



# CITY COUNCIL REGULAR MEETING

**Monday, November 06, 2023 at 6:30 PM**

City Hall 8319 Co. Rd. 11 Breezy Point, MN 56472

(218) 562-4441 | Office Hours 8:00 a.m. - 4:00 p.m. | [cityadmin@cityofbreezypointmn.us](mailto:cityadmin@cityofbreezypointmn.us)

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## AGENDA

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**1. CALL TO ORDER**

**2. ROLL CALL**

**3. PLEDGE OF ALLEGIANCE**

**4. APPROVAL/AMENDMENT OF THE AGENDA**

**5. OPEN FORUM**

Items not included in the agenda.

**6. PRESENTATIONS**

A. Life Saving Awards and Certificate of Recognition

B. Pequot Lakes School District Safe Routes to School

C. Community Garden Proposal

**7. CONSENT AGENDA**

One action, topics will not be discussed unless removed from consent agenda. Items requiring the expenditures of funds are budgeted items or have been previously discussed by the City Council.

A. October 2, 2023 Regular City Council Meeting Minutes

B. October 17, 2023 City Council Workshop Minutes

C. Approval of Claims in the Amount of \$125,922.72.

D. Resolution 14-2023 Declaring PERA Contributions for Part-Time Police Officers

**8. ITEMS REMOVED FROM CONSENT AGENDA**

**9. NEW BUSINESS**

A. LRIP Grant Application for Buschmann Road

B. Pequot Lakes Fire District Ladder Truck Purchase

C. Hiring of Patrol Officer

D. Approval of Questica Budget Software

[E.](#) Discussion on STR Well Testing

[F.](#) Discussion on Golf Cart Rules

**10. OLD BUSINESS**

[A.](#) City Hall Final Design

[B.](#) Expansion of the Parks & Recreation Committee

[C.](#) Request to Return Disc Golf Course Event Permit to Parks & Recreation Committee

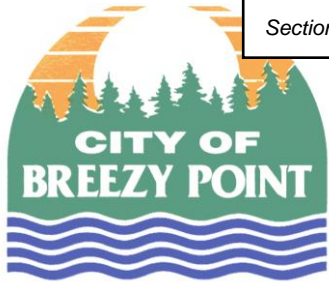
[D.](#) FNC Corporate Resolution Certification

**11. STAFF REPORTS**

**12. MAYOR AND CITY COUNCIL REPORTS**

**13. STAFF REPORTS**

**14. ADJOURN**



TO: Mayor and Council

FROM: Police Chief Brian Sandell

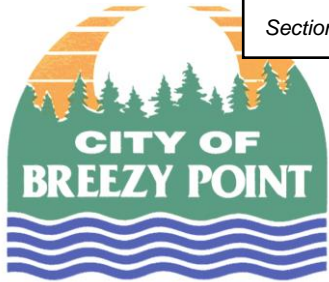
DATE: October 30, 2023

MEETING DATE: November 6, 2023

Agenda Item: Certificate of Recognition to Retired Chief Steve Rudek

Background: Chief Rudek was instrumental in the creation and adoption of the police officer paramedic program. The program was implemented in 2006 and is still ongoing 17 years later. Chief Rudek’s work is still saving lives in our community years after his retirement.

Requested Action: Present Retired Chief Steve Rudek with a Certificate of Recognition for his efforts in the police officer paramedic program.



TO: Mayor and Council

FROM: Police Chief Brian Sandell

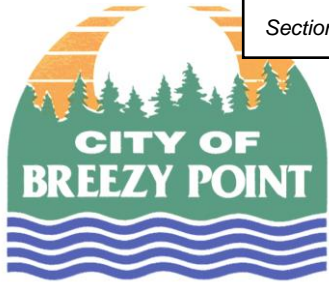
DATE: October 17, 2023

MEETING DATE: November 7, 2023

Agenda Item: Lifesaving Award

Background: On 10-16-23 EMT Officer Kiel Rustad assisted the Crosslake Police Department with a 63-year-old male in cardiac arrest. Kiel performed life saving measures, the patient was revived, and transported by North Memorial Air Care.

Requested Action: Present Officer Rustad with a Lifesaving Award.



TO: Mayor and Council

FROM: Police Chief Brian Sandell

DATE: October 17, 2023

MEETING DATE: November 7, 2023

Agenda Item: Lifesaving Award

Background: On 10-01-23 Officer Nicholas Salveold assisted Pequot Lakes Police Department with the cardiac arrest of a 53-year-old woman at Lucky's Tavern. The patient was defibrillated five times, she was revived, and flown out by North Memorial Air Care.

