluation of the NJPA Program (to be provided at the completion of the internship)
- ☐ Entities are encouraged to review and avoid conflicts of interests in internships

Internship Entity Program Report



Please complete this form and submit invoice to:

National Joint Powers Alliance (NJPA)

202 12th Street NE

Staples MN 56479

anna.gruber@njpacoop.org

Entity Name: _____

Address: _____ City, State, ZIP: _____

Authorized Entity Representative

Name: _____ Title: _____

Telephone: _____ Email: _____

Name of Intern: _____ Assigned to: _____ (department)

Internship Start Date: _____ Internship End Date: _____

Total Hours worked during internship: _____

Hourly wage: \$ _____

Internship highlights and achievements:

Please provide feedback on the Internship Program:

Entity Signature: _____ Date: _____

Internship Program Reflection



Please complete this form and submit to:

National Joint Powers Alliance (NJPA)

202 12th Street NE

Staples MN 56479

anna.gruber@njpacoop.org

Intern Name: _____

Address: _____ City, State, ZIP: _____

Telephone: _____ Email: _____

Internship Location

Entity Name: _____ Supervisor: _____

Telephone: _____ Email: _____

Address: _____ City, State, ZIP: _____

Please describe your duties and responsibilities as an intern:

Please share highlights and achievements from your internship:

What challenges did you experience in your internship?

What ideas or recommendations would you suggest for future internships at this entity?

What did you learn about your strengths, talents, and skills over the course of this internship?

Following your internship, how interested are you in a career in local government agencies or non-profits?

Intern Signature: _____ Date: _____

**NATIONAL JOINT POWERS ALLIANCE® (NJPA)
STAFFING AGREEMENT**

Salary: \$96 per day
Fringe: \$0 per day (includes: FICA, Medicare, Life/LTD Ins, TRA, work comp,
403b match)
Total Daily Salary/Fringe: \$96 per day

<u>Agency/Project</u>	<u># Days</u>	<u>Salary</u>
Planning Intern	67 Days	\$6,432.00
TOTAL	\$ 6,432.00	

It is agreed the cost to be reimbursed to City of Brainerd for this contract shall be as stated above and according to the City of Brainerd's employment contract attached as Schedule A.

Financing for the purposes of billing, January 2018 through April 2018 shall be considered the fiscal year.

- a. Billing will be made monthly.
- b. It is agreed that nothing in this contract will affect the relationship of each Party as to organization, legal status and right to receive State Categorical Aids, Foundation Aids, State Apportionment, Income Tax Aids, Transportation Aids, and/or Special Education Aids.
- c. City of Brainerd or NJPA may terminate this Agreement, with or without cause, by a thirty (30) day written notice to all parties. The Agreement may also be terminated at any time through written, mutual consent of all parties.
- d. City of Brainerd, as the employer, shall be responsible for all employment related expenses of the staff it assigns to the Program, including salary, benefits, travel expenses, training, secretarial time and ancillary expenses.

It is agreed that all agencies will hold harmless NJPA of any claims or action arising out of any litigation or any alleged incident that may arise or attribute to this agreement for the delivery of shared staffing and services for the above-named agencies.

It is agreed that each agency will provide any supplies and equipment needed to carry out these services.

This Agreement is entered and accepted by the Board of National Joint Powers Alliance and each agency named above.

Dated this _____ day of _____, 20____.

Approved: _____

National Joint Powers Alliance
202 12th Street NE, PO Box 219
Staples, MN 56479

Dated this _____ day of _____, 20____.

Approved: _____

City of Brainerd
Cassandra L. Torstenson, City Administrator
501 Laurel Street
Brainerd, MN 56401

STUDENT INTERN AGREEMENT

This Student Intern Agreement, made effective upon the signing of both parties, by and between National Joint Powers Alliance ("NJPA"), whose address is 202 12th Street NE, P.O. Box 219, Staples, Minnesota 56479 and _____ ("Intern"), whose address is _____.

WHEREAS, NJPA is interested in providing a student intern to _____, a Region Five Member; and

WHEREAS, NJPA is a regional service cooperative created by Minnesota Statute 123A.21 to provide services to the geographic boundary known as Region Five that would benefit from having the above-mentioned services for its Region Five Members; and

WHEREAS, there are funds available for these services; and

WHEREAS, _____ has a need for these services; and

NOW, THEREFORE, in consideration of mutual undertakings and agreements hereinafter set forth, NJPA and the Contractor agree as follows:

- 1. Term of Student Intern Agreement.** This Student Intern Agreement shall begin on _____ and shall continue until terminated in accordance with this section. NJPA, _____, and the Intern all reserve and shall have the unconditional right to terminate and cancel this Student Intern Agreement at any time by providing written notice to the other party.
- 2. Educational Institution.** Intern understands, acknowledges and agrees that he/she must be enrolled in a post-secondary higher educational institution and be considered part-time by that institution and that this condition must apply within 120 days of all times during the appointment. The Student Intern further certifies that in the event the terms of the enrollment change that he/she will immediately notify NJPA and that such change or failure to report such change may result in the termination of the contract. Intern is currently enrolled at _____.
- 3. Services.** Intern shall be assigned to _____. Intern agrees to provide services as may be requested by _____ including the following (attach separate schedule A if necessary)_____.
The Student Intern understands, acknowledges and agrees that he/she will not normally be requested or allowed to work more than _____ hours per week; however, he/she may work up to 40 hours per week.

- 4. Compensation.** The sole compensation which shall be due to the Student Intern shall be the amount of **\$12** per hour for each hour worked by the Intern pursuant to this Student Intern Agreement to be paid by NJPA.
- 5. Reporting of Income.** It shall be the responsibility of Intern to properly report all monies earned as a result of work done for NJPA to the State and Federal Governments. Intern shall submit a W-9 form to NJPA prior to commencing work. NJPA shall distribute Internal Revenue Form 1099 to the Federal and State Governments describing monies earned by Intern. Intern shall receive a copy for tax purposes.
- 6. Invoicing.** Time and activity reports in the form of an invoice shall be submitted to NJPA on a bi-weekly basis. Payment for services shall be made at the rate set forth above. Invoice must be received by Tuesday at 4 pm to be paid in that current week.
- 7. Travel.** Mileage, meals, and travel costs incurred as a result of the mentorship site shall not be reimbursable by NJPA.
- 8. Data Practices.** All data collected, created, received, maintained, or disseminated for any purposes by the activities of Intern because of this contract is governed by the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as amended, the Minnesota Rules implementing such act now in force or as adopted, as well as federal regulations on data privacy.
- 9. Independent Contractor.** It is understood that Intern is acting as an independent contractor and not an agent or employee of NJPA and is therefore not eligible to lay claim to benefits from retirement, Social Security, PERA, State Unemployment Insurance, Workers Compensation, or to those benefits reserved for employees of NJPA. Intern shall be responsible for paying his/her own medical bills for any personal illness or injuries occurring during the term of this contract.
- 10. Assignment.** This Student Intern Agreement shall be binding and shall inure to the benefit of the parties hereto and shall not be assigned or transferred without written agreement by both parties.
- 11. Limitation of Liability.** Except for the parties' obligations pursuant to Sections 3 and 4, neither party shall be liable to the other party for any special, consequential, punitive, incidental, or indirect damages or any damages for lost data, business interruption, lost profits, lost revenue or lost business, arising out of or in connection with this Agreement, however caused and based on any theory of liability, arising out of this Agreement, whether or not such party has been advised of the possibility of such damage, and notwithstanding any failure of essential purpose of any limited remedy.⁴

12. Indemnification. Each party agrees to defend, indemnify and hold the other harmless from any and all claims and demands of members, which may result from the negligence of the other in connection with their duties and responsibilities under this Agreement, unless such action is a result of intentional wrongdoing of the other party. Each party agrees that it will be responsible for its own acts and the result thereof to the extent authorized by law and shall not be responsible for the acts of the other party and the results thereof. NJPA's liability shall be governed by the provisions of the Minnesota Tort Claims Act, Minnesota Statutes, Section §3.736, and other applicable law.

13. Approval. The Region Five Member shall approve placement of the Intern by signing below. The Region Five Member shall have no liability under this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement effective the day and year executed below.

National Joint Powers Alliance

(Intern Name)

Authorized Signature

Authorized Signature

Print Name and Title

Print Name and Title

Date

Date

APPROVED BY:

(Region Five Member)

Authorized Signature

Print Name and Title

Date



Brainerd City Council Agenda Request

Requested Meeting Date: January 16, 2018

Title of Item: Classification and Compensation Study Update

☐ INFORMATION ONLY ☐ CONSENT AGENDA ☒ P&F COMMITTEE ☐ SPW COMMITTEE ☐ MAIN AGENDA	Action Requested: ☐ Approve/Deny Motion ☐ Adopt Resolution (attach draft) ☒ Direction Requested ☐ Discussion Item ☐ Hold Public Hearing* ☐ Ordinance 1 st Reading <i>*provide copy of published hearing notice</i>
Submitted by: HR Coordinator Kris Schubert	Department: Administration
Presenter (Name & Title): HR Coordinator Kris Schubert	Estimated Time Needed: 5 minutes
Summary of Issue: On September 5th, the City interviewed and selected DDA, Human Resources, Inc., to complete our Compensation and Classification Study. We are close to completing the job description appeal process portion of the study and need direction from the Council regarding its preference for approval of job descriptions and if all city job descriptions should be included in the 2/5/18 Council packet. Attached is an update from the consultant regarding this matter.	
Alternatives, Options, Effects on Others/Comments: Council will also be asked at the 2/5/18 meeting to select and approve benchmark jobs and communities for the market analysis. We are planning to include in the benchmarked jobs a couple of appeals requesting review of their job classification title to more accurately reflect what the position does and/or requesting organizational change. By benchmarking those positions, the consultant can complete a more in depth review during the market analysis and provide a recommendation to the Council based on her findings.	
Recommended Action/Motion: The options for review of the city job descriptions are: 1. Include all job descriptions in 2/5/18 Council meeting packet for Council review and approval; 2. Have the HR Coordinator and City Administrator review job descriptions and make a recommendation to the Council; or 3. Have the Compensation Study Project Team review job descriptions and make a recommendation to the Council. The Project Team consists of City Administrator Torstenson, HR Coordinator Schubert, City Finance Director Hillman, BPU Superintendent Magnuson & BPU Finance Director Todd Wicklund. NOTE: If option 2 or 3 is recommended, Staff would appreciate guidance if all job descriptions should be included or not in the agenda packet for Council's review.	
Financial Impact: <i>Is there a cost associated with this request:</i> ☐ Yes ☒ No <i>What is the total cost, with tax and shipping</i> \$ _____ <i>Is this budgeted?</i> ☐ Yes ☐ No <i>Please Explain:</i>	



DDA

Human Resources, Inc.

a David Drown Associates Company

TO: BRAINERD CITY COUNCIL / BRAINERD PUBLIC UTILITIES COMMISSION

FROM: TESSIA MELVIN, DDA MANAGEMENT CONSULTANT

CC: KRIS SCHUBERT, HUMAN RESOURCE COORDINATOR

SUBJECT: UPDATE ON CLASSIFICATION AND COMPENSATION STUDY

PROJECT UPDATE

The Council received an update on December 14, 2017. The following items have been completed by the Classification and Compensation Project Team:

- Initial Project Team Meeting
- Department Head Kick Off Meeting
- Employee Kick Off Meetings
- Evaluation and feedback from employees
- Job Description Appeal Process

The Job Description Appeal Process is almost complete. We are still waiting for feedback from a few managers. The next step of this process is for Consultant Tessia Melvin to review the proposed changes and forward recommendations to Human Resource Coordinator Kris Schubert for input. After this meeting, the updated job descriptions will be sent back to the managers and then to the employees. If there are any issues or concerns, individual meetings will be set up with Melvin and Schubert.

NEXT STEPS OF THE PROJECT

- City Council Approval on Job Descriptions
- City Council Approval on Benchmark Communities and Jobs
- Market Analysis
- Calibrate Wage Scale
- Evaluation of Each Job Position
- Provide Budget Analysis
- Final Report with Recommendations and Implementation

At the February 5, 2018 City Council Meeting, the Council will be asked to act on the following items:

1. Approval of job descriptions. During the last study, the Council did not provide final approval and some jobs were not updated. Employees felt strongly that more transparency was necessary in this process. Councilmembers can approve the job descriptions by one of the following actions:
 - a. Include all job descriptions in Council Packet for your review and approval;
 - b. Have the Human Resource Coordinator and City Administrator review job descriptions and make a recommendation to the Council; or
 - c. Have the Project Team review job descriptions and make a recommendation to the Council. The Project Team consists of City Administrator Torstenson, HR Coordinator Schubert, City Finance Director Hillman, BPU Superintendent Magnuson & BPU Finance Director Todd Wicklund.

NOTE: If options b or c are utilized, the Council can decide if all job descriptions should be included in the packet or not for your review.

2. Approve benchmark communities. All employees were asked to submit their suggestions for benchmark communities to their department heads. Department Heads were asked to submit their suggested benchmark communities to Human Resources. These communities are generally communities that border the City, have similar service levels or geographic trends, tax capacity, population and general budgets. In addition, benchmark communities may be those communities to where the City is losing employees to.
3. Approve benchmark jobs. All jobs will have a complete market analysis for wage comparisons. Benchmark jobs may be those that are hard to recruit for, those that are specialized and unique to the market or those that provided a specific level of service that may differ from the market. Benchmark jobs allow the consultant to compare jobs that require more detail. The consultant will ask benchmark communities to identify education/experience needed for the position, size of the department, current wage, and other items that allow for a more "apples-to-apples" comparison.

A memo with suggested benchmark communities and jobs will be presented to the Council for review, editing and approval.

We will ask the BPU Commission for their preference for the above items as well.



Brainerd City Council Agenda Request

Requested Meeting Date: January 16, 2018

Title of Item: Agreement to Provide Health Care Services to Low Income Individuals

☐ INFORMATION ONLY ☐ CONSENT AGENDA ☒ P&F COMMITTEE ☐ SPW COMMITTEE ☐ MAIN AGENDA	Action Requested: ☒ Approve/Deny Motion ☐ Adopt Resolution (attach draft) ☐ Direction Requested ☐ Discussion Item ☐ Hold Public Hearing* ☐ Ordinance 1 st Reading <i>*provide copy of published hearing notice</i>
Submitted by: Kris Schubert	Department: Administration
Presenter (Name & Title): HR Coordinator Kris Schubert	Estimated Time Needed: 2 minutes
Summary of Issue: We received the attached emails from Bryan Lundberg, Essentia Health's 340B Program Manager, this week informing Mayor Menk that he should be receiving an email from a federal agency requesting that Mayor Menk approve Essentia Health's registration in the 340B Program and that there is an indigent care agreement between our organizations. Mr. Lundberg provided a signed agreement by Mayor Wallin from 2015 regarding this matter. After review, it was found that the 2015 Agreement had not been submitted to Council for their review/approval.	
Alternatives, Options, Effects on Others/Comments: The federal 340B Program allows entities like St. Joseph's Medical Center to purchase drugs at discounted prices for eligible patients. According to Mr. Lundberg, we just are basically attesting that SJMC is a hospital in our city and it doesn't matter if the patients are city or county residents. At this time, we are recommending that Mayor Menk be given authority to approve to the 2018 registration so it doesn't cause the patients financial harm as the federal government requires this to be done within a five day turnaround or the facility will lose program eligibility. This will allow us time to work with Essentia to help determine if the City or Crow Wing County is the more appropriate organization for this approval going forward; further, that the appropriate agency has an opportunity to follow their customary approval process.	
Recommended Action/Motion: Recommended action is to authorize Mayor Menk to approve Essentia Health's registration in the 340B Program for 2018 and to verify there is an indigent care agreement currently between our organizations (retroactive if necessary); further, to direct Staff to work with Essentia Health to determine if the City or Crow Wing County is the more appropriate organization for this type of agreement going forward.	
Financial Impact: Is there a cost associated with this request: ☐ Yes ☒ No What is the total cost, with tax and shipping \$ _____ Is this budgeted? ☒ Yes ☐ No <u>Please Explain:</u> According to the attached agreement signed in 2015, it states that the City of Brainerd shall have no obligations under the Agreement.	

From: Lundberg, Bryan J.
To: [Ed Menk](#)
Cc: [Kris Schubert](#); [Cassandra Torstenson](#); [Pilot, David L.](#)
Subject: RE: SJMC Government Contact for 340B
Date: Thursday, January 11, 2018 12:44:55 PM

Hello Mayor Menk,

I have been talking to Kris Schubert.

She wanted me to provide what the request is from St. Joseph's Medical Center.

To participate in the 340B Program an entity needs to have a contract (Indigent Care Agreement) in place with a State or Local Government in place that states that we will provide health services to low income individuals. We entered into an Indigent Care Agreement with the City of Brainerd back in 2015. This agreement could have been done with the city or the county back in 2015. We chose the city of Brainerd as we had contact with the Mayor. There is no ask to complete another one. If Brainerd would like to after this period, we can do that.

The 340B Program is a government pharmacy program that entities can choose to participate in. St. Josephs along with all other Essentia Health sites participate in the 340B Program.

What we need from you at this point – In the next day(s) you will receive an email from HRSA stating that you are the Government Contact and you attest that St. Joseph's Medical Center and the City of Brainerd have an Indigent Care Agreement in place. If you would like a new agreement in place, I am sure we can do that but for purposes of the 340B Program we will always use the one from 2015.

Please reach out with any questions.

Thanks,

Bryan Lundberg
340B Program Manager
Essentia Health
400 East Third Street
Duluth, MN 55805
DC3-1 room 17319
P 218-576-0745
Bryan.Lundberg@EssentiaHealth.org

From: Lundberg, Bryan J.
Sent: Tuesday, January 09, 2018 10:23 AM
To: 'emenk@ci.brainerd.mn.us' <emenk@ci.brainerd.mn.us>
Cc: 'kschubert@ci.brainerd.mn.us' <kschubert@ci.brainerd.mn.us>; 'ctorstenson@ci.brainerd.mn.us' <ctorstenson@ci.brainerd.mn.us>; Pilot, David L. <David.Pilot@EssentiaHealth.org>

Subject: SJMC Government Contact for 340B

Hello Mayor Menk,

Thank you for being our Government Contact for the 340B Program. The 340B Program is a program that allows entities to purchase drugs at discounted prices for eligible patients. To be eligible in the 340B Program, they want to ensure that we have an Indigent Care Agreement in place with the city. These agreements state that we have a contract in place with local government to provide health care services to low income individuals. These are completed before registration of an Entity. SJMC has been in and out of the program so we already have an agreement with the City of Brainerd from 2015 that can be used.

You will receive an email from HRSA in the next few days that asks you to approve our registration in the 340B Program and that there is an indigent care agreement with us.

Please reach out with any questions.

Thanks,

Bryan Lundberg

340B Program Manager

Essentia Health

400 East Third Street

Duluth, MN 55805

DC3-1 room 17319

P 218-576-0745

Bryan.Lundberg@EssentiaHealth.org

AGREEMENT TO PROVIDE
HEALTH CARE SERVICES TO
LOW INCOME INDIVIDUALS



www.ci.brainerd.mn.us

NOW COME the parties, St. Joseph Medical Center and the City of Brainerd, Minnesota enter into this Agreement on the 12th day of January, 2015 stating as follows:

WHEREAS, It is the mission of St. Joseph Medical Center to provide excellent health services for our communities, and

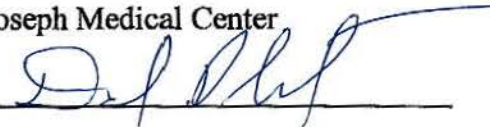
WHEREAS, As part of that mission, the Board of Trustees of St. Joseph Medical Center have made a commitment to provide free and reduced priced services to residents of our community who do not have the ability to pay for urgent and/or emergency services, and

WHEREAS, the City of Brainerd, Minnesota, includes low income individuals who are not entitled to benefits under title XVIII of the Social Security Act or eligible for assistance under the State under that title,

NOW THEREFORE, the parties AGREE as follows:

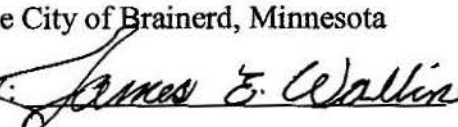
1. St. Joseph Medical Center will provide health care services to low income individuals residing in the City of Brainerd, Minnesota, who are not entitled to benefits under title XVIII of the Social Security Act or eligible for assistance under the State plan under that title in an amount as determined by the St. Joseph Medical Center Board of Directors.
2. The City of Brainerd, Minnesota shall have no obligations under this Agreement.
3. Either party may terminate this Agreement with thirty (30) days written notice to the other party.

St. Joseph Medical Center

BY: 

David Pilot
Chief Financial Officer

The City of Brainerd, Minnesota

BY: 

James E. Wallin
Mayor



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Program Requirements

[Federal Register Notices](#) | [Policy Releases](#) | [Section 340B of the Public Health Service Act](#) | [Monthly Program Updates](#)

To purchase drugs at the 340B price, covered entities must meet the following ongoing requirements:

- 1 Keep 340B OPAIS information accurate and up to date.** Register new outpatient facilities and contract pharmacies as they are added.
- 2 Recertify eligibility** every year.
- 3 Prevent diversion to ineligible patients** (PDF). Covered entities must not resell or otherwise transfer 340B drugs to ineligible patients.
- 4 Duplicate Discount Prohibition** Manufacturers are prohibited from providing a discounted 340B price and a Medicaid drug rebate for the same drug. Covered entities must accurately report how they bill Medicaid fee-for-service drugs on the Medicaid Exclusion File, as mandated by 42 USC 256b(a)(5)(A)(i).
- 5 Prepare for program audits.** Maintain auditable records documenting compliance with 340B Program requirements. Covered entities are subject to audit by manufacturers or the federal government. Any covered entity that fails to comply with 340B Program requirements may be liable to manufacturers for refunds of the discounts obtained.

Disproportionate Share Hospitals, freestanding cancer hospitals, and children's hospital must also refrain from participating in a group purchasing organization for covered outpatient drugs.

It is the covered entity's responsibility to notify drug manufacturers and wholesalers that it will now purchase outpatient drugs at 340B prices. The wholesalers and manufacturers verify the covered entity's enrollment on the 340B database and must sell its drugs at or below the maximum price determined under the 340B statute.

Date Last Reviewed: December 2017

340B Drug Pricing Program

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[Eligibility & Registration](#)
[Program Requirements](#)
[Duplicate Discount Prohibition](#)
[Orphan Drugs](#)
[Program Integrity](#)
[Recertification](#)
[Self-Disclosures](#)
[Manufacturer Notices to Covered Entities](#)
[Manufacturers Resources](#)
[340B Office of Pharmacy Affairs Information System](#)
[FAQs](#)

Program Integrity

340B Drug Pricing Program covered entities must ensure program integrity and maintain accurate records documenting compliance with all 340B Program requirements.

Covered entities are subject to audit by manufacturers or the federal government. Failure to comply may make the 340B covered entity liable to manufacturers for refunds of discounts obtained.

