

May 18, 2018

To the City Council
City of Proctor
Proctor, Minnesota

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Proctor (City) for the year ended December 31, 2017 and have issued our report thereon dated May 18, 2018. Professional standards require that we provide you with the following information related to our audit:

Our Responsibility under Auditing Standards Generally Accepted in the United States and *Government Auditing Standards*

As stated in our engagement letter dated November 27, 2017, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the City. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we also performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Required Supplementary Information Accompanying Audited Financial Statements

We applied certain limited procedures to the management's discussion and analysis and information about the City's net pension liability, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Supplementary Information Accompanying Audited Financial Statements

We were engaged to report on the supplementary information on pages 58 through 61, which accompanies the financial statements but is not required supplementary information. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to your representative, in our meeting about planning matters on January 16, 2018, in addition to our engagement letter dated November 27, 2017, accepted by Phillip Larson.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies were not changed during 2017, except for the implementation of certain applicable sections of GASB Statement No. 82 *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73* for the year ended December 31, 2017. The Implementation did not affect the valuation of pensions for the year ended December 31, 2017.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements was assumptions related to the net pension liability.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 18, 2018, a copy of which accompanies this letter.

Management Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves the application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all of the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not, in our judgment, a condition of our retention.

Internal Control Matters

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We consider the following deficiency in internal control to be a significant deficiency:

Financial Presentation and Disclosure

Condition - The City's internal control over financial reporting does not end at the general ledger, but extends to the financial statements and the related notes. As a part of our professional services for the year ended December 31, 2017, Wipfli assisted in drafting the financial statements and related notes. The City does not have sufficient expertise to completely prepare its own financial statements and related notes and relies on Wipfli to provide necessary understanding of current accounting and disclosure principles in the preparation of the financial statements and related notes.

Effect - The completeness of the related note disclosures and the accuracy of the overall financial presentation is negatively impacted as outside auditors do not have the same comprehensive understanding of the City as its staff. The potential exists that a misstatement of the financial statements and related notes could occur and not be prevented or detected by the City.

Minnesota Legal Compliance Findings

Minnesota State Statute 471.6965 requires the city to, annually, upon adoption of the city budget to publish a summary budget statement in the official newspaper of the city; or a city newsletter or other city mailing sent to all households in the city. The City did not adopt a budget for 2017.

Minnesota State Statute 471.70 requires the City to report on or before February 1st of each year to the auditor of each county in which the City is situated, the total amount of outstanding obligations as of December 31st of the preceding year. The City did not submit the required report timely.

Minnesota State Statute 471.425 requires the City to pay all bills within the time period set by the terms of the contract or within the standard payment period. It was noted during our testing that the City did not pay all bills within the standard payment period.

Minnesota State Statute 118A.04 requires the City to, annually, prior to completing an initial investment transaction, provide to each investment broker a written statement of investment restrictions. The City did not provide Broker Certifications before investment transactions were made.

Minnesota State Statute 475.61 requires the City to levy amounts that if collected in full they, together with estimated collections of special assessments and other revenues pledged for payment of the obligations, will produce at least five percent in excess of the amount needed to meet the principal and interest payments on the obligations when due. The 2016 pay 2017 levy did not produce at least five percent in excess of the principal and interest payments that were due during the year.

Other Comments and Suggestions

State statute 471.38, amended in May 2017, requires all local governments to annually delegate authority to make electronic funds transfers to an authorized individual. We recommend that the City Council authorize the City Clerk and Deputy City Clerk to make electronic funds transfers.

During our testing of credit card expenses it was noted that 8 of 22 transactions in the month tested did not have adequate support. We suggest that receipts are required for all credit card purchases.

This communication is intended solely for the information and use of management, City Council, others within the organization, and State of Minnesota Office of the State Auditor, and includes a description of the scope of our testing of internal control over financial reporting and the results of that testing. The communication related to considering the City's internal control over financial reporting is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting. Accordingly, this communication is not suitable for any other purpose.

Sincerely,



Wipfli LLP

Enc.
May 18, 2018
Duluth, Minnesota

**CITY OF PROCTOR
100 Plonk Drive
Proctor, Minnesota 55810-1700**

May 18, 2018

**Wipfli, LLP.
1502 London Rd. Suite 200
Duluth, Minnesota 55812**

This representation letter is provided in connection with your audit of the financial statements of the City of Proctor which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows for the year ended and the related notes to financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit:

Financial Statements

- 1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 27, 2017, including our responsibility for the preparation and fair presentation of the financial statements in accordance with GAAP and for preparation of the supplementary information in accordance with the applicable criteria.**
- 2. The financial statements referred to above are fairly presented in conformity with GAAP and include all properly classified funds and other financial information of the primary government and all component units required by GAAP to be included in the financial reporting entity.**
- 3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.**
- 4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.**
- 5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.**

6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. We agree with the adjusting journal entries proposed by you and which are given effect to in the financial statements.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with GAAP.
10. Material concentrations, if any, have been properly disclosed in accordance with GAAP.
11. Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed in accordance with GAAP.

Information provided

12. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the City Council or summaries of actions of recent meetings, for which minutes have not yet been prepared.
13. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
14. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
15. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
16. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.

17. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
18. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with GAAP.
19. We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.
20. We have made available to you all financial records and related data.
21. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
22. We have a process to track the status of audit findings and recommendations.
23. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
24. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
25. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
26. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
27. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
28. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determinations of financial statement amounts or other financial data significant to the audit objectives.
29. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
30. There are no violations or possible violations of budget ordinances, laws or regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting noncompliance.
31. As part of your audit, you assisted with preparation of the financial statements and related notes. We

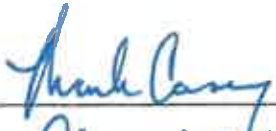

acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

32. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
33. The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
34. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
35. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
36. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
37. Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
38. Provisions for uncollectible receivables have been properly identified and recorded.
39. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
40. Revenues are appropriately classified in the statement of activities within program revenues or general revenues.
41. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
42. Deposits and investment securities are properly classified as to risk, and investments are properly valued and disclosed.
43. Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.
44. We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net position is properly recognized under the policy.
45. The City has identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.

46. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the City vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.
47. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
48. We acknowledge our responsibility for presenting the combining nonmajor governmental fund financial statements, in accordance with GAAP, and we believe the combining nonmajor governmental fund financial statements, including their form and content, are fairly presented in accordance with GAAP. The methods of measurement and presentation of the combining nonmajor governmental fund financial statements have not changed from those used in the prior period, and we have disclosed to you any significant assumptions of interpretations underlying the measurement and presentation of the supplementary information. If the combining nonmajor governmental fund financial statements are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Signed: _____

Title: _____

Philip G. Larson
Mayor

Mark Casey
Administrator

City of Proctor

You Have A Place In Proctor

COUNCILORS
Jake P. Benson
Troy R. DeWall
Gary Nowak
James R. Schwarzbauer

100 Plonk Drive • Proctor, Minnesota 55810-1700 • (218) 824-3641 • Fax (218) 824-8459 • email: cityhall@proctormn.gov

RESOLUTION 20-18
Exhibit E for Grant Agreement to State Transportation Fund
(Local Road Improvement Program)
Grant Terms and Conditions
SAP 069-596-011

STATE OF MINNESOTA)
COUNTY OF ST LOUIS)
CITY OF PROCTOR)

WHEREAS, City of Proctor has applied to the Commissioner of Transportation for a grant from the Minnesota State Transportation Fund for Local Road Improvement and

WHEREAS, the Commissioner of Transportation has given notice that funding for this project is available; and

WHEREAS, the amount of the grant has been determined to be \$750,000 by reason of the lowest responsible bid;

NOW THEREFORE, be it resolved, the City of Proctor does hereby agree to the terms and conditions of the grant consistent with Minnesota Statutes, section 174.50, subdivision 5, and will pay any additional amount by which the cost exceeds the estimate, and will return to the Minnesota State Transportation Fund any amount appropriated for the road construction but not required. The proper city officers are authorized to execute a grant agreement with the Commissioner of Transportation concerning the above-referenced grant.

Passed by a majority vote of the Proctor City Council, this 4th day of June, 2018.
Motion made by Councilperson: _____ and supported by Councilperson:

Ayes:

Nays:

BY:

Phil Larson
Mayor

ATTEST:

Mark Casey
City Administrator

LOCAL ROAD IMPROVEMENT PROGRAM (LRIP) GRANT AGREEMENT

This Agreement between the Minnesota Department of Transportation ("MnDOT") and the Grantee named below is made pursuant to Minnesota Statutes Section 174.52 and pursuant to Minn. Laws 2017, 1 st Special Session, Chapter 8- H.F. 5. The provisions in that section and the Exhibits attached hereto and incorporated by reference constitute this Agreement and the persons signing below agree to fully comply with all of the requirements of this Agreement. This Agreement will be effective on the date State obtains all required signatures under Minnesota Statutes §16C.05, subdivision 2.

1. Public Entity (Grantee) name, address and contact person:

___ City of Proctor _____
 ___ 100 Pionk Drive _____
 ___ Proctor, MN 55810 _____

Contact: Mark Casey – City Administrator

2. Project(s):

Name of Project & Project Number (See Exhibit C for location)	Amount of LRIP Funds	Amount of Required Matching Funds	Completion Date
Almac and 6 th Street 069-596-011	\$750,000	\$ 2,018,534.80	November 15, 2018

3. Total Amount of LRIP Grant for all projects under this Agreement: \$750,000
4. The following Exhibits for each project are attached and incorporated by reference as part of this Agreement:

Exhibit A	Completed Sources and Uses of Funds Schedule
Exhibit B	Project Completion Schedule
Exhibit C	Bond Financed Property Certification
Exhibit D	Grant Application
Exhibit E	Grantee Resolution Approving Grant Agreement
Exhibit F	General Terms and Conditions

5. Additional requirements, if any:
6. Any modification of this Agreement must be in writing and signed by both parties.

(The remaining portion of this page was intentionally left blank.)

PUBLIC ENTITY (GRANTEE)

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

DEPARTMENT OF TRANSPORTATION

Approval and Certifying Encumbrance

By: _____

Title: State Aid Programs Engineer

Date: _____

Office of Financial Management, Grant Unit

By: _____

Agency Grant Supervisor

Date: _____

OFFICE OF CONTRACT MANAGEMENT

By: _____

Contract Administrator

Date: _____

EXHIBIT A**SOURCES AND USES OF FUNDS SCHEDULE**

SOURCES OF FUNDS		USES OF FUNDS	
Entity Supplying Funds	Amount	Expenses	Amount
State Funds:		Items Paid for with LRIP	
LRIP Grant	\$750,000	Grant Funds:	
		6 th Street	\$688,868.50
Other:		Storm Sewer	\$61,131.50
	\$		\$
	\$		\$
	\$		\$
Subtotal	\$ 750,000	Subtotal	\$ 750,000
Public Entity Funds:		Items paid for with Non-	
Matching Funds G.O.	\$ 2,508,210	LRIP Grant	
Bond		Funds:Almac and 6th St	
City		Professional Fees	\$480,810
Other:		Street	\$ 440,587.32
	\$	Storm Sewer	\$ 202,529.91
	\$	Sanitary Sewer	\$ 417,148.59
	\$	Sidewalk/Lighting/Water	\$ 813,841.34
Subtotal	\$	Subtotal	\$ 2,508,210.00
TOTAL FUNDS	\$3,258,210.00	TOTAL PROJECT COSTS	\$3,258,210.00



Almae & 8th Reconstruction
SEH NO. PROCT 138933
Date: May 4, 2018
Revised:
S:\PTF\PROCT\138933G-prj-mgmt

Project Cost Summary

Exhibit A
069-596-0.11

Almae Drive									
Construction Costs - Almae Drive / 8th St / West 1st St									
		LRP	Gross Total	Assessment Percentage	Assessment Total	City Total	Bond Total		
Street	\$ 406,151.56	\$	-	30%	\$ 121,845.47	\$ 284,306.09	\$ 406,151.56		
Storm	\$ 177,681.78	\$	-	30%	\$ 53,304.53	\$ 124,377.25	\$ 177,681.78		
Sanitary	\$ 174,188.93	\$	-	30%	\$ 52,256.68	\$ 121,932.25	\$ 174,188.93		
Water	\$ 259,612.45	\$	-	30%	\$ 77,883.73	\$ 181,728.71	\$ 259,612.45		
New Sidewalk	\$ 21,461.66	\$	-	50%	\$ 10,730.83	\$ 10,730.83	\$ 21,461.66		
Lighting	\$ 46,654.20	\$	-	0%	\$ -	\$ 46,654.20	\$ 46,654.20		
Sub Total	\$ 1,085,750.58	\$	-	0%	\$ -	\$ 316,021.25	\$ 769,729.33	\$ 1,085,750.58	
8th Avenue									
Street	\$ 34,435.76	\$	-	0%	\$ -	\$ 34,435.76	\$ 34,435.76		
Storm	\$ 24,848.13	\$	-	0%	\$ -	\$ 24,848.13	\$ 24,848.13		
Sub Total	\$ 59,283.89	\$	-		\$ -	\$ 59,283.89	\$ 59,283.89		
Professional Fees									
Design through Bid	\$ 89,810.00	\$	-	0%	\$ -	\$ 89,810.00	\$ 89,810.00		
Future Construction Services	\$ 97,500.00	\$	-	0%	\$ -	\$ 97,500.00	\$ 97,500.00		
Sub Total	\$ 187,310.00	\$	-		\$ -	\$ 187,310.00	\$ 187,310.00		
Almae Project Totals									
	\$ 1,332,344.47	\$	-		\$ -	\$ 565,002.44	\$ 1,016,377.12	\$ 1,332,344.47	