Requested Action: Present Officer Salveold with a Lifesaving Award.

TO: Mayor and City Council  
FROM: David Chanski, City Administrator  
RE: Pequot Lakes School Safe Routes to School Plan  
DATE: November 6, 2023

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Tad Erickson with Region Five Development Commission has requested to present the Pequot Lakes Safe Routes to School Plan that was developed earlier this year. This plan has been approved by the District Board as well as accepted by the City of Pequot Lakes. Mr. Erickson, on behalf of the District, will be requesting that the City Council likewise accept the plan.

[PEQUOT LAKES]

# SAFE ROUTES TO SCHOOL

*A plan to make walking and biking to school a safe, fun activity*

## **Infrastructure** *Engineering projects that improve streets and routes*

### INFRASTRUCTURE RECOMMENDATIONS

**Goal #1:** County Road 11 Trail Development

**Priority:** High

**Recommendation:** Continue to seek funding and feasibility for the development of a trail along Crow Wing County Road 11 that would connect the communities of Pequot Lakes, and Breezy Point along with Eagleview Elementary school which sits between the two cities.



## **Programs** *Equity + Education + Encouragement + Engagement + Evaluation*



### INCREASED LAW ENFORCEMENT PRESENCE

**What:** This creates another layer of safety for walkers and bikers who may be intimidated by heavy traffic flow.

**Who:** School staff, Law Enforcement, and Volunteers.

**How:** This is an inclusive strategy to get more students walking and biking to and from school when and where it is safe to do so by supporting safety



### WALKING SCHOOL BUS PROGRAM

**What:** Consider developing a walking school bus program that would include local PTA and school staff.

**Who:** School staff, PTA, and volunteers.

**How:** This program would seek to get more kids outside walking before school and encourage them to be more active with the potential of encouraging more kids to walk to school.



### Safe and Strategic Drop Sites

**What:** When walking and biking isn't an option, consider identifying safe and strategic "Drop sites" for students to walk/bike to/from before and after school where they would then be picked up/dropped off by a school bus.

**Who:** School Staff, Volunteers

**How:** The location of Eagleview Elementary school poses unique barriers to walking and biking for students. Drop sites could potentially increase the likelihood of more students becoming more active.

## **Get Involved**

Want to help make it safer, easier, and more comfortable to walk and bike to school in the Pequot Lakes School District? Contact your school principal or SRTS lead to learn how to get involved.

[Tad Erickson, Transportation Planner at Region Five Development Commission - 218.820.9281. [terickosn@regionfive.org](mailto:terickosn@regionfive.org)

Learn more about Safe Routes to School at: [www.dot.state.mn.us/saferoutes/](http://www.dot.state.mn.us/saferoutes/)





# Safe Routes to School

A plan to encourage more students to walk and bike to/from school – when and where it’s safe.

**JUNE 27TH, 2023**

**PEQUOT LAKES, MINNESOTA**

Eagleview Elementary, Pequot Lakes Middle School, and High School.





# The Vision

*Walking, biking, and rolling to school is safe, comfortable, and fun for all students in Pequot Lakes.*

Safe Routes to School (SRTS) programs are sustained efforts by parents, schools, community leaders, and local, state, and federal governments to improve the health and well-being of children by enabling and encouraging them to walk and bicycle to school WHEN AND WHERE IT IS SAFE TO DO SO.

The vision identified by the SRTS planning team is to increase opportunities for all students to walk or bike to and from school safely by identifying and addressing the issues and barriers that currently exist. Therefore, the local planning team hopes to accomplish three main goals through the SRTS planning process.

1. Determine the current environment surrounding walking and biking to school i.e., how many students district-wide are walking and biking to school?
2. Conduct an assessment of issues and barriers to walking and biking to school.
3. Develop strategies that lead to an environment more conducive to safe walking and biking to school.

## THE 6 E'S

Safe Routes to School (SRTS) programs rely on six core strategies, called the "Six Es", to work towards their vision. Successful Safe Routes to School projects see remarkable changes in the way students and parents choose to travel to and from school. These projects succeed by including each of the "Six E's" of Safe Routes to School to ensure that their project is a well-rounded, multi-prong and time-tested approach to getting students safely walking and bicycling. The Six E's of Safe Routes to School are:

### ENGAGEMENT

Working with students, families, school staff, and community members and organizations, especially those from priority Equity groups, to create and implement Safe Routes to School initiatives.