Learn more: [Program Integrity](#)

Contact the 340B Prime Vendor Program

[340B Prime Vendor Program website](#) 
1-888-340-2787 (Monday -

Friday, 9 a.m. – 6 p.m. ET)
apexusanswers@340bpvp.com

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Brainerd City Council Agenda Request

Requested Meeting Date: January 16, 2018

Title of Item: State Minnesota Investment Funds (MIF)

☐ INFORMATION ONLY ☐ CONSENT AGENDA ☒ P&F COMMITTEE ☐ SPW COMMITTEE ☐ MAIN AGENDA	Action Requested: ☐ Approve/Deny Motion ☒ Adopt Resolution (attach draft) ☐ Direction Requested ☐ Discussion Item ☐ Hold Public Hearing* ☐ Ordinance 1 st Reading <i>*provide copy of published hearing notice</i>
Submitted by: Connie Hillman	Department: Finance
Presenter (Name & Title): Finance Director Hillman	Estimated Time Needed: 10 Minutes
Summary of Issue: Attached are: * Memo from staff discussing the motion by the EDA and the advantage and disadvantages of the EDA's recommendation * Memo provided to the EDA Board of Commissioners * Draft resolution approving the agreement with BLAEDC and designating BLAEDC as the City's LDO for the State MIF funds for the cash balance in the State MIF Fund * Draft LDO and BLAEDC Unified Fund Participation agreement between the City of Brainerd and BLAEDC	
Alternatives, Options, Effects on Others/Comments: Options are discussion in the memo from staff and the memo provided to the EDA Board of Commissioners.	
Recommended Action/Motion: * Discussion of the EDA's recommendation * If Council concurs with the EDA's recommendation, pass the attached resolution, and designate a City representative to the BUF Board (the City would then have two representatives on the Unified Board) * If the Council modifies the EDA's recommendation - include the current cash balance of the Federal MIF funds as well as the receivables in both funds, excluding the loan to pay for the Industrial Park Land - either pass the resolution as modified, or direct staff to present the modified resolution and agreement at the next council meeting. * If Council does not concur with the EDA's recommendation, continue discussion of the State MIF funds and provide direction to staff.	
Financial Impact: <i>Is there a cost associated with this request:</i> ☐ Yes ☒ No <i>What is the total cost, with tax and shipping</i> \$ _____ <i>Is this budgeted?</i> ☐ Yes ☐ No <i>Please Explain:</i>	

MEMO



TO: Personnel & Finance Committee

FROM: Finance Director Connie Hillman

DATE: January 10, 2018

RE: State MIF Funds

The EDA met on Thursday, January 4, 2018 and discussed the one-time use of the State MIF cash balance for non-economic purposes as requested by the City Council on December 4, 2017. Attached you will find the memo provided to the EDA.

The EDA's recommendation is that the City Council pledges the cash balance of the State MIF Fund to the BLAEDC's Unified Fund (BUF).

This is similar to what the City Council chose to do with the Federal MIF Funds. Per Council action on October 16, 2017, the cash balance as of that date was transferred to the BLAEDC Unified Fund after the agreement was approved by DEED.

One of the advantages of only pledging the cash balance to BUF is that the City is not transferring all of its revolving economic funds to the Unified Fund. One of the disadvantages is that it creates a smaller pot of money for the City. For example, in the City's Federal MIF Fund, the cash balance as of December 31, 2017 is \$2,055 with a potential receivable of \$14,464 (anticipated to be paid off fall 2019). When the loan is completely paid off, the City may have \$15,000 of Federal MIF dollars to loan to a company.

If the City desires to contribute additional funds to the Unified Fund at a later date, the same process would need to be followed: a resolution would need to be passed by the Council, an amendment and/or new agreements would also need to be drafted and passed by the Council, and DEED would need to approve the modification/new agreement. BLAEDC would again need to engage and pay counsel for their services.

Therefore, the Council may want to consider passing a resolution and an agreement to pledge not only the cash balance of the State MIF Funds but also the "new" cash balance in the Federal MIF Fund and any potential receivables in both funds, specifically excluding the loan to the EDA to pay for the Industrial Park Land. Kennedy and Graven would update the resolution and agreement that is attached to this agenda request.

As you may recall, one of the requirements before the City could transfer the funds to the Unified Fund was to hold a public hearing on BLAEDC being the City's Local Development Organization (LDO). The City held the public hearing on October 16, 2017. Based on discussion with our bond counsel, a recital was added to the resolution that the City held a public hearing on BLAEDC being the LDO for both the Federal and State funds, so another public hearing wouldn't be necessary.

MEMO



TO: EDA Board of Commissioners

FROM: Finance Director Connie Hillman

DATE: January 2, 2018

RE: State MIF Funds

At the August 29, 2017 EDA meeting, Ms. Shelia Haverkamp with BLAEDC, discussed BLAEDC's Unified Fund ("BUF") concept. The EDA Commission recommended to the City Council to approve the Unified Fund proposal.

The funds the City of Brainerd could contribute to BUF are the City's economic development revolving loan funds – Funds 210 and 296. The funds were generated by grants from both State and Federal legislation and were granted to the City, with BLAEDC's assistance, for a specific project. The goal of the MIF dollars is to provide gap financing to companies to create economic growth and job creation in the community.

Federal MIF Funds

At the October 16, 2017 council meeting, the City Council passed a resolution designating BLAEDC as the City's Local Development Organization (LDO) for the City's Federal MIF funds, which rescinded the previous agreement of the EDA being the City's LDO for those funds; and for the City to enter into an agreement to participate in BUF with the cash balance of the Federal MIF dollars, as of October 16, 2017. The agreement was approved by DEED and the cash balance as of October 16, 2017 (\$463,206) was transferred to the Unified Fund.

Since the Council's agreement to participate in BUF was for the cash balance in the Federal MIF Fund, any payments received after October 16, 2017 are retained by the City. As of December 31, 2017, the cash balance is \$2,055 with an estimated receivable of \$14,464.

State MIF Funds

Legislation was passed in 2017 which allows a one-time use of the State MIF cash balance for non-economic purposes. The City would need to submit an application to DEED by June 1, 2018; return 20% of the cash balance at the time of the application was submitted to DEED by June 30, 2018; and submit a report to the legislative committee by February 15, 2019 detailing how the 80% of the funds were used.

The City's options for the use of the State MIF Funds are:

- Status Quo – City Retains Funds

- Participate in BUF (BLAEDC Unified Fund)
- Exercise One-Time Use Exception – Return 20% of the cash balance to DEED, use 80% for:
 - o Economic or Community Development
 - o Equipment
 - o General Fund

The current cash balance as of December 31, 2017 in the State MIF Fund is \$159,020. The receivable balance from loans made to companies is \$62,807; and the amount of State MIF Funds that the City used to purchase the Industrial Park Land is \$646,427.

Discussion at the council level has been if the City does exercise the one-time use exception, to set the funds aside for economic or community development purposes rather than for equipment or general fund use.

It has also been mentioned to “pay off” the \$646,427 “loan” from the State MIF funds to the City. Staff has confirmed with DEED that if the loan is paid off, these funds are eligible to be included in the one-time exception. It has also been confirmed that documenting the funds have been set aside for a specific purpose (i.e. Three Bridges Trail, River to Rail Initiative), but not actually spent by the February 15, 2019 date should satisfy the reporting requirement.

Staff is cautious about the effect on fund balance if the \$646,427 would be converted to cash prior to June 1, 2018, or what it would mean in the future if the sale of the industrial park land didn't yield enough proceeds for whatever reason (i.e. council sells the lots for \$1 to encourage development). Staff has also been working with our City Attorney and now our Bond Counsel to determine if the \$646,427 really is a loan that has to be repaid when the Industrial lots sell, or if when the funds were used to help purchase the Industrial Lots satisfied the requirement of use of the State MIF funds.

At the December 4, 2017 Council Meeting, the council requested that discussion of the one-time use of the State MIF cash balance for non-economic purposes be placed on the next EDA meeting.

CITY OF BRAINERD, MINNESOTA

RESOLUTION NO. _____

RESOLUTION APPROVING AGREEMENT CONCERNING PARTICIPATION IN THE BLADC UNIFIED FUND BETWEEN THE CITY OF BRAINERD AND THE BRAINERD LAKES AREA DEVELOPMENT CORPORATION, AND DESIGNATING THE BRAINERD LAKES AREA DEVELOPMENT CORPORATION AS THE CITY'S LOCAL DEVELOPMENT ORGANIZATION IN CONNECTION WITH STATE MIF FUNDS

BE IT RESOLVED By the City Council ("Council") of the City of Brainerd, Minnesota ("City") as follows:

Section 1. Recitals.

1.01. The City is the recipient of state Minnesota Investment Fund ("MIF") grants from the Minnesota Department of Employment and Economic Development ("DEED"), and has recouped payments of principal and interest to utilize as revolving loan funds (the "Loan Funds").

1.02. The City and the Brainerd Lakes Area Development Corporation ("BLADC") have proposed to enter into an LDO and BLADC Unified Fund Participation Agreement in connection with the Loan Funds (the "Agreement"), setting forth the terms and conditions of participation by the City in a pooled revolving loan fund to be known as the BLADC Unified Fund (the "BUF") to be administered by BLADC on behalf of local governments and other entities in the greater Brainerd Lakes and Cuyuna Lakes area (the "Region"), including the City. The Agreement, along with the BLADC Unified Fund Governance Guidelines and Policies governing the BUF (the "Guidelines"), are on file in the offices of the City and available for public inspection.

1.03. Pursuant to the Agreement related to the Loan Funds, the City also proposes to designate BLADC as the City's local development organization ("LDO") and to appropriate its Loan Funds to BLADC. BLADC will utilize such funds, along with funds contributed by other local entities, to create the BUF and to offer economic development loans to local and regional businesses, subject to the terms of the Agreements and Guidelines.

1.04. Also pursuant to the Agreement and Guidelines, the City will designate an authorized representative to serve as a member of the BUF Board and BUF Loan Committee.

1.05. On October 16, 2017, the Council held a duly noticed public hearing regarding (i) the allocation of the Loan Funds, as well as certain federal MIF funds, to the BUF, and (ii) the designation of BLADC as the City's LDO, at which all interested persons were given an opportunity to be heard. Following the public hearing, the City designated BLADC as the City's LDO for the City's federal MIF funds, and allocated such funds to the BUF.

1.06. The Council has reviewed the Agreement and Guidelines in connection with the Loan Funds, and finds that the execution of the Agreement and performance of the City's obligations thereunder are in the public interest and will further the objectives of its general plan of economic

development, because it will facilitate marketing and closing of business loans that foster economic development goals for the City and Region.

Section 2. City Approval; Further Proceedings.

2.01. BLADC is hereby designated as the LDO for the City's state Loan Funds as described in the Agreement. The Agreement as presented to the Council is hereby in all respects approved, subject to approval by DEED and further subject to modifications that do not alter the substance of the transaction and that are approved by the Mayor and City Administrator, provided that execution of the document by such officials shall be conclusive evidence of approval.

2.02. The Mayor and City Administrator are hereby authorized to execute on behalf of the City the Agreement and any documents referenced therein requiring execution by the City, and to carry out, on behalf of the City, its obligations thereunder, including without limitation the transfer of the Loan Funds to BLADC as the City's designated LDO.

2.03. The Council hereby designates _____ as the City's authorized representative to serve on the BUF Board and BUF Loan Committee, as appropriate, on behalf of the City.

2.04. City staff are authorized and directed to take all actions necessary to implement the Agreement.

Adopted this ____ day of ____, 2018

DAVID J. PRITSCHET
President of the Council

Approved this ____ day of ____, 2018

EDWIN L. MENK
Mayor

ATTEST: _____
CASSANDRA TORSTENSON
City Administrator

**LDO AND BLADC UNIFIED FUND PARTICIPATION AGREEMENT BETWEEN
CITY OF BRAINERD
AND THE BRAINERD LAKES AREA DEVELOPMENT CORPORATION
(State MIF)**

THIS AGREEMENT is entered into this ____ of January, 2018, by City of Brainerd (the “City”) and the Brainerd Lakes Area Development Corporation (“BLADC”), a nonprofit corporation serving the economic development needs of the Brainerd Lakes and Cuyuna Lakes region.

WHEREAS, BLADC’s mission is to expand business, build community, and grow jobs, and thereby foster economic development and redevelopment throughout the Brainerd Lakes and Cuyuna Lakes area (the “Area”) and provide streamlined services to potential developers and employers throughout the Area; and

WHEREAS, the City is the recipient of state Minnesota Investment Fund (“MIF”) grants from the Minnesota Department of Employment and Economic Development (“DEED”), and has recouped payments of principal and interest to utilize as revolving loan funds (the “Loan Funds”); and

WHEREAS, BLADC has proposed the establishment of a consolidated revolving loan fund to be known as the BLADC Unified Fund (the “BUF”), made up of multiple revolving loan funds currently administered by individual governmental and utility entities within the Area; and

WHEREAS, BLADC has submitted proposed BLAEDC Unified Fund Governance Guidelines and Policies (the “Guidelines”) for review by the City, in the form attached to this Agreement as Exhibit A and incorporated herein by reference, and has requested that the City become a member of the BUF subject to the terms of such Guidelines and this Agreement and designate BLADC as its local development organization (“LDO”); and

WHEREAS, the City desires to designate BLADC as its LDO pursuant to DEED guidelines and grant the Loan Funds to the LDO, and to engage the LDO to administer the Loan Funds as part of the BUF; and

WHEREAS, BLADC is qualified as a public or private nonprofit organization serving the development needs of the communities of nonentitlement areas as defined by §105 (a) (15) of Title I of the Housing and Community Development Act; and

WHEREAS, BLADC’s use of the Loan Funds must adhere to all state program and reporting requirements; and

WHEREAS, BLADC will be subject to audit by the local unit of government and must provide access to all Loan Funds records to the City upon request.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. All capitalized terms, if not otherwise defined in this Agreement, shall have the meanings provided in the Guidelines.
2. The City designates BLADC as its LDO for purposes of administering the current cash balance of the Loan Funds in the amount of \$_____.
3. With the Loan Funds and additional funds allocated from other member entities, BLADC will establish and maintain the BUF for the benefit of all eligible businesses located within the Brainerd Lakes and Cuyuna Lakes region, and will use repayments of all loans made from the BUF to offer additional loans meeting the requirements of the Guidelines and this Agreement.
4. BLADC will administer the Loan Funds as part of the BUF. BLADC will administer all moneys in the BUF, and subject to the Guidelines and this Agreement, will review applications, make recommendations to the BUF Board and/or BUF Loan Committee (as applicable), make and administer loans to qualifying businesses, and account for all repayments of loans made under the BUF.
5. The City will appoint an authorized representative (the "City Representative") to the BUF Board and BUF Loan Committee, and the City Representative will participate in the loan application review and approval process. The term of service of the City Representative will be as provided in the Guidelines.
6. The parties expressly agree and acknowledge that the BUF Loan Committee or BUF Board, as applicable, shall have the final authority for making decisions regarding the approval or denial of loan applications for loans using the account, except as otherwise provided in the Guidelines.
7. BLADC will provide all staff required to perform services under this Agreement. BLADC will appoint BLADC's Executive Director, who will be responsible for communication with the City, as liaison to the City.
8. BLADC will retain in its possession the principal and interest from the repayment of all loans made from the Loan Funds, and will utilize such funds solely for additional BUF loans as described in Exhibit B; provided that BLADC will not use any of the Loan Funds to pay administrative costs.
9. The City may not recall the Loan Funds from the LDO unless:
 - a. The LDO fails to carry out its obligations to administer the Loan Funds, and/or
 - b. The LDO ceases to exist.
10. The City will remain responsible for compliance reporting for the Loan Funds.
11. Upon any dissolution of the BUF: (a) private contributions to the BUF shall become the property of BLADC; (b) the commitment of any sources of funds which may not be irrevocably appropriated to the BUF under federal or state law will be terminated; and (c) each participating member will receive an allocation of the total BUF funds that were irrevocably appropriated and that exist at the time of such dissolution, based on the percentage of the BUF represented by such

member's irrevocable Loan Fund contribution and the type of such initial contribution, at the time of such dissolution. If additional members commence participation in the BUF after the initial organizational meeting of the BUF Board, or if existing members make additional contributions, BLADC shall recalculate each member's percentage of the total BUF pool and present such recalculated percentages to the BUF Board at the next succeeding meeting.

12. The City and BLADC have approved this Agreement by action of their respective governing bodies.

IN WITNESS THEREOF, the parties have caused this Agreement to be executed as of the date first written above.

CITY OF BRAINERD

BRAINERD LAKES AREA
DEVELOPMENT CORPORATION

Mayor

President

Administrator

Executive Director

Date

Date

EXHIBIT A

Brainerd Lakes Area Economic Development Corporation Unified Fund (BUF)

BLAEDC's vision is to assemble existing revolving loan fund resources into a "BLAEDC Unified Fund" that will coordinate marketing and management processes in order to streamline customer-friendly access to financing for businesses and result in the funds being invested in development projects in the greater Brainerd Lakes and Cuyuna Lakes area.

Current Issue – Local revolving loan funds are frequently not tapped by companies for a variety of reasons, including the relatively low balances in each fund, relatively small maximum loan amounts by each entity, complicated and confusing public processes, lack of marketing, and unknown outcomes.

The Unified Fund offers several benefits for business including:

- An enhanced understanding and knowledge of available local resources
- A streamlined approach to securing financial resources at a local level (Identical process to tap into all the pools of funds, limited public meetings)
- BLAEDC staff support (Initial contact with companies, vetting financing probability, interaction with decision makers and ability to direct financing process through to completion.)

The Unified Fund offers several benefits for partners including:

- Promotion and marketing of funding pool
- Project vetting, loan management, streamlined process
- Investment diversification opportunities
- Greater likelihood of funds being invested in private sector business projects
- Enhanced ability to secure additional resources for economic development

BLAEDC Unified Fund Governance Guidelines and Policies

The primary purpose of the BLAEDC Unified Fund (the “BUF”) is to offer economic development financing for business to enhance the economic base and vitality of the greater Brainerd Lakes and Cuyuna Lakes area (the “Region”).

Authority

BLAEDC Board of Directors is the governing entity of the BUF program. It has the oversight of the program development, operating guidelines and procedures, loan policies, committee structure, fund management, contractual agreements, insurance and accounting requirements, reporting, compliance with original funding sources, and all aspects of the program.

Partner Organizations – Partner organizations and entities are being asked to consider partnering with BLAEDC and the BUF program. They will utilize the BUF program for marketing, vetting, loan packaging, committee review and approval of loans, and loan documentation, collections, and workout.

Note: Consolidated Telephone Communications (CTC) and Crow Wing (CW Power) have revolving loan funds that were capitalized in part by USDA Rural Utility Service (RUS) funds, which require that the revolving loan funds must remain under the control of CTC and CW Power, and which subject the funds to certain federal law requirements, which are available upon request. Once these organizations commit to BUF, they will utilize the BUF program for marketing, vetting, loan packaging, committee review, approval recommendations, and loan documentation, collections, and workout. However, CTC and CW Power will have final approval authority for loans made with RUS funds.

Similarly, the Housing and Redevelopment Authority in and for the County of Crow Wing (the Crow Wing HRA) administers a revolving loan fund comprised of tax increment from a decertified City of Brainerd tax increment financing district. State law requires that the Crow Wing HRA retain final approval and state reporting responsibilities with regard to this fund, but like CTC and CW Power, the Crow Wing HRA will utilize the BUF program for marketing, vetting, loan packaging, committee review, approval recommendations, and loan documentation, collections and workout.

Operating Guidelines and Procedures – See Exhibit A.

Loan Policies – See Exhibit A.

Structure/Organizational Chart

BUF Board Members – A standing BUF Board of Directors exists to implement the BUF operating guidelines and procedures and loan policies. The BUF Board members include:

- 2 BLAEDC Board Members
- 1 Cuyuna Range Economic Development Inc. (CREDI) Board Member
- One designated representative of each entity that has allocated its funds to the BUF pool, or in the case of RUS- or TIF-funded revolving loan funds, has committed to participate in and utilize the BUF process. The City of Crosslake will also participate as a member of the BUF Board in recognition of its transfer of RUS funds from the former Crosslake Telecommunications Company to the Crow Wing Cooperative Power and Light Company.

Each entity will appoint a designated representative to serve on the BUF Board upon approval of entry into the BUF. The designated representative will serve until the earlier of such representative's resignation or termination of such representative by the member entity. A new designated representative will be appointed by such entity in a timely manner.

BUF Board Decision-Making Process and Oversight – The BUF Board's responsibilities include:

- Implementing the operating guidelines, procedures and loan policies.
- Periodically reviewing the operating guidelines, procedures, and loan policies and approving necessary changes.
- Holding 2 standing meetings per year
- Holding meetings as needed to review and approve loan applications (or to recommend approval to CTC and CW Power if RUS funds are proposed, or to Crow Wing HRA if TIF funds are proposed as part of the overall BUF financing structure for a given loan). In the case of loan applications that have been reviewed by the BUF Loan Committee, but for which the BUF Loan Committee has been unable to reach a consensus, the BUF Board shall have final authority to approve or deny such loan applications.
- Supporting the BUF program including fundraising activities and promotion and marketing initiatives.

BUF Loan Committee Members – An ad hoc loan committee will be established to make loan decisions as authorized in the operating guidelines and procedures and loan policies. The loan committee members include:

- One BLAEDC Board Member
- One representative from each proposed loan pool and/or geographic location of the proposed project, if represented on the BUF Board.
- Additional BUF Board members if required to reach a minimum of five BUF Loan Committee members in connection with consideration of any loan. Additional BUF Board members will be selected on a rotating basis from the membership of the BUF Board.

BUF Loan Committee Decision Making Process and Oversight – The BUF Loan Committee's responsibilities include:

- Holding meetings as needed to review and approve or deny loan applications (or to recommend approval to CTC and CW Power if RUS funds are proposed, or to Crow Wing HRA if TIF funds are proposed as part of the overall BUF financing structure for a given loan).
- Supporting the BUF program including fundraising activities and promotion and marketing initiatives.
- In the event that the BUF Loan Committee fails to reach a consensus as to approval or denial of a loan application, the application will be presented to the BUF Board as a whole for final determination of approval or denial.

The BLAEDC Board of Director's governance of the BUF program will include:

Fund Management - As a prudent management practice, BLAEDC will invest funds in risk-free financial instruments such as Certificates of Deposit in City of Brainerd FDIC-insured financial institutions. The economic development opportunities that result from funds being available to our local lenders outweigh the potential of additional interest income that may result from alternative risk investment strategies.

Contractual Agreements – BLAEDC will enter into contractual relationships to support the management and operational efficiencies of the program.

Insurance – The BUF program will be incorporated into BLAEDC's insurance policies.

Accounting – BLAEDC has an outside accounting firm and will have all financial records included in year-end reporting.

Reporting and Compliance – All reporting and compliance reports will be conducted by BLAEDC staff and consultants, with the exception of RUS and TIF reporting.

Legal – Legal services will be provided by BLAEDC legal counsel as needed.

Notice as to loans made with RUS funds:

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 http://www.ascr.usda.gov/complaint_filing_cust.html, 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, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

EXHIBIT A to Guidelines

General Operating Guidelines & Procedures and Loan Policies

Eligible Applicants and Costs

Eligible Applicants – The BUF program is open to considering all applicants regardless of size or business type, assuming they meet the overall public purpose of private sector investment, job creation and/or retention, and economic growth in the greater Brainerd Lakes and Cuyuna Lakes area (the “Region”).