Construction Costs - 8th Street / 8th Avenue									
		LRP	Gross Total	Assessment Percentage	Assessment Total	City Total	Bond Total		
Street	\$ 688,868.50	\$	688,868.50	0%	\$ -	\$ -	\$ -		
Storm	\$ 214,424.35	\$	61,131.50	30%	\$ 45,287.85	\$ 107,304.99	\$ 139,292.85		
Sanitary	\$ 242,989.66	\$	-	30%	\$ 72,887.90	\$ 170,071.76	\$ 242,989.66		
Water	\$ 402,951.48	\$	-	30%	\$ 120,705.44	\$ 281,646.09	\$ 402,951.48		
Lighting	\$ 89,781.55	\$	-	0%	\$ -	\$ 89,781.55	\$ 89,781.55		
Sub Total	\$ 1,632,365.53	\$	750,000.00		\$ 239,581.19	\$ 642,784.34	\$ 882,365.53		
Professional Fees									
Design through Bid	\$ 141,000.00	\$	-	0%	\$ -	\$ 141,000.00	\$ 141,000.00		
Future Construction Services	\$ 152,500.00	\$	-	0%	\$ -	\$ 152,500.00	\$ 152,500.00		
Sub Total	\$ 293,500.00	\$	-		\$ -	\$ 293,500.00	\$ 293,500.00		
Project Totals									
	\$ 1,925,865.53	\$	750,000.00		\$ 239,581.19	\$ 1,032,607.56	\$ 1,925,865.53		

EXHIBIT B

PROJECT COMPLETION SCHEDULE

(Provide for enough time to final the project through the MnDOT state aid pay request process.)

Pre-construction meeting – 5/31/18

Construction commencing – 6/11/18 (Simultaneous begins on both Almac Drive and 6th Street.

Substantial Completion – 11/15/18

See attached for detail Project Schedule



PROJECT SCHEDULE

Exhibit B
069-596-011

PROJECT: SLC PROCTOR - 6 TH STREET
 PROJECT NO: 10551
 START DATE: 11-Jun-18

JUNE	M	TU	W	TH	F	M	TU	W	TH	F	M	TU	W	TH	F
	11	12	13	14	15	18	19	20	21	22	25	26	27	28	29
MOBILIZATION															
TC / EROSION CONTROL															
CLEAR & GRUB															
RECLAIM															
SANITARY SEWER															
TEMP WATER															
WATER															
STORM SEWER															
EXCAVATION/GRADING															
GRAVEL															
CONCRETE															
PAVE															
TURF ESTABLISHMENT															
MISC PUNCH															
COMPLETED BY															

JULY

	M	TU	W	TH	F	M	TU	W	TH	F	M	TU	W	TH	F
	2	3	4	5	6	9	10	11	12	15	16	17	18	19	20
MOBILIZATION															
TC / EROSION CONTROL															
CLEAR & GRUB															
RECLAIM															
SANITARY SEWER															
TEMP WATER															
WATER															
STORM SEWER															
EXCAVATION/GRADING															
GRAVEL															
ELECTRICAL															
CONCRETE															
PAVE															
TURF ESTABLISHMENT															
MISC / PUNCH															
COMPLETED BY															

JULY

	M	TU	W	TH	F	M	TU
	23	24	25	26	27	30	31
MOBILIZATION							
TC / EROSION CONTROL							
CLEAR & GRUB							
RECLAIM							
SANITARY SEWER							
TEMP WATER							
WATER							
STORM SEWER							
EXCAVATION/GRADING							
GRAVEL							
ELECTRICAL							
CONCRETE							
PAVE							
TURF ESTABLISHMENT							
MISC / PUNCH							
COMPLETED BY							

Exhibit B

AUGUST	M	TU	W	TH	F	M	TU	W	TH	F	M	TU	W	TH	F
MOBILIZATION															
TC / EROSION CONTROL															
CLEAR & GRUB															
RECLAIM															
SANITARY SEWER															
TEMP WATER															
WATER															
STORM SEWER															
EXCAVATION / GRADING															
GRAVEL															
ELECTRICAL															
CONCRETE															
PAVE															
TURF ESTABLISHMENT															
MISC / PUNCH															
COMPLETED BY															

AUGUST	M	TU	W	TH	F	M	TU	W	TH	F	M	TU	W	TH	F
MOBILIZATION															
TC / EROSION CONTROL															
CLEAR & GRUB															
RECLAIM															
SANITARY SEWER															
TEMP WATER															
WATER															
STORM SEWER															
EXCAVATION / GRADING															
GRAVEL															
ELECTRICAL															
CONCRETE															
PAVE															
TURF ESTABLISHMENT															
MISC / PUNCH															
COMPLETED BY															

SEPTEMBER	M	TU	W	TH	F	M	TU	W	TH	F	M	TU	W	TH	F	M	TU	W	TH	F
	3	4	5	6	7	10	11	12	13	14	17	18	19	20	21					
MOBILIZATION																				
TC / EROSION CONTROL																				
CLEAR & GRUB																				
RECLAIM																				
SANITARY SEWER																				
TEMP WATER																				
WATER																				
STORM SEWER																				
EXCAVATION/GRADING																				
GRAVEL																				
ELECTRICAL																				
CONCRETE																				
PAVE																				
TURF ESTABLISHMENT																				
MISC / PUNCH																				
COMPLETED BY																				

SEPTEMBER	M	TU	W	TH	F
	24	25	26	27	28
MOBILIZATION					
TC / EROSION CONTROL					
CLEAR & GRUB					
RECLAIM					
SANITARY SEWER					
TEMP WATER					
WATER					
STORM SEWER					
EXCAVATION/GRADING					
GRAVEL					
ELECTRICAL					
CONCRETE					
PAVE					
TURF ESTABLISHMENT					
MISC / PUNCH					
COMPLETED BY					

Exhibit B

OCTOBER	M	TU	W	TH	F	M	TU	W	TH	F	M	TU	W	TH	F
	1	2	3	4	5	8	9	10	11	12					
MOBILIZATION															
TC / EROSION CONTROL															
CLEAR & GRUB															
RECLAIM															
SANITARY SEWER															
TEMP WATER															
WATER															
STORM SEWER															
EXCAVATION / GRADING															
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ELECTRICAL															
CONCRETE															
PAVE															
TURF ESTABLISHMENT															
MISC / PUNCH															
COMPLETED BY															



PROJECT SCHEDULE

PROJECT: SLIC PROCTOR - ALMAC
PROJECT NO: 10551
START DATE: 1.1-Jun-18

JUNE													M	TU	W	TH	F
													25	26	27	28	29
MOBILIZATION																	
IC / EROSION CONTROL																	
CLEAR & GRUB																	
RECLAIM																	
SANITARY SEWER																	
TEMP WATER																	
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STORM SEWER																	
EXCAVATION/GRADING																	
GRAVEL																	
CONCRETE																	
PAVE																	
TURF ESTABLISHMENT																	
MISC / PUNCH																	
COMPLETED BY																	

EXHIBIT C

BOND FINANCED PROPERTY CERTIFICATION

**State of Minnesota
General Obligation Bond Financed Property**

The undersigned states that it has a fee simple, leasehold and/or easement interest in the real property located in the County(ies) of St. Louis, State of Minnesota that is generally described or illustrated graphically in Attachment 1 attached hereto and all improvements thereon (the "Restricted Property") and acknowledges that the Restricted Property is or may become State bond-financed property. To the extent that the Restricted Property is or becomes State bond-financed property, the undersigned acknowledges that:

- A. The Restricted Property is State bond-financed property under Minn. Stat. Sec. 16A.695, is subject to the requirements imposed by that statute, and cannot be sold, mortgaged, encumbered or otherwise disposed of without the approval of the Commissioner of Minnesota Management and Budget; and
- B. The Restricted Property is subject to the provisions of the Local Road Improvement Program Grant Agreement between the Minnesota Department of Transportation and the undersigned dated June 4, 2018; and
- C. The Restricted Property shall continue to be deemed State bond-financed property for 37.5 years or until the Restricted Property is sold with the written approval of the Commissioner of Minnesota Management and Budget.

Date: June 4, 2018

City of Proctor Minnesota
a political subdivision of the State of Minnesota

By: _____
Name: Phil Larson
Title: Mayor

By: _____
Name: Mark Casey
Title: City Administrator

Attachment 1 to Exhibit C

GENERAL DESCRIPTION OF RESTRICTED PROPERTY

(Insert a narrative or graphic description of the Restricted Property for the project. It need not be a legal description if a legal description is unavailable.)

This project consists of full reconstruction, sidewalk, water, sanitary sewer, storm sewer, street, curb and gutter, and lighting on Almac Drive from 8th Avenue to Bee Street:

It also includes the full reconstruction, sidewalk, water, sanitary sewer, storm sewer, street, curb and gutter, and lighting on 6th Street from Boundary Avenue to Minnesota State Highway 2.

Attachment 1 to Exhibit C

GENERAL DESCRIPTION OF RESTRICTED PROPERTY

(Insert a narrative or graphic description of the Restricted Property for the project. It need not be a legal description if a legal description is unavailable.)

This project consists of full reconstruction, sidewalk, water, sanitary sewer, storm sewer, street, curb and gutter, and lighting on Almac Drive from 8th Avenue to Bee Street:

It also includes the full reconstruction, sidewalk, water, sanitary sewer, storm sewer, street, curb and gutter, and lighting on 6th Street from Boundary Avenue to Minnesota State Highway 2.

EXHIBIT D

GRANT APPLICATION

Attach the grant application for the project

A. Applicant Information		
1. Title: Mr.	2. First Name: Mark	3. Last Name: Casey
4. Phone Number: 218-624-3641		5. E-mail: mcasey@proctormn.gov
6. Agency: Proctor, City of		7. Agency Position: Administrator
8. Street Address: 100 Pionk Drive		
9. Additional Address Line: Click here to enter text		
10. City: Proctor	11. State: MN	12. Zip Code: 55810
13. Is the applicant a sponsor on this project? No		

B. Project Location	
1. MnDOT District: 01 - Duluth	2. County: St. Louis
3. City: Proctor	4. Township: N/A
5. Name of Road: 6th Street and Almac Drive	6. Type of Road: Local City Street
7. Road Authority*: Small City	8. Road Authority Name*: Proctor Minnesota
9. Project Termini: From 6th Street from Boundary Avenue	10. To: to US Hwy 2

*Complete if road authority is not the applicant.

C. Project Description
1. Select type of project. Reconstruction
2. Provide a detailed description of the proposed project (2,000 character limit). During the year of 1999, the City conducted City street condition surveys. All three streets, 6th Street, Almac Drive, and Bee Street were rated either poor condition or extremely poor condition. None of these streets have been reconstructed since these condition surveys took place. Only minor patch work has been completed in recent years. City records show that a portion of 6th Street was overlaid in the mid 1990's, but has since rapidly deteriorated over the past 20 years. The City condition surveys noted extensive potholes, large bumps on the road surface, and a large amount of surface pavement cracking. Drainage issues are common for both Almac Drive and 6th Street locations. Currently neither street provides proper drainage in the form of curb and gutter or ditching. Without proper drainage, roadway runoff can pass through home owner yards, undrained water can cause faster deterioration of pavements, and heavy rain events can produce flooding issues. Pedestrian ramps will also be included in the project as they are non existant. 6th St which runs parallel to Hwy 2, will provide a safe alternative route of regional significance from Boundary Ave to US Hwy 2 as it will bypass the congested downtown area of Hwy 2. Almac Drive, running adjacent to County Rd 284 will relieve congesting around the Proctor Middle School and High School. Thus providing Safe Routes to School.

D. Eligibility
1. Select the LRIP Account your project is eligible under.

Routes of Regional Significance

2. Does your project meet one or more of the Routes of Regional Significance Criteria (select all that apply)?

- | | |
|--|---|
| <input type="checkbox"/> Farm to Market route | <input type="checkbox"/> Part of a 10-ton route network |
| <input checked="" type="checkbox"/> Part of an economic development plan | <input type="checkbox"/> Connect to regional tourist destination |
| <input checked="" type="checkbox"/> Provides capacity or congestion relief to a parallel trunk highway system or county road | <input checked="" type="checkbox"/> Is a connection to the IRC system, trunk highway or a county road |

3. Describe the project contribution to the local, regional or state economic development or redevelopment efforts (1,500 character limit).