### ENGINEERING

Developing Equity-focused changes to the built environment, designed and prioritized through community Engagement.

### EDUCATION

Providing students and other community members, especially those from priority Equity groups, with skills and knowledge about walking, biking, and rolling.

### ENCOURAGEMENT

Normalizing a culture of walking, biking, and rolling through incentive programs, events, and activities that center priority Equity groups.

### EVALUATION

Measuring how Safe Routes to School initiatives are implemented (process evaluation) and what their impacts are (outcome evaluation), especially how initiatives Engage with and support priority Equity groups.

### EQUITY -

Prioritizing positive outcomes for students from lower-income households; Black, Indigenous, and other students of color; students with disabilities; and other students who face disproportionate barriers to walking, biking, and rolling to school.

# Acknowledgements

We gratefully acknowledge the participation of the following individuals and organizations in the development of this Safe Routes to School Plan.

## SRTS PLANNING TEAM

- Mike Davis**  
Pequot Lakes – Police Chief
- Sheri Fyle**  
Pequot Lakes – Police Officer
- Mike O’Neil**  
Principal – Middle School
- Melissa Hesch**  
Principal – Eagle View Elementary
- Mike Renford**  
Buildings and Grounds Director
- Joel Tvedt**  
Community Education Director
- Tim Bray**  
Crow Wing County - Engineer
- Matt Kallroos**  
Crow Wing County- Transportation Planner

## SRTS PLANNING TEAM

- Kurt Stumpf**  
Superintendent
- Rick Spiczka**  
Pequot Lakes – City Administrator
- Jess Devine**  
Pequot Lake Resident
- Reanne Hecker**  
Pequot Lake Resident
- Angel Zierden**  
Breezy Point - Mayor
- David Chanski**  
Breezy Point – City Administrator
- Kelly Johnson**  
Crow Wing Energized



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## INTRODUCTION - ORGANIZATION OF THIS REPORT

This report is designed to support multiple groups of people involved with Safe Routes to School in the Pequot Lakes School District, including students, caregivers, teachers, school administrators, public works staff, elected officials, and county and state employees. To help make the body of this report relevant to all readers—while also documenting all of the participation, analysis, and deliberation that went into development of the plan—some content has been moved to the Appendices.

SRTS programs examine conditions around schools and conduct projects and activities that work to improve safety and accessibility and reduce traffic and air pollution near schools. Thus, these programs help make bicycling and walking to school safer and more appealing transportation choices thus encouraging a healthy and active lifestyle from an early age.

The Region Five Development Commission (R5DC) has successfully developed numerous Safe Routes to School Plans for communities throughout the region, over many years. The Region Five Development Commission assists local units of governments and schools in all aspects of Safe Routes to School planning including developing a planning team, facilitating public informational meetings, facilitating planning team work sessions, administering both student and parent surveys, conducting local walk-audits, drafting the planning document itself, assisting in the adoption process, and much more.

## PLANNING PROCESS

The Region Five Development Commission working in cooperation with the Pequot Lakes School District have developed this SRTS plan through the efforts of an ad-hoc community group of volunteers, school staff, State Health Improvement Plan (SHIP) coordinator, and professional planning consultants. This local planning team collected and analyzed information, identified issues, barriers, community needs and priorities, and developed recommendations designed to increase bicycle and pedestrian safety for students.

## METHODOLOGY

The charge of the planning team was to provide oversight of the overall planning process as well as to provide vital input regarding issues and barriers to safety of students walking or bicycling to and from school; to identify areas of concern as well as to set forth a vision that will guide future transportation planning related to SRTS.

## PLANNING TEAM

After being awarded the Technical Assistance grant from the Minnesota Department of Transportation (MnDOT) in 2022, the Pequot Lakes School District staff, in coordination with the Region Five Development Commission began developing a local planning team (LPT) that would represent a diverse cross section of the community. The planning team was designed to both articulate the needs of the community as they relate to SRTS as well as develop strategies and recommendations going forward. The planning team was comprised of several key stakeholders from diverse backgrounds and areas of expertise including elected officials, tribal transportation planners, educators, engineers, members of law enforcement, local transportation planners, parents, community members as well as local transportation planners.