Project Costs – All capital project costs are potentially eligible, assuming they meet the overall public purpose to encourage private sector investment, job creation and/or retention, and economic growth and/or redevelopment in the Region. Loans for working capital are not eligible.

“Funding Pool Specific” Eligible Projects, Costs and Other Items

The BUF program is a consortium of many funding pools that were originally capitalized from a variety of sources including TIF funds, Minnesota Investment Fund (MIF) funds (both federal and state), RUS funds, and others. Specific rules and limitations apply to loans made from some of these sources. BUF staff and consultants will identify and match appropriate sources of funds based on the specifics of a project.

Type of Financing

The BUF Board and BUF Loan Committee will consider loans, loan guarantees, and other financing needs a business may have, in order to encourage private sector investment, job creation or retention, and economic growth in the Region. Incentive financing may also be considered under special circumstances.

Requirements and Terms

The BUF program has significant flexibility. BLAEDC desires to partner with private sector banking institutions to have a positive financial impact on high-quality economic development or redevelopment projects. In general, projects should include local bank financing, equity contributions, and livable-wage job creation, and have a positive reception in our community.

Financing Terms

Minimum Loan Size – \$25,000

Maximum Loan Size – \$500,000

Loan Origination Fee – 1% or minimum of \$1,500

Loan Application and Processing/Closing Fees – Paid by borrower.

Loan Terms – Loans will typically be amortized over 3-15 years, to match the useful life of the capital asset that is being financed. Balloon payments will frequently be structured.

Interest Rates, Including Loan Servicing Fees – Varies but typically market rate.

Collateral Requirements – All loans must be collateralized. Personal guarantees will be required.

Application and Approval Process

Loan applications will be accepted as long as funds are available and will be processed on an ongoing basis. Following staff review and vetting, financing applications for assistance of \$100,000 or more will be presented to the BUF Board, and applications for assistance of less than \$100,000 will be presented to the BUF Loan Committee. The BUF Board and BUF Loan Committee are authorized to approve loans from any funding source other than RUS and TIF dollars. In the case of loans funded by RUS or TIF funds, the BUF Board or BUF Loan Committee, as appropriate, will make recommendations to the entity that administers the RUS or TIF funds in question, but the governing body of the entity controlling these funds will make the final determination to approve or deny the loan. The BLAEDC board of directors must also approve loans if more than \$300,000.

Loan Documentation, Closing, Servicing Arrangements

BLAEDC will support these components of the BUF loan program, either through internal management or through a contractual relationship with an existing loan servicing entity.

Conflict of Interest Provisions

Any conflicts of interest by BLAEDC board, BUF Board members, BUF Loan Committee members, BLAEDC staff or others, should be noted immediately, and the member disclosing the conflict shall not participate in the consideration or approval of any loan request related to such conflict.

EXHIBIT B

Administrative Fees

As provided in the BUF Management Services Agreement between BLADC and the Initiative Foundation (“IF”), the administrative duties connected to the BUF are called “Management Services,” and consist of the following:

- a. Marketing the BUF;
- b. Prescreening BUF Loan applicants;
- c. Review of proposed terms;
- d. Write-up and presentation of proposed terms to BUF Loan Committee and/or BUF Board;
- e. BUF Loan documentation;
- f. BUF Loan closing;
- g. BUF Loan servicing and administration;
- h. BUF Loan workouts.

Pursuant to the Management Services Agreement, Management Services to be performed by IF consist of items c, d, f, g, and h, provided that IF shall perform item h solely upon authorization by BLADC and BLADC coverage of third-party expenses. Items a and b will be performed by BLADC or its legal counsel. Item e may be performed by either IF or BLADC, depending on the circumstances.

The Management Services Agreement further provides that the compensation for performance of the Management Services shall consist solely of the following:

- A BUF Loan origination fee equal to the greater of \$1,500.00 or 1% of the total principal amount of the BUF Loan will be charged to the borrower at the time of closing on any BUF Loan. This origination fee will be allocated equally between BLADC and IF.
- A servicing fee equal to an annualized rate of two percent (2%) of the principal balance of all outstanding BUF Loans shall be retained upon receipt of monthly loan payments by each BUF Loan borrower. This servicing fee will be allocated equally between BLADC and IF.
- Borrowers will be required to pay all reasonable legal and other loan closing costs, including those costs that may be incurred by or attributable to IF.

Illustration of the compensation for Management Services:

Borrower applies for BUF Loan of \$100,000 at 4% annual interest, and the BUF Loan is approved. At closing, the borrower pays \$1,500 as an origination fee. This fee will be divided equally between BLADC and IF. The Borrower also pays the costs necessary to close the loan.

On a monthly basis, the Borrower pays principal and interest payments. Principal payments are deposited into the BUF. Interest payments are split such that on an annualized basis, the BUF will retain an amount equal to payment of 2% interest on the outstanding principal balance, which will be added to BUF funds available for further loans,* and 2% will be retained for Management Services. Under the proposed Management Services Agreement, this Management Services fee will be allocated equally between BLADC and IF.

*For BUF Loans made from RD Loan Funds, the BUF will retain an amount equal to payment of 2% interest on the outstanding principal balance, which may be added to RD Loan Funds available for other BUF Loans or expended for other permissible uses under federal regulations, at the sole option of the RD Loan grantor.

**CITY OF BRAINERD
SAFETY AND PUBLIC WORKS COMMITTEE
AGENDA**

January 16, 2018
City Council Chambers
6:00 PM

1. Pavement Management, Sanitary Sewer, and 5-Year Capital Plan Presentations
2. Multi-Use Trail Maintenance Discussion
3. County Road 142 Easement Vacation – Crow Wing County Resolution



Brainerd City Council Agenda Request

Requested Meeting Date: January 16, 2018

Title of Item: Pavement Management, Sanitary Sewer, and 5-Year CIP Presentation

☐ INFORMATION ONLY ☐ CONSENT AGENDA ☐ P&F COMMITTEE ☒ SPW COMMITTEE ☐ MAIN AGENDA	Action Requested: ☐ Approve/Deny Motion ☐ Adopt Resolution (attach draft) ☐ Direction Requested ☒ Discussion Item ☐ Hold Public Hearing* ☐ Ordinance 1 st Reading <i>*provide copy of published hearing notice</i>
Submitted by: Paul Sandy, City Engineer	Department: Engineering
Presenter (Name & Title): Paul Sandy/James Fladung	Estimated Time Needed: 60 Minutes
Summary of Issue: Staff has a total of 3 presentations that will be presented to the committee tonight along with the draft version of the 5-year street and sewer capital improvement plan.	
Alternatives, Options, Effects on Others/Comments: This will be the first time of many times we will be looking at the plan and getting committee and council feedback before adoption of the plan.	
Recommended Action/Motion: Presentation and discussion only. No action required.	
Financial Impact: Is there a cost associated with this request: ☐ Yes ☒ No What is the total cost, with tax and shipping \$ _____ Is this budgeted? ☐ Yes ☐ No <u>Please Explain:</u>	



MEMO

TO: Safety and Public Works Committee

FROM: Paul Sandy, City Engineer

DATE: 01/05/2018

SUBJECT: Pavement Management, Sanitary Sewer, and 5-Year Capital Improvement Plan Presentations

As we move into 2018, staff likes to provide a yearly update of the current condition of our infrastructure and, during this year's update, staff will be providing the first draft the 5-year Street and Sewer Capital Improvement Plan (CIP). Staff has prepared the plan as a guiding tool for our street and sewer replacement and rehabilitation program and has provided preliminary cost estimates for all projects within the plan. It is important to note that this is a starting point. Staff is working with our rate study consultant along with the City's bond council to determine what is an affordable plan to maintain and rehabilitate our infrastructure.

There will be multiple more discussions on the plan at upcoming meetings as we move projects around and organize the plan to match the priorities of the council and staff as well as taking public input at a meeting sometime in the spring before the plan adoption.

The 5-Year CIP is a live document, and updates will be made every year as priorities for street and sewer projects may change. This may be due to street or sewer conditions, different opportunities for funding, or un-foreseen circumstances.

Staff will go through the presentations we have, then will open it up to council comments, questions, or concerns.



Brainerd City Council Agenda Request

Requested Meeting Date: January 16, 2018

Title of Item: Multi-Use Trail Maintenance Discussion

☐ INFORMATION ONLY ☐ CONSENT AGENDA ☐ P&F COMMITTEE ☒ SPW COMMITTEE ☐ MAIN AGENDA	Action Requested: ☐ Approve/Deny Motion ☐ Adopt Resolution (attach draft) ☒ Direction Requested ☐ Discussion Item ☐ Hold Public Hearing* ☐ Ordinance 1 st Reading <i>*provide copy of published hearing notice</i>
Submitted by: Paul Sandy, City Engineer	Department: Engineering
Presenter (Name & Title): Paul Sandy, City Engineer	Estimated Time Needed: 20 Minutes
Summary of Issue: As discussed at the last meeting, staff has gathered information pertaining to maintenance on multi-use trails, what some other cities are doing in regards to these activities, and identified areas that are known problem areas for trail maintenance, particularly pertaining to snow removal.	
Alternatives, Options, Effects on Others/Comments: Staff is requesting discussion and direction on where the committee would like to go in respect to this issue. Staff has sat down together and has some preliminary thoughts on the issue, but would like to get all ideas on the table and talk in detail about them before coming to a conclusion on next steps.	
Recommended Action/Motion: Discussion Item.	
Financial Impact: Is there a cost associated with this request: ☐ Yes ☒ No What is the total cost, with tax and shipping \$ _____ Is this budgeted? ☐ Yes ☐ No <u>Please Explain:</u>	



M E M O

TO: Safety and Public Works Committee

FROM: Paul Sandy, City Engineer

DATE: January 8, 2018

SUBJECT: Multi-Use Trail Maintenance and Snow Plowing

Staff has compiled some information for the committee's review regarding the maintenance and plowing of multi-use trails. This information gathered includes the total distance of trails within the City limits, what some other cities are doing for trail maintenance, and how current operations function during a snow event at the street/sewer department.

Trail Length

Currently, the City has approximately 9.2 miles of trails under its maintenance jurisdiction. The Street department, with the use of the broom tractor, only maintains approximately 1.2 miles of trails currently (Laurel Street Bridge, some of College Drive, and East River Road). This is done in conjunction with sidewalks that abut City facilities, if it makes sense to do so. The broom tractor is only usable when the snow depth is 4" or less, as is the snow gets much deeper than this, we end up doing most of the areas twice. This leaves about 8 miles of trails not maintained.

Current City Ordinances

As discussed at prior meetings, our current ordinances for multi-use trail require the adjacent property owner to maintain 6-feet of a multi-use trail, much like adjacent property owners are required to maintain their sidewalks. However, because most of these trails are through rural areas with backages of properties facing the trail system, it is difficult for the City to require property owners to maintain a trail that their property does not face (i.e. Buffalo Hills Trail). City Planner Ostgarden has prepared a map of areas that have been and still are issues with snow removal during the winter months. I have attached the current City ordinance for the committee's review.

How other Cities Maintain their Trail System

Staff reached out to numerous cities (6 in total) to review their multi-use trail maintenance priorities and how they handle their plowing of these facilities. It is important to note that all the cities interviewed except Hutchinson removed snow from their multi-use trail system with City forces. Most of the Cities questioned used a $\frac{3}{4}$ to 1 Ton Pickup with a plow attachment, in which the City already owns two of these vehicles. Sidewalks are still designated to the adjacent property owners for maintenance and snow removal activities. Most of the cities questioned have more miles of trails than the City of Brainerd, with the City of New Ulm having about half of the trail mileage. In all cases, multi-use trail plowing was low on the priority list, with streets being high priority in every circumstance. A summary of the questionnaire and answers can be seen attached to this memo. When the City of Baxter was contacted, they stated that they can complete their 22 miles of trail plowing in approximately 1 day with the use of 2 staff and two plow vehicles.

Current City Forces and Priorities

The Street and Sewer Department currently has 7 personnel to handle snow events. The street department has two blades, five plow trucks, two loaders, and a broom tractor that can be dispatched, dependent on the snow event. One Parks and Recreation staff member is sometimes deployed to assist in plowing of the streets if the snow event requires extra personnel. When a snow event occurs, the street staff typically dispatch three plow trucks and two blades to start on the street system, one loader to handle parking lots and intersection clean-up, and the broom tractor to handle the City sidewalks and the 1.2 miles of trails that are currently done by City staff. The current broom tractor route, depending on snow depth, can usually be taken care of in an 8-hour day. When activities in the broom tractor and loader are complete, the two personnel that were in these pieces of equipment then typically jump into the plow trucks that are sitting idle at the Street and Sewer Department.

Conclusion

Staff has some initial thoughts on where they think this should go, but wanted to have some discussion with the committee and get all the ideas out on the table before proceeding.

Section 825 - Sidewalks

825.01 Rescinded. Amending Ord. 840, Sec. 1 – 1986

825.03 Removal of Obstructions and Hazards. Subdivision 1. General Rule. The owner and the occupant of any property adjacent to a public sidewalk and multi-use trail constructed within a street Right-of-Way to function as a sidewalk shall use diligence to keep such sidewalk and trail safe for pedestrians in accordance with this Section.

Subd. 2. Nuisance on a Public Sidewalk. An accumulation of dirt, debris, rubbish, or snow and ice on a public sidewalk more than 48 hours after its deposit thereon shall constitute a public nuisance. The owner of any property abutting a public sidewalk or any responsible person designated by the owner shall clean or cause to be cleaned such sidewalk so that it will be free of dirt, debris, rubbish or snow and ice. Sand and/or a chemical de-icer shall be applied on said sidewalk when ice or snow cannot be readily removed, so that such walkway can be made reasonably safe for use.

Subd. 3. Nuisance on a Public Trail. The owner of property or any responsible person designated by the owner abutting a public multi-use trail where constructed within a street Right-of-Way to function as a sidewalk shall clean or cause to be cleaned such trail so that it will be free of dirt, debris, rubbish or snow and ice within the time frame as outlined in subdivision 2 of this Section. Snow and ice shall be cleared from the edge of the grass adjacent to the trail toward the street to a width of at least six (6) feet. Sand and/or a chemical de-icer shall be applied on said trail when ice or snow cannot be readily removed, so that such walkway can be made reasonably safe for use.

Subd. 4. Notice and Assessment. If such owner or owner's designee fails to comply with the requirement to clean dirt, debris, rubbish or snow and ice within 48 hours of the date of the notice after such notice is provided by personal delivery or First Class mail, the City shall issue an Administrative Citation which carries a fine and shall cause such sidewalk and/or multi-use trail to be cleaned and the expense thereof shall be billed to the property owner and shall constitute a lien upon such property. For snow and ice removal, the first such notice shall serve as the only notice to the property owner for the winter season. Repeat offenses caused by the failure to abate the nuisance will automatically be abated without further notice to the property owner and subject to subsequent Administrative Citation issuance, with said abatement charges billed to the property owner.

Subd. 5. Collection of Charges. On or before September 1 of each year, the City Administrator or designee shall list the total unpaid charges for services performed against each separate lot or parcel to which they are attributable under this Section. The Council may then spread the charges against property benefited as a special assessment pursuant to the provisions under Minnesota Statutes, Section 429.101 and other pertinent statutes for certification to the County Auditor and collection along with current property taxes the following year.

(Amended Ord. 958 – 1994, Ord. 1390 - 2011)

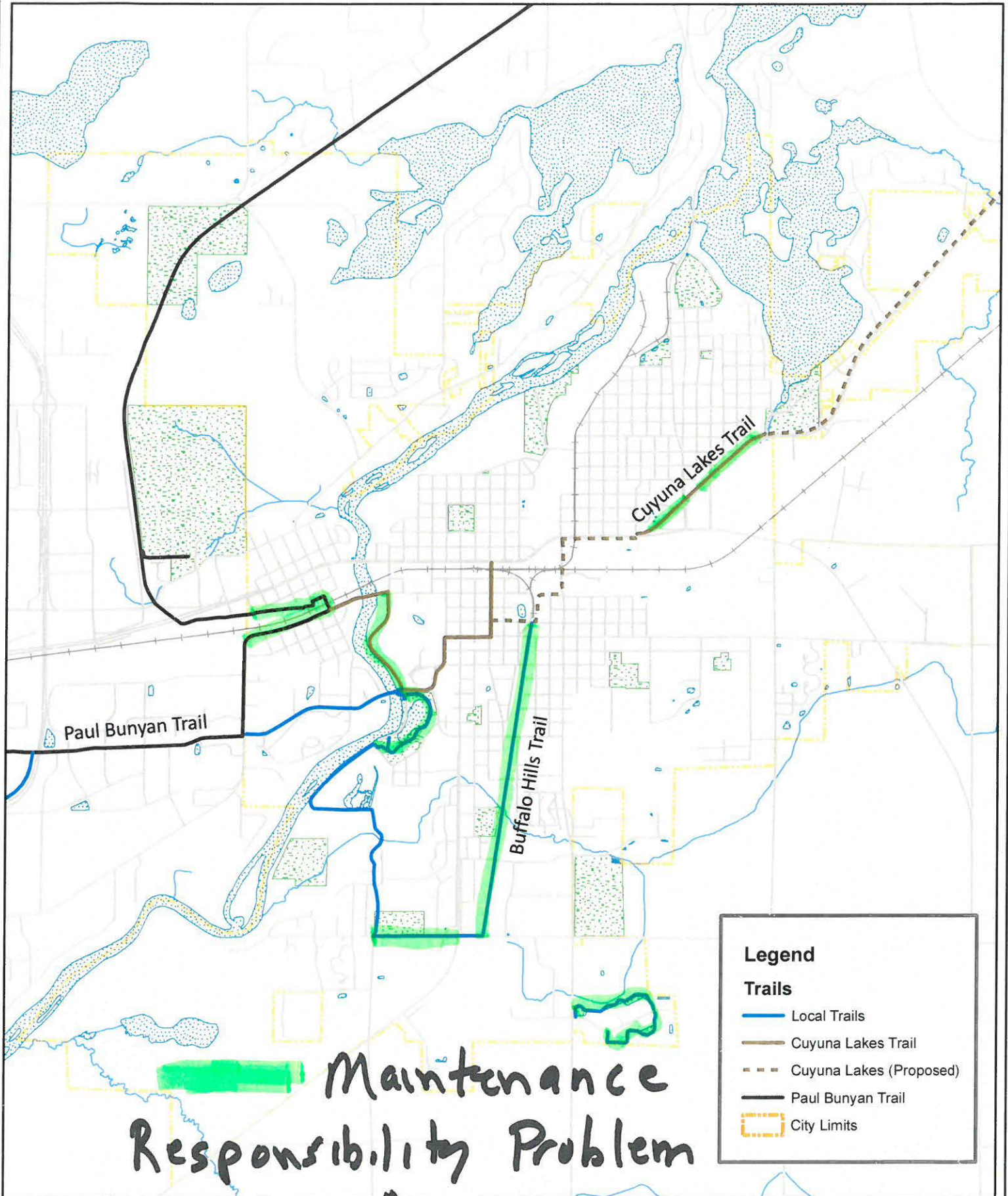
Snow Removal from Multi- Use Trails Questionnaire

	Hutchinson	Sartell	N. Mankato	Willmar	New Ulm	Baxter
How many miles of multipurpose trails are in the community?	21 miles	15 miles	13 miles	18 miles	5 miles	22 miles
Does the city clear the snow from the trails?	Yes	Yes	Yes	Yes	Yes	Yes
Depending on snowfall amount, have you ever determined the cost to clear your trails after a snow fall?	No	No	No	No	No	No
If yes, what is that amount?	X	X	X	X	X	X
If you do not remove the snow, are adjacent property owners required to do it?	Yes, within 24 hours and are required to do a 4 foot section	Not on trails, only on sidewalks	Not on trails, only on sidewalks	Not on trails, only on sidewalks	Not on trails, only on sidewalks	Not on trails
Does your community have an ordinance or policy related to snow removal for multi-use trails?	Yes, on city website. Based on 6 tier priority with trails coming 5th	No	Not at moment, time of plowing depends on snow conditions though	No, but plowing is done on a priority basis with streets being the number one priority	Not for trails, only for sidewalks	No, based on priority system and is last on list
What type of equipment is used to clear the trails?	Skid steer, light pickup with plow attachment	1 ton pickup with plow attached and snow blowers	1 ton pickup with plow attached and small tractor	Skid loader, bobcat, and trackless tractor with plow/ blower	1 ton pickup with plow attached	¾ pickup with plow, takes 2 guys 1 day to plow trails

Total Multi-Use Trail Lengths	Linear Feet
Cuyuna Lake State Trail	14360
28th Street Trail	2460
Buffalo Hills Trail	26390
Industrial Park Trail	5120
Total	48330
Total (Miles)	9.2

Current Snow Removal Activities (Broom Tractor)	
Location	Linear Feet of Sidewalk/Trail
Driver Exam Building/City Hall	685
Library	600
Laurel - SW 4th Fire Hall	1905
College Drive - East River Road to SW 4th Street	1500
East River Road - Laurel - College Drive	3000
South 4th (Willow) - College Drive to S 6th Street	1400
Downtown Parking Lot Sidewalks (if not more than 4")	320
Oak Street Tax Forfeit/City Owned Parcels	2636
Evergreen Avenue - 1st Avenue NE to N 11th Street	1450
Total	13496
Total (Miles)	2.6

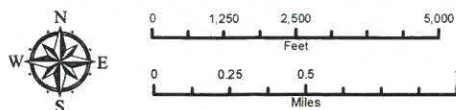
Trails not done (all besides Buffalo Hills Trail through Park)	
Cuyuna Trail Highway 210 (5th Avenue NE to Lum Park)	4330
28th Street (Oak Street to Highway 25)	2460
Industrial Park Loop	5150
Buffalo Hills Trail (Norwood to Industrial Park Road, Industrial Park Road, Buffalo Hills Lane)	11200
Cuyuna Trail (East River Road to Washington through Downtown)	5300
College Drive (SW 4th to City Limits)	2950
Total	31390
Total (Miles)	5.9



Legend

Trails

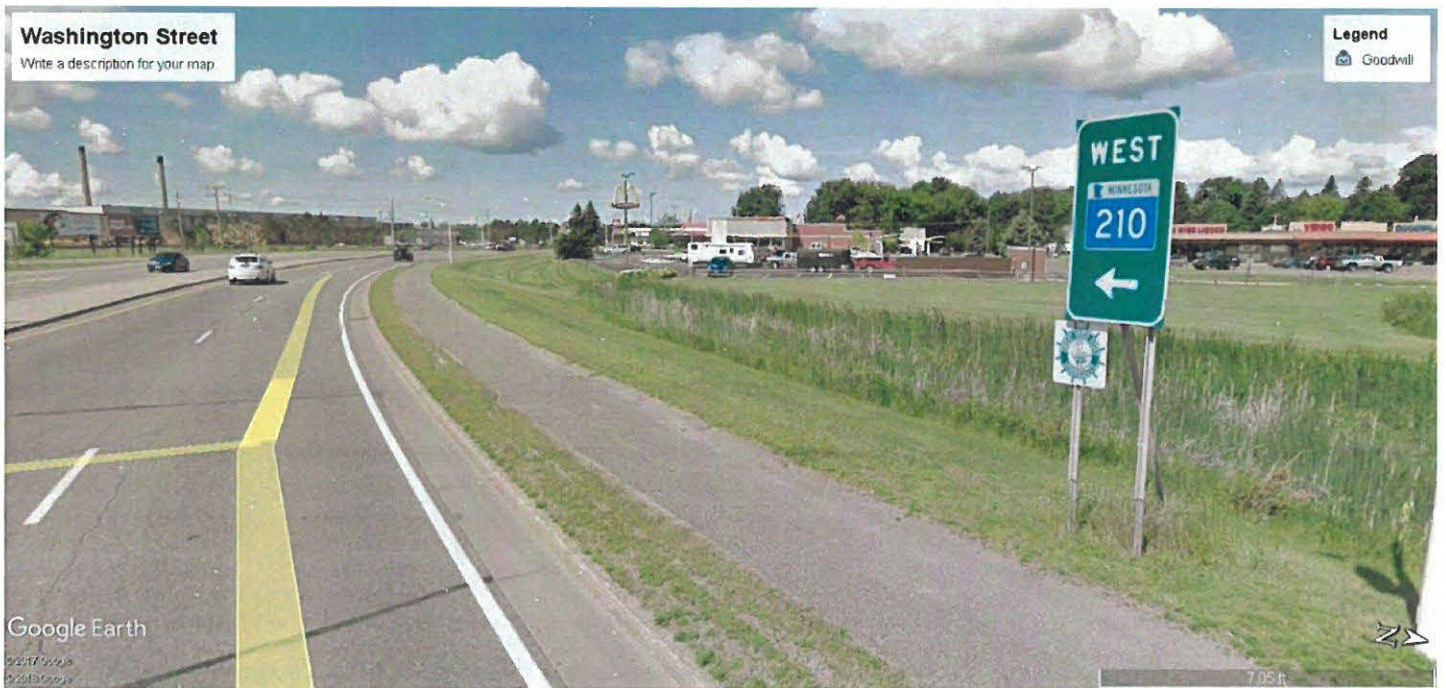
- Local Trails
- Cuyuna Lakes Trail
- - - Cuyuna Lakes (Proposed)
- Paul Bunyan Trail
- City Limits



Maintenance
Responsibility Problem
Areas

Disclaimer: This map is intended for reference purposes only and is not a legally recorded map nor survey. The City of Brainerd shall not be liable for any damages or claims that arise due to accuracy, availability, use, or misuse of the information herein pursuant to MN Statute 466.03 Subd 21.



