Over the past five years, the City of Proctor has continually been placed on the MPCA Clean Water Project Priority List as a top 20 city in the State of Minnesota for needs to rehabilitate the city's sanitary sewer system. This project will provide new/continual service to 3 existing businesses for expansion and provide new and adequate service to property available for development. It will alleviate water loss to other businesses in the community. This project will also promote further development along easterly edge of the project and Boundary Ave. It will also provide additional access to the Fairgrounds which continues to grow in its role as a major event destination. The project is also part of the City's 2015 Comprehensive Plan providing an extension of utilities, and will be in conjunction with the St. Louis County Roads project for Boundary Ave. In 2018.

E. Project Readiness

1. Construction Year: 2018

2. Does the project have any historical/archeological impacts?

No. There are no historical/archeological impacts

3. Are there railroad impacts (railroad crossings or railroad tracks within 600' of the project)?

No RR crossings or RR tracks within 600'

4. What is the status of the engineering and design work on the project?

Design in progress

5. What is the Right-of-Way (R/W) status of the project?

No R/W is needed or all work is within owner R/W

F. Safety

1. Is this project or components of this project identified in a County Safety Plan? No

2. If applicable, select the appropriate focus area your project/safety strategy align with in the Minnesota Strategic Highway Safety Plan.

Not applicable

3. Identify the transportation deficiency, type of crash, or safety hazard this project is trying to address (1,000 character limit). Respond even if project is in a county safety plan or the Minnesota Strategic Highway Safety Plan.

The reconstruction of 6th street between Boundary Ave and Hwy 2 will

1. Provide an regional alternate route for local traffic keeping Hwy 2 a major truck route with less residential traffic.

F. Safety

2. New and reconstructed sidewalks along 6th street to keep pedestrians off the streets, eliminate existing tripping hazards and provide ADA compliance with pedestrian handicap ramps at intersections.
3. The reduction of unnecessary traffic in the Central Business District and along local streets by providing a safe and convenient collector route to gain access to the regional state and county road system.
4. Improved geometrics at the 6th street and Hwy 2 intersection
4. Describe how this project improves safety, reduce traffic crashes, fatalities, injuries, and property damages (1,000 character limit). Respond even if project is in a county safety plan or the Minnesota Strategic Highway Safety Plan.
 1. The 6th Street portion of the project will give the city a looped water main thus providing constant water to its residents and to the city's fire department with no "dead end" or stagnant water in the lines.
 2. It will also relieve congesting along US Highway 2 between 6th street and Boundary Avenue which is a St. Louis County Road . Hwy 2 is identified as a major truck route. 6th street reconstructed will provide a safe regional alternative for residential, bike, and light traffic
 3. Provides a safer alternative transportation facilities for pedestrians and bicyclists.

G. Multimodal/Complete Street

Identify infrastructure improvements for non-motorized users on this project (1,500 character limit). The project will improve all sidewalks along 6th street including ADA compliant pedestrian ramps. The sidewalks will be wide enough for bicyclists, pedestrians leading to the city's parks and trails as identified in the city's of Proctor and Hermantown's regional trail project plan. Thus, reducing the need to transport bicycle from point to point.

H. Estimated Project Cost

Source of Funding

- | | |
|------------------------|-----------|
| 1. LRIP Request: | 750,000 |
| 2. Federal Funds: | 100,000 |
| 3. State Aid Funds: | 0 |
| 4. Local/Other Funds: | 1,649,069 |
| 5. Total Project Cost: | 2,499,069 |

I. Attachments

- ☒ At least one project location map with routes labeled
- ☒ Engineer's Estimate with an itemized breakdown
- ☒ Project schedule
- ☒ Local agency resolution
- ☒ Sponsor agency resolution (if applicable)
- ☒ Letters of concurrence or support

When you are ready to submit the application, save the application form with LRIP, agency and road in the name of the document; e.g. LRIP_RamseyCounty_CSAH30.docx.



Local Road Improvement Program
2017 Application Form
State Aid For Local Transportation

The application and attachments are due November 3, 2017 for county and state aid city applicants and December 1, 2017 for township and non-state aid city applicants. Applications and attachments should be submitted electronically to saltirhelp.dot@state.mn.us.

More information on the program is available on the Local Road Improvement Program website, <http://www.dot.state.mn.us/stateaid/lrip.html>. If you have questions regarding this solicitation, contact Patti Loken at 651-366-3803 or Patti.Loken@state.mn.us.

EXHIBIT E

GRANTEE RESOLUTION APPROVING GRANT AGREEMENT

Philip G. Larson
Mayor

Mark Casey
Administrator

City of Proctor

You Have A Place In Proctor

COUNCILORS
Jake P. Benson
Troy R. DeWall
Gary Nowak
James R. Schwarzbauer

100 Plonk Drive • Proctor, Minnesota 55810-1700 • (218) 624-3641 • Fax (218) 624-9459 • email: cityhall@proctormn.gov

RESOLUTION 20-18
Exhibit E for Grant Agreement to State Transportation Fund
(Local Road Improvement Program)
Grant Terms and Conditions
SAP 069-596-011

STATE OF MINNESOTA)
COUNTY OF ST LOUIS)
CITY OF PROCTOR)

WHEREAS, City of Proctor has applied to the Commissioner of Transportation for a grant from the Minnesota State Transportation Fund for Local Road Improvement and

WHEREAS, the Commissioner of Transportation has given notice that funding for this project is available; and

WHEREAS, the amount of the grant has been determined to be \$750,000 by reason of the lowest responsible bid;

NOW THEREFORE, be it resolved, the City of Proctor does hereby agree to the terms and conditions of the grant consistent with Minnesota Statutes, section 174.50, subdivision 5, and will pay any additional amount by which the cost exceeds the estimate, and will return to the Minnesota State Transportation Fund any amount appropriated for the road construction but not required. The proper city officers are authorized to execute a grant agreement with the Commissioner of Transportation concerning the above-referenced grant.

Passed by a majority vote of the Proctor City Council, this 4th day of June, 2018.
Motion made by Councilperson: _____ and supported by Councilperson:

Ayes:

Nays:

BY:

Phil Larson
Mayor

ATTEST: _____
Mark Casey
City Administrator

EXHIBIT F

GENERAL TERMS AND CONDITIONS FOR LOCAL ROAD IMPROVEMENT PROGRAM (LRIP) GRANTS

Article I DEFINITIONS

Section 1.01 Defined Terms. The following terms shall have the meanings set out respectively after each such term (the meanings to be equally applicable to both the singular and plural forms of the terms defined) unless the context specifically indicates otherwise:

“Advance(s)” - means an advance made or to be made by MnDOT to the Public Entity and disbursed in accordance with the provisions contained in Article VI hereof.

“Agreement” - means the Local Road Improvement Program Grant Agreement between the Public Entity and the Minnesota Department of Transportation to which this Exhibit is attached.

“Certification” - means the certification, in the form attached as **Exhibit C**, in which the Public Entity acknowledges that its interest in the Real Property is bond financed property within the meaning of Minn. Stat. Sec. 16A.695 and is subject to certain restrictions imposed thereby.

“Code” - means the Internal Revenue Code of 1986, as amended, and all treasury regulations, revenue procedures and revenue rulings issued pursuant thereto.

“Commissioner” - means the Commissioner of Minnesota Management & Budget.

“Commissioner’s Order” - means the “Fourth Order Amending Order of the Commissioner of Minnesota Management & Budget Relating to Use and Sale of State Bond Financed Property” dated July 30, 2012, as it may be amended or supplemented.

“Completion Date” - means the projected date for completion of the Project as indicated in the Agreement.

“Construction Contract Documents” - means the document or documents, in form and substance acceptable to MnDOT, including but not limited to any construction plans and specifications and any exhibits, amendments, change orders, modifications thereof or supplements thereto, which collectively form the contract between the Public Entity and the Contractor(s) for the completion of the Construction Items on or before the Completion Date for either a fixed price or a guaranteed maximum price.

“Construction Items” - means the work to be performed under the Construction Contract Documents.

“Contractor” - means any person engaged to work on or to furnish materials and supplies for the Construction Items including, if applicable, a general contractor.

“Draw Requisition” - means a draw requisition that the Public Entity, or its designee, submits to MnDOT when an Advance is requested, as referred to in Section 4.02.

"G.O. Bonds" - means the state general obligation bonds issued under the authority granted in Article XI, Sec. 5(a) of the Minnesota Constitution, the proceeds of which are used to fund the LRIP Grant, and any bonds issued to refund or replace such bonds.

"Grant Application" - means the grant application that the Public Entity submitted to MnDOT which is attached as **Exhibit D**.

"LRIP Grant" - means a grant from MnDOT to the Public Entity under the LRIP in the amount specified in the Agreement, as such amount may be modified under the provisions hereof.

"LRIP" - means the Local Road Improvement Program pursuant to Minn. Stat. Sec. 174.52 and rules relating thereto.

"MnDOT" - means the Minnesota Department of Transportation.

"Outstanding Balance of the LRIP Grant" - means the portion of the LRIP Grant that has been disbursed to the Public Entity minus any amounts returned to the Commissioner.

"Project" - means the Project identified in the Agreement to be totally or partially funded with a LRIP grant.

"Public Entity" - means the grantee of the LRIP Grant and identified as the Public Entity in the Agreement.

"Real Property" - means the real property identified in the Agreement on which the Project is located.

Article II GRANT

Section 2.01 Grant of Monies. MnDOT shall make the LRIP Grant to the Public Entity, and disburse the proceeds in accordance with the terms and conditions herein.

Section 2.02 Public Ownership. The Public Entity acknowledges and agrees that the LRIP Grant is being funded with the proceeds of G.O. Bonds, and as a result all of the Real Property must be owned by one or more public entities. The Public Entity represents and warrants to MnDOT that it has one or more of the following ownership interests in the Real Property: (i) fee simple ownership, (ii) an easement that is for a term that extends beyond the date that is 37.5 years from the Agreement effective date, or such shorter term as authorized by statute, and which cannot be modified or terminated early without the prior written consent of MnDOT and the Commissioner; and/or (iii) a prescriptive easement for a term that extends beyond the date that is 37.5 years from the Agreement effective date.

Section 2.03 Use of Grant Proceeds. The Public Entity shall use the LRIP Grant solely to reimburse itself for expenditures it has already made, or will make, to pay the costs of one of the following applicable activities: (i) preliminary, final construction and engineering and administration (ii) constructing or reconstructing city streets, county highways, or town roads with statewide or regional significance that have not been fully funded through other state, federal, or local funding sources; or (iii) capital improvement projects on county state-aid highways that are intended primarily to reduce traffic crashes, deaths, injuries, and property damage. The Public Entity shall not use the LRIP Grant for any other purpose, including but not limited to, any work to be done on a state trunk highway or within a trunk highway easement.

Section 2.04 Operation of the Real Property. The Real Property must be used by the Public Entity in conjunction with or for the operation of a county highway, county state-aid highway, town road, or city street and for other uses customarily associated therewith, such as trails and utility corridors, and for no other purposes or uses. The Public Entity shall have no intention on the effective date of the Agreement to use the Real Property as a trunk highway or any part of a trunk highway. The Public Entity must annually determine that the Real Property is being used for the purposes specified in this Section and, upon written request by either MnDOT or the Commissioner, shall supply a notarized statement to that effect.

Section 2.05 Sale or Lease of Real Property. The Public Entity shall not (i) sell or transfer any part of its ownership interest in the Real Property, or (ii) lease out or enter into any contract that would allow another entity to use or operate the Real Property without the written consent of both MnDOT and the Commissioner. The sale or transfer of any part of the Public Entity's ownership interest in the Real Property, or any lease or contract that would allow another entity to use or operate the Real Property, must comply with the requirements imposed by Minn. Stat. Sec. 16A.695 and the Commissioner's Order regarding such sale or lease.