The Local Planning Team (LPT) communicated via email and met several times throughout 2022 and 2023. LPT members also oversaw the administration of both the parent survey and the in-class student tally. Additionally, the LPT conducted a walk audit and a hazard observation of school drop off and pick up at



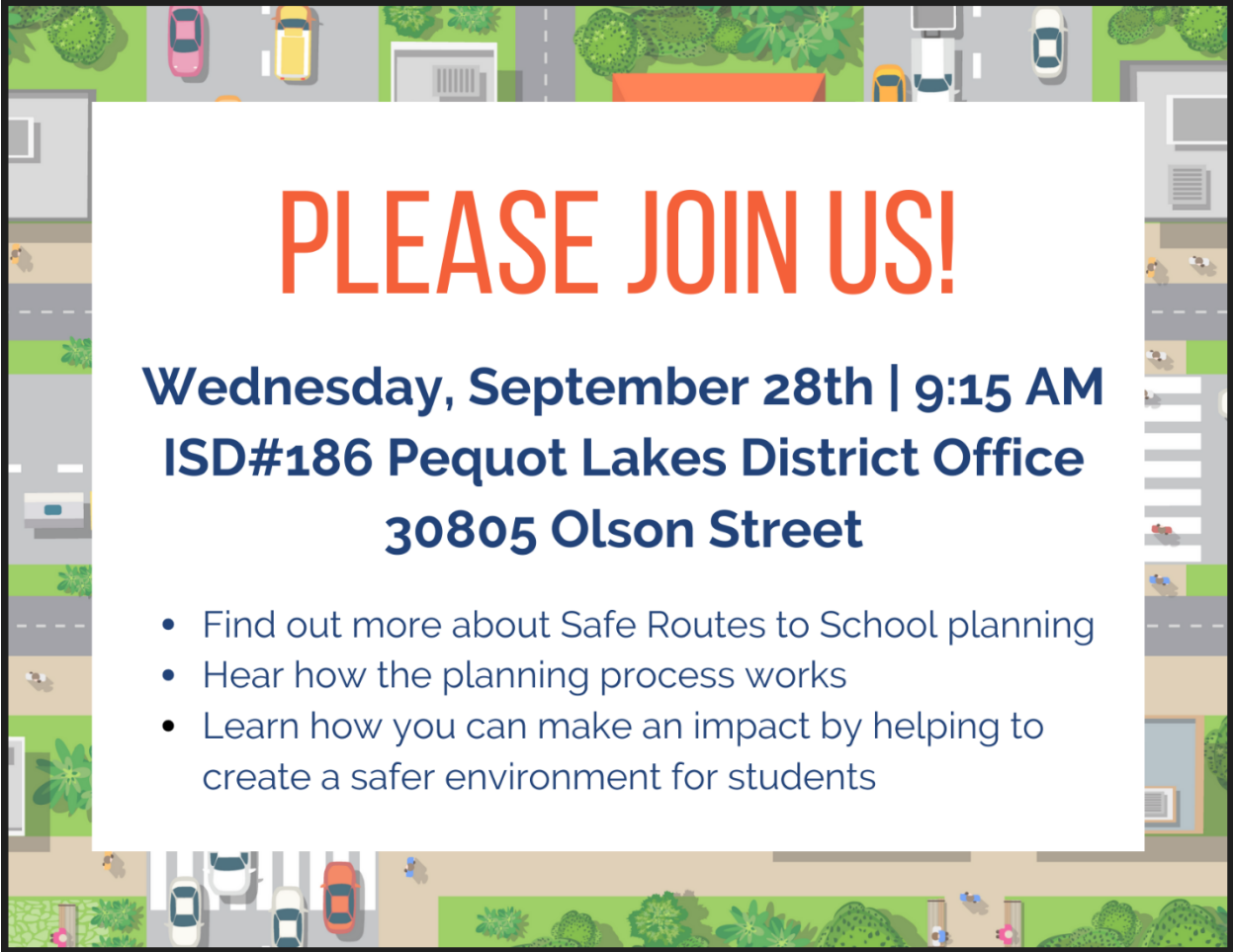
each of the school sites to identify areas in need of improvement. The Planning Team reviewed the final draft of this plan and recommended it for submittal to MnDOT and approval to the Pequot Lakes School Board and Pequot Lakes City Council.

### TIMELINE AND MEETINGS

After the planning team was developed, they held a series of monthly working sessions throughout the planning process to determine issues and barriers as they relate to SRTS in the Pequot Lakes School District.