Brainerd City Council Agenda Request

Requested Meeting Date: January 16, 2018

Title of Item: County Road 142 Vacation - Crow Wing County Resolution

☐ INFORMATION ONLY ☐ CONSENT AGENDA ☐ P&F COMMITTEE ☒ SPW COMMITTEE ☐ MAIN AGENDA	Action Requested: ☒ Approve/Deny Motion ☐ Adopt Resolution (attach draft) ☐ Direction Requested ☐ Discussion Item ☐ Hold Public Hearing* ☐ Ordinance 1 st Reading <i>*provide copy of published hearing notice</i>
Submitted by: Paul Sandy, City Engineer	Department: Engineering
Presenter (Name & Title): Paul Sandy, City Engineer	Estimated Time Needed: 5 Minutes
Summary of Issue: Crow Wing County just recently went through a process to vacate a roadway easement (see attached map) running along and adjacent to County Road 142. The County used their statutory authority to do so per MS 163.11 Subd. 4.	
Alternatives, Options, Effects on Others/Comments: Per the statute, upon adoption of the resolution at the County Board meeting thereby vacating the easement, the County must serve notice to the owners of the property in which the vacated roadway easement passes. Per the letter sent from Crow Wing County, this easement was obtained in 1969 for a future road alignment to serve the then existing French Rapids Ski area. The alignment was never constructed, and there is no plans to do so in the future. The County has therefore vacated all easement interest for roadway purposes. The property in question is jointly owned by Crow Wing County and the City of Brainerd currently, thus the County has served notice of the vacation to the City per the statute. Because of the joint ownership of the property, it ensures the continued use of the property. Staff agrees with the County's easement vacation of this property, and if the Committee or Council agree, staff would simply need authorization for the City Administrator to sign the receipt of acknowledgment from the County. If the Committee or Council do not agree with the vacation, any person claiming to be damaged by the vacation may appeal to the district court of the County for a determination of damages by serving notice of the appeal upon the County Board and filing the same with proof of service in the office of the Court Administrator of the District Court.	
Recommended Action/Motion: Staff recommends authorizing the City Administrator to sign the receipt of acknowledgment.	
Financial Impact: <i>Is there a cost associated with this request:</i> ☐ Yes ☒ No <i>What is the total cost, with tax and shipping</i> \$ _____ <i>Is this budgeted?</i> ☐ Yes ☐ No <i>Please Explain:</i>	



January 10, 2018

City of Brainerd
City Administrator – City Hall
501 Laurel Street
Brainerd, MN 56401

RE: Vacation of Right-of-Way – CR 142

Dear City Administrator,

Attached please find a resolution acted upon at the December 26, 2017 County Board meeting. The resolution was adopted as a means to formally vacate an easement that was acquired for CR 142, which was never utilized for roadway purposes. The portion of the roadway being vacated is shown on the attached drawing.

The easement was obtained in 1969 for future new roadway alignments to serve the then existing French Rapids Ski Area. This alignment was never constructed, and there are no plans to do so in the future.

As this easement was never constructed upon, any interest is being vacated by the County. In accordance with State Statutes, any occupant of land through which the vacated roadway passes shall be notified. All underlying property for this vacation area is under the jurisdiction of the City of Brainerd and County Land Services, which ensures the continued future recreational uses in the area.

I have also attached a receipt acknowledgement which I am asking you to sign and return to our office. Should you have any questions, feel free to contact me via the below contact information.

Sincerely,

Robert Hall

Robert Hall
Assistant County Engineer
Highway Department
16589 County Road 142
Brainerd, MN 56401

Our Vision: Being Minnesota's favorite place.
Our Mission: Serve well. Deliver value. Drive results.
Our Values: Be responsible. Treat people right. Build a better future.

Office: (218) 824-1110
Email: rob.hall@crowwing.us
Fax: (218) 824-1111
www.crowwing.us

BOARD OF COUNTY COMMISSIONERS
Crow Wing County, Minnesota

Posted
12-27-17
27
Down
1-9-18
27

DATE: December 26, 2017

Resolution 2017-59

OFFERED BY COMMISSIONERS: Koering and Thiede

AYES: Koering, Thiede, Nystrom, Franzen; ABSENT: Houge

VACATING EXCESS HIGHWAY RIGHT-OF-WAY
COUNTY ROAD 142

WHEREAS, portions of CR 142 were reconstructed in 1969, including new alignment areas, and

WHEREAS, portions of the right-of-way acquired at that time included proposed new alignment segments to access the French Rapids Ski Area to the northeast of the in-place roadway, and

WHEREAS, the original French Rapids Ski Area has not been in existence for many years and there is now a series of cross country ski trails and a snowmobile trail in the general area, and

WHEREAS, this proposed highway right-of-way vacation will not impact the recreational uses currently in place, and

WHEREAS, the excess right-of-way acquired in 1969, north of Eagle View Drive, has been reviewed and is not necessary to support CR 142 as it presently exists or for a future roadway.

NOW, THEREFORE, BE IT RESOLVED that CR 142 right-of-way as described below be vacated and revert to the underlying fee owner.

That part of the Northeast Quarter and Southeast Quarter of Section 8, Township 45 North, Range 30 West, and that part of the Southeast Quarter of Section 5, Township 45 North, Range 30 West, Crow Wing County, Minnesota, which lies between two lines parallel with and distant 60 feet on each side of the following described highway centerline:

Commencing at a point on Trunk Highway Number 210 near the north line of the Northeast Quarter of the Northwest Quarter in Section 16, T45N, R30W, at the entrance to the Brainerd-Crow Wing County Municipal Airport; thence North 45 Degrees 38 minutes West for 289.7 feet to a point approximately 60.0 feet North and 431.5 feet East of the Southwest corner of the Southeast Quarter of the Southwest Quarter in Section 9, T45N, R30W; thence West (assumed bearing) parallel with and distant 60.0 feet Northerly of the south line of said Section 9 for 824.8 feet; thence to the Right on a 03 degree 00 minute circular curve (Delta Angle 52 degrees 00 minutes) for 1733.3 feet; thence North 38 degrees 00 minutes West across part of the Southeast Quarter of the Southeast Quarter of Section 8, Township 45 North, Range 30 West for 488.2 feet; thence to the right on a 02 degree 00 minutes circular curve (Delta Angle 19 degrees 31 minutes 45 seconds) for 976.46 feet to the point of beginning of the line to be described; thence continuing along said curve, being a 02 degree 00 minute circular curve (Delta Angle 20 degrees 28 minutes 15 seconds) for a distance of 1023.54 feet; thence North 02 degrees 00 minutes across part of the Southwest Quarter of the Northeast Quarter and the Northwest Quarter of the Northeast Quarter in Section 8 for 1334.2 feet; thence to the right on a 04 degree 00 minute circular curve (delta angle 35 degree 27 minute) for 886.3 feet; thence North 37 degrees 27 minutes East across part of the Northeast Quarter of the Northeast Quarter in said Section 8 for 62.0 feet; thence to the left on a 03 degree 00 minute Circular Curve (Delta Angle 47 degrees 51 minutes) for 1595.0 feet; thence North 10 degrees 24 minutes West across part of the Northeast Quarter of the Southeast Quarter in Section 5, T45N, R30 West for 99.5 feet, more or less, and there terminating.

BE IT FURTHER RESOLVED that in accordance with Minnesota Statute 163.11, a copy of this resolution shall be posted and served on the adjoining occupant of land through which the vacated portion occurs, shown below.

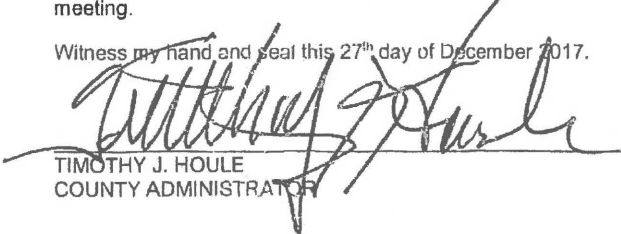
Tax Forfeited
Crow Wing County Land Services
322 Laurel St., Ste. 15
Brainerd, MN 56401

City of Brainerd
City Administrator – City Hall
501 Laurel Street
Brainerd, MN 56401

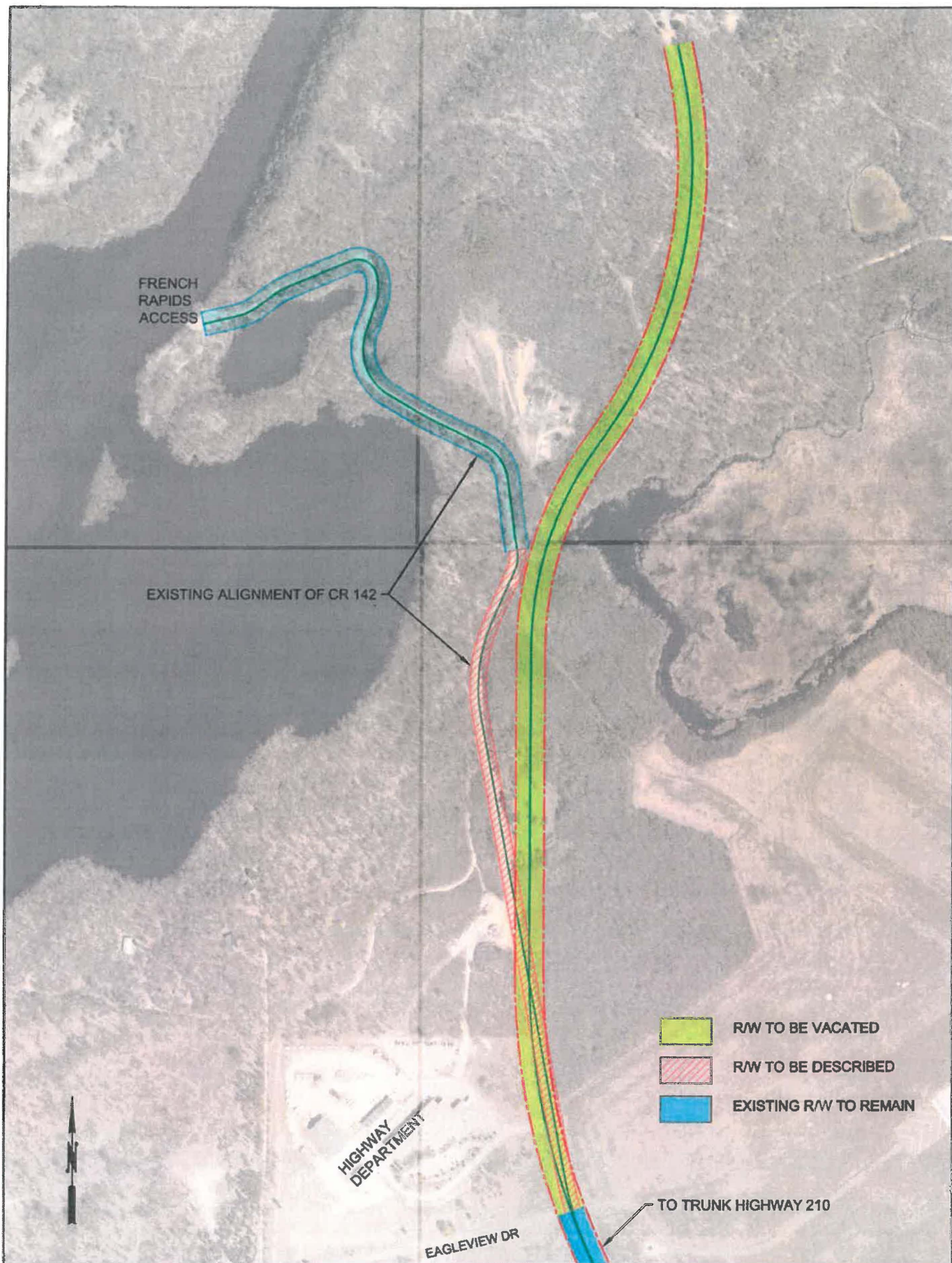
STATE OF MINNESOTA)
COUNTY OF CROW WING) ss

I, Timothy J. Houle, County Administrator, Crow Wing County, Minnesota, hereby certify that I have compared the foregoing copy of the resolution of the county board of said county with the original record thereof on file in the Administration Office, Crow Wing County, Minnesota, as stated in the minutes of the proceedings of said board at a meeting duly held on December 26, 2017, and that the same is a true and correct copy of said original record and of the whole thereof, and that said resolution was duly passed by said board at said meeting.

Witness my hand and seal this 27th day of December 2017.



TIMOTHY J. HOULE
COUNTY ADMINISTRATOR



Receipt of Crow Wing County Resolution 2017-59, Vacating Excess Highway Right-of-Way County Road 142, is hereby acknowledged.

Jim Thoreen
Brainerd City Administrator

Date

Subd. 4. **Vacation.** When a newly established, relocated, or altered county highway is opened for travel which takes the place of and serves the same purpose as any portion of another county highway, the county board may vacate any such portion of the other highway by resolution. The board shall cause personal service of the resolution to be made upon each occupant of land through which the vacated portions passed and shall also post notice of the resolution for at least ten days. A copy of the resolution together with proof of service and affidavit of posting shall be filed in the county auditor's office. Within 30 days after the service, any person claiming to be damaged by the vacation may appeal to the district court of the county for a determination of damages by serving notice of the appeal upon the county board and filing same with proof of service in the office of the court administrator of the district court. The appeal shall state the nature and the amount of damages claimed. It shall be tried in the same manner as an appeal from an award in eminent domain proceedings.



Brainerd City Council Agenda Request

Requested Meeting Date: January 16, 2018

Title of Item: Resolution Providing for Issuance & Sale of GO Bonds Series 2018A

☐ INFORMATION ONLY ☐ CONSENT AGENDA ☐ P&F COMMITTEE ☐ SPW COMMITTEE ☒ MAIN AGENDA	Action Requested: ☐ Approve/Deny Motion ☒ Adopt Resolution (attach draft) ☐ Direction Requested ☐ Discussion Item ☐ Hold Public Hearing* ☐ Ordinance 1 st Reading <i>*provide copy of published hearing notice</i>
Submitted by: Connie Hillman	Department: Finance
Presenter (Name & Title): Finance Directors Todd Wicklund & Connie Hillman	Estimated Time Needed: 5 Minutes
Summary of Issue: Attached is a resolution for Council's consideration for the issuance and sale of the general obligation bonds, Series 2018A, in the proposed total principal amount of \$5,735,000.	
Alternatives, Options, Effects on Others/Comments: The 2018A GO Series includes: * \$820,000 Improvement Bonds - to pay for the 2017 construction projects; 10 year structure. * \$3,530,000 Utility Revenue Bonds - to pay for the sewer (\$600,000) and water portions of the B371 project and the construction of the water tower (\$2,935,000); 10 year structure. * \$1,385,000 Equipment Certificates - to pay for BPU (\$330,000) and City (\$1,026,000) equipment needs (exhibit A); 5 year structure.	
Recommended Action/Motion: Adopt the attached resolution providing for the issuance and sale of general obligation bonds, series 2018A, in the proposed aggregate principal amount of \$5,735,000.	
Financial Impact: Is there a cost associated with this request: ☒ Yes ☐ No What is the total cost, with tax and shipping \$ _____ Is this budgeted? ☒ Yes ☐ No <u>Please Explain:</u>	

City of Brainerd, Minnesota

Recommendations for Issuance of Bonds

\$5,735,000 General Obligation Bonds, Series 2018A

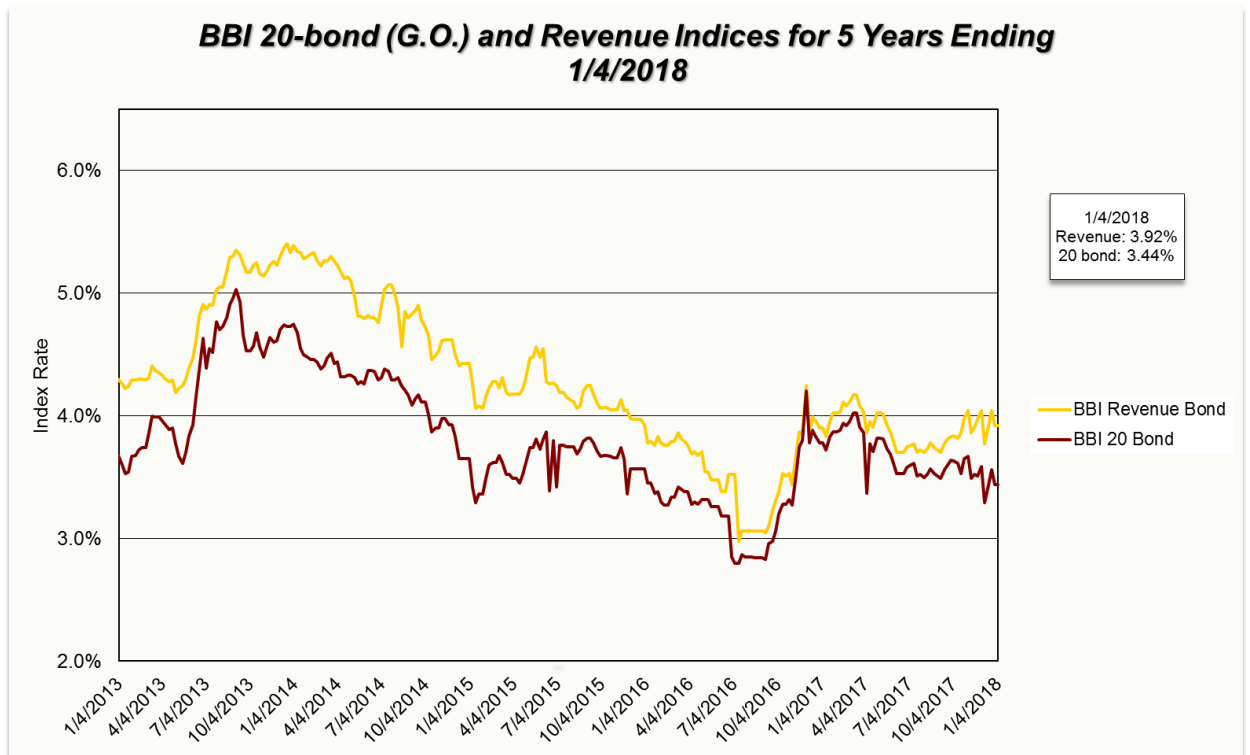
The Council has under consideration the issuance of bonds to finance; (i) construction of a new water tower and sewer and water improvements related to a street reconstruction project (the "Utility Revenue Bonds"); (ii) two street improvement projects (the "Improvement Bonds"); and (iii) the acquisition of various capital equipment. (the "Equipment Certificates"). This document provides information relative to the proposed issuance.

KEY EVENTS: The following summary schedule includes the timing of some of the key events that will occur relative to the bond issuance.

January 16, 2018	Council sets sale date and terms
Week of February 5, 2018	Rating conference is conducted
February 20, 2018, 10:00 a.m.	Competitive proposals are received
February 20, 2018, 7:30 p.m.	Council considers award of the Bonds
March 22, 2018	Proceeds are received

RATING: An application will be made to S&P's Global Ratings (S&P) for a rating on the Bonds. The City's general obligation debt is currently rated "AA-" by S&P.

THE MARKET: General performance of the tax-exempt market is often measured by the Bond Buyer's Index ("BBI") which measures the yield of high grade municipal bonds in the 20th year for general obligation bonds (the BBI 20 Bond Index) and the 30th year for revenue bonds (the BBI Revenue Bond Index). The following chart illustrates these two indices over the past five years.



**POST ISSUANCE
COMPLIANCE:**

The issuance of the Bonds will result in post-issuance compliance responsibilities. The responsibilities are in two primary areas: i) compliance with federal arbitrage requirements and ii) compliance with secondary disclosure requirements.

Federal arbitrage requirements include a wide range of implications that have been taken into account as this issue has been structured. Post-issuance compliance responsibilities for this tax-exempt issue include both rebate and yield restriction provisions of the IRS Code. In general terms the arbitrage requirements control the earnings on unexpended bond proceeds, including investment earnings, moneys held for debt service payments (which are considered to be proceeds under the IRS regulations), and/or reserves. Under certain circumstances any “excess earnings” will need to be paid to the IRS to maintain the tax-exempt status of the Bonds. Any interest earnings on gross bond proceeds or debt service funds should not be spent until it has been determined based on actual facts that they are not “excess earnings” as defined by the IRS Code.