Section 2.06 Public Entity's Representations and Warranties. The Public Entity represents and warrants to MnDOT that:

- A. It has legal authority to execute, deliver and perform the Agreement and all documents referred to therein, and it has taken all actions necessary to its execution and delivery of such documents.
- B. It has the ability and a plan to fund the operation of the Real Property for the purposes specified in Section 2.04, and will include in its annual budget all funds necessary for the operation of the Real Property for such purposes.
- C. The Agreement and all other documents referred to therein are the legal, valid and binding obligations of the Public Entity enforceable against the Public Entity in accordance with their respective terms.
- D. It will comply with all of the provisions of Minn. Stat. Sec. 16A.695, the Commissioner's Order and the LRIP. It has legal authority to use the G.O. Grant for the purpose or purposes described in this Agreement.
- E. All of the information it has submitted or will submit to MnDOT or the Commissioner relating to the LRIP Grant or the disbursement of the LRIP Grant is and will be true and correct.
- F. It is not in violation of any provisions of its charter or of the laws of the State of Minnesota, and there are no actions or proceedings pending, or to its knowledge threatened, before any judicial body or governmental authority against or affecting it relating to the Real Property, or its ownership interest therein, and it is not in default with respect to any order, writ, injunction, decree, or demand of any court or any governmental authority which would impair its ability to enter into the Agreement or any document referred to herein, or to perform any of the acts required of it in such documents.
- G. Neither the execution and delivery of the Agreement or any document referred to herein nor compliance with any of the provisions or requirements of any of such documents is prevented

by, is a breach of, or will result in a breach of, any provision of any agreement or document to which it is now a party or by which it is bound.

- H. The contemplated use of the Real Property will not violate any applicable zoning or use statute, ordinance, building code, rule or regulation, or any covenant or agreement of record relating thereto.
- I. The Project will be completed and the Real Property will be operated in full compliance with all applicable laws, rules, ordinances, and regulations of any federal, state, or local political subdivision having jurisdiction over the Project and the Real Property.
- J. All applicable licenses, permits and bonds required for the performance and completion of the Project and for the operation of the Real Property as specified in Section 2.04 have been, or will be, obtained.
- K. It reasonably expects to possess its ownership interest in the Real Property described in Section 2.02 for at least 37.5 years, and it does not expect to sell such ownership interest.
- L. It does not expect to lease out or enter into any contract that would allow another entity to use or operate the Real Property.
- M. It will supply whatever funds are needed in addition to the LRIP Grant to complete and fully pay for the Project.
- N. The Construction Items will be completed substantially in accordance with the Construction Contract Documents by the Completion Date and all such items will be situated entirely on the Real Property.
- O. It will require the Contractor or Contractors to comply with all rules, regulations, ordinances, and laws bearing on its performance under the Construction Contract Documents.
- P. It shall furnish such satisfactory evidence regarding the representations and warranties described herein as may be required and requested by either MnDOT or the Commissioner.
- Q. It has made no material false statement or misstatement of fact in connection with its receipt of the G.O. Grant, and all the information it has submitted or will submit to the State Entity or Commissioner of MMB relating to the G.O. Grant or the disbursement of any of the G.O. Grant is and will be true and correct.

Section 2.07 Event(s) of Default. The following events shall, unless waived in writing by MnDOT and the Commissioner, constitute an Event of Default under the Agreement upon either MnDOT or the Commissioner giving the Public Entity 30 days' written notice of such event and the Public Entity's failure to cure such event during such 30-day time period for those Events of Default that can be cured within 30 days or within whatever time period is needed to cure those Events of Default that cannot be cured within 30 days as long as the Public Entity is using its best efforts to cure and is making reasonable progress in curing such Events of Default; however, in no event shall the time period to cure any Event of Default exceed six (6) months unless otherwise consented to, in writing, by MnDOT and the Commissioner.

- A. If any representation, covenant, or warranty made by the Public Entity herein or in any other document furnished pursuant to the Agreement, or to induce MnDOT to disburse the LRIP

Grant, shall prove to have been untrue or incorrect in any material respect or materially misleading as of the time such representation, covenant, or warranty was made.

- B. If the Public Entity fails to fully comply with any provision, covenant, or warranty contained herein.
- C. If the Public Entity fails to fully comply with any provision, covenant or warranty contained in Minn. Stat. Sec. 16A.695, the Commissioner's Order, or Minn. Stat. Sec. 174.52 and all rules related thereto.
- D. If the Public Entity fails to use the proceeds of the LRIP Grant for the purposes set forth in Section 2.03, the Grant Application, and in accordance with the LRIP.
- E. If the Public Entity fails to operate the Real Property for the purposes specified in Section 2.04.
- F. If the Public Entity fails to complete the Project by the Completion Date.
- G. If the Public Entity sells or transfers any portion of its ownership interest in the Real Property without first obtaining the written consent of both MnDOT and the Commissioner.
- H. If the Public Entity fails to provide any additional funds needed to fully pay for the Project.
- I. If the Public Entity fails to supply the funds needed to operate the Real Property in the manner specified in Section 2.04.

Notwithstanding the foregoing, any of the above events that cannot be cured shall, unless waived in writing by MnDOT and the Commissioner, constitute an Event of Default under the Agreement immediately upon either MnDOT or the Commissioner giving the Public Entity written notice of such event.

Section 2.08 Remedies. Upon the occurrence of an Event of Default and at any time thereafter until such Event of Default is cured to the satisfaction of MnDOT, MnDOT or the Commissioner may enforce any or all of the following remedies.

- A. MnDOT may refrain from disbursing the LRIP Grant; provided, however, MnDOT may make such disbursements after the occurrence of an Event of Default without waiving its rights and remedies hereunder.
- B. If the Event of Default involves a sale of the Public Entity's interest in the Real Property in violation of Minn. Stat. Sec. 16A.695 or the Commissioner's Order, the Commissioner, as a third party beneficiary of the Agreement, may require that the Public Entity pay the amounts that would have been paid if there had been compliance with such provisions. For other Events of Default, the Commissioner may require that the Outstanding Balance of the LRIP Grant be returned to it.
- C. Either MnDOT or the Commissioner, as a third party beneficiary of the Agreement, may enforce any additional remedies it may have in law or equity.

The rights and remedies specified herein are cumulative and not exclusive of any rights or remedies that MnDOT or the Commissioner would otherwise possess.

If the Public Entity does not repay the amounts required to be paid under this Section or under any other provision contained herein within 30 days of demand by the Commissioner, or any amount ordered by a court of competent jurisdiction within 30 days of entry of judgment against the Public Entity and in favor of MnDOT and/or the Commissioner, then such amount may, unless precluded by law, be offset against any aids or other monies that the Public Entity is entitled to receive from the State of Minnesota.

Section 2.09 Notification of Event of Default. The Public Entity shall furnish to MnDOT and the Commissioner, as soon as possible and in any event within seven (7) days after it has obtained knowledge of the occurrence of each Event of Default, a statement setting forth details of each Event of Default and the action which the Public Entity proposes to take with respect thereto.

Section 2.10 Effect of Event of Default. The Agreement shall survive Events of Default and remain in full force and effect, even upon full disbursement of the LRIP Grant, and shall only be terminated under the circumstances set forth in Section 2.11.

Section 2.11 Termination of Agreement and Modification of LRIP Grant.

A. If the Project is not started within five (5) years after the effective date of the Agreement or the LRIP Grant has not been disbursed within four (4) years after the date the Project was started, MnDOT's obligation to fund the LRIP Grant shall terminate. In such event, (i) if none of the LRIP Grant has been disbursed by such date, MnDOT shall have no obligation to fund the LRIP Grant and the Agreement will terminate, and (ii) if some but not all of the LRIP Grant has been disbursed by such date, MnDOT shall have no further obligation to provide any additional funding for the LRIP Grant and the Agreement shall remain in force but shall be modified to reflect the amount of the LRIP Grant that was actually disbursed and the Public Entity is still obligated to complete the Project by the Completion Date.

B. The Agreement shall terminate upon the Public Entity's sale of its interest in the Real Property and transmittal of the required portion of the proceeds of the sale to the Commissioner in compliance with Minn. Stat. Sec. 16A.695 and the Commissioner's Order, or upon the termination of the Public Entity's ownership interest in the Real Property if such ownership interest is an easement.

Section 2.12 Excess Funds. If the full amount of the G.O. Grant and any matching funds referred to in Section 5.13 are not needed to complete the Project, then, unless language in the G.O. Bonding Legislation indicates otherwise, the G.O. Grant shall be reduced by the amount not needed.

Article III
COMPLIANCE WITH MINNESOTA STATUTE, SEC. 16A.695
AND THE COMMISSIONER'S ORDER

Section 3.01 State Bond Financed Property. The Public Entity acknowledges that its interest in the Real Property is, or when acquired by it will be, "state bond financed property", as such term is used in Minn. Stat. Sec. 16A.695 and the Commissioner's Order and, therefore, the provisions contained in such statute and order apply, or will apply, to its interest in the Real Property, even if the LRIP Grant will only pay for a portion of the Project.

Section 3.02 Preservation of Tax Exempt Status. In order to preserve the tax-exempt status of the G.O. Bonds, the Public Entity agrees as follows:

- A. It will not use the Real Property or use or invest the LRIP Grant or any other sums treated as "bond proceeds" under Section 148 of the Code (including "investment proceeds," "invested

sinking funds” and “replacement proceeds”) in such a manner as to cause the G.O. Bonds to be classified as “arbitrage bonds” under Code Section 148.

- B. It will deposit and hold the LRIP Grant in a segregated non-interest-bearing account until such funds are used for payments for the Project.
- C. It will, upon written request, provide the Commissioner all information required to satisfy the informational requirements set forth in the Code, including Sections 103 and 148, with respect to the G.O. Bonds.
- D. It will, upon the occurrence of any act or omission by the Public Entity that could cause the interest on the G.O. Bonds to no longer be tax exempt and upon direction from the Commissioner, take such actions and furnish such documents as the Commissioner determines to be necessary to ensure that the interest to be paid on the G.O. Bonds is exempt from federal taxation, which such action may include: (i) compliance with proceedings intended to classify the G.O. Bonds as a “qualified bond” within the meaning of Code Section 141(e), or (ii) changing the nature of the use of the Real Property so that none of the net proceeds of the G.O. Bonds will be deemed to be used, directly or indirectly, in an “unrelated trade or business” or for any “private business use” within the meaning of Code Sections 141(b) and 145(a).
- E. It will not otherwise use any of the LRIP Grant or take, permit or cause to be taken, or omit to take, any action that would adversely affect the exemption from federal income taxation of the interest on the G.O. Bonds, and if it should take, permit or cause to be taken, or omit to take, as appropriate, any such action, it shall take all lawful actions necessary to correct such actions or omissions promptly upon obtaining knowledge thereof.

Section 3.03 Changes to G.O. Compliance Legislation or the Commissioner’s Order. If Minn. Stat. Sec. 16A.695 or the Commissioner’s Order is amended in a manner that reduces any requirement imposed against the Public Entity, or if the Public Entity’s interest in the Real Property becomes exempted from Minn. Stat. Sec. 16A.695 and the Commissioner’s Order, then upon written request by the Public Entity, MnDOT shall execute an amendment to the Agreement to implement such amendment or exempt the Public Entity’s interest in the Real Property from Minn. Stat. Sec. 16A.695 and the Commissioner’s Order.

Article IV DISBURSEMENT OF GRANT PROCEEDS

Section 4.01 The Advances. MnDOT agrees, on the terms and subject to the conditions set forth herein, to make Advances of the LRIP Grant to the Public Entity from time to time in an aggregate total amount not to exceed the amount of the LRIP Grant. If the amount of LRIP Grant that MnDOT cumulatively disburses hereunder to the Public Entity is less than the amount of the LRIP Grant delineated in Section 1.01, then MnDOT and the Public Entity shall enter into and execute whatever documents MnDOT may request in order to amend or modify this Agreement to reduce the amount of the LRIP Grant to the amount actually disbursed. Provided, however, in accordance with the provisions contained in Section 2.11, MnDOT’s obligation to make Advances shall terminate as of the dates specified in Section 2.11 even if the entire LRIP Grant has not been disbursed by such dates.

Advances shall only be for expenses that (i) are for those items of a capital nature delineated in Source and Use of Funds that is attached as **Exhibit A**, (ii) accrued no earlier than the effective date of the legislation that appropriated the funds that are used to fund the LRIP Grant, or (iii) have otherwise

been consented to, in writing, by the Commissioner.

It is the intent of the parties hereto that the rate of disbursement of the Advances shall not exceed the rate of completion of the Project or the rate of disbursement of the matching funds required, if any, under Section 5.13. Therefore, the cumulative amount of all Advances disbursed by the State Entity at any point in time shall not exceed the portion of the Project that has been completed and the percentage of the matching funds required, if any, under Section 5.13 that have been disbursed as of such point in time. This requirement is expressed by way of the following two formulas:

Formula #1:

$$\text{Cumulative Advances} \leq (\text{Program Grant}) \times (\text{percentage of matching funds, if any, required under Section 5.13 that have been disbursed})$$

Formula #2:

$$\text{Cumulative Advances} \leq (\text{Program Grant}) \times (\text{percentage of Project completed})$$

Section 4.02 Draw Requisitions. Whenever the Public Entity desires a disbursement of a portion of the LRIP Grant the Public Entity shall submit to MnDOT a Draw Requisition duly executed on behalf of the Public Entity or its designee. Each Draw Requisition with respect to construction items shall be limited to amounts equal to: (i) the total value of the classes of the work by percentage of completion as approved by the Public Entity and MnDOT, plus (ii) the value of materials and equipment not incorporated in the Project but delivered and suitably stored on or off the Real Property in a manner acceptable to MnDOT, less (iii) any applicable retainage, and less (iv) all prior Advances.