<b>Month</b>	<b>Purpose</b>
July 2022	Grants and Contract Awarded
August 2022	Development of the Local Planning Team (LPT)
September 2022	Public Informational Kick Off Meeting
October 23rd, 2022	LPT Meeting, Walk Audit, and launched in Class Student Tally
November 13th, 2022	LPT Meeting – Developed Community Survey
December 19th, 2022	LPT Meeting – Administered Community Survey
January 2023	LPT Meeting – Hazard Observation (Both schools)
February 2023	LPT Meeting – Identified Issues and Barriers
March 2023	LPT Meeting – Developed Goals and Strategies
April 2023	LPT Meeting – Reviewed Draft Plan
May 2023	LPT Meeting - Submitted DRAFT Plan for MnDOT Review
June 2023	LPT Meeting – Considered revisions to Final DRAFT
July 2023	LPT Meeting – Present Final Plan to School Board and City Council for formal adoption.





# PLEASE JOIN US!

**Wednesday, September 28th | 9:15 AM**  
**ISD#186 Pequot Lakes District Office**  
**30805 Olson Street**

- Find out more about Safe Routes to School planning
- Hear how the planning process works
- Learn how you can make an impact by helping to create a safer environment for students

## IN CLASS STUDENT TALLY

The planning team oversaw the administration of the in-class student tally which is intended to provide the LPT with baseline data regarding how many students are currently walking or bicycling to school.

The in-class student tally is a form distributed to educators that is intended to be administered in class by tallying students via a raised hand. The Tally directs educators to ask students how they arrived at and departed from school i.e., which mode of transportation they utilized for both trips. The tally is intended to be administered over a three consecutive day period in order to eliminate variability and obtain an accurate average count. Additionally, the LPT determined that the tally should be administered on a Tuesday, Wednesday, and a Thursday to further avoid variability associated with students' schedules on Mondays and Fridays. The complete In-Class Student Tally results can be found in Appendix A.

## PARENT SURVEY

The planning team oversaw the administration of the parent survey which is intended to provide insight into why parents allow or don't allow their students to walk or bike to or from school, which barriers prevent them, and to identify other opportunities to improve walking and bicycling. The surveys that were used were designed by the National Center for SRTS and asked respondents to answer 16 questions. A copy of the survey and the complete survey responses can be found in Appendix B.

The parent survey, which was conducted mostly online, but hardcopies were also made available at public locations throughout the community and yielded a good response rate. The input from the parent survey provided crucial information regarding issues and barriers to walking and biking to and from school.

## COMMUNITY WALKING AUDIT/SITE ASSESSMENTS

The planning team conducted walking audits around each of the school sites to further determine issues and barriers as well as to begin thinking about potential solutions to improve student's ability to safely walk or bike to and from school. The input from the walk audit proved invaluable to the planning team in determining where issues and barriers exist and in determining potential solutions.

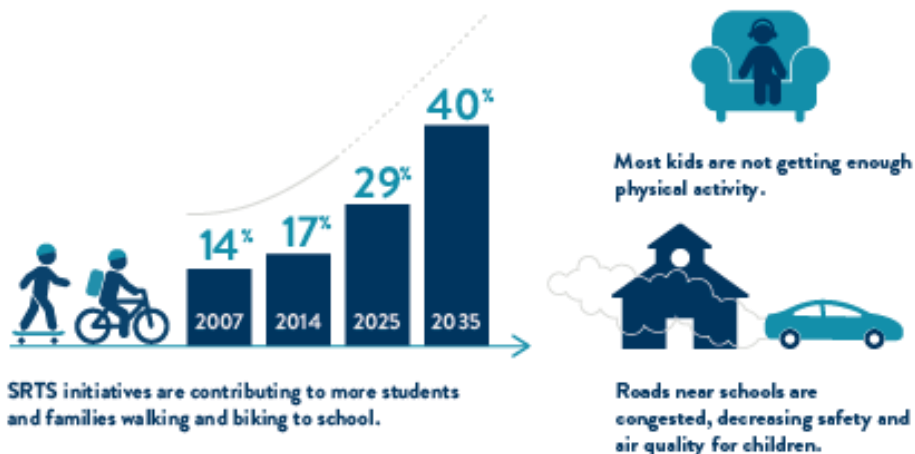




to address the issues identified as well as to capitalize on some of the opportunities that were discovered along the way. The observations and recommendations were then arranged and organized accordingly within the nationally recognized six “E” approach.