The arbitrage rules provide for spend-down exceptions for proceeds that are spent within either a 6-month, 18-month or 24-month period in accordance with certain spending criteria. Proceeds that qualify for an exception will be exempt from rebate. These exceptions are based on actual expenditures and not based on reasonable expectations; and expenditures, including any investment proceeds, will have to meet the spending criteria to qualify for the exclusion. The City expects to meet the 18-month spending exception.

Regardless of whether the issue qualifies for an exemption from the rebate provisions, yield restriction provisions will apply to the debt service fund and any project proceeds unspent after three years and the funds should be monitored on an ongoing basis.

Secondary disclosure requirements result from an SEC requirement that underwriters provide ongoing disclosure information to investors. To meet this requirement, any prospective underwriter will require the City to commit to providing the information needed to comply under a continuing disclosure agreement.

Springsted currently provides both arbitrage and continuing disclosure services to the City and will work with the City to provide these same services for the Bonds under the existing Agreement for Municipal Advisor Services.

**SUPPLEMENTAL
INFORMATION AND
BOND RECORD:**

Supplementary information will be available to staff including detailed terms and conditions of sale, comprehensive structuring schedules and information to assist in meeting post-issuance compliance responsibilities.

Upon completion of the financing, a bond record will be provided that contains pertinent documents and final debt service calculations for the transaction.

PURPOSE:

Proceeds of the Bonds will be used as follow:

- *Utility Revenue Bonds* will finance (i) the construction of a new 500,000 gallon elevated concrete shaft composite water tower located in Brainerd's South Zone which includes the Industrial Park. The new water tower will be put into service in the spring of 2019 and (ii) sewer infrastructure improvements related to reconstruction of Highway 371B/South 6th Street from Highway 210 to Joseph Street.

- *Improvement Bonds* will finance two street improvement projects; the 15-12 S 6th Frontage Road project in the net borrowing amount of \$320,301 and the 16-10 BW Brainerd project in the net borrowing amount of \$476,161. The amount for each of the street projects has been reduced by prepaid assessments of \$27,868 and \$53,094, respectively.
- *Equipment Certificates* – will finance the acquisition of various equipment for the City and Brainerd Public Utilities (BPU). A list of the equipment being purchased is shown on page 16.

AUTHORITY:

Statutory Authority: The Bonds are being issued pursuant to Minnesota Statutes, Chapters 429, 444, and 475 and Section 412.301.

Statutory Requirements: The following statutory requirements apply to the Bonds:

Pursuant to Minnesota Statutes, Chapter 444, and the resolution authorizing the Bonds, the City will covenant to maintain water and sewer fund collections (together the “Utility Funds”) in an amount sufficient to generate revenues to support the operation of the Utility Funds and to pay debt service on the Bonds. The sewer fund is comprised of the sanitary sewer collection system and the wastewater treatment fund. The City is required to annually review the budget of the Utility Funds to determine whether current rates and charges are sufficient and to adjust them as necessary.

The City currently has two outstanding bond issues for which the net revenues of the water utility fund are pledged and two outstanding bond issues for which the net revenues of the sanitary sewer and wastewater treatment funds are pledged.

The attached coverage schedule for the water revenue debt shows less than 1x coverage. However, debt service for the 2016A Bonds are expected to be paid, in part, from sales and use tax revenues to be received from the City of Baxter, Minnesota pursuant to a Sales and Tax Distribution Agreement between the City and the City of Baxter, Minnesota (the “Agreement”). Annual sales tax revenues to be received from the City of Baxter is projected to be \$416,667 and can be applied to either the water or sewer debt service of the 2016A Bonds.

The projected debt service on the Utility Revenue Bonds portion of the Bonds payable from the City’s Utility Funds and the calculation of the City’s Utility Funds is shown on pages 14 and 15.

Pursuant to Minnesota Statutes, Chapter 429, at least 20% of the City’s share of the projected cost of the project(s) must be paid from special assessments. The projects being financed under this authority meet that requirement.

Pursuant to Minnesota Statutes, Section 412.301, the City may issue certificates of indebtedness without being subject to a petition requirement calling for a referendum if the total amount of the issue does not exceed $\frac{1}{4}$ of 1% of the estimated value of the taxable property in the City. Based on the City’s 2016/2017 estimated market value of \$674,149,600, this represents a maximum issue size of \$1,685,374. Therefore, the Equipment Certificates in the amount of \$1,385,000 are within the limitation and not subject to taxpayer petition for a referendum.

**SECURITY AND
SOURCE OF
PAYMENT:**

The Bonds are general obligations of the City, secured by its full faith and credit and taxing power. In addition, the City will pledge special assessments against benefited properties and net revenues of the City's Utility Funds; as further described below:

Utility Revenue Bonds – the City will pledge net revenues of its Utility Funds to pay debt service on the Utility Revenue Bonds.

Improvement Bonds – the City will pledge special assessments in the principal amount of \$291,962 that were filed in 2017 for first collection in 2018. The City has received prepaid assessments in the total amount of \$80,962. The remaining assessments in the principal amount of \$211,000 will be collected over a term of 10 years with equal payments of principal. Interest on the unpaid balance will be charged at a rate of 3.50%.

Additionally, the City will be required to levy taxes for the portion of the Improvement Bonds not paid from special assessments. The City made their first levy for the Improvement Bonds in 2017 for first collection in 2018. Beginning with the August 1, 2018 interest payment, each year's collection of assessment and tax levies will be used to make the August 1 interest payment due in the collection year and the February 1 principal and interest payment due the following year.

Equipment Certificates – the City will make their first levy for the Equipment Certificates in 2018 for collection in 2019. The City will use funds on hand to make the August 1, 2018 interest payment and the February 1, 2019 principal and interest payment due on the Equipment Certificates. Beginning with the August 1, 2019 interest payment, each year's collection of taxes will be used to make the August 1 interest payment due in the collection year and the February 1 principal and interest payment due the following year.

**STRUCTURING
SUMMARY:**

In consultation with the City the Bonds have structured by statutory authority as follows:

Utility Revenue Bonds are structured by repayment source/project (sanitary sewer and water) over a term of 10 years with approximately level payments of debt service.

Improvement Bonds are structured over a term of 10 years around the projected assessment income to result in approximately level annual tax levy.

Equipment Certificates are structured with a repayment term of 5 years with approximately level payments of debt service.

**SCHEDULES
ATTACHED:**

Schedules attached include:

- Sources and Uses of Funds
- Net Debt Service Schedule for the Bonds as a whole and by Statutory Authority/Purpose
- Assessment Income
- Aggregate debt schedules payable from Utility Funds and net revenue calculations
- List of Equipment

**RISKS/SPECIAL
CONSIDERATIONS:**

The outcome of this financing will rely on the market conditions at the time of the sale. Any projections included herein are estimates based on current market conditions.

Levy projections for the Improvement Bonds are in part based on the projected assessment collections. Actual collections could differ from what is projected, resulting in a levy requirement may be different that what is shown in these schedules.

**SALE TERMS AND
MARKETING:**

Variability of Issue Size: A specific provision in the sale terms permits modifications to the issue size and/or maturity structure to customize the issue once the price and interest rates are set on the day of sale.

Prepayment Provisions: Bonds maturing on or after February 1, 2027 may be prepaid at a price of par plus accrued interest on or after February 1, 2026.

Bank Qualification: The City does not expect to issue more than \$10 million in tax-exempt obligations that count against the \$10 million limit for this calendar year; therefore, the Bonds are designated as bank qualified.

\$5,735,000

City of Brainerd, Minnesota
General Obligation Bonds, Series 2018A
Issue Summary

Total Issue Sources And Uses

Dated 02/15/2018 | Delivered 02/15/2018

	Utility Revenue Bonds		Improvement Bonds	Equipment Certificates		Issue Summary
	Sanitary Sewer	Water		Equipment City	Equipment BPU	
Sources Of Funds						
Par Amount of Bonds.....	\$600,000.00	\$2,930,000.00	\$820,000.00	\$1,050,000.00	\$335,000.00	\$5,735,000.00
Total Sources.....	\$600,000.00	\$2,930,000.00	\$820,000.00	\$1,050,000.00	\$335,000.00	\$5,735,000.00
Uses Of Funds						
Deposit to Project Construction Fund.....	591,589.00	2,870,000.00	796,463.00	1,026,000.00	330,000.00	5,614,052.00
Costs of Issuance.....	6,829.04	33,348.58	12,046.74	16,118.98	1,816.66	70,160.00
Total Underwriter's Discount (0.900%).....	5,400.00	26,370.00	7,380.00	9,450.00	3,015.00	51,615.00
Rounding Amount.....	(3,818.04)	281.42	4,110.26	(1,568.98)	168.34	(827.00)
Total Uses.....	\$600,000.00	\$2,930,000.00	\$820,000.00	\$1,050,000.00	\$335,000.00	\$5,735,000.00

\$5,735,000

City of Brainerd, Minnesota
General Obligation Bonds, Series 2018A
Issue Summary

NET DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	Net New D/S	105% of Total	Water Revenues	Sanitary Sewer Revenues	Assessment	Levy Required
02/01/2019	670,000.00	1.600%	107,795.82	777,795.82	777,795.82	816,685.61	343,257.80	69,998.76	22,043.64	381,385.41
02/01/2020	680,000.00	1.650%	101,437.50	781,437.50	781,437.50	820,509.38	346,389.75	69,570.38	27,746.50	376,802.75
02/01/2021	690,000.00	1.700%	90,217.50	780,217.50	780,217.50	819,228.38	346,875.38	68,617.50	27,008.00	376,727.50
02/01/2022	705,000.00	1.850%	78,487.50	783,487.50	783,487.50	822,661.88	341,877.38	72,885.75	26,269.50	381,629.25
02/01/2023	715,000.00	1.950%	65,445.00	780,445.00	780,445.00	819,467.25	346,938.38	71,720.25	25,531.00	375,277.63
02/01/2024	440,000.00	2.050%	51,502.50	491,502.50	491,502.50	516,077.63	346,250.63	70,491.75	24,792.50	74,542.75
02/01/2025	445,000.00	2.150%	42,482.50	487,482.50	487,482.50	511,856.63	345,150.75	69,200.25	24,054.00	73,451.63
02/01/2026	455,000.00	2.250%	32,915.00	487,915.00	487,915.00	512,310.75	343,628.25	73,095.75	23,315.50	72,271.25
02/01/2027	465,000.00	2.350%	22,677.50	487,677.50	487,677.50	512,061.38	346,922.63	71,560.13	22,577.00	71,001.63
02/01/2028	470,000.00	2.500%	11,750.00	481,750.00	481,750.00	505,837.50	344,400.00	69,956.25	21,838.50	69,642.75
Total	\$5,735,000.00	-	\$604,710.82	\$6,339,710.82	\$6,339,710.82	\$6,656,696.36	\$3,451,690.92	\$707,096.76	\$245,176.14	\$2,252,732.53

Dated..... 2/15/2018
Delivery Date..... 2/15/2018
First Coupon Date..... 8/01/2018

Yield Statistics

Bond Year Dollars..... \$28,551.97
Average Life..... 4.979 Years
Average Coupon..... 2.1179301%
Net Interest Cost (NIC)..... 2.2987057%
True Interest Cost (TIC)..... 2.3059431%
Bond Yield for Arbitrage Purposes..... 2.1108122%
All Inclusive Cost (AIC)..... 2.5753782%

IRS Form 8038

Net Interest Cost..... 2.1179301%
Weighted Average Maturity..... 4.979 Years

\$600,000

City of Brainerd, Minnesota
General Obligation Bonds, Series 2018A
Utility Revenue Bonds - Sanitary Sewer Improvements

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	105% DS
02/01/2019	55,000.00	1.600%	11,665.49	66,665.49	69,998.76
02/01/2020	55,000.00	1.650%	11,257.50	66,257.50	69,570.38
02/01/2021	55,000.00	1.700%	10,350.00	65,350.00	68,617.50
02/01/2022	60,000.00	1.850%	9,415.00	69,415.00	72,885.75
02/01/2023	60,000.00	1.950%	8,305.00	68,305.00	71,720.25
02/01/2024	60,000.00	2.050%	7,135.00	67,135.00	70,491.75
02/01/2025	60,000.00	2.150%	5,905.00	65,905.00	69,200.25
02/01/2026	65,000.00	2.250%	4,615.00	69,615.00	73,095.75
02/01/2027	65,000.00	2.350%	3,152.50	68,152.50	71,560.13
02/01/2028	65,000.00	2.500%	1,625.00	66,625.00	69,956.25
Total	\$600,000.00	-	\$73,425.49	\$673,425.49	\$707,096.76

SIGNIFICANT DATES

Dated.....	2/15/2018
Delivery Date.....	2/15/2018
First Coupon Date.....	8/01/2018

Yield Statistics

Bond Year Dollars.....	\$3,381.67
Average Life.....	5.636 Years
Average Coupon.....	2.1712811%
Net Interest Cost (NIC).....	2.3309657%
True Interest Cost (TIC).....	2.3385363%
Bond Yield for Arbitrage Purposes.....	2.1108122%
All Inclusive Cost (AIC).....	2.5613023%

IRS Form 8038

Net Interest Cost.....	2.1712811%
Weighted Average Maturity.....	5.636 Years

\$2,930,000

City of Brainerd, Minnesota
General Obligation Bonds, Series 2018A
Utility Revenue Bonds - Water Improvements

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	105% DS
02/01/2019	270,000.00	1.600%	56,912.19	326,912.19	343,257.80
02/01/2020	275,000.00	1.650%	54,895.00	329,895.00	346,389.75
02/01/2021	280,000.00	1.700%	50,357.50	330,357.50	346,875.38
02/01/2022	280,000.00	1.850%	45,597.50	325,597.50	341,877.38
02/01/2023	290,000.00	1.950%	40,417.50	330,417.50	346,938.38
02/01/2024	295,000.00	2.050%	34,762.50	329,762.50	346,250.63
02/01/2025	300,000.00	2.150%	28,715.00	328,715.00	345,150.75
02/01/2026	305,000.00	2.250%	22,265.00	327,265.00	343,628.25
02/01/2027	315,000.00	2.350%	15,402.50	330,402.50	346,922.63
02/01/2028	320,000.00	2.500%	8,000.00	328,000.00	344,400.00
Total	\$2,930,000.00	-	\$357,324.69	\$3,287,324.69	\$3,451,690.92

SIGNIFICANT DATES

Dated..... 2/15/2018
Delivery Date..... 2/15/2018
First Coupon Date..... 8/01/2018

Yield Statistics

Bond Year Dollars..... \$16,461.06
Average Life..... 5.618 Years
Average Coupon..... 2.1707277%

Net Interest Cost (NIC)..... 2.3309240%
True Interest Cost (TIC)..... 2.3384667%
Bond Yield for Arbitrage Purposes..... 2.1108122%
All Inclusive Cost (AIC)..... 2.5619333%

IRS Form 8038

Net Interest Cost..... 2.1707277%
Weighted Average Maturity..... 5.618 Years

\$820,000

City of Brainerd, Minnesota
General Obligation Bonds, Series 2018A
Improvement Bonds - Street Improvements

NET DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	105% of Total	Assessment	Levy Required
02/01/2019	75,000.00	1.600%	15,882.36	90,882.36	95,426.48	22,043.64	73,382.84
02/01/2020	80,000.00	1.650%	15,325.00	95,325.00	100,091.25	27,746.50	72,344.75
02/01/2021	80,000.00	1.700%	14,005.00	94,005.00	98,705.25	27,008.00	71,697.25
02/01/2022	80,000.00	1.850%	12,645.00	92,645.00	97,277.25	26,269.50	71,007.75
02/01/2023	80,000.00	1.950%	11,165.00	91,165.00	95,723.25	25,531.00	70,192.25
02/01/2024	85,000.00	2.050%	9,605.00	94,605.00	99,335.25	24,792.50	74,542.75
02/01/2025	85,000.00	2.150%	7,862.50	92,862.50	97,505.63	24,054.00	73,451.63
02/01/2026	85,000.00	2.250%	6,035.00	91,035.00	95,586.75	23,315.50	72,271.25
02/01/2027	85,000.00	2.350%	4,122.50	89,122.50	93,578.63	22,577.00	71,001.63
02/01/2028	85,000.00	2.500%	2,125.00	87,125.00	91,481.25	21,838.50	69,642.75
Total	\$820,000.00	-	\$98,772.36	\$918,772.36	\$964,710.98	\$245,176.14	\$719,534.84

Dated..... 2/15/2018
Delivery Date..... 2/15/2018
First Coupon Date..... 8/01/2018

Yield Statistics

Bond Year Dollars..... \$4,563.11
Average Life..... 5.565 Years
Average Coupon..... 2.1645837%

Net Interest Cost (NIC)..... 2.3263155%
True Interest Cost (TIC)..... 2.3338658%
Bond Yield for Arbitrage Purposes..... 2.1108122%
All Inclusive Cost (AIC)..... 2.6255337%

IRS Form 8038

Net Interest Cost..... 2.1645837%
Weighted Average Maturity..... 5.565 Years

\$1,050,000

City of Brainerd, Minnesota
General Obligation Bonds, Series 2018A
Equipment Certificates - City

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	105% Levy
02/01/2019	205,000.00	1.600%	17,686.85	222,686.85	233,821.19
02/01/2020	205,000.00	1.650%	15,122.50	220,122.50	231,128.63
02/01/2021	210,000.00	1.700%	11,740.00	221,740.00	232,827.00
02/01/2022	215,000.00	1.850%	8,170.00	223,170.00	234,328.50
02/01/2023	215,000.00	1.950%	4,192.50	219,192.50	230,152.13
Total	\$1,050,000.00	-	\$56,911.85	\$1,106,911.85	\$1,162,257.44

SIGNIFICANT DATES

Dated.....	2/15/2018
Delivery Date.....	2/15/2018
First Coupon Date.....	8/01/2018

Yield Statistics

Bond Year Dollars.....	\$3,139.17
Average Life.....	2.990 Years
Average Coupon.....	1.8129604%
Net Interest Cost (NIC).....	2.1139958%
True Interest Cost (TIC).....	2.1259502%
Bond Yield for Arbitrage Purposes.....	2.1108122%
All Inclusive Cost (AIC).....	2.6713641%

IRS Form 8038

Net Interest Cost.....	1.8129604%
Weighted Average Maturity.....	2.990 Years

\$335,000

City of Brainerd, Minnesota
General Obligation Bonds, Series 2018A
Equipment Certificates - Brainerd Public Utilities

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	105% Levy
02/01/2019	65,000.00	1.600%	5,648.93	70,648.93	74,181.38
02/01/2020	65,000.00	1.650%	4,837.50	69,837.50	73,329.38
02/01/2021	65,000.00	1.700%	3,765.00	68,765.00	72,203.25
02/01/2022	70,000.00	1.850%	2,660.00	72,660.00	76,293.00
02/01/2023	70,000.00	1.950%	1,365.00	71,365.00	74,933.25
Total	\$335,000.00	-	\$18,276.43	\$353,276.43	\$370,940.25

SIGNIFICANT DATES

Dated..... 2/15/2018
Delivery Date..... 2/15/2018
First Coupon Date..... 8/01/2018

Yield Statistics

Bond Year Dollars..... \$1,006.97
Average Life..... 3.006 Years
Average Coupon..... 1.8149885%

Net Interest Cost (NIC)..... 2.1144009%
True Interest Cost (TIC)..... 2.1263454%
Bond Yield for Arbitrage Purposes..... 2.1108122%
All Inclusive Cost (AIC)..... 2.3166430%

IRS Form 8038

Net Interest Cost..... 1.8149885%
Weighted Average Maturity..... 3.006 Years

\$211,000

City of Brainerd, Minnesota
General Obligation Bonds, Series 2018A
Assessments

ASSESSMENT INCOME

Date	Principal	Coupon	Interest	Total P+I
12/31/2018	21,100.00	3.500%	943.64	22,043.64
12/31/2019	21,100.00	3.500%	6,646.50	27,746.50
12/31/2020	21,100.00	3.500%	5,908.00	27,008.00
12/31/2021	21,100.00	3.500%	5,169.50	26,269.50
12/31/2022	21,100.00	3.500%	4,431.00	25,531.00
12/31/2023	21,100.00	3.500%	3,692.50	24,792.50
12/31/2024	21,100.00	3.500%	2,954.00	24,054.00
12/31/2025	21,100.00	3.500%	2,215.50	23,315.50
12/31/2026	21,100.00	3.500%	1,477.00	22,577.00
12/31/2027	21,100.00	3.500%	738.50	21,838.50
Total	\$211,000.00	-	\$34,176.14	\$245,176.14

SIGNIFICANT DATES

Filing Date..... 11/15/2018
First Payment Date..... 12/31/2018

Brainerd, Minnesota
Aggregate Debt Service Payable from the Water Utility

Aggregate Debt Service

Calendar Year	\$1,700,000 2015A Bonds	\$4,485,000 2016A Bonds	\$2,930,000* 2018A Bonds	Total D/S	Coverage
2018	214,449.38	427,815.94	28,669.92	670,935.24	1.16
2019	209,251.88	430,703.44	343,407.75	983,363.07	0.79
2020	204,054.38	427,553.44	344,007.56	975,615.38	0.79
2021	204,028.13	429,128.44	344,376.38	977,532.95	0.79
2022	202,925.63	429,915.94	339,157.88	971,999.45	0.80
2023	195,575.63	429,915.94	343,969.50	969,461.07	0.80
2024	195,260.63	429,128.44	343,075.69	967,464.76	0.80
2025	196,435.31	432,803.44	341,764.50	971,003.25	0.80
2026	-	430,178.44	340,025.44	770,203.88	1.01
2027	-	429,200.63	343,036.31	772,236.94	1.00
2028	-	427,651.88	340,200.00	767,851.88	1.01
2029	-	430,276.88		430,276.88	1.80
2030	-	427,441.88		427,441.88	1.81
2031	-	429,240.00		429,240.00	1.81
Total	\$1,621,980.97	\$6,010,954.73	\$3,451,690.93	\$11,084,626.63	

Note: all debt service is shown at 105%

* Estimate

Water Utility - 2016 Net Revenue & Coverage Calculation

Operating Revenues	\$2,299,127
Operating Expenses	<u>(2,227,285)</u>
Operating Income	71,842
Add back depreciation	701,941
Interest Income	<u>1,621</u>
Income Available for Debt Service	\$775,404
Maximum Projected Debt Service	\$983,363
Remaining Capacity	(\$207,959)

Brainerd, Minnesota
Aggregate Debt Service Payable from the Sanitary Sewer and Wastewater Treatment Utilities

Aggregate Debt Service

Calendar Year	\$280,000 2015C Bonds	\$540,000 2015C Bonds	\$4,845,000 2016A Bonds	\$2,930,000* 2018A Bonds	Total D/S	Coverage
2018	49,087.50	92,373.75	427,815.94	5,876.58	575,153.77	1.91
2019	47,827.50	90,011.25	430,703.44	70,032.38	638,574.57	1.72
2020	46,567.50	92,820.00	427,553.44	69,093.94	636,034.88	1.72
2021	50,478.75	90,300.00	429,128.44	68,126.63	638,033.82	1.72
2022	38,718.75	87,780.00	429,915.94	72,303.00	628,717.69	1.74
2023	47,958.75	85,260.00	429,915.94	71,106.00	634,240.69	1.73
2024	-	-	429,128.44	69,846.00	498,974.44	2.20
2025	-	-	432,803.44	68,523.00	501,326.44	2.19
2026	-	-	430,178.44	72,327.94	502,506.38	2.18
2027	-	-	429,200.63	70,758.19	499,958.82	2.19
2028	-	-	427,651.88	69,103.13	496,755.01	2.21
2029	-	-	430,276.88	-	430,276.88	2.55
2030	-	-	427,441.88	-	427,441.88	2.56
2031	-	-	429,240.00	-	429,240.00	2.55
-	\$280,638.75	\$6,010,954.73	\$6,010,954.73	-	\$7,537,235.27	

Note: all debt service is shown at 105%

* Estimate

Sewer and Wastewater Treatment Utility - 2016 Net Revenue & Coverage Calculation

	Sanitary Sewer	Wastewater Treatment	Total
Operating Revenues	\$460,702	\$2,510,153	\$2,970,855
Operating Expenses	<u>(586,213)</u>	<u>(3,228,671)</u>	<u>(3,814,884)</u>
Operating Income	(125,511)	(718,518)	(844,029)
Add back depreciation	283,152	1,402,374	1,685,526
Interest Income	<u>1,513</u>	<u>252,672</u>	<u>254,185</u>
Income Available for Debt Service	\$159,154	\$936,528	\$1,095,682
Maximum Projected Debt Service			\$638,575
Remaining Capacity			\$457,107

List of Equipment Acquisition

City

Sewer Vac Truck	\$350,000
Ball field lights	121,000
Fire Tender	175,000
2 Field Groomers	30,000
End Loader	190,000
Snowblower	160,000
Total City Equipment	\$1,026,000

Brainerd Public Utilities

Forklift	\$80,000
Water Service Truck	75,000
Wastewater Lift Truck	75,000
Electric Service Truck	50,000
Wastewater Service Truck	50,000
Total PBU Equipment	\$330,000

Extract of Minutes of Meeting
of the City Council of the City OF
Brainerd, Crow Wing County, Minnesota

Pursuant to due call and notice thereof a regular meeting of the City Council of the City of Brainerd, Minnesota, was held at the City Hall in the City on Tuesday, January 16, 2018, commencing at 7:30 P.M.