Notwithstanding anything herein to the contrary, no Advances for materials stored on or off the Real Property will be made by MnDOT unless the Public Entity shall advise MnDOT, in writing, of its intention to so store materials prior to their delivery and MnDOT has not objected thereto.

At the time of submission of each Draw Requisition, other than the final Draw Requisition, the Public Entity shall submit to MnDOT such supporting evidence as may be requested by MnDOT to substantiate all payments which are to be made out of the relevant Draw Requisition or to substantiate all payments then made with respect to the Project.

The final Draw Requisition shall not be submitted before completion of the Project, including any correction of material defects in workmanship or materials (other than the completion of punch list items). At the time of submission of the final Draw Requisition the Public Entity shall submit to MnDOT: (I) such supporting evidence as may be requested by MnDOT to substantiate all payments which are to be made out of the final Draw Requisition or to substantiate all payments then made with respect to the Project, and (ii) satisfactory evidence that all work requiring inspection by municipal or other governmental authorities having jurisdiction has been duly inspected and approved by such authorities and that all requisite certificates and other approvals have been issued.

If on the date an Advance is desired the Public Entity has complied with all requirements of this Agreement and MnDOT approves the relevant Draw Requisition, then MnDOT shall disburse the amount of the requested Advance to the Public Entity.

Section 4.03 Additional Funds. If MnDOT shall at any time in good faith determine that the sum of the undisbursed amount of the LRIP Grant plus the amount of all other funds committed to the Project is less than the amount required to pay all costs and expenses of any kind which reasonably may be anticipated in connection with the Project, then MnDOT may send written notice thereof to the Public Entity specifying the amount which must be supplied in order to provide sufficient funds to complete the

Project. The Public Entity agrees that it will, within 10 calendar days of receipt of any such notice, supply or have some other entity supply the amount of funds specified in MnDOT's notice.

Section 4.04 Condition Precedent to Any Advance. The obligation of MnDOT to make any Advance hereunder (including the initial Advance) shall be subject to the following conditions precedent:

- A. MnDOT shall have received a Draw Requisition for such Advance specifying the amount of funds being requested, which such amount when added to all prior requests for an Advance shall not exceed the amount of the LRIP Grant set forth in Section 1.01.
- B. No Event of Default under this Agreement or event which would constitute an Event of Default but for the requirement that notice be given or that a period of grace or time elapse shall have occurred and be continuing.
- C. No determination shall have been made by MnDOT that the amount of funds committed to the Project is less than the amount required to pay all costs and expenses of any kind that may reasonably be anticipated in connection with the Project, or if such a determination has been made and notice thereof sent to the Public Entity under Section 4.03, then the Public Entity has supplied, or has caused some other entity to supply, the necessary funds in accordance with such section or has provided evidence acceptable to MnDOT that sufficient funds are available.
- D. The State Entity shall have received evidence, in form and substance acceptable to the State Entity, that the Public Entity has sufficient funds to fully and completely pay for the Project and all other expenses that may occur in conjunction therewith.
- E. The Public Entity has supplied to the State Entity all other items that the State Entity may reasonably require

Section 4.05 Processing and Disbursement of Advances. The Public Entity acknowledges and agrees as follows:

- A. Advances are not made prior to completion of work performed on the Project.
- B. All Advances are processed on a reimbursement basis.
- C. The Public Entity must first document expenditures to obtain an Advance.
- D. Reimbursement requests are made on a partial payment basis or when the Project is completed.
- E. All payments are made following the "Delegated Contract Process or State Aid Payment Request" as requested and approved by the appropriate district state aid engineer.

Section 4.06 Construction Inspections. The Public Entity shall be responsible for making its own inspections and observations regarding the completion of the Project, and shall determine to its own satisfaction that all work done or materials supplied have been properly done or supplied in accordance with all contracts that the Public Entity has entered into regarding the completion of the Project.

Article V
MISCELLANEOUS

Section 5.01 Insurance. If the Public Entity elects to maintain general comprehensive liability insurance regarding the Real Property, then the Public Entity shall have MnDOT named as an additional named insured therein.

Section 5.02 Condemnation. If, after the Public Entity has acquired the ownership interest set forth in Section 2.02, all or any portion of the Real Property is condemned to an extent that the Public Entity can no longer comply with Section 2.04, then the Public Entity shall, at its sole option, either: (i) use the condemnation proceeds to acquire an interest in additional real property needed for the Public Entity to continue to comply with Section 2.04 and to provide whatever additional funds that may be needed for such purposes, or (ii) submit a request to MnDOT and the Commissioner to allow it to sell the remaining portion of its interest in the Real Property. Any condemnation proceeds which are not used to acquire an interest in additional real property shall be applied in accordance with Minn. Stat. Sec. 16A.695 and the Commissioner's Order as if the Public Entity's interest in the Real Property had been sold. If the Public Entity elects to sell its interest in the portion of the Real Property that remains after the condemnation, such sale must occur within a reasonable time period after the date the condemnation occurred and the cumulative sum of the condemnation and sale proceeds applied in accordance with Minn. Stat. Sec. 16A.695 and the Commissioner's Order.

If MnDOT receives any condemnation proceeds referred to herein, MnDOT agrees to or pay over to the Public Entity all of such condemnation proceeds so that the Public Entity can comply with the requirements of this Section.

Section 5.03 Use, Maintenance, Repair and Alterations. The Public Entity shall not, without the written consent of MnDOT and the Commissioner, (i) permit or allow the use of any of the Real Property for any purpose other than the purposes specified in Section 2.04, (ii) substantially alter any of the Real Property except such alterations as may be required by laws, ordinances or regulations, or such other alterations as may improve the Real Property by increasing its value or which improve its ability to be used for the purposes set forth in Section 2.04, (iii) take any action which would unduly impair or depreciate the value of the Real Property, (iv) abandon the Real Property, or (v) commit or permit any act to be done in or on the Real Property in violation of any law, ordinance or regulation.

If the Public Entity fails to maintain the Real Property in accordance with this Section, MnDOT may perform whatever acts and expend whatever funds necessary to so maintain the Real Property, and the Public Entity irrevocably authorizes MnDOT to enter upon the Real Property to perform such acts as may be necessary to so maintain the Real Property. Any actions taken or funds expended by MnDOT shall be at its sole discretion, and nothing contained herein shall require MnDOT to take any action or incur any expense and MnDOT shall not be responsible, or liable to the Public Entity or any other entity, for any such acts that are performed in good faith and not in a negligent manner. Any funds expended by MnDOT pursuant to this Section shall be due and payable on demand by MnDOT and will bear interest from the date of payment by MnDOT at a rate equal to the lesser of the maximum interest rate allowed by law or 18% per year based upon a 365-day year.

Section 5.04 Recordkeeping and Reporting. The Public Entity shall maintain books and records pertaining to Project costs and expenses needed to comply with the requirements contained herein, Minn. Stat. Sec. 16A.695, the Commissioner's Order, and Minn. Stat. Sec. 174.52 and all rules related thereto, and upon request shall allow MnDOT, its auditors, the Legislative Auditor for the State of Minnesota, or the State Auditor for the State of Minnesota, to inspect, audit, copy, or abstract all of such items. The Public Entity shall use generally accepted accounting principles in the maintenance of such items, and

shall retain all of such books and records for a period of six years after the date that the Project is fully completed and placed into operation.

Section 5.05 Inspections by MnDOT. The Public Entity shall allow MnDOT to inspect the Real Property upon reasonable request by MnDOT and without interfering with the normal use of the Real Property.

Section 5.06 Liability. The Public Entity and MnDOT agree that each will be responsible for its own acts and the results thereof to the extent authorized by law, and neither shall be responsible for the acts of the other party and the results thereof. The liability of MnDOT and the Commissioner is governed by the provisions of Minn. Stat. Sec. 3.736. If the Public Entity is a "municipality" as that term is used in Minn. Stat. Chapter 466, then the liability of the Public Entity is governed by the provisions of Chapter 466. The Public Entity's liability hereunder shall not be limited to the extent of insurance carried by or provided by the Public Entity, or subject to any exclusion from coverage in any insurance policy.

Section 5.07 Relationship of the Parties. Nothing contained in the Agreement is to be construed as establishing a relationship of co-partners or joint venture among the Public Entity, MnDOT, or the Commissioner, nor shall the Public Entity be considered to be an agent, representative, or employee of MnDOT, the Commissioner, or the State of Minnesota in the performance of the Agreement or the Project.

No employee of the Public Entity or other person engaging in the performance of the Agreement or the Project shall be deemed have any contractual relationship with MnDOT, the Commissioner, or the State of Minnesota and shall not be considered an employee of any of those entities. Any claims that may arise on behalf of said employees or other persons out of employment or alleged employment, including claims under the Workers' Compensation Act of the State of Minnesota, claims of discrimination against the Public Entity or its officers, agents, contractors, or employees shall in no way be the responsibility of MnDOT, the Commissioner, or the State of Minnesota. Such employees or other persons shall not require nor be entitled to any compensation, rights or benefits of any kind whatsoever from MnDOT, the Commissioner, or the State of Minnesota, including tenure rights, medical and hospital care, sick and vacation leave, disability benefits, severance pay and retirement benefits.

Section 5.08 Notices. In addition to any notice required under applicable law to be given in another manner, any notices required hereunder must be in writing and personally served or sent by prepaid, registered, or certified mail (return receipt requested), to the address of the party specified below or to such different address as may in the future be specified by a party by written notice to the others:

To the Public Entity: At the address indicated on the first page of the Agreement.

To MnDOT at: Minnesota Department of Transportation
Office of State Aid
395 John Ireland Blvd., MS 500
Saint Paul, MN 55155
Attention: Patti Loken, State Aid Programs Engineer

To the Commissioner at: Minnesota Management & Budget
400 Centennial Office Bldg.
658 Cedar St.
St. Paul, MN 55155
Attention: Commissioner

Section 5.09 Assignment or Modification. Neither the Public Entity nor MnDOT may assign any of its rights or obligations under the Agreement without the prior written consent of the other party.

Section 5.10 Waiver. Neither the failure by the Public Entity, MnDOT, or the Commissioner, as a third party beneficiary of the Agreement, in one or more instances to insist upon the complete observance or performance of any provision hereof, nor the failure of the Public Entity, MnDOT, or the Commissioner to exercise any right or remedy conferred hereunder or afforded by law shall be construed as waiving any breach of such provision or the right to exercise such right or remedy thereafter. In addition, no delay by any of the Public Entity, MnDOT, or the Commissioner in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude other or further exercise thereof or the exercise of any other right or remedy.

Section 5.11 Choice of Law and Venue. All matters relating to the validity, interpretation, performance, or enforcement of the Agreement shall be determined in accordance with the laws of the State of Minnesota. All legal actions arising from any provision of the Agreement shall be initiated and venued in the State of Minnesota District Court located in St. Paul, Minnesota.

Section 5.12 Severability. If any provision of the Agreement is finally judged by any court to be invalid, then the remaining provisions shall remain in full force and effect and they shall be interpreted, performed, and enforced as if the invalid provision did not appear herein.

Section 5.13 Matching Funds. Any matching funds as shown on Page 1 of the Grant Agreement that are required to be obtained and supplied by the Public Entity must either be in the form of (i) cash monies, (ii) legally binding commitments for money, or (iii) equivalent funds or contributions, including equity, which have been or will be used to pay for the Project. The Public Entity shall supply to MnDOT whatever documentation MnDOT may request to substantiate the availability and source of any matching funds.

Section 5.14 Sources and Uses of Funds. The Public Entity represents to MnDOT and the Commissioner that the Sources and Uses of Funds Schedule attached as **Exhibit A** accurately shows the total cost of the Project and all of the funds that are available for the completion of the Project. The Public Entity will supply any other information and documentation that MnDOT or the Commissioner may request to support or explain any of the information contained in the Sources and Uses of Funds Schedule. If any of the funds shown in the Sources and Uses of Funds Schedule have conditions precedent to the release of such funds, the Public Entity must provide to MnDOT a detailed description of such conditions and what is being done to satisfy such conditions.

Section 5.15 Project Completion Schedule. The Public Entity represents to MnDOT and the Commissioner that the Project Completion Schedule attached as **Exhibit B** correctly and accurately sets forth the projected schedule for the completion of the Project.

Section 5.16 Third-Party Beneficiary. The Governmental Program will benefit the State of Minnesota and the provisions and requirements contained herein are for the benefit of both the State Entity and the State of Minnesota. Therefore, the State of Minnesota, by and through its Commissioner of MMB, is and shall be a third-party beneficiary of this Agreement.