## Why Safe Routes to School?

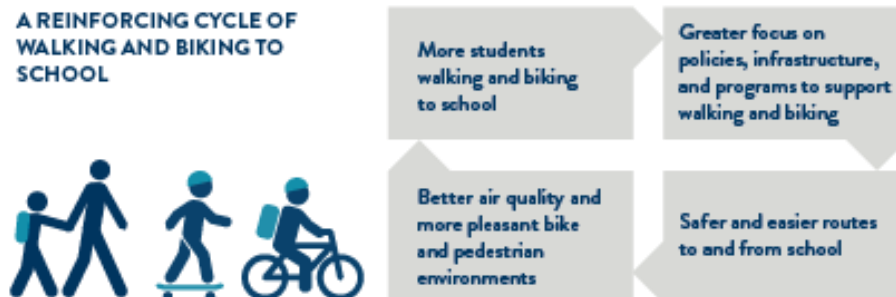
Today, less than 20% of K-8 students walk or bike to school, but as recently as 1970, nearly 50% of students walked or biked to school. Where schools and housing are located, how roads are designed, and how automobiles are regulated have all contributed to this decline. Through policy changes, infrastructure improvements, and programs, Safe Routes to School helps create physical and social environments that empower students, their families, and their communities to walk and bike more often. Communities that participate in Safe Routes to School also benefit from less air, noise, and water pollution; lower road maintenance costs; and more pleasant streetscapes for pedestrians, bicyclists, and drivers alike.



### KIDS WHO WALK OR BIKE TO SCHOOL:

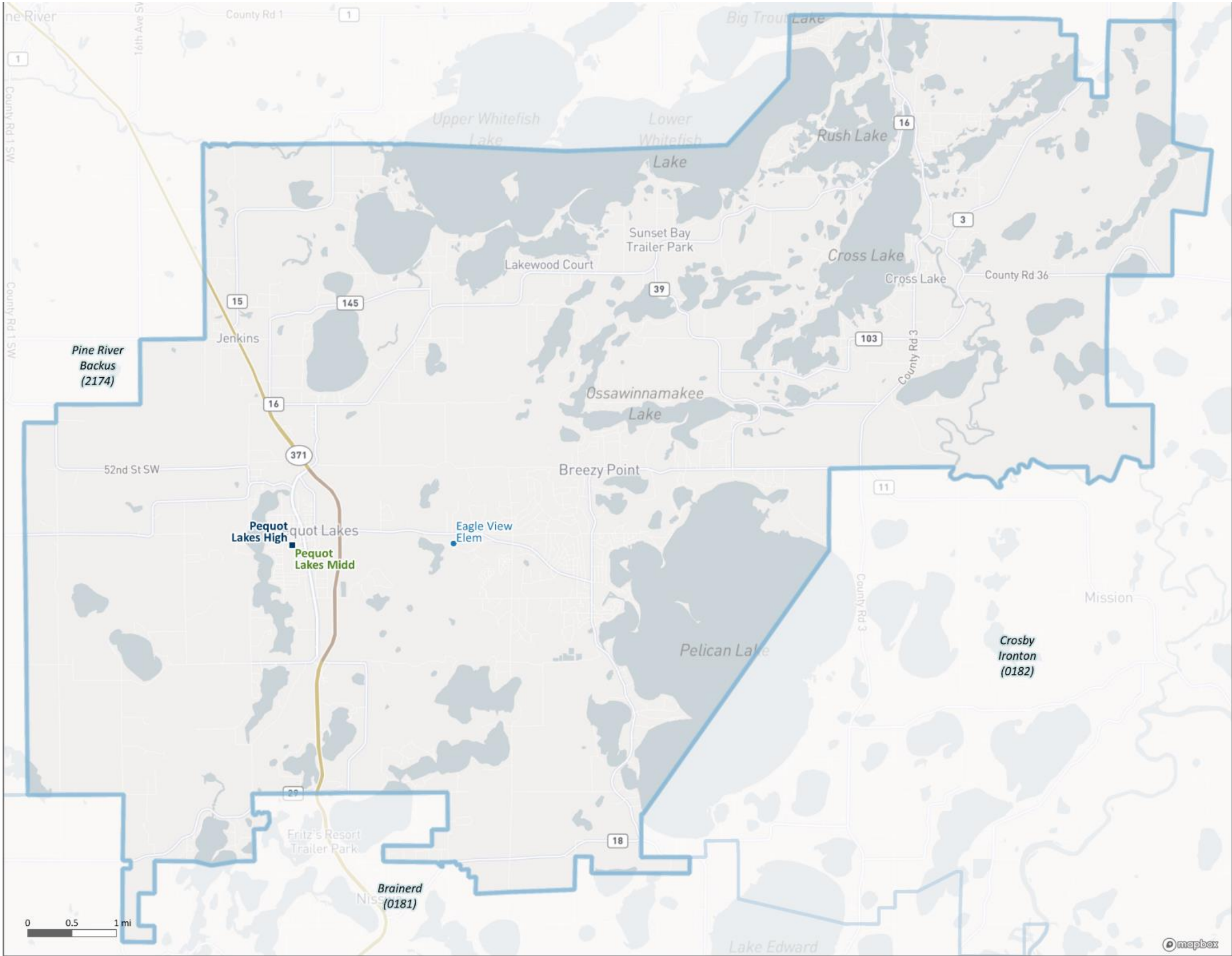
- Arrive alert and able to focus on school
- Get most of their recommended daily physical activity just from traveling to and from school
- Feel better about their physical health
- Have better school performance and test scores
- Are more likely to have good mental health