The following members of the Council were present:

and the following were absent:

* * *

* * *

* * *

Member _____ presented the following written resolution, the reading of which was dispensed with by unanimous consent, and moved its adoption:

RESOLUTION NO. _____

**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE
OF GENERAL OBLIGATION BONDS, SERIES 2018A, IN THE
PROPOSED AGGREGATE PRINCIPAL AMOUNT OF \$5,735,000**

BE IT RESOLVED By the City Council of the City of Brainerd, Crow Wing County, Minnesota (the “City”) as follows:

1. Improvement Bonds.

(a) The City is authorized by Minnesota Statutes, Chapters 429 and 475, as amended (collectively, the “Improvement Act”), to issue obligations in an amount deemed necessary to defray in whole or in part the expense incurred and estimated to be incurred in making improvements authorized by the Improvement Act.

(b) Certain assessable public street improvements in the City, including but not limited to street improvements (the “Assessable Improvements”), have been made, duly ordered, or contracts let pursuant to the provisions of the Improvement Act.

(c) The City Council finds it necessary and expedient to the sound financial management of the affairs of the City to issue obligations in the proposed principal amount of \$820,000 (the “Improvement Bonds”), pursuant to the Improvement Act, to provide financing for the Assessable Improvements.

2. Utility Revenue Bonds.

(a) The City engineer has recommended the construction of various improvements to the City’s sanitary sewer and water systems, including but not limited to the construction of a new water tower and water and sanitary sewer improvements related to highway and street reconstruction (the “Utility Improvements”), pursuant to Minnesota Statutes, Chapters 444 and 475, as amended (collectively, the “Utility Revenue Act”).

(b) The City Council finds it necessary and expedient to the sound financial management of the affairs of the City to issue obligations in the proposed principal amount of \$3,530,000 (the “Utility Revenue Bonds”), pursuant to the Utility Revenue Act, to provide financing for the Utility Improvements.

3. Equipment Certificates.

(a) The City is authorized by Minnesota Statutes, Chapter 475, as amended, and Minnesota Statutes, Sections 410.32 and 412.301, as amended (collectively, the “Equipment Acquisition Act”), to issue its general obligation equipment certificates of indebtedness on such terms and in such manner as the City determines to finance the purchase of items of capital equipment (the “Equipment”), subject to certain limitations contained in the Equipment Acquisition Act.

(b) The City will purchase and acquire various items of Equipment, which items are anticipated to be those listed on EXHIBIT A attached hereto and made a part hereof, or other

similar equipment to be purchased pursuant to the Equipment Acquisition Act. Such Equipment will be used by the City or the Brainerd Public Utilities Commission, which is the municipal utility arm of the City (the “BPUC”).

(c) As required by the Equipment Acquisition Act:

(i) the expected useful life of each item of Equipment is or will be at least as long as the term of the equipment certificates issued to finance such Equipment; and

(ii) the principal amount of equipment certificates to be issued in the year 2018 will not exceed one-quarter of one percent (0.25%) of the estimated market value of taxable property in the City for the year 2018.

(d) It is necessary and expedient to the sound financial management of the affairs of the City to issue obligations in the proposed principal amount of \$1,385,000 (the “Equipment Certificates”), pursuant to the Equipment Acquisition Act, to provide financing for the acquisition of the Equipment.

4. Sale of Bonds.

(a) It is necessary and expedient to the sound financial management of the affairs of the City to issue its General Obligation Bonds, Series 2018A (the “Bonds”), in the proposed aggregate principal amount of \$5,735,000, pursuant to the Improvement Act, the Utility Revenue Act, and the Equipment Acquisition Act (collectively, the “Act”), to provide financing for the construction of the Assessable Improvements, the construction of the Utility Improvements, and the acquisition of the Equipment. The Bonds will be issued, sold, and delivered in accordance with the Terms of Proposal attached hereto as EXHIBIT B (the “Terms of Proposal”).

(b) The City is authorized by Section 475.60, subdivision 2(9) of the Act to negotiate the sale of the Bonds, it being determined that the City has retained an independent municipal advisor in connection with such sale.

5. Authority of Municipal Advisor. Springsted Incorporated is authorized and directed to negotiate the Bonds in accordance with the Terms of Proposal. The City Council will meet at 7:30 P.M. on Tuesday, February 20, 2018, to consider proposals on the Bonds and take any other appropriate action with respect to the Bonds.

6. Authority of Bond Counsel. The law firm of Kennedy & Graven, Chartered, as bond counsel for the City, is authorized to act as bond counsel and to assist in the preparation and review of necessary documents, certificates and instruments relating to the Bonds. The officers, employees and agents of the City are hereby authorized to assist Kennedy & Graven, Chartered in the preparation of such documents, certificates, and instruments.

7. Covenants. In the resolution awarding the sale of the Bonds the City Council will set forth the covenants and undertakings required by the Act.

8. Official Statement. In connection with the sale of the Bonds, the officers or employees of the City are authorized and directed to cooperate with Springsted Incorporated and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

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

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Adopted this ____ day of January, 2018.

DAVID J. PRITSCHET
President of the Council

Approved this ____ day of January, 2018.

EDWIN L. MENK
Mayor

ATTEST:

CASSANDRA TORSTENSON
City Administrator

EXHIBIT A
LIST OF EQUIPMENT

<u>Equipment</u>	<u>Cost</u>
Fire Tender (City)	\$ 175,000
Field Groomers (City)	30,000
Memorial Park Field Lights (City)	121,000
End Loader (City)	190,000
Snow Blower (City)	160,000
Vactor Truck (City)	350,000
Forklift (BPUC)	80,000
Water Service Truck (BPUC)	75,000
Wastewater Lift Truck (BPUC)	75,000
Electrical Service Truck (BPUC)	50,000
Wastewater Service Truck (BPUC)	<u>50,000</u>
Total:	<u>\$1,365,000</u>

EXHIBIT B
TERMS OF PROPOSAL

THE CITY HAS AUTHORIZED SPRINGSTED INCORPORATED TO NEGOTIATE THIS ISSUE ON ITS BEHALF. PROPOSALS WILL BE RECEIVED ON THE FOLLOWING BASIS:

TERMS OF PROPOSAL

\$5,735,000*

**CITY OF BRAINERD, MINNESOTA
GENERAL OBLIGATION BONDS, SERIES 2018A
(BOOK ENTRY ONLY)**

Proposals for the above-referenced obligations (the "Bonds") will be received by the City of Brainerd, Minnesota (the "City") on Tuesday, February 20, 2018, (the "Sale Date") until 10:00 A.M., Central Time at the offices of Springsted Incorporated ("Springsted"), 380 Jackson Street, Suite 300, Saint Paul, Minnesota, 55101, after which time proposals will be opened and tabulated. Consideration for award of the Bonds will be by the City Council at its Council meeting commencing at 7:30 P.M., Central Time, of the same day.

SUBMISSION OF PROPOSALS

Springsted will assume no liability for the inability of a bidder to reach Springsted prior to the time of sale specified above. All bidders are advised that each proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Bonds regardless of the manner in which the proposal is submitted.

(a) **Sealed Bidding.** Proposals may be submitted in a sealed envelope or by fax (651) 223-3046 to Springsted. Signed proposals, without final price or coupons, may be submitted to Springsted prior to the time of sale. The bidder shall be responsible for submitting to Springsted the final proposal price and coupons, by telephone (651) 223-3000 or fax (651) 223-3046 for inclusion in the submitted proposal.

OR

(b) **Electronic Bidding.** Notice is hereby given that electronic proposals will be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all proposals submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic proposal in a timely manner and in compliance with the requirements of the Terms of Proposal.* Neither the City, its agents, nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the City, its agents, nor PARITY® shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The City is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Bonds, and PARITY® is not an agent of the City.

If any provisions of this Terms of Proposal conflict with information provided by PARITY®, this Terms of Proposal shall control. Further information about PARITY®, including any fee charged, may be obtained from:

PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018
Customer Support: (212) 849-5000

* Preliminary; subject to change.

DETAILS OF THE BONDS

The Bonds will be dated as of the date of delivery and will bear interest payable on February 1 and August 1 of each year, commencing August 1, 2018. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Bonds will mature February 1 in the years and amounts* as follows:

2019	\$670,000	2021	\$690,000	2023	\$715,000	2025	\$445,000	2027	\$465,000
2020	\$680,000	2022	\$705,000	2024	\$440,000	2026	\$455,000	2028	\$470,000

* *The City reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Bonds or the amount of any maturity or maturities in multiples of \$5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Bonds as that of the original proposal. Gross spread for this purpose is the differential between the price paid to the City for the new issue and the prices at which the proposal indicates the securities will be initially offered to the investing public.*

Proposals for the Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth above. In order to designate term bonds, the proposal must specify "Years of Term Maturities" in the spaces provided on the proposal form.

BOOK ENTRY SYSTEM

The Bonds will be issued by means of a book entry system with no physical distribution of Bonds made to the public. The Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The lowest bidder (the "Purchaser"), as a condition of delivery of the Bonds, will be required to deposit the Bonds with DTC.

REGISTRAR

The City will name the registrar which shall be subject to applicable regulations of the Securities and Exchange Commission. The City will pay for the services of the registrar.

OPTIONAL REDEMPTION

The City may elect on February 1, 2026, and on any day thereafter, to redeem Bonds due on or after February 1, 2027. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

SECURITY AND PURPOSE

The Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City will pledge special assessments against benefited properties and net revenues of the City's water and sewer utility funds for repayment of a portion of the Bonds. The proceeds of the Bonds will be used to finance (i) various street improvement projects; (ii) a new water tower located in the City; (iii) water and sewer improvements related to highway and street reconstruction; and (iv) acquisition of various capital equipment.

BIDDING PARAMETERS

Proposals shall be for not less than \$5,683,385 plus accrued interest, if any, on the total principal amount of the Bonds. No proposal can be withdrawn or amended after the time set for receiving proposals on the Sale Date unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public as stated on the proposal for each maturity must be 98.0% or greater. Bonds of the same maturity shall bear a single rate from the date of the Bonds to the date of maturity. No conditional proposals will be accepted.

ESTABLISHMENT OF ISSUE PRICE

In order to provide the City with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the "Code"), the Purchaser will be required to assist the City in establishing the issue price of the Bonds and shall complete, execute, and deliver to the City prior to the closing date, a written certification in a form acceptable to the Purchaser, the City, and Bond Counsel (the "Issue Price Certificate") containing the following for each maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity): (i) the interest rate; (ii) the reasonably expected initial offering price to the "public" (as said term is defined in Treasury Regulation Section 1.148-1(f) (the "Regulation")) or the sale price; and (iii) pricing wires or equivalent communications supporting such offering or sale price. Any action to be taken or documentation to be received by the City pursuant hereto may be taken or received on behalf of the City by Springsted.

The City intends that the sale of the Bonds pursuant to this Terms of Proposal shall constitute a "competitive sale" as defined in the Regulation based on the following:

- (i) the City shall cause this Terms of Proposal to be disseminated to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (ii) all bidders shall have an equal opportunity to submit a bid;
- (iii) the City reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Bonds; and
- (iv) the City anticipates awarding the sale of the Bonds to the bidder who provides a proposal with the lowest true interest cost, as set forth in this Terms of Proposal (See "AWARD" herein).

Any bid submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Bonds, as specified in the proposal. The Purchaser shall constitute an "underwriter" as said term is defined in the Regulation. By submitting its proposal, the Purchaser confirms that it shall require any agreement among underwriters, a selling group agreement, or other agreement to which it is a party relating to the initial sale of the Bonds, to include provisions requiring compliance with the provisions of the Code and the Regulation regarding the initial sale of the Bonds.

If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the Purchaser of such fact prior to the time of award of the sale of the Bonds to the Purchaser. **In such event, any proposal submitted will not be subject to cancellation or withdrawal.** Within twenty-four (24) hours of the notice of award of the sale of the Bonds, the Purchaser shall advise the City and Springsted if a

“substantial amount” (as defined in the Regulation) of any maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) has been sold to the public and the price at which such substantial amount was sold. The City will treat such sale price as the “issue price” for such maturity, applied on a maturity-by-maturity basis. The City will not require the Purchaser to comply with that portion of the Regulation commonly described as the “hold-the-offering-price” requirement for the remaining maturities, but the Purchaser may elect such option. If the Purchaser exercises such option, the City will apply the initial offering price to the public provided in the proposal as the issue price for such maturities. If the Purchaser does not exercise that option, it shall thereafter promptly provide the City and Springsted the prices at which a substantial amount of such maturities are sold to the public; provided such determination shall be made and the City and Springsted notified of such prices whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Bonds or until all of the Bonds of a maturity have been sold.

GOOD FAITH DEPOSIT

To have its proposal considered for award, the Purchaser is required to submit a good faith deposit to the City in the amount of \$57,350 (the “Deposit”) no later than 1:00 P.M., Central Time on the Sale Date. The Deposit may be delivered as described herein in the form of either (i) a certified or cashier’s check payable to the City; or (ii) a wire transfer. The Purchaser shall be solely responsible for the timely delivery of its Deposit whether by check or wire transfer. Neither the City nor Springsted have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the City may, at its sole discretion, reject the proposal of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

Certified or Cashier’s Check. A Deposit made by certified or cashier’s check will be considered timely delivered to the City if it is made payable to the City and delivered to Springsted Incorporated, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101 by the time specified above.

Wire Transfer. A Deposit made by wire will be considered timely delivered to the City upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from Springsted following the receipt and tabulation of proposals. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

Once an award has been made, the Deposit received from the the Purchaser will be retained by the City and no interest will accrue to the Purchaser. The amount of the Deposit will be deducted at settlement from the purchase price. In the event the Purchaser fails to comply with the accepted proposal, said amount will be retained by the City.

AWARD

The Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis calculated on the proposal prior to any adjustment made by the City. The City’s computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The City will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal that the City determines to have failed to comply with the terms herein.

BOND INSURANCE AT PURCHASER’S OPTION

The City has **not** applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Bonds. If the Bonds qualify for municipal bond insurance and a bidder desires to purchase a policy, such indication, the maturities to be insured, and the name of the desired insurer must be set forth on the bidder’s proposal. The City specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the City. All costs

associated with the issuance and administration of such policy and associated ratings and expenses (other than any independent rating requested by the City) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Bonds.

CUSIP NUMBERS

If the Bonds qualify for assignment of CUSIP numbers such numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Bonds. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

SETTLEMENT

On or about March 22, 2018, the Bonds will be delivered without cost to the Purchaser through DTC in New York, New York. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of Kennedy & Graven, Chartered of Minneapolis, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the City or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Bonds has been made impossible by action of the City, or its agents, the Purchaser shall be liable to the City for any loss suffered by the City by reason of the Purchaser's non-compliance with said terms for payment.

CONTINUING DISCLOSURE

In accordance with SEC Rule 15c2-12(b)(5), the City will undertake, pursuant to the resolution awarding sale of the Bonds, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Official Statement. The purchaser's obligation to purchase the Bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Bonds.

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Bonds, and said Preliminary Official Statement will serve as a near-final Official Statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For copies of the Preliminary Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the City, Springsted Incorporated, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101, telephone (651) 223-3000.

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared, specifying the maturity dates, principal amounts, and interest rates of the Bonds, together with any other information required by law. By awarding the Bonds to the Purchaser, the City agrees that, no more than seven business days after the date of such award, it shall provide without cost to the Purchaser up to 25 copies of the Final Official Statement. The City designates the Purchaser as its agent for purposes of distributing copies of the Final Official Statement to each syndicate member, if applicable. The Purchaser agrees that if its proposal is accepted by the City, (i) it shall accept designation and (ii) it shall enter into a contractual relationship with its syndicate members for purposes of assuring the receipt of the Final Official Statement by each such syndicate member.

Dated January 16, 2018

BY ORDER OF THE CITY COUNCIL

/s/ Cassandra Torstenson
City Administrator

STATE OF MINNESOTA)
)
COUNTY OF CROW WING)
)
CITY OF BRAINERD)

I, the undersigned, being the duly qualified City Administrator of the City of Brainerd, Minnesota (the “City”), hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the City Council of the City held on Tuesday, January 16, 2018, with the original minutes on file in my office and the extract is a full, true and correct copy of the minutes, insofar as they relate to the issuance and sale of the City’s General Obligation Bonds, Series 2018A, in the proposed aggregate principal amount of \$5,735,000.

WITNESS My hand as City Administrator and the corporate seal of the City this ____ day of _____, 2018.

(SEAL)

City Administrator
City of Brainerd, Minnesota



Brainerd City Council Agenda Request

Requested Meeting Date: January 16, 2018

Title of Item: Purchase Agreement for Water Tower Site

☐ INFORMATION ONLY ☐ CONSENT AGENDA ☐ P&F COMMITTEE ☐ SPW COMMITTEE ☒ MAIN AGENDA	Action Requested: ☒ Approve/Deny Motion ☐ Adopt Resolution (attach draft) ☐ Direction Requested ☐ Discussion Item ☐ Hold Public Hearing* ☐ Ordinance 1 st Reading <i>*provide copy of published hearing notice</i>
Submitted by: Scott Magnuson BPU	Department: BPU
Presenter (Name & Title):	Estimated Time Needed: 5 Minutes
Summary of Issue: Need approval and signatures from Mayor and Council President on purchase agreement for an approximate one acre lot to be purchased from GJR Investments, LLP, DBA Lexington Mfg., for a new water tower site for the South Pressure Zone. BPU commission recommends council to approve purchase for \$50,000 plus closing costs.	
Alternatives, Options, Effects on Others/Comments:	
Recommended Action/Motion:	
Financial Impact: <i>Is there a cost associated with this request:</i> ☒ Yes ☐ No <i>What is the total cost, with tax and shipping</i> \$ <u>\$56,000</u> <i>Is this budgeted?</i> ☒ Yes ☐ No <i>Please Explain:</i>	

**PURCHASE AGREEMENT:
VACANT LAND (RESIDENTIAL)**

This form approved by the Minnesota Association of REALTORS[®],
which disclaims any liability arising out of use or misuse of this form.
© 2017 Minnesota Association of REALTORS[®], Edina, MN

1. Date 12/20/2017

2. Page 1

3. BUYER(S): The City of Brainerd
4. to Purchase from Seller, aka, "GJR Investments, LLP"
5. Buyer's earnest money in the amount of _____
6. _____ Dollars (\$ 0.00)
7. shall be delivered to listing broker, or, if checked, to ☐ _____ no later than two (2) Business
("Earnest Money Holder")
8. Days after Final Acceptance Date of this Purchase Agreement. Buyer and Seller agree that earnest money shall be
9. deposited in the trust account of Earnest Money Holder as specified above within three (3) Business Days of receipt
10. of the earnest money or Final Acceptance Date of this Purchase Agreement, whichever is later.
11. Said earnest money is part payment for the purchase of the property located at
12. Street Address: TBD Co Rd. 45
13. City of Brainerd, County of Crow Wing State of Minnesota, legally
14. described as
15. The south 175.00 feet of the North 375.00 feet of the West 250.00 feet of the Northwest Quarter
16. of the Northwest Quarter of Section 6, Township 44 North, Range 30 West of the Fourth Principal
17. Meridian, Crow Wing County, Minnesota.
18. including all fixtures, if any, AND ☐ INCLUDING ☐ EXCLUDING the following personal property, if any, which shall
(Check one.)
19. _____
20. _____
21. _____
22. _____ (collectively the "Property").

PURCHASE PRICE:

23. _____
24. Seller has agreed to sell the Property to Buyer for the sum of (\$ 50,000.00)
25. Fifty Thousand
26. _____ Dollars,
27. which Buyer agrees to pay in the following manner:
28. 1. 100 percent (%) of the sale price in **CASH**, or more in Buyer's sole discretion, which includes the earnest
29. money;
30. 2. _____ percent (%) of the sale price in **MORTGAGE FINANCING**. (See following Mortgage Financing
31. section.)
32. 3. _____ percent (%) of the sale price by **ASSUMING** Seller's current mortgage. (See attached *Addendum to*
33. *Purchase Agreement: Assumption Financing*.)
34. 4. _____ percent (%) of the sale price by **CONTRACT FOR DEED**. (See attached *Addendum to Purchase*
35. *Agreement: Contract for Deed Financing*.)

CLOSING DATE:

36. _____
37. The date of closing shall be on or before March 30th, 20 18.

**PURCHASE AGREEMENT:
VACANT LAND (RESIDENTIAL)**

38. Page 2 Date 12/20/2017

39. Property located at TBD Co Rd. 45 Brainerd MN 56401

MORTGAGE FINANCING:

40. This Purchase Agreement ☐ IS ☒ IS NOT subject to the mortgage financing provisions below. If IS, complete the
41. ---(Check one.)---

42. **MORTGAGE FINANCING** section below. If **IS NOT**, proceed to the **SELLER'S CONTRIBUTIONS TO BUYER'S**
43. **COSTS** section.