Section 5.16 Public Entity Tasks. Any tasks that the Agreement imposes upon the Public Entity may be performed by such other entity as the Public Entity may select or designate, provided that the failure of such other entity to perform said tasks shall be deemed to be a failure to perform by the Public Entity.

Section 5.17 Data Practices. The Public Entity agrees with respect to any data that it possesses regarding the G.O. Grant or the Project to comply with all of the provisions and restrictions contained in the Minnesota Government Data Practices Act contained in Minnesota Statutes Chapter 13, as such may subsequently be amended or replaced from time to time.

Section 5.18 Non-Discrimination. The Public Entity agrees to not engage in discriminatory employment practices regarding the Project and it shall fully comply with all of the provisions contained in Minnesota Statutes Chapters 363A and 181, as such may subsequently be amended or replaced from time to time.

Section 5.19 Worker's Compensation. The Public Entity agrees to comply with all of the provisions relating to worker's compensation contained in Minn. Stat. Secs. 176.181 subd. 2 and 176.182, as they may be amended or replaced from time to time with respect to the Project.

Section 5.20 Antitrust Claims. The Public Entity hereby assigns to MnDOT and the Commissioner of MMB all claims it may have for over charges as to goods or services provided with respect to the Project that arise under the antitrust laws of the State of Minnesota or of the United States of America.

Section 5.21 Prevailing Wages. The Public Entity agrees to comply with all of the applicable provisions contained in Minnesota Statutes Chapter 177, and specifically those provisions contained in Minn. Stat. §. 177.41 through 177.435 as they may be amended or replaced from time to time with respect to the Project. By agreeing to this provision, the Public Entity is not acknowledging or agreeing that the cited provisions apply to the Project.

Section 5.22 Entire Agreement. The Agreement and all of the exhibits attached thereto embody the entire agreement between the Public Entity and MnDOT, and there are no other agreements, either oral or written, between the Public Entity and MnDOT on the subject matter hereof.

Section 5.23 E-Verification. The Public Entity agrees and acknowledges that it is aware of Minn.Stat. § 16C.075 regarding e-verification of employment of all newly hired employees to confirm that such employees are legally entitled to work in the United States, and that it will, if and when applicable, fully comply with such order.

**St. Louis County
City of Proctor**

**6th Street, Almac Drive & Bee Street, and 8th Avenue Road Reconstruction
CP 0000-388268 / SAP 069-596-011 & CP 0000-388269 & CP 0000-388270**

AGREEMENT

THIS AGREEMENT is between the City of Proctor, a municipal corporation in the State of Minnesota, hereinafter referred to as the "City", and the COUNTY OF ST. LOUIS, a duly organized county within the State of Minnesota, hereinafter referred to as the "County".

WITNESSETH:

WHEREAS, the City has applied for and secured Local Road Improvement Program (LRIP) funding and Local Proctor funds for reconstruction of 6th Street (0000-388268 / SAP 069-596-011), Almac Drive & Bee Street (CP 0000-388269), and 8th Avenue (CP 0000-388270) in the City of Proctor, hereinafter referred to as the "Project" and,

WHEREAS, because cities with a population of less than 5,000 are not allowed to administer LRIP funds, and because the City of Proctor has a population of less than 5,000, the County is required to act as the funding agent and contract administrator on this Project; and

WHEREAS, the parties desire to enter an agreement setting forth the terms of their relationship relative to the Project. ;

THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties hereby agree to the following:

- 1. The City shall prepare a plan for construction of the Project in accordance with the 2016 Edition of the Minnesota Department of Transportation "Standard Specifications for Construction," hereinafter referred to as the "Plan," and shall take all actions necessary to prepare the Project for construction, including, but not limited to obtaining any and all applicable environmental permits as required by law, temporary storage sites, temporary or permanent easements, site restoration, and coordination with utilities, including relocation of existing facilities, at its cost and expense.**
- 2. The City shall acquire and pay the cost for all right-of-way and construction easements required for construction in accordance with the Plan.**
- 3. The City shall assist the County in preparation of bidding documents for the Plan.**
- 4. The Plan shall meet the Minimum Geometric Design Standards approved by MnDOT Office of State Aid prior to the County advertising the Project for bids. If the Plan does not meet these Standards or is not approved by MnDOT Office of State Aid and the City wants to proceed with the Project, the City shall secure alternate funding prior to the County advertising the Project for bids. If the alternative funding does not require County administration, this agreement will be terminated and the County will invoice the City for any expenses incurred relative to the Project through the date of termination.**

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5. After contract letting and prior to contract award, the County will provide the City with an abstract of all bids received, and upon written approval of such costs by the City, the County may award the bid to the low bidder and enter into a construction contract, hereinafter referred to as the "Contract," for the construction of the Project. The County must obtain the concurrence of the City prior to awarding the Contract. Such concurrence or rejection shall be provided to the County by the City within 5 business days.
6. In the event that the City rejects all bids, this agreement will be terminated and the City shall reimburse the County for all costs incurred by the County through the date of rejection.
7. In the Contract, pay items eligible for LRIP funds shall be shown as "participating" items, and pay items not eligible shall be shown as "non-participating" items. The City shall pay to the County, within 50 days after the Letting of the Contract, 95% of the total cost of non-participating unit prices and the amount greater than the LRIP available funding in the "participating" items as contained in the successful Contractor's bidding documents. Any portion of the Contract that is not covered by LRIP funds shall be the responsibility of and paid for by the City.
8. The County shall advertise, receive bids, award the Contract to the lowest responsible bidder, make payments to the contractor and assist in processing of the final payment documentation in accordance with current specifications. For these services, the City shall reimburse the County for all direct and indirect costs incurred to complete the work not to exceed \$25,000. The County will bill the City in regular intervals for these services.
9. The City will make final payment to the County after final acceptance of the Project. Final payment shall include all required funds for participating and non-participating items and reimbursement for County services. Payment will be due within thirty (30) days of receipt of a valid statement of final contract quantities for the City's cost for the Project. In the event that the amount of funds advanced by the City is in excess of the required funds, the excess funds shall be returned to the City without interest.
10. Except for the County's duties set forth in paragraph 8 above, the City shall perform the necessary construction administration and administer all terms of the Contract from award to the certification of final payment.
11. The City, and its contractors, shall use the One OFFICE software to manage the Project and provide all Project related data (i.e. contract changes, pay requests, engineer's estimate, estimated quantities, MnDOT pay items, any other items as need) to the County.

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12. The City shall perform all necessary construction engineering and staking, material testing, record keeping and construction inspection for items contained in the Plan. Construction recordkeeping for the Project shall follow the MnDOT Contract Administration Manual (the current edition as of the date of letting) for project diaries and fieldbooks, documentation of pay item quantities and documentation and method of measurement. Project pay item quantities submitted for payment through One OFFICE shall reference where the pay item quantities are documented. The City shall report any observed deficiencies to the County immediately.
13. The County shall make payments to the Contractor for the work completed based on Contract items and quantities provided to the County by the City.
14. If the Project is in the County's right-of-way, the City shall provide the County with a copy of an "As Built" plan of the Project, within ninety (90) days after project quantities are verified and submitted for final payment. The "As Built" plan will accurately depict final quantities and any construction features which were revised during construction.
15. Each party designates an Authorized Representative for the purpose of administering this Agreement. A party's authorized representative has the authority to give and receive notices, and to make any other decision required or permitted by this Agreement.
 - a. For the County:
Steve Krasaway, P.E.
Public Works Department / Resident Engineer
4787 Midway Road
Duluth, MN 55811
(218) 625-3841
 - b. For the City of Proctor:
Mark Casey
City Administrator
100 Pionk Drive
Proctor, MN 55810
218-628-6261
mcasey@proctormn.gov
16. This Agreement may be terminated only as follows:
 - a. At any time by mutual agreement of the parties;
 - b. By any party at any time upon 30 days' notice in the event of default by a party, provided however that such termination shall not be effective if the defaulting party cures such default by end of the 30-day notice period. In the event of such termination, the County, Duluth and Proctor shall be entitled to pro-rata payment for

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work and services performed up to the effective date of such termination; or
c. As set forth in paragraphs 4 and 6 above.

17. To the full extent permitted by law, actions by the Parties pursuant to this Agreement are intended to be and shall be construed as a "cooperative activity" and it is the intent of the Parties that they shall be deemed a "single governmental unit" for the purpose of liability, as set forth in Minnesota Statutes, Section 471.59, Subd. 1a.
18. Each of the parties hereto hereby agrees that it shall defend, indemnify and save harmless the other parties and all of their employees and agents from any and all claims, demands actions or causes of action of whatever nature or character arising out of or by reason of their negligent or intentional acts or omissions in the execution or performance of the work provided herein.
19. Any and all employees of the County, while engaged in the performance of any work or service which the County is specifically required to perform under this Agreement, shall be considered employees of the County, and not the City, and that any and all claims that may or might arise under the Workers Compensation Act of the State of Minnesota on behalf of said employees while so engaged and any claims made by any third parties as a consequence of any act of said employees, shall be the sole obligation of the County.
20. Any and all employees of the City, while engaged in the performance of any work or service that the City is specifically required to perform under this Agreement, shall be considered employees of the City, and not the County, and that any and all claims that may or might arise under the Workers Compensation Act of the State of Minnesota on behalf of said employees while so engaged and any claims made by any third parties as a consequence of any act of said employees, shall be the sole obligation of the City.

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COUNTY OF ST. LOUIS



Chair of the County Board

By 


Public Works Director/Highway Engineer

Dated 5-29-17

APPROVED AS TO FORM AND EXECUTION:



County Auditor - Chief Deputy Auditor

By 

County Attorney - Civil Division Head
Damion No. 2018-11994

CITY OF PROCTOR

COUNTERSIGNED:


Mayor

By 

City Administrator



*Resolution
of the
Board of County Commissioners
St. Louis County, Minnesota*

*Adopted on: March 27, 2018 Resolution No. 18-195
Offered by Commissioner: Jewell*

**Agreement with the City of Proctor for Sixth Street, Almac Drive,
Bee Street, and Eighth Avenue Reconstruction**

RESOLVED, That the St. Louis County Board authorizes the appropriate county officials to enter into an agreement, and approve any amendments authorized by the County Attorney's Office, with the City of Proctor for the reconstruction of Sixth Street, Almac Drive, Bee Street, and Eighth Avenue, whereby the City of Proctor will pay the project cost with Local Road Improvement Program (LRIP) funds and local city funds as listed in the Schedule of Prices in the Proposal/Plan Package for the projects listed as CP 0000-388268/SAP 069-596-011 (Sixth Street), CP 0000-388269 (Almac Drive and Bee Street), and CP 0000-388270 (Eighth Avenue), and will reimburse St. Louis County for administration services as stated in the agreement. The funds received from the City of Proctor will be receipted into Fund 220, Agency 220482, Object 521612 LRIP funds, and Fund 220 Agency 220482, Object 551502 Proctor funds.

Commissioner Jewell moved the adoption of the Resolution and it was declared adopted upon the following vote:
Yeas – Commissioners Jewell, Boyle, Rukavina, Stauber, Jugovich and Chair Nelson – 6
Nays – None
Absent – Commissioner Olson – 1

STATE OF MINNESOTA
Office of County Auditor, ss.
County of St. Louis

I, DONALD DICKLICH, Auditor of the County of St. Louis, do hereby certify that I have compared the foregoing with the original resolution filed in my office on the 27th day of March, A.D. 2018, and that this is a true and correct copy.

WITNESS MY HAND AND SEAL OF OFFICE at Duluth, Minnesota, this 27th day of March, A.D., 2018.

DONALD DICKLICH, COUNTY AUDITOR

By 
Deputy Auditor/Clerk of the County Board

Philip G. Larson
Mayor

Mark Casey
Administrator

City of Proctor

You Have A Place In Proctor

6C
COUNCILORS
Jake P. Benson
Troy R. DeWall
Gary Nowak
James R. Schwarzbauer

100 Pionk Drive • Proctor, Minnesota 55810-1700 • (218) 624-3841 • Fax (218) 624-9459 • email: cityhall@proctormn.gov

**CITY OF PROCTOR
RESOLUTION NO. 21-18
AUTHORIZATION TO ACCEPTING DONATIONS**

**CITY OF PROCTOR)
COUNTY OF ST LOUIS)
STATE OF MINNESOTA)**

WHEREAS, The City of Proctor is generally authorized to accept donations or gifts of real and personal property pursuant to Minnesota Statutes Section 10A.071, 211A.01 and 471.895, and is specifically authorized to accept gifts and bequests for services pursuant to Minnesota Statutes Section stated above; and,

WHEREAS, construction within the city of Proctor presents the opportunity to acquire bituminous material and other items for the benefit of the city as donations; and,

WHEREAS, the decision to acquire and accept said donations may take place in a short time frame as the City Council may not have the time frame to approve said donation; and,

WHEREAS, The Streets Foreman is the most qualified person to determine needs and use of such materials for the benefit of the city.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF PROCTOR, MINNESOTA that the decision making authority to accept donations such as bituminous from street construction project be given to the Streets Foreman or his/her designee:

Adopted by the City Council of the City of Proctor on 4th day of June, 2018.