### A REINFORCING CYCLE OF WALKING AND BIKING TO SCHOOL



\*More information, including primary sources, can be found at <http://guide.saferoutesinfo.org>.

Map 1: Pequot Lakes School District Map



# [Eagleview Elementary] Community in Context



### SITE CIRCULATION

**Pedestrians:** Very few if any students walk or bike to or from Eagleview Elementary school as it is located over two (2) miles from the city of Pequot Lakes and over two and a half (2.5) miles from the city of Breezy Point. Additionally, Eagleview sits along County Road 11 which is one of the busiest East/West highways in the northern portion of the County. The vast majority of students are either dropped off by their parents or take the school bus. from high school to the elementary school.

**Bicyclists:** No students were observed walking and biking around the school area on the day of the hazard observation. This is again attributed to the distance between Eagleview Elementary and both Pequot Lakes and Breezy Point.

**School Buses:** Buses approach the school from both the East and the West, as students from both Pequot Lakes and Breezy Point and the surrounding rural areas attend Eagleview.

**Transit:** There is no public transit available at this time.

**Vehicles:** School staff recommend that parents drop off and pick up students by using the eastern most entrance/exit which leads up to the school and offers a turnaround. This keeps the parents separate from the school buses and works very well.

**SCHOOL CONTEXT:**

# Eagleview Elementary

**PRINCIPAL:**

Melissa Hesch

**ENROLLMENT:**

630

**GRADES SERVED:**

k-4

40% of students eligible for free or reduced lunch

\*Source: School district records

\*\*Source: School district records

**STUDENT DEMOGRAPHICS:**

- Eagleview Elementary's enrolled population of 630 students is spread across kindergarten through 4th grade and is drawn from a district comprising most of the northern part of Crow Wing County.

## [Pequot Middle School, High School, and District Office] Community in Context



**SITE CIRCULATION**

**Pedestrians:** Many students were observed walking to and from campus along several routes including West Lake St, West Woodman, and South Oak Street. Pedestrians included middle school students as well as high school students. It was noted that many of the students walk to a convenience store along West Lake Street before continuing their routes.

**Bicyclists:** A few students were observed biking around the school area on the day of the walk audit.

**School Buses:** Buses access the school campus from South Oak Street and continue along a roadway on school property along the northside of the school campus that leads to a dedicated bus parking lot with suitable space for parking, loading and turnaround.

**Transit:** There is no public transit available at this time.

**Vehicles:** School staff recommend that parents drop off and pick up students in a parking lot on the East side of the school campus and follow a known route once on school property which allows for a nice flow of vehicular traffic. There is some pedestrian traffic that crosses through the line of parked or slowly moving vehicles as the pedestrians access the staff and faculty parking lot. However, the majority of the students exit the school and follow a sidewalk that leads directly and uninhibitedly to a student parking lot.

**SCHOOL CONTEXT:**

# Middle School, High School, District Office

**PRINCIPAL:**

Aaron Nelson (High School Principal)

Mike O'neil (Middle School Principal)

**ENROLLMENT:**

1,170

**GRADES SERVED:**

5-12 40% of students eligible for free or reduced lunch

\*Source: School district records

\*\*Source: School district records

**STUDENT DEMOGRAPHICS:**

- Middle School and High School Campus's enrolled population of 1,170 students is spread across 5<sup>th</sup> through 12<sup>th</sup> grade and is drawn from a district comprising most of the northern part of Crow Wing County.