44. Such mortgage financing shall be: *(Check one.)*

45. ☐ **FIRST MORTGAGE only** ☐ **FIRST MORTGAGE AND SUBORDINATE FINANCING.**

46. Buyer shall apply for and secure, at Buyer's expense, a: *(Check all that apply.)*

47. ☐ **CONVENTIONAL**

48. ☐ **DEPARTMENT OF VETERANS' AFFAIRS ("DVA") GUARANTEED**

49. ☐ **FEDERAL HOUSING ADMINISTRATION ("FHA") INSURED**

50. ☐ **MINNESOTA HOUSING FINANCE AGENCY ("MHFA")**

51. ☐ **PRIVATELY INSURED CONVENTIONAL**

52. ☐ **UNITED STATES DEPARTMENT OF AGRICULTURE ("USDA") RURAL DEVELOPMENT**

53. ☐ **OTHER** _____

54. mortgage in the amount stated in this Purchase Agreement, amortized over a period of not more than _____

55. years, with an initial interest rate at no more than _____ percent (%) per annum. The mortgage application **IS**
56. **TO BE MADE WITHIN FIVE (5) BUSINESS DAYS** after the Final Acceptance Date of this Purchase Agreement. Buyer
57. agrees to use best efforts to secure a commitment for such financing and to execute all documents required to
58. consummate said financing.

59. **MORTGAGE FINANCING CONTINGENCY:** This Purchase Agreement is contingent upon the following and applies
60. to the first mortgage and any subordinate financing. *(Check one.)*

61. ☐ If Buyer cannot secure the financing specified in this Purchase Agreement, and this Purchase Agreement does not
62. close on the closing date specified, this Purchase Agreement is canceled. Buyer and Seller shall immediately
63. sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid here
64. to be ☐ **REFUNDED TO BUYER** ☐ **FORFEITED TO SELLER.**

---(Check one.)---

65. **NOTE:** If this Purchase Agreement is subject to DVA or FHA financing, **FORFEITED TO SELLER** may be
66. prohibited. See the following DVA and FHA Escape Clauses.

67. ☐ Buyer shall provide Seller, or licensee representing or assisting Seller, with the Written Statement, on
68. or before _____, 20____.

69. For purposes of this Contingency, "**Written Statement**" means a Written Statement prepared by Buyer's mortgage
70. originator(s) or lender(s) after the Final Acceptance Date that Buyer is approved for the loan(s) specified in this
71. Purchase Agreement, including both the first mortgage and any subordinate financing, if any, and stating that an
72. appraisal, satisfactory to the lender(s), has been completed and stating conditions required by lender(s) to close
73. the loan.

74. Upon delivery of the Written Statement to Seller, or licensee representing or assisting Seller, the obligation for
75. satisfying all conditions required by mortgage originator(s) or lender(s), except those conditions specified below,
76. are deemed accepted by Buyer:

77. (a) work orders agreed to be completed by Seller;

78. (b) any other financing terms agreed to be completed by Seller here; and

79. (c) any contingency for the sale and closing of Buyer's property pursuant to this Purchase Agreement.

80. Upon delivery of the Written Statement, if this Purchase Agreement does not close on the stated closing date for
81. ANY REASON relating to financing, including, but not limited to interest rate and discount points, if any, then Seller
82. may, at Seller's option, declare this Purchase Agreement canceled, in which case this Purchase Agreement is
83. canceled. If Seller declares this Purchase Agreement canceled, Buyer and Seller shall immediately sign a
84. *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid here to be
85. forfeited to Seller as liquidated damages. In the alternative, Seller may seek all other remedies allowed by law.

**PURCHASE AGREEMENT:
VACANT LAND (RESIDENTIAL)**

86. Page 3 Date 12/20/2017

87. Property located at TBD Co Rd. 45 Brainerd MN 56401

88. Notwithstanding the language in the preceding paragraph, Seller may not declare this Purchase Agreement
89. canceled if the reason this Purchase Agreement does not close was due to:
90. (a) Seller's failure to complete work orders to the extent required by this Purchase Agreement;
91. (b) Seller's failure to complete any other financing terms agreed to be completed by Seller here; or
92. (c) any contingency for the sale and closing of Buyer's property pursuant to this Purchase Agreement, except as
93. specified in the contingency for sale and closing of Buyer's property.

94. If the Written Statement is not provided by the date specified on line 68, Seller may, at Seller's option, declare this
95. Purchase Agreement canceled by written notice to Buyer at any time prior to Seller receiving the Written Statement,
96. in which case this Purchase Agreement is canceled. In the event Seller declares this Purchase Agreement
97. canceled, Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said
98. cancellation and directing all earnest money paid here to be refunded to Buyer.

99. If the Written Statement is not provided, and Seller has not previously canceled this Purchase Agreement, this
100. Purchase Agreement is canceled as of the closing date specified in this Purchase Agreement. Buyer and Seller
101. shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all
102. earnest money paid here to be refunded to Buyer.

103. **LOCKING OF MORTGAGE INTEREST RATE ("RATE"):** The Rate shall be locked with the lender(s) by Buyer:
104. *(Check one.)*

105. ☐ **WITHIN FIVE (5) BUSINESS DAYS OF FINAL ACCEPTANCE DATE OF THIS PURCHASE AGREEMENT; OR**

106. ☐ **AT ANY TIME PRIOR TO CLOSING OR AS REQUIRED BY LENDER(S).**

107. **LENDER COMMITMENT WORK ORDERS:** Nothing in this Purchase Agreement shall be construed as a warranty
108. that Seller shall make repairs required by the lender commitment. However, Seller agrees to pay up to
109. \$ _____ to make repairs as required by the lender commitment. If the lender commitment
110. is subject to any work orders for which the cost of making said repairs shall exceed this amount, Seller shall have the
111. following options:

112. (a) making the necessary repairs; or
113. (b) negotiating the cost of making said repairs with Buyer; or
114. (c) declaring this Purchase Agreement canceled, in which case this Purchase Agreement is canceled. Buyer and Seller
115. shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest
116. money paid here to be refunded to Buyer, unless Buyer provides for payment of the cost of said repairs or escrow
117. amounts related thereto above the amount specified on line 109 of this Purchase Agreement.

118. ☐ **SELLER** ☐ **BUYER** agrees to pay any reinspection fee required by Buyer's lender(s).
(Check one.)

119. **FHA ESCAPE CLAUSE (FHA Financing only):** "It is expressly agreed that, notwithstanding any other provisions
120. of this contract, the purchaser shall not be obligated to complete the purchase of the Property described here or to
121. incur any penalty by forfeiture of earnest money deposits or otherwise, unless the purchaser has been given in
122. accordance with the Department of Housing and Urban Development ("HUD")/FHA or DVA requirements a written
123. statement by the Federal Housing Commissioner, Department of Veterans' Affairs, or a Direct Endorsement lender
124. setting forth the appraised value of the Property as not less than \$ _____

(sale price)

125. The purchaser shall have the privilege and option of proceeding with consummation of the contract without regard
126. to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage
127. HUD will insure; HUD does not warrant the value nor the condition of the Property. The purchaser should satisfy
128. himself/herself that the price and condition of the Property are acceptable."

130. **LENDER PROCESSING FEES (FHA, DVA Financing Only):** Seller agrees to pay Buyer's closing fees and
131. miscellaneous processing fees which cannot be charged to Buyer, not to exceed \$ _____.
132. This amount is in addition to Seller's Contributions to Buyer's Costs, if applicable.

RD

133. Page 4 Date 12/20/2017

RD

**PURCHASE AGREEMENT:
VACANT LAND (RESIDENTIAL)**

174. Page 5 Date 12/20/2017

175. Property located at TBD Co Rd. 45 Brainerd MN 56401
176. All inspection(s), test(s), and resulting negotiations, if any, shall be done within _____ Calendar Days of Final
177. Acceptance Date of this Purchase Agreement ("Inspection Period"). Buyer may cancel this Purchase Agreement based
178. on the inspection(s) or test result(s) by providing written notice to Seller, or licensee representing or assisting Seller, of
179. Buyer's Intent to cancel no later than the end of the Inspection Period. If Buyer cancels this Purchase Agreement,
180. Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and
181. directing all earnest money paid here to be refunded to Buyer. If Buyer does not cancel this Purchase Agreement
182. before the end of the Inspection Period, then this Inspection Contingency shall be deemed removed and this Purchase
183. Agreement shall be in full force and effect.
184. Seller, or licensee representing or assisting Seller, ☐ **SHALL** ☐ **SHALL NOT** have the right to continue to offer
185. the Property for sale until this Inspection Contingency is removed. (Check one.)
186. **OTHER INSPECTION ITEMS:** _____
187. _____

SALE OF BUYER'S PROPERTY:

188. (Check one.)
189. ☐ 1. This Purchase Agreement is subject to an *Addendum to Purchase Agreement: Sale of Buyer's Property*
190. *Contingency* for the sale of Buyer's property. (If checked, see attached *Addendum*.)
191.
192. OR
193. ☐ 2. This Purchase Agreement is contingent upon the successful closing on the Buyer's property located at
194. _____, which is scheduled to close on
195. _____, 20 _____ pursuant to a fully executed purchase agreement. If Buyer's
196. property does not close by the closing date specified in this Purchase Agreement, this Purchase Agreement
197. is canceled. Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said
198. cancellation and directing all earnest money paid here to be refunded to Buyer. The language in this paragraph
199. supersedes any other provision to the contrary in any financing contingency made a part of this Purchase
200. Agreement, if applicable.
201. OR
202. ☒ 3. Buyer represents that Buyer has the financial ability to perform on this Purchase Agreement without the sale
203. and closing on any other property.

REAL ESTATE TAXES/SPECIAL ASSESSMENTS:

205. **REAL ESTATE TAXES:** Seller shall pay on the date of closing all real estate taxes due and payable in all prior years
206. including all penalties and interest.
207. Buyer shall pay ☒ **PRORATED FROM DAY OF CLOSING** ☐ _____ 12ths OF ☐ **ALL** ☐ **NO** real estate
208. taxes due and payable in the year of closing. (Check one.)
209. Seller shall pay ☒ **PRORATED TO DAY OF CLOSING** ☐ _____ 12ths OF ☐ **ALL** ☐ **NO** real estate taxes
210. due and payable in the year of closing. (Check one.)
211. Buyer shall pay real estate taxes due and payable in the year following closing and thereafter, the payment of which
212. is not otherwise here provided. No representations are made concerning the amount of subsequent real estate
213. taxes.

DEFERRED TAXES/SPECIAL ASSESSMENTS:

214. **DEFERRED TAXES/SPECIAL ASSESSMENTS:**
215. ☐ **BUYER SHALL PAY** ☒ **SELLER SHALL PAY** on date of closing any deferred real estate taxes
216. (e.g. Green Acres) or special assessments, payment of which is required as a result of the closing of this sale.

RD

217. Page 6 Date 12/20/2017

240. **ADDITIONAL PROVISIONS:**

247. **SPECIAL CONTINGENCIES:** This Purchase Agreement is subject to the following contingencies, and if the
248. contingencies checked below are not satisfied or waived, in writing, by Buyer by March 19th, 2018,
249. this Purchase Agreement is canceled as of said date. Buyer and Seller shall immediately sign a *Cancellation of*
250. *Purchase Agreement* confirming said cancellation and directing all earnest money paid here to be refunded to
251. Buyer.

259. ☒ (d) Buyer obtaining approval of city/township for rezoning or use permits at ☒ BUYER ☐ SELLER expense.
 _____ (Check one.) _____

**PURCHASE AGREEMENT:
VACANT LAND (RESIDENTIAL)**

260. Page 7 Date 12/20/2017

261. Property located at TBD Co Rd. 45 Brainerd MN 56401
262. ☐ (e) Buyer obtaining, at ☐ **BUYER** ☐ **SELLER** expense, percolation tests which are acceptable to Buyer.
(Check one.)
263. ☒ (f) Buyer obtaining, at ☒ **BUYER** ☐ **SELLER** expense, soil tests which indicate that the Property may be improved without extraordinary building methods or cost.
(Check one.)
264. ☐ (g) Buyer obtaining approval of building plans and/or specifications in accordance with any recorded subdivision covenants and approval of the architectural control committee.
265. ☐ (h) Buyer obtaining, at ☐ **BUYER** ☐ **SELLER** expense, copies of all covenants, reservations, and restrictions affecting the Property.
(Check one.)
266. ☐ (i) Other: _____
267. _____
268. _____
269. _____
270. _____
271. Seller's expenses for these contingencies (if any) shall not exceed \$ _____
272. **DEED/MARKETABLE TITLE:** Upon performance by Buyer, Seller shall deliver a: (Check one.)
273. ☒ **Warranty Deed**, ☐ **Personal Representative's Deed**, ☐ **Contract for Deed**, ☐ **Trustee's Deed**, or
274. ☐ **Other:** _____ **Deed** joined in by spouse, if any, conveying marketable title, subject to
275. (a) building and zoning laws, ordinances, state and federal regulations;
276. (b) restrictions relating to use or improvement of the Property without effective forfeiture provisions;
277. (c) reservation of any mineral rights by the State of Minnesota;
278. (d) utility and drainage easements which do not interfere with existing improvements;
279. (e) **rights of tenants as follows** (unless specified, not subject to tenancies): _____
280. _____ ; and
281. (f) others (must be specified in writing): _____
282. _____
283. **POSSESSION:** Seller shall deliver possession of the Property: (Check one.)
284. ☒ **IMMEDIATELY AFTER CLOSING**; or
285. ☐ **OTHER:** _____
286. Seller agrees to remove ALL DEBRIS AND ALL PERSONAL PROPERTY NOT INCLUDED HERE from the Property by possession date.
287. _____
288. **PRORATIONS:** All interest; unit owners' association dues; rents; and charges for city water, city sewer, electricity, and
289. natural gas shall be prorated between the parties as of date of closing. Buyer shall pay Seller for remaining gallons of fuel oil or liquid petroleum gas on the day of closing, at the rate of the last fill by Seller.
290. _____
291. **TITLE AND EXAMINATION:** Within a reasonable time period after Final Acceptance Date of this Purchase Agreement, Seller shall provide one of the following title evidence options, at Seller's selection, which shall include proper searches covering bankruptcies, state and federal judgments and liens, and levied and pending special assessments to Buyer or Buyer's designated title service provider:
292. _____
293. _____
294. _____
295. (a) A commitment for an owner's policy of title insurance on a current ALTA form issued by an insurer licensed to write title insurance in Minnesota as selected by Buyer. Seller shall be responsible for the title search and exam costs related to the commitment. Buyer shall be responsible for all additional costs related to the issuance of the title insurance policy(ies), including but not limited to the premium(s), Buyer's name search and plat drawing, if any. Seller shall deliver any abstract of title and a copy of any owner's title insurance policy for the Property, if in Seller's possession or control, to Buyer or Buyer's designated title service provider. Any abstract of title or owner's title insurance policy provided shall be immediately returned to Seller, or licensee representing or assisting Seller, upon cancellation of this Purchase Agreement.
296. _____
297. _____
298. _____
299. _____
300. _____
301. _____
302. _____

**PURCHASE AGREEMENT:
VACANT LAND (RESIDENTIAL)**

303. Page 8 Date 12/20/2017

304. Property located at TBD Co Rd. 45 Brainerd MN 56401
305. (b) An Abstract of Title certified to date if Abstract Property or a Registered Property Abstract ("RPA") certified to date
306. if Registered (Torrens) Property. Seller shall pay for the abstracting or RPA costs and deliver any abstract for
307. this Property in Seller's possession or control to Buyer or Buyer's designated title service provider. Any abstract
308. provided shall be immediately returned to Seller, or licensee representing or assisting Seller, upon cancellation of
309. this Purchase Agreement. If Property is Abstract and Seller does not have an abstract of title, Option (a) will
310. automatically apply.
311. Seller shall use Seller's best efforts to provide marketable title by the date of closing. In the event that Seller has not
312. provided marketable title by the date of closing, Seller shall have an additional thirty (30) days to make title marketable
313. or, in the alternative, Buyer may waive title defects by written notice to Seller. In addition to the thirty (30)-day extension,
314. Buyer and Seller may by mutual agreement further extend the closing date. Lacking such extension, either party may
315. declare this Purchase Agreement canceled by written notice to the other party, or licensee representing or assisting
316. the other party, in which case this Purchase Agreement is canceled. If either party declares this Purchase Agreement
317. canceled, Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation
318. and directing all earnest money paid here to be refunded to Buyer.
319. **SUBDIVISION OF LAND, BOUNDARIES, AND ACCESS:** If this sale constitutes or requires a subdivision of land
320. owned by Seller, Seller shall pay all subdivision expenses and obtain all necessary governmental approvals. This
321. provision deals with the necessity of subdividing land to complete the sale of the Property described here in contrast
322. to the subdivision provision of lines 257-258 which deals with the future development plans of Buyer. Seller warrants
323. the legal description of the real Property to be conveyed has been or shall be approved for recording as of the date of
324. closing. Seller warrants that there is a right of access to the Property from a public right-of-way.
325. **MECHANIC'S LIENS:** Seller warrants that prior to the closing, payment in full will have been made for all labor,
326. materials, machinery, fixtures, or tools furnished within the 120 days immediately preceding the closing.
327. **NOTICES:** Seller warrants that Seller has not received any notice from any governmental authority as to condemnation
328. proceedings or violation of any law, ordinance, or regulation. If the Property is subject to restrictive covenants, Seller
329. warrants that Seller has not received any notice from any person or authority as to a breach of the covenants. Any
330. such notices received by Seller shall be provided to Buyer immediately.
331. **DIMENSIONS:** Buyer acknowledges any dimensions, square footage, or acreage of land or improvements provided
332. by Seller, third party, or broker representing or assisting Seller are approximate. Buyer shall verify the accuracy of
333. information to Buyer's satisfaction, if material, at Buyer's sole cost and expense.
334. **ACCESS AGREEMENT:** Seller agrees to allow Buyer reasonable access to the Property for performance of any
335. surveys, inspections or tests, or for water, sewer, gas, or electrical service hookup as agreed to here. Buyer shall
336. restore the premises to the same condition it was in prior to the surveys, inspections, or tests and pay for any
337. restoration costs relative thereto.
338. **RISK OF LOSS:** If there is any loss or damage to the Property between the Final Acceptance Date and the date of closing
339. for any reason, including fire, vandalism, flood, earthquake, or act of God, the risk of loss shall be on Seller. If the Property
340. is destroyed or substantially damaged before the closing date, this Purchase Agreement is canceled, at Buyer's
341. option, by written notice to Seller or licensee representing or assisting Seller. If Buyer cancels this Purchase Agreement,
342. Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and
343. directing all earnest money paid here to be refunded to Buyer.
344. **TIME OF ESSENCE:** Time is of the essence in this Purchase Agreement.
345. **CALCULATION OF DAYS:** Any calculation of days begins on the first day (Calendar or Business Days as specified)
346. following the occurrence of the event specified and includes subsequent days (Calendar or Business Days as specified)
347. ending at 11:59 P.M. on the last day.
348. **BUSINESS DAYS:** "Business Days" are days which are not Saturdays, Sundays, or state and federal holidays
349. unless stated elsewhere by the parties in writing.
350. **CALENDAR DAYS:** "Calendar Days" include Saturdays, Sundays, or state or federal holidays.

**PURCHASE AGREEMENT:
VACANT LAND (RESIDENTIAL)**

351. Page 9 Date 12/20/2017

352. Property located at TBD Co Rd. 45 Brainerd MN 56401

353. **RELEASE OF EARNEST MONEY:** Buyer and Seller agree that the Earnest Money Holder shall release earnest
354. money from the Earnest Money Holder's trust account:

355. (a) at or upon the successful closing of the Property;
356. (b) pursuant to written agreement between the parties, which may be reflected in a *Cancellation of Purchase*
357. *Agreement* executed by both Buyer and Seller;
358. (c) upon receipt of an affidavit of a cancellation under MN Statute 559.217; or
359. (d) upon receipt of a court order.

360. **DEFAULT:** If Buyer defaults in any of the agreements here, Seller may cancel this Purchase Agreement, and any
361. payments made here, including earnest money, shall be retained by Seller as liquidated damages and Buyer and
362. Seller shall affirm the same by a written cancellation agreement.

363. If Buyer defaults in any of the agreements here, Seller may terminate this Purchase Agreement under the
364. provisions of either MN Statute 559.21 or MN Statute 559.217, whichever is applicable. If either Buyer or Seller
365. defaults in any of the agreements here or there exists an unfulfilled condition after the date specified for fulfillment,
366. either party may cancel this Purchase Agreement under MN Statute 559.217, Subd. 3. Whenever it is provided here
367. that this Purchase Agreement is canceled, said language shall be deemed a provision authorizing a Declaratory
368. Cancellation under MN Statute 559.217, Subd. 4.

369. If this Purchase Agreement is not canceled or terminated as provided here, Buyer or Seller may seek actual damages
370. for breach of this Purchase Agreement or specific performance of this Purchase Agreement; and, as to specific
371. performance, such action must be commenced within six (6) months after such right of action arises.

372. **NOTICE REGARDING AIRPORT ZONING REGULATIONS:** The Property may be in or near an airport safety zone
373. with zoning regulations adopted by the governing body that may affect the Property. Such zoning regulations are
374. filed with the county recorder in each county where the zoned area is located. If you would like to determine if such
375. zoning regulations affect the Property, you should contact the county recorder where the zoned area is located.

376. **NOTICE REGARDING PREDATORY OFFENDER INFORMATION:** Information regarding the predatory offender
377. registry and persons registered with the predatory offender registry under MN Statute 243.166 may be
378. obtained by contacting the local law enforcement offices in the community where the Property is located
379. or the Minnesota Department of Corrections at (651) 361-7200, or from the Department of Corrections web
380. site at www.corr.state.mn.us.

381. **SPECIAL DISCLOSURES:** Seller discloses, to the best of Seller's knowledge, that the Property described in this

382. Purchase Agreement consists of approximately 1.00 ☒ ACRES ☐ SQUARE FEET and is currently zoned
(Check one.)

383. Industrial Preferred

384. Seller discloses, to the best of Seller's knowledge, that the Property ☐ IS ☒ IS NOT in a designated flood plain
(Check one.)
385. area.

386. Seller discloses, to the best of Seller's knowledge, that the Property ☐ DOES ☒ DOES NOT currently receive
(Check one.)
387. preferential tax treatment (e.g. Green Acres).

388. Seller discloses, to the best of Seller's knowledge, that the Property ☐ IS ☒ IS NOT enrolled in any federal, state, or
(Check one.)

389. local governmental programs (e.g., CREP, CRP, EQIP, WRP, conservation programs, riparian buffers, Sustainable
390. Forest Incentive Act, etc.).

**PURCHASE AGREEMENT:
VACANT LAND (RESIDENTIAL)**

391. Page 10 Date 12/20/2017

392. Property located at TBD Co Rd. 45

Brainerd

MN 56401

393. **BUYER HAS THE RIGHT TO A WALK-THROUGH REVIEW OF THE PROPERTY PRIOR TO CLOSING TO**
394. **ESTABLISH THAT THE PROPERTY IS IN SUBSTANTIALLY THE SAME CONDITION AS OF THE DATE OF THIS**
395. **PURCHASE AGREEMENT.**

396. BUYER HAS RECEIVED A: (Check any that apply.) ☐ DISCLOSURE STATEMENT: VACANT LAND OR A
397. ☐ DISCLOSURE STATEMENT: SELLER'S DISCLOSURE ALTERNATIVES FORM.