Approved:

Mayor

Attested:

City Clerk

67

Robin Hansen

Subject: FW: Fireworks Donations

Importance: High

From: Sally Hedtke
Sent: Tuesday, May 29, 2018 8:51 AM
To: Robin Hansen; Mark Casey
Subject: FW: Fireworks Donations
Importance: High

Robin,

Per Jim Schwartzbauer's request below, please include on the June 4 Council agenda:

In order for the city to accept donations for fireworks, they will need to set up a separate bank account. City Council must approve opening a separate city bank account for fireworks donations, as well as approving the staff time required to receipt, process and report all donations for the Hoghead fireworks.

Let me know if you have any questions. Thanks.

*Sally R. Hedtke, Proctor Tourism
City of Proctor
100 Pionk Drive
Proctor, MN 55810
218-628-6297, ext. 297*

From: JIM SCHWARZBAUER [<mailto:jschwarzbauer@msn.com>]
Sent: Friday, May 25, 2018 8:31 PM
To: Sally Hedtke <shedtke@proctormn.gov>
Subject: Re: Fireworks Donations

Please include on next agenda. Thanks.

Sent from my iPad

On May 25, 2018, at 1:05 PM, Sally Hedtke <shedtke@proctormn.gov> wrote:

Afternoon, Jim,

I wanted to give you an update on the fireworks donations and ask what you would like city staff to do going forward.

I talked with Char, and she called the auditor to discuss the proper and best way for the city to accept donations. Below is the information we need in order to accept donations:

1. City can accept donations. Contributions are not tax deductible.
2. PUC approved allowing city to include a request for donations for Hoghead Fireworks in utility billing.
3. If accepting donations, the city must have a way to deposit and receipt all donations.
4. City can open another bank account.
5. **City Council must approve opening another city account.**

6. Once account approved, city staff must be sure that either the bank staff agree to receive and receipt all individual donations with name attached to each donation; or city staff must receipt all individual donations.
7. Staff give Council a list of all donations for Council to accept (monthly or other time frame).
8. Staff may need to send individual thank-you letters, or post a general thank-you, for donations.

Please advise whether you would like us to add this to the June 4th City Council agenda to approve opening a separate account for fireworks donations, as well as approving the process for city staff.

Thanks Jim. Have a great weekend.

Sally

*Sally R. Hedtke, Proctor Tourism
City of Proctor
100 Pionk Drive
Proctor, MN 55810
218-628-6297, ext. 297*

6E

N. EXCERPTS OF CITY COUNCIL MEETING DATED FEBRUARY 20, 2018

O. Replacement for Mayor Larson on Personnel Committee in His Absence

Motion by Schwarzbauer, seconded by Nowak and carried (5-0): To approve Councilor DeWall to replace Mayor Larson on Personnel Committee in his absence.

P. Appoint Civil Service Committee Member to Personnel Committee

Motion by Schwarzbauer, seconded by DeWall and carried (4-0 - Benson abstained): To appoint Diane Giuliani to the Personnel Committee.

Q. Rotating Schedule for Complainant and Subject

Motion by Schwarzbauer, seconded by DeWall and carried (5-0): To approve a Rotating Schedule, 3 on 3 telecommute for opposite schedules for complainant and subject.

MEMBERS CONCERNS:

Schwarzbauer:

1. Hoghead, Lions letter. Concerns on volunteerism for Hoghead and community events.
2. Discussion on Fireworks

Councilor Schwarzbauer distributed a document titled, "What is Ethical Leadership?" and discussed other events in city and life. Country is in need of ethical leaders, and we are all leaders.

BILLS FOR APPROVAL

General: \$144,024.72

Liquor: \$25,988.84

Total: \$170,013.56

Motion by Dewall, seconded by Schwarzbauer and carried (5-0): To approve the bills in the amount of \$170,013.56.

ADJOURNMENT

Motion by Mayor Larson, seconded by DeWall and carried (5-0): To adjourn the City Council meeting at 8:35 p.m.

Respectfully submitted,

TurfWerks

Eagan, MN - Johnston, IA - Omaha, NE - St Louis, MO

Equipment Quote

Customer Name	Proctor Golf Course	Date	4/4/2018
Account Number		Ship Address	
Contact Person	Chris Klatte	City	Proctor
Phone Number		State	MN
Mobile Number	218.522.0812	Zip Code	
Fax Number		Email Address	cklatte@hotmail.com

PO Number: X **Quote Expires:** Subject to Availability

Deliver Date: X **Special Terms:**

MODEL #	QTY	PRODUCT DESCRIPTION	UNIT PRICE	TOTAL
UF0410	1	2017 Jacobsen SLF 1880	\$37,000.00	\$ 37,000.00
		Approx. 403 Hours		-
UF0401	1	2014 Jacobsen SLF 1880	\$25,500.00	\$ 25,500.00
		Brand New Reel Stock Installed		-
		Approx. 1384 Hours		-
				-
				-
				-
				-
				-
				-
		Fleet Planning Options		Total Annual Cost:
UF0410	6	2018,19,20,21: 6 Payments (May-Oct)	\$1,398.94	\$8,393.64
UF0401	6	2018,19,20,21: 6 Payments (May-Oct)	\$963.87	\$5,783.22
		(24 Total Payments)		\$ -
				\$ -
		Options at the end of term:		\$ -
		1) Return the equipment with no further obligation		\$ -
		2) Purchase the equipment for \$7,100		\$ -
		2) Purchase the equipment for \$4,900		\$ -
		3) Refinance equipment for additional season(s) to a lower monthly payment		\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -

Notes	Subtotal
Applicable Taxes Not Included	Sales Tax
Turfwerks Pre-Owned Equipment Guarantee	TOTAL
Freight, Setup & Delivery Included	

Please Sign, Date & Return Quote to Reserve Equipment

Both Above Units Are Fully Serviced/Refurbished & Ready to Go

Fleet Plan Options May Be Subject To Final Approval, ACH Payment & One-Time Doc Fee



Adam Hoffman - Territory Sales Manager - 612.802.3149 - ahoffman@turfwerks.com
1710 Alexander Road, Eagan, MN 55121



**MTI Distributing
Equipment Proposal
May 16, 2018**



City of Proctor
Chris Klatte
cklatte@hotmail.com

Expiration Date: 6/15/2018

MINNESOTA STATE CONTRACT PRICING - CONTRACT #138566

Qty	Model Number	Description	Price	Price Extension
1	03606	Reelmaster 5410-D - 36.8 hp Tier 4-compliant Diesel w/ factory installed ROPS	\$41,155.88	\$41,155.88
5	03621	22 IN 5 IN 8 Blade (RR) Radial Reel EdgeSeries	\$2,446.88	\$12,234.40
1	03406	Powered Rear Roller Brush Only (Kit of 5)	\$2,478.16	\$2,478.16
1	30669	Universal Sunshade (White)	\$518.47	\$518.47
1	30093	MVP Filter Kit	\$207.89	\$207.89
TOTALS				
Equipment Total				\$56,594.80
Toro Protection Plus				\$0.00
Trade Ins				\$0.00
Estimated Sales/Use Tax				Exempt
Total				\$56,594.80

Quote is valid for 30 days

New Toro commercial equipment comes with a two-year manufacturer warranty

Equipment delivery at no additional charge

All commercial products purchased by a credit card will be subject to a 2.5% service fee.

Thank you for the opportunity to submit this quote. If you have any questions, please do not hesitate in contacting us.

Joe Buege, SCPS
Outside Sales Representative
612-875-2595

Matt Arntzen, SCPS
Inside Sales Representative
763-592-5642

MTI Distributing, Inc. • 4830 Azelia Avenue N. #100 • Brooklyn Center, MN 55429

66a

D. Closed meetings

Minn. Stat. § 13D.04, subd. 5.

A closed meeting is a meeting of a public body that the public is not allowed to attend.

See section 11.F. - *Open meeting law exceptions.*

A meeting of a public body only may be closed to the public if it meets the requirements of one of the specific exceptions listed in the open meeting law that authorize such closure. The same notice requirements that apply to open meetings also apply to closed meetings. For example, if a closed meeting takes place at a regular meeting, the notice requirements for a regular meeting apply. Likewise, if a closed meeting takes place at a special meeting, the notice requirements for a special meeting apply.

13D.05 MEETINGS HAVING DATA CLASSIFIED AS NOT PUBLIC

) All closed meetings, except those closed as permitted by the attorney-client privilege, must be electronically recorded at the expense of the public body. Unless otherwise provided by law, the recordings must be preserved for at least three years after the date of the meeting.

Subd. 2. When meeting must be closed.

(a) Any portion of a meeting must be closed if expressly required by other law or if the following types of data are discussed:

(1) data that would identify alleged victims or reporters of criminal sexual conduct, domestic abuse, or maltreatment of minors or vulnerable adults;

(2) active investigative data as defined in section 13.82, subdivision 7, or internal affairs data relating to allegations of law enforcement personnel misconduct collected or created by a state agency, statewide system, or political subdivision;

Subd. 3. What meetings may be closed

The proceedings of a meeting closed under this paragraph must be tape recorded at the expense of the public body. The recording must be preserved for eight years after the date of the meeting and made available to the public after all real or personal property discussed at the meeting has been purchased or sold or the governing body has abandoned the purchase or sale. The real or personal property that is the subject of the closed meeting must be specifically identified on the tape. A list of members and all other persons present at the closed meeting must be made available to the public after the closed meeting. If an action is brought claiming that public business other than discussions allowed under this paragraph was transacted at a closed meeting held under this paragraph during the time when the tape is not available to the public, section 13D.03, subdivision 3, applies.

An agreement reached that is based on an offer considered at a closed meeting is contingent on approval of the public body at an open meeting. The actual purchase or sale must be

approved at an open meeting after the notice period required by statute or the governing body's internal procedures, and the purchase price or sale price is public data.

(d) Meetings may be closed to receive security briefings and reports, to discuss issues related to security systems, to discuss emergency response procedures and to discuss security deficiencies



Schwartzbauer

Dear Sports Enthusiasts,

BMX racing has seen unprecedented growth over the past ten years. From a small pocket of California riders in the 1970s, to the Olympic Games today, BMX has evolved into a global sport for tens of thousands of racers around the world.

Now in its 41st year, USA BMX has been at the forefront of this meteoric rise. Founded in 1977 in Chandler, Arizona, USA BMX has evolved into the world's largest sanctioning body for BMX racing. Today, the organization has over 70,000 members racing at more than 320 sanctioned tracks across North America. These local races are augmented with a 40 race national series, culminating each year at the largest BMX race on earth, the BMX Grand Nationals.

Once upon a time, we were all about "the dirt." Everything was about the tracks and racing. With the evolution of our sport, and the need to reach more young people to keep them healthy and active, we have implemented several outreach programs to help with these issues.

- In 1995 we created the USA BMX Foundation, tasked with promoting an active and healthy lifestyle through physical fitness and nutritional education in a safe and positive environment.
- In 2013, the Foundation helped us become the first national sanctioning body to develop and implement its own STEM curriculum. To date, that program has served more than 25,000 youth throughout the Continental United States.
- Last year, the Foundation started a program in 5th grade classrooms that taught kids how to build a BMX track. This program engages the students in the classroom, and then introduces them to the sports at an actual track during a field trip that is part of the capstone class.
- To build on this positive momentum, this year we launched the USA BMX Beginners League, the first ever racing league for kids.

In today's challenging youth landscape, we are looking for multiple avenues to get kids active, and to grow participation in sports. The programs noted above are just a few areas we have invested in to engage our nation's young people. Going forward, we are looking to augment these ongoing efforts with an enhanced New Track Development Program.

The following pages include case studies of some of the most successful New Track Developments in the past few years. Each of these journeys is unique and came about in a different way. Our goal is to work with you to create a similar story in your destination. A story where the community comes together to provide a safe and family friendly environment for kids to get active and lead a healthy lifestyle.

We look forward to partnering with you on this mission critical initiative for our youth.

Bernard Anderson
Chief Executive Officer
American Bicycle Association
BMX Canada
USA BMX

John David
Chief Operating Officer
American Bicycle Association
BMX Canada
USA BMX



Rum River BMX / Isanti, Minnesota

SMALL TOWN, BIG IMPACT

The BMX community in Isanti, Minnesota has been "punching above its weight" for years. This is especially true with the indoor Rum River BMX facility. The local BMX community in Isanti is very strong, and leaders there were looking for years on ways to extend the racing season, which meant finding an indoor option to house a BMX track.