398. **DESCRIPTION OF PROPERTY CONDITION:** See *Disclosure Statement: Vacant Land* or *Disclosure Statement:*
399. *Seller's Disclosure Alternatives* for description of disclosure responsibilities and limitations, if any.

400. **BUYER HAS RECEIVED THE INSPECTION REPORTS, IF REQUIRED BY MUNICIPALITY.**

401. **BUYER IS NOT RELYING ON ANY ORAL REPRESENTATIONS REGARDING THE CONDITION OF THE PROPERTY.**

402. **ENVIRONMENTAL CONCERNS:** To the best of the Seller's knowledge there are no hazardous substances or
403. underground storage tanks, except where noted here:

404. _____

405. _____

406. **UTILITIES:** TO THE BEST OF SELLER'S KNOWLEDGE, THE FOLLOWING PRESENTLY EXIST WITHIN THE
407. PROPERTY:

408. Connection to public water	☐ Yes	☒ No
409. Connection to public sewer	☐ Yes	☒ No
410. Connection to private water system off Property	☐ Yes	☒ No
411. Connection to electric utility	☐ Yes	☒ No
412. Connection to natural gas	☐ Yes	☒ No

413. **PLEASE NOTE:** Buyer may incur additional charges improving the Property, including, but not limited to, hookup and/
414. or access charges; municipal charges; costs for sewer access, stubbing access, water access, park dedication, road
415. access, curb cuts, utility connection and connecting fees; and tree planting charges.

416. **(Check appropriate boxes.)**

417. SELLER WARRANTS THAT THE PROPERTY IS EITHER DIRECTLY OR INDIRECTLY CONNECTED TO:

418. CITY SEWER ☐ YES ☒ NO / CITY WATER ☐ YES ☒ NO

419. **SUBSURFACE SEWAGE TREATMENT SYSTEM**

420. SELLER ☐ DOES ☒ DOES NOT KNOW OF A SUBSURFACE SEWAGE TREATMENT SYSTEM ON OR
(Check one.)

421. SERVING THE PROPERTY. (If answer is **DOES**, and the system does not require a state permit, see *Disclosure*
422. *Statement: Subsurface Sewage Treatment System*.)

423. **PRIVATE WELL**

424. SELLER ☐ DOES ☒ DOES NOT KNOW OF A WELL ON OR SERVING THE PROPERTY.
(Check one.)

425. (If answer is **DOES** and well is located on the Property, see *Disclosure Statement: Well*.)

426. TO THE BEST OF SELLER'S KNOWLEDGE, THE PROPERTY ☐ IS ☒ IS NOT IN A SPECIAL WELL
(Check one.)

427. CONSTRUCTION AREA.

428. THIS PURCHASE AGREEMENT ☐ IS ☒ IS NOT SUBJECT TO AN ADDENDUM TO PURCHASE AGREEMENT:
(Check one.)

429. **SUBSURFACE SEWAGE TREATMENT SYSTEM AND WELL INSPECTION CONTINGENCY.**

430. (If answer is **IS**, see attached *Addendum*.)

431. **IF A WELL OR SUBSURFACE SEWAGE TREATMENT SYSTEM EXISTS ON THE PROPERTY, BUYER HAS**
432. **RECEIVED A DISCLOSURE STATEMENT: WELL AND/OR A DISCLOSURE STATEMENT: SUBSURFACE**
433. **SEWAGE TREATMENT SYSTEM.**

Rd

**PURCHASE AGREEMENT:
VACANT LAND (RESIDENTIAL)**

434. Page 11 Date 12/20/2017

435. Property located at TBD Co Rd. 45 Brainerd MN 56401

436.

AGENCY NOTICE

437.

(Licensee)

Is ☐ Seller's Agent ☐ Buyer's Agent ☐ Dual Agent ☐ Facilitator.
(Check one.)

438.

(Real Estate Company Name)

439.

(Licensee)

Is ☐ Seller's Agent ☐ Buyer's Agent ☐ Dual Agent ☐ Facilitator.
(Check one.)

440.

(Real Estate Company Name)

441. **THIS NOTICE DOES NOT SATISFY MINNESOTA STATUTORY AGENCY DISCLOSURE REQUIREMENTS.**

442.

DUAL AGENCY REPRESENTATION

443. **PLEASE CHECK ONE OF THE FOLLOWING SELECTIONS:**

444. ☒ Dual Agency representation DOES NOT apply in this transaction. *Do not complete lines 445-461.*

445. ☐ Dual Agency representation DOES apply in this transaction. *Complete the disclosure in lines 446-461.*

446. Broker represents both the Seller(s) and the Buyer(s) of the Property Involved in this transaction, which creates a
447. dual agency. This means that Broker and its salespersons owe fiduciary duties to both Seller(s) and Buyer(s). Because
448. the parties may have conflicting interests, Broker and its salespersons are prohibited from advocating exclusively for
449. either party. Broker cannot act as a dual agent in this transaction without the consent of both Seller(s) and Buyer(s).
450. Seller(s) and Buyer(s) acknowledge that

451. (1) confidential information communicated to Broker which regards price, terms, or motivation to buy or sell will
452. remain confidential unless Seller(s) or Buyer(s) instructs Broker in writing to disclose this information. Other
453. information will be shared;
454. (2) Broker and its salespersons will not represent the interest of either party to the detriment of the other; and
455. (3) within the limits of dual agency, Broker and its salespersons will work diligently to facilitate the mechanics of
456. the sale.

457. With the knowledge and understanding of the explanation above, Seller(s) and Buyer(s) authorize and instruct Broker
458. and its salesperson to act as dual agents in this transaction.

459. Seller _____ Buyer _____

460. Seller _____ Buyer _____

461. Date _____ Date _____

462. **CLOSING COSTS:** Buyer or Seller may be required to pay certain closing costs, which may effectively increase the
463. cash outlay at closing or reduce the proceeds from the sale.

464. **SETTLEMENT STATEMENT:** Buyer and Seller authorize the title company, escrow agent, and/or their representatives
465. to disclose and provide copies of the disbursing agent's settlement statement to the real estate licensees involved in
466. the transaction at the time these documents are provided to Buyer and Seller.

RO

**PURCHASE AGREEMENT:
VACANT LAND (RESIDENTIAL)**

467. Page 12 Date 12/20/2017

468. Property located at TBD Co Rd. 45 Brainerd MN 56401

469. **FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT ("FIRPTA")**: Section 1445 of the Internal Revenue Code
470. provides that a transferee ("Buyer") of a United States real property interest must be notified in writing and must withhold
471. tax if the transferor ("Seller") is a foreign person and no exceptions from FIRPTA withholding apply. Buyer and Seller
472. agree to comply with FIRPTA requirements under Section 1445 of the Internal Revenue Code.

473. Seller shall represent and warrant, under the penalties of perjury, whether Seller is a "foreign person" (as the same
474. is defined within FIRPTA), prior to closing. Any representations made by Seller with respect to this issue shall survive
475. the closing and delivery of the deed.

476. Buyer and Seller shall complete, execute, and deliver, on or before closing, any instrument, affidavit, or statement
477. reasonably necessary to comply with the FIRPTA requirements, including delivery of their respective federal taxpayer
478. identification numbers or Social Security numbers.

479. Due to the complexity and potential risks of failing to comply with FIRPTA, including the Buyer's responsibility for
480. withholding the applicable tax, Buyer and Seller should **seek appropriate legal and tax advice regarding FIRPTA**
481. **compliance, as the respective licensee's representing or assisting either party will be unable to assure either**
482. **party whether the transaction is exempt from FIRPTA withholding requirements.**

483. **ENTIRE AGREEMENT**: This Purchase Agreement and any addenda or amendments signed by the parties shall
484. constitute the entire agreement between Buyer and Seller. Any other written or oral communication between Buyer
485. and Seller, including, but not limited to, e-mails, text messages, or other electronic communications are not part of this
486. Purchase Agreement. This Purchase Agreement can be modified or canceled only in writing signed by Buyer and
487. Seller or by operation of law. All monetary sums are deemed to be United States currency for purposes of this
488. Purchase Agreement.

489. **ELECTRONIC SIGNATURES**: The parties agree the electronic signature of any party on any document related to this
490. transaction constitute valid, binding signatures.

491. **FINAL ACCEPTANCE**: To be binding, this Purchase Agreement must be fully executed by both parties and a copy
492. must be delivered.

493. **SURVIVAL**: All warranties specified in this Purchase Agreement shall survive the delivery of the deed or contract
494. for deed.

495. **OTHER**:
496. **Line 320 of the Purchase Agreement shall be revised to state: "Buyer**
497. **shall pay all subdivision expenses and obtain all necessary**
498. **governmental approvals."**

499. **ADDENDA**: The following addenda are attached and made a part of this Purchase Agreement.

500. **NOTE**: Disclosures and optional Arbitration Agreement are not part of this Purchase Agreement.

501. ☐ Addendum to Purchase Agreement
502. ☐ Addendum to Purchase Agreement: Assumption Financing
503. ☐ Addendum to Purchase Agreement: Buyer Purchasing "As Is" and Limitation of Seller Liability
504. ☐ Addendum to Purchase Agreement: Condominium/Townhouse/Cooperative Common Interest Community
505. ☐ ("CIC")
506. ☐ Addendum to Purchase Agreement: Contract for Deed Financing
507. ☐ Addendum to Purchase Agreement: Disclosure of Information on Lead-Based Paint and Lead-Based Paint
508. ☐ Hazards
509. ☐ Addendum to Purchase Agreement: Sale of Buyer's Property Contingency
510. ☐ Addendum to Purchase Agreement: Short Sale Contingency
511. ☐ Addendum to Purchase Agreement: Subsurface Sewage Treatment System and Well Inspection Contingency

**PURCHASE AGREEMENT:
VACANT LAND (RESIDENTIAL)**

512. Page 13 Date 12/20/2017

513. Property located at TBD Co Rd. 45 Brainerd MN 56401

514. I, the owner of the Property, accept this Purchase
515. Agreement and authorize the listing broker to withdraw
516. said Property from the market, unless instructed otherwise
517. in writing.

I agree to purchase the Property for the price and on
the terms and conditions set forth above.

**I have reviewed all pages of this Purchase
Agreement.**

518. **I have reviewed all pages of this Purchase Agreement.**

519. ☐ If checked, this Agreement is subject to attached
520. **Addendum to Purchase Agreement: Counteroffer.**

521. **FIRPTA:** Seller represents and warrants, under penalty
522. of perjury that Seller ☐ IS ☒ IS NOT a foreign person (i.e., a
——(Check one.)——

523. non-resident alien individual, foreign corporation, foreign
524. partnership, foreign trust, or foreign estate for purposes of
525. income taxation. (See lines 469-482.) This representation
526. and warranty shall survive the closing of the transaction
527. and the delivery of the deed.

528. X  01/08/18
(Seller's Signature) (Date)

X _____
(Buyer's Signature) (Date)

529. X GJR Investments, LLP
(Seller's Printed Name)

X _____
(Buyer's Printed Name)

530. X _____
(Marital Status)

X _____
(Marital Status)

531. X _____
(Seller's Signature) (Date)

X _____
(Buyer's Signature) (Date)

532. X _____
(Seller's Printed Name)

X _____
(Buyer's Printed Name)

533. X _____
(Marital Status)

X _____
(Marital Status)

534. **FINAL ACCEPTANCE DATE:** _____ The Final Acceptance Date
535. is the date on which the fully executed Purchase Agreement is delivered.

536. **THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER(S) AND SELLER(S).**
537. **IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**

538. **I ACKNOWLEDGE THAT I HAVE RECEIVED AND HAVE HAD THE OPPORTUNITY TO REVIEW THE**
539. **DISCLOSURE STATEMENT: ARBITRATION DISCLOSURE AND RESIDENTIAL REAL PROPERTY ARBITRATION**
540. **AGREEMENT, WHICH IS AN OPTIONAL, VOLUNTARY AGREEMENT AND IS NOT PART OF THIS PURCHASE**
541. **AGREEMENT.**

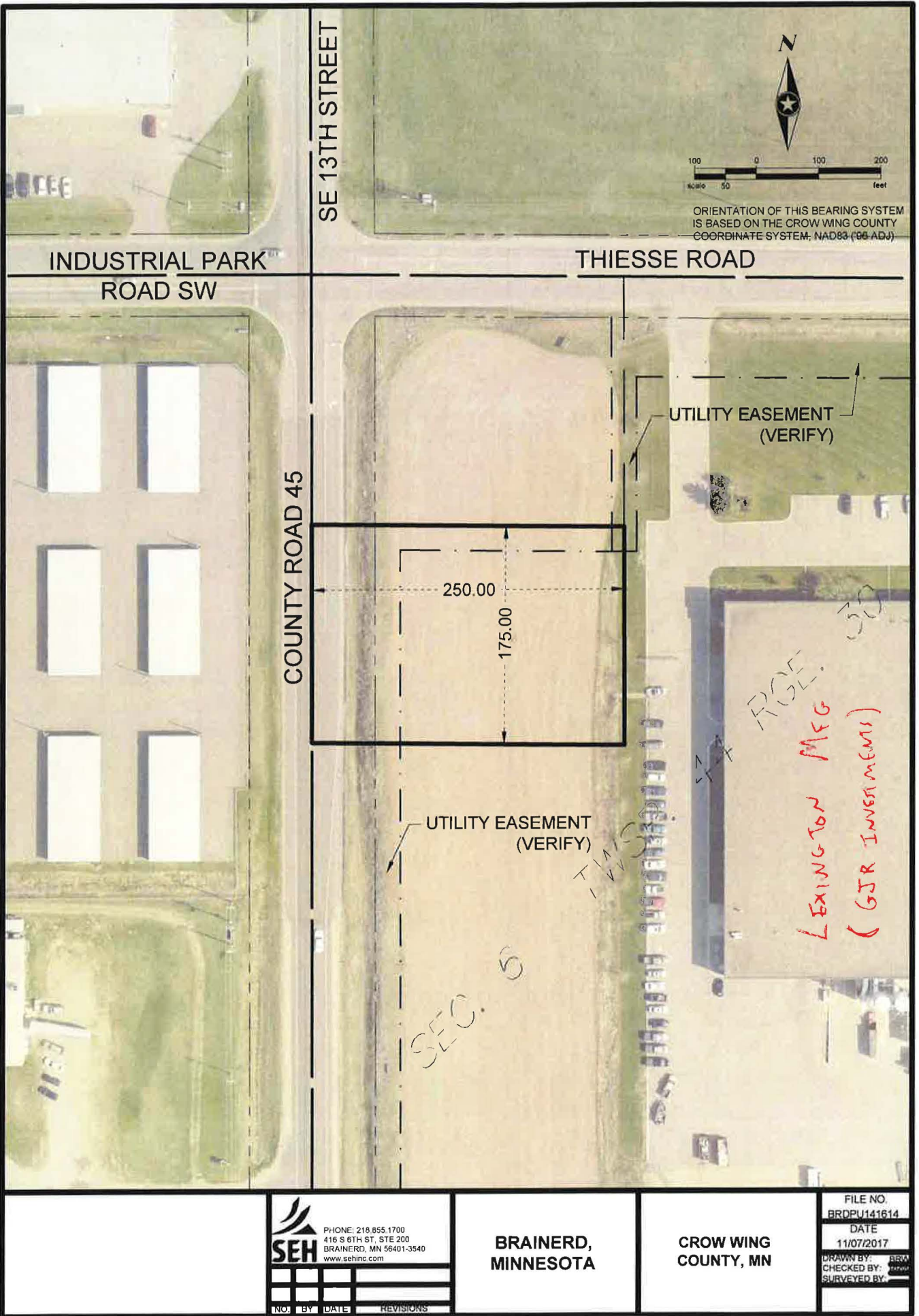
542. **SELLER(S)** 
GJR Investments, LLP

BUYER(S) _____

543. **SELLER(S)** _____

BUYER(S) _____

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Brainerd City Council Agenda Request

Requested Meeting Date: January 16, 2018

Title of Item: 2nd Ordinance Reading - Zoning Text Amendment - Remove School Off Street Parking Requirements

☐ INFORMATION ONLY ☐ CONSENT AGENDA ☐ P&F COMMITTEE ☐ SPW COMMITTEE ☒ MAIN AGENDA	Action Requested: ☒ Approve/Deny Motion ☐ Adopt Resolution (attach draft) ☐ Direction Requested ☐ Discussion Item ☐ Hold Public Hearing* ☒ Ordinance 2nd Reading <i>*provide copy of published hearing notice</i>
Submitted by: Mark Ostgarden	Department: Planning
Presenter (Name & Title): Same	Estimated Time Needed: 10 minutes
Summary of Issue: The Planning Commission has initiated a Zoning Ordinance Text Amendment to remove off street parking requirements for schools.	
Alternatives, Options, Effects on Others/Comments: At the January 2, 2018 meeting, the City Council approved the 1st reading of this Ordinance. The Ordinance is on the agenda for 2nd reading consideration. If not approved, school off street parking requirements would remain part of the Zoning Ordinance,	
Recommended Action/Motion: If a motion is made it could read: Motion by _____, second by _____, approving the 2nd Ordinance reading, to amend Zoning Ordinance Section 22 - 8 Off Street Parking, Number of Spaces Required, removing off street parking requirements for schools.	
Financial Impact: <i>Is there a cost associated with this request:</i> ☐ Yes ☒ No <i>What is the total cost, with tax and shipping</i> \$ 0 _____ <i>Is this budgeted?</i> ☐ Yes ☐ No <i>Please Explain:</i>	

**ORDINANCE
NO. 1476**

**AN ORDINANCE AMENDING BRAINERD ZONING ORDINANCE
SECTIONS 515-22-8 REGARDING OFF-STREET PARKING REQUIREMENTS FOR SCHOOLS**

THE CITY COUNCIL OF THE CITY OF BRAINERD DOES ORDAIN:

SECTION ONE: That Section 515-22-8 Number of Spaces Required shall be amended by removing the following:

515-22-8: Number of Spaces Required.

~~DD. Schools, Elementary and Junior High. One (1) space for each classroom plus one (1) additional space for each three hundred (300) students, plus one (1) space for each employee, plus one (1) space for each four (4) seats in auditorium.~~

EE. Schools, ~~High Schools~~, Colleges and Universities. At least one (1) parking space for each two (2) students based on the design capacity plus one (1) space for each classroom. Auditorium or event space shall be subject to separate, additional calculations.

SECTION TWO: All other provisions of Section 515-22 shall remain in full force and effect.

SECTION THREE: This ordinance shall take effect and be in full force one week from and after its publication.

Adopted this ____ day of ____, 2018

DAVID J. PRITSCHET
President of the Council

Approved this ____ day of ____, 2018

EDWIN L. MENK
Mayor

ATTEST: _____
CASSANDRA TORSTENSON
City Administrator

Published: One Time, ____, 2018

MEMO

TO: Mayor and City Council

CC: Cassandra Torstenson, City Administrator
Joe Langel, City Attorney

FROM: Mark Ostgarden, City Planner

DATE: January 9, 2018

RE: Statutory Public Hearing Requirements

At the January 2, 2018 City Council meeting, a reference was made about a PUBLIC HEARING and 2nd Ordinance reading consideration for the school off street parking Zoning Ordinance Text Amendment.

Minnesota Statute specifies that when rezoning and Zoning Ordinance text changes are considered, the required public hearing for each consideration occurs at the Planning Commission. Following the public hearing, it then submits to the City Council minutes of the hearing and its recommendation regarding the subject of the hearing.

The Planning Department has discussed the public hearing requirement with the City Attorney and it is our recommendation that the City Council discontinue using the term “public hearing” when considering a 2nd Ordinance reading for a rezoning or Zoning Ordinance text change.

This is recommended for 2 reasons:

1. When specifying a public hearing, it brings with it the responsibility of advertisement and notification in the community, which has never occurred (except for the agenda that appears in the Dispatch), and
2. Providing the public with a 2nd opportunity for formal comment has the potential to diminish the importance of the Planning Commission review. Some might think why bother going with the Planning Commission when one can go directly to the City Council.

Should the City Council desire, it does have the option of asking if there is anyone present at a 2nd reading consideration, whether they would like to address the City Council prior to its decision.

The City Attorney and I will be happy to address any question the City Council may have about the public hearing issue and/or the recommendation.



Brainerd City Council Agenda Request

Requested Meeting Date: January 16, 2018

Title of Item: Comprehensive Plan Steering Committee Vacancy Appointment

☐ INFORMATION ONLY ☐ CONSENT AGENDA ☐ P&F COMMITTEE ☐ SPW COMMITTEE ☒ MAIN AGENDA	Action Requested: ☒ Approve/Deny Motion ☐ Adopt Resolution (attach draft) ☐ Direction Requested ☒ Discussion Item ☐ Hold Public Hearing* ☐ Ordinance 1st Reading *provide copy of published hearing notice
Submitted by: Mark Ostgarden	Department: Planning
Presenter (Name & Title): Same	Estimated Time Needed: 5 minutes
Summary of Issue: Emily MacDonald has resigned from the Comprehensive Plan Steering Committee. Attached is an e-mail exchange with her, in which she expresses her regret.	
Alternatives, Options, Effects on Others/Comments: Councilman Stunek has a replacement member, Mr. P.J. Severson. Mr. Severson is a life long Brainerd resident and owner of The Local 218.	
Recommended Action/Motion: Motion by _____, 2nd by _____ to accept with regret the resignation of Emily MacDonald from the Comprehensive Plan Steering Committee and to appoint Mr. P.J. Severson.	
Financial Impact: <i>Is there a cost associated with this request:</i> ☐ Yes ☒ No <i>What is the total cost, with tax and shipping</i> \$ _____ <i>Is this budgeted?</i> ☐ Yes ☒ No <i>Please Explain:</i>	

Mark Ostgarden

From: Mark Ostgarden
Sent: Tuesday, January 2, 2018 11:41 AM
To: 'Emily MacDonald'
Subject: RE: The committee

Hi Emily. Thanks for the e-mail. I'm sorry it's not going to work out for you. I appreciate letting us know now so we can try to get a replacement.

Mark Ostgarden AICP

Mark Ostgarden
City Planner
501 Laurel Street
Brainerd, MN 56401
(218) 828-2309

From: Emily MacDonald [mailto:emac1014@me.com]
Sent: Tuesday, January 2, 2018 10:11 AM
To: Mark Ostgarden <mostgarden@ci.brainerd.mn.us>
Subject: The committee

Good morning mark

I received your emails today and have read them over : however , I must tell you I feel as though I have put too much on my plate already right now.

I don't want to hold anyone back , as I see I'm the only one who needed nights off .

At this time in my life I don't feel as though I can give my full attention to the committee and don't like to do anything with half intention.

I am sorry for any inconvenience, however I thought now would be better then a few months down the road .

I thank you for trying to include me and I thank you so much for your time . I love the idea of this committee as I have worked in downtown for 11 years and I see a lot of potential in this area. People want to come to a downtown area when visiting the Brainerd lakes area .

I pray you all have a have great year and look forward to seeing what's to come in our town .

Thank you ,
Emily Ferrari