The City of Isanti partnered with Rum River BMX to identify a way to build an enclosure to their existing track, which would allow their local programs to run throughout the year. The City helped with the design of the new facility, and with the infrastructure that would accompany the enhanced building that would go on the site. This further strengthened Rum River's programs and their impact on the youth in their community. Track Director Kevin Reideman talked about the community support they received for the new indoor facility:

"Everyone on the BMX community here wanted to be part of history in getting this facility built. That helped us put together a financially feasible bid for the building that allowed us to move forward with the City. It was a really unique project, and a lot of people had a hand in that. It is truly the 'House that BMX Built'."

Rum River BMX has been one of the top performing tracks in the USA BMX system for years. This is true for not only their local ridership, but also their weekend races, where hundreds of riders come from the surrounding states nearly every weekend. Rum River spends a lot of time and energy engaging with their riders, including a mentoring program from the older kids to the younger kids when they join the track for the first time. This onboarding process (or "buddy system") has been helpful in removing the fears of trying a new sport in a new environment and has helped build camaraderie among the riders.

As most anyone in the know in BMX would tell you, Rum River does it right, and their community has been positively impacted by the unified support of the leaders in Isanti.



Project Cost:
\$4,000,000

Population:
5,900





Spokane BMX / Spokane, Washington

BMX ELEVATION

Formed in 2010, Spokane BMX was created to fill a need in the local community – provide a safe and fun environment for kids and their families to ride their BMX bikes. The original track was a collaboration of BMX enthusiasts, with an intent to design a recreational venue where riders could learn the sport of BMX. Spokane BMX had success from the very beginning, boasting a large membership base made up of dedicated individuals focused on ensuring successful practice days and competitive races. But they wouldn't stop there.

In the Fall of 2015, Spokane BMX set ambitious goals and expectations to elevate both the track and the sport of BMX racing in the area. With support from the Spokane Sports Commission and Spokane Parks and Recreation, Spokane BMX began to put their plan in motion – To build a national caliber BMX track unlike any other facility in the Pacific Northwest.

Over the next two years, the team in Spokane pulled together nearly \$150,000 in cash contributions, and numerous hours of volunteer labor, from a variety of sources to redevelop the existing BMX track. Today, the facility has evolved into the #1 BMX track in the State of Washington and is a Top 20 USA BMX track nationally. The local club has grown by 50% since 2015, and now boasts over 300 members. Spokane Sports Commission Director of Sports Development Ashley Blake offered her thoughts on the impact of the BMX facility:

"Having a National caliber BMX Track is a game changer for Spokane. The track improvement has served as a catalyst for a number of things – including a major increase in BMX participation locally and being selected as a host city for a National Event. We are grateful to our partners Spokane BMX and Spokane Parks & Recreation for having the vision to make this project a success."

While Spokane BMX is a relatively young track, they didn't sit back and rest on their early success. They asked themselves, "What if we could do more?" Which is exactly what they have set out to do, "More". More for their community, more for their kids, more for their families. Spokane BMX is a superlative example of how a mid-sized market can make a large-market impact on their community through sport.



Budget:
\$150,000

Population:
216,000



Home page for the 11 BMX Tracks in Minnesota:

https://www.usabmx.com/site/bmx_tracks/by_state?section_id=12&state=MN

Here are a couple links relating to the Brainerd Lakes Area BMX.

The first link is to the official Website:

<https://www.usabmx.com/tracks/1213>

The second link is to their Facebook page:

<https://www.facebook.com/lakesareabmx/>

This is a link to a 2015 article talking about the racetrack:

<https://www.brainerddispatch.com/news/3809065-keeping-kids-right-track-lakes-area-bmx>

Tracks by State: MN

Buffalo Creek BMX

1017 9th Street

Glencoe, Mn 55336

Usa

Lakes Area BMX

10415 Town Hall Street

Brainerd, Mn 56401

Usa

I-94 BMX

1012 Maryland Lane

Fergus Falls, Mn 56537

DL 412 BMX

Rossmann Ave

Detroit Lakes, Mn 56501

Green Lake BMX

221 South Street W

Spicer, Mn 56288

Rum River BMX

Isanti Parkway Northwest

Isanti, Mn 55040

Pineview Park BMX

6540 Saukview Dr

St. Cloud, Mn 56303

River Valley BMX

229 S German St

New Ulm, Mn 56073

Faribault BMX

South Alexander Park

1010 7th Avenue Nw

Faribault, Mn 55021

STMA BMX

3150 Lander Avenue North

St. Michael, Mn 55376 9633

Mankato Area BMX

100 Industrial Rd

Mankato, Mn 56001

Usa

Start a Track

Getting a BMX going in your community might be easier than you think. Most towns are looking for wholesome, family sports to add into their park system. With bicycle motocross becoming an Olympic sport in 2008, these community leaders are seeing that BMX is a great option for offering an individual sport “where nobody sits on the bench” and the entire family can participate! [Learn More ›](#)

Benson

Robin Hansen

From: Jake Benson <jake@proctormn.com>
Sent: Thursday, May 31, 2018 11:55 AM
To: Mark Casey; Robin Hansen
Subject: agenda item

this is it. one item

intergovernmental and intragovernmental relations

- Proctor Public Schools
- MIC
- City of Duluth

CITY OF PROCTOR

05/31/18 12:34 PM

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*Check Summary Register©

April 2018 to June 2018

Name	Check Date	Check Amt	
10100 First National Gen			
Paid Chk# 037174 EMC NATIONAL LIFE COMPANY	5/22/2018	\$93.40	EMPLOYEE SUPPLEMENTAL LIFE
Paid Chk# 037175 LAW ENFORCEMENT LABOR SE	5/22/2018	\$294.00	LELS UNION DUES
Paid Chk# 037176 PROCTOR POLICE DEPT UNION	5/22/2018	\$80.00	POLICE DUES
Paid Chk# 037177 TEAMSTERS LOCAL UNION #346	5/22/2018	\$471.00	Teamsters union dues
Paid Chk# 037178 AMERITAS	5/22/2018	\$184.93	VISION INSURANCE
Paid Chk# 037179 BLUE CROSS BLUE SHIELD OF	5/22/2018	\$25,912.02	HEALTH INSURANCE
Paid Chk# 037180 EMC NATIONAL LIFE COMPANY	5/22/2018	\$523.58	LIFE INSURANCE
Paid Chk# 037181 NORTHERN MN DENTAL	5/22/2018	\$1,287.00	DENTAL INSURANCE
Paid Chk# 037182 AMERIPRIDE SERVICES	6/4/2018	\$126.13	TOWELS, MATS & RAGS - CITY HAL
Paid Chk# 037183 ANDERSON, STEPHEN	6/4/2018	\$1,039.95	ACCOUNTING SERVICES FOR APRIL
Paid Chk# 037184 BOYSEN, JAY	6/4/2018	\$40.00	CELLPHONE REIMBURSEMENT
Paid Chk# 037185 CENTURYLINK	6/4/2018	\$148.16	PHONE - LIFT STATION 2
Paid Chk# 037186 C W TECHNOLOGY GROUP	6/4/2018	\$2,237.45	AGREEMENT SHORETEL IP CARE 3/2
Paid Chk# 037187 DULUTH LAWN & SPORT	6/4/2018	\$453.04	SAFETY SWITCHES ON JOHN DEERE
Paid Chk# 037188 CORPORATE PAYMENT SYSTE	6/4/2018	\$2,374.83	AMAZON - HDMI CABLE
Paid Chk# 037189 FIELD TRAINING SOLUTIONS	6/4/2018	\$295.00	FTO BASIC COURSE - POLICE DEPT
Paid Chk# 037190 DAVID FORNERIS	6/4/2018	\$40.00	CELLPHONE REIMBURSEMENT
Paid Chk# 037191 GOLD CROSS EDUCATION CEN	6/4/2018	\$772.00	EMT REFRESHER COURSE FOR 2
Paid Chk# 037192 GRAYBAR ELECTRIC CO	6/4/2018	\$274.99	LIGHT BULBS - OUTSIDE CITY HAL
Paid Chk# 037193 HOLIDAY STATIONSTORES LLC	6/4/2018	\$1,391.95	UNLEADED FUELS - STREET DEPT
Paid Chk# 037194 KTM COMPANIES	6/4/2018	\$6,380.07	NO 2 FINAL - 2018 PROCTOR STOR
Paid Chk# 037195 LALONDE, RICK	6/4/2018	\$50.00	CELLPHONE REIMBURSEMENT
Paid Chk# 037196 MAKI & OVEROM, LTD	6/4/2018	\$6,146.00	CITY OF PROCTOR GENERAL
Paid Chk# 037197 MANEY INTERNATIONAL OF DU	6/4/2018	\$50.60	4 BAGS HEAVY DUTY ZIP TIES FOR
Paid Chk# 037198 MINNESOTA ENERGY RESOURC	6/4/2018	\$376.28	GAS UTILITIES - FIRE DEPT
Paid Chk# 037199 NORTHERN BUSINESS PRODUC	6/4/2018	\$45.80	GOLD DESK NAME PLATE
Paid Chk# 037200 PROCTOR CANVAS PRODUCTS,	6/4/2018	\$16.00	REPAIRED AMERICAN FLAG
Paid Chk# 037201 PROCTOR JOURNAL	6/4/2018	\$284.98	MEMORIAL DAY CLOSED AD
Paid Chk# 037202 PROCTOR PIZZA & SUB SHOP	6/4/2018	\$107.76	FOOD - MTG WITH ST LOUIS CTY S
Paid Chk# 037203 QUILL CORPORATION	6/4/2018	\$107.41	ENVELOPES & PENS - POLICE DEPT
Paid Chk# 037204 RANGE PAPER	6/4/2018	\$463.68	RESTOCK FIRST AID & GARBAGE BA
Paid Chk# 037205 RUHNKE, JOSHUA	6/4/2018	\$40.00	CELLPHONE REIMBURSEMENT
Paid Chk# 037206 SEH	6/4/2018	\$12,494.00	PROCT 6TH ST/ALMAC RECONSTRUCT
Paid Chk# 037207 SPECTRUM REACH	6/4/2018	\$380.00	PROCTOR SPEEDWAY MARKETING , J
Paid Chk# 037208 ST LOUIS COUNTY AUDITOR	6/4/2018	\$6,836.68	POLICE SHIELD FEE, MDC FEE & E
Paid Chk# 037209 STREICHER'S	6/4/2018	\$562.73	UNIFORM ALLOWANCE TACTICAL POU
Paid Chk# 037210 TOWNSQUARE MEDIA DULUTH	6/4/2018	\$1,325.00	PROCTOR SPEEDWAY ADVERTISING F
Paid Chk# 037211 VIKING INDUSTRIAL CENTER	6/4/2018	\$162.42	SEWER MISC - LOCATE FLAGS, GLO
Paid Chk# 037212 WIPFLI LLP	6/4/2018	\$5,000.00	AUDIT OF CITYS FINANCIAL STATE
Paid Chk# 037213 ZIEGLER, INC	6/4/2018	\$5,838.58	REPAIRS TO GRADER MOLDBOARD &

Total Checks

\$84,667.43

Paid Chk# 8423456 City of Proctor 5/9/2018

21,724.96 PR18-09 WH

\$106392.39

CITY OF PROCTOR

05/31/18 3:10 PM

Page 1

***Check Summary Register©**

May 2018 to June 2018

Name	Check Date	Check Amt
10110 First National Lq		
Paid Chk# 028264 EMC NATIONAL LIFE COMPANY	5/22/2018	\$41.13 LIFE INSURANCE
Paid Chk# 028265 NORTHERN MN DENTAL	5/22/2018	\$26.95 DENTAL INSURANCE
Paid Chk# 028266 AMERICAN BOTTLING COMPAN	6/4/2018	\$99.74 1980
Paid Chk# 028267 ARTISAN BEER COMPANY	6/4/2018	\$69.70 1976
Paid Chk# 028268 BERNICK'S PEPSI	6/4/2018	\$11,733.60 1983
Paid Chk# 028269 BREAKTHRU BEVERAGE	6/4/2018	\$1,727.41 1957
Paid Chk# 028270 CINTAS	6/4/2018	\$65.83 MATS
Paid Chk# 028271 JOHNSON BROTHERS INC	6/4/2018	\$903.28 1977
Paid Chk# 028272 LAKESHORE ICE	6/4/2018	\$237.33 1971
Paid Chk# 028273 MICHAUD DISTRIBUTING COMP	6/4/2018	\$1,094.20 1968
Paid Chk# 028274 PHILLIPS WINE & SPIRITS CO	6/4/2018	\$2,564.11 1958
Paid Chk# 028275 SOUTHERN GLAZER'S OF MN	6/4/2018	\$2,449.78 1967
Paid Chk# 028276 SUPERIOR BEVERAGE	6/4/2018	\$7,460.20 1981
Total Checks		\$28,473.26