# Infrastructure

## Existing Conditions

*Physical changes to the streetscape are essential to making walking, biking, and rolling to school safer and more comfortable.*

Equipped with a wealth of information, gathered from the kickoff meeting, in-class student tally, the parent survey, the walk-audit and in talking with school transportation staff, parents and local residents, the planning team developed several observations regarding existing conditions and current issues and barriers.

The first overarching observation is that the two school sites have vastly different challenges. Being located in town, the middle school/high school offers far more opportunities for students to walk and/or bike to/from school. While Eagleview Elementary, being located approximately 2 miles out from downtown Pequot Lakes, and approximately 2.5 miles from downtown Breezy point experiences significant challenges and safety concerns for students walking and biking to/from school from either community.

In the paragraphs below we describe the specific issues and barriers that the planning team identified for each school site.

### MIDDLE SCHOOL/HIGH SCHOOL

#### **Rasmussen Road.**

The sidewalk network along Rasmussen road currently ends abruptly, creating a gap between where the sidewalk ends, and Pequot Terrace Estates is located.

#### **Patriot Avenue**

Similarly, the sidewalk network along Patriot Avenue ends, creating a gap to new and anticipated development to the south of town.

While not necessarily an issue or a barrier, the planning team also emphasized the importance of continuing to prioritize ongoing maintenance of pavement markings and lighting along pedestrian

routes in and around the middle school/high school campus as worn off markings and limited lighting can lead to potentially unsafe conditions.

#### **Oak Street.**

The planning team recognized that there is little to no parking on South Oak Street along the ball fields and bus drop area. Additionally, traffic speeds along this route were noted as being high creating a safety concern for pedestrians, particularly because there are no pedestrian facilities along this route as well. These three factors create a potentially dangerous environment for bicyclists and pedestrians, especially during peak traffic times such as before or after school, and during extracurricular school activities.

#### **Patriot Avenue South of Lake Street**

Early on in the planning process, the planning team noticed that this is one of the main intersections for students crossing Patriot Avenue as they walk or bicycle to/from school. Currently, there is no pedestrian facility enabling students to cross at this point which is a natural/logical crossing given pedestrian habits and a clear path that has been worn from this intersection through the ditch and woods to the Paul Bunyan Trail.

#### **Woodman and Patriot Avenue Crossing**

Another crossing that caught the attention of the planning team was the intersection of Woodman and Patriot Avenue, where there is currently a crossing, however, given the high volume of bicycle and pedestrian traffic at this location, some crossing improvements are in order.

At both of these crossings, safety was a paramount concern due to the high traffic volumes on Patriot and the increased bicycle and pedestrian traffic, particularly during peak hours before and after school.

**EAGLEVIEW ELEMENTARY**

The planning team has a lot of discussions and observations regarding what could be done to improve safety and ease bicycle and pedestrian travel to/from Eagleview from both Pequot Lakes and Breezy Point.

Both traffic volume and traffic speed were identified as significant barriers and safety concerns along the entirety of County Road 11. County Road 11 is a major east west corridor connecting two of the county’s larger communities. In addition, the seasonal traffic is significant along the corridor as well leading to additional volumes. All of this creates challenges and safety concerns regarding access to/from Eagleview onto County Road 11 for school buses, parent traffic, and bicycle and pedestrians showing a clear and present safety need for potential trail development along County Road 11 and intersection improvements at Eagleview and County Road 11

The responses from the parent survey indicated there was a significant safety concern that impacted parents’ decisions to not allow their students to walk or bike to school. Currently there is no continuous pedestrian facility between Pequot Lakes, and Breezy Point where Eagleview bisects the two communities. Additional safety concerns along the County Road 11 corridor include poor drainage at various intersections along the route.

Recommendations were prioritized on the basis of community and stakeholder input, traffic and roadway conditions, proximity to schools, and proximity to and use by priority populations to address equity concerns.

This plan does not represent a comprehensive list of every project that could improve conditions for walking and bicycling in the neighborhood. Instead, it calls attention to key conflict points and potential improvements. Recommendations range from simple striping changes and signing to more significant changes to the streets, intersections, and school infrastructure.

Engineering recommendations are described on the following pages. Recommendations are planning-level concepts and will require additional study to confirm feasibility and to finalize project prioritization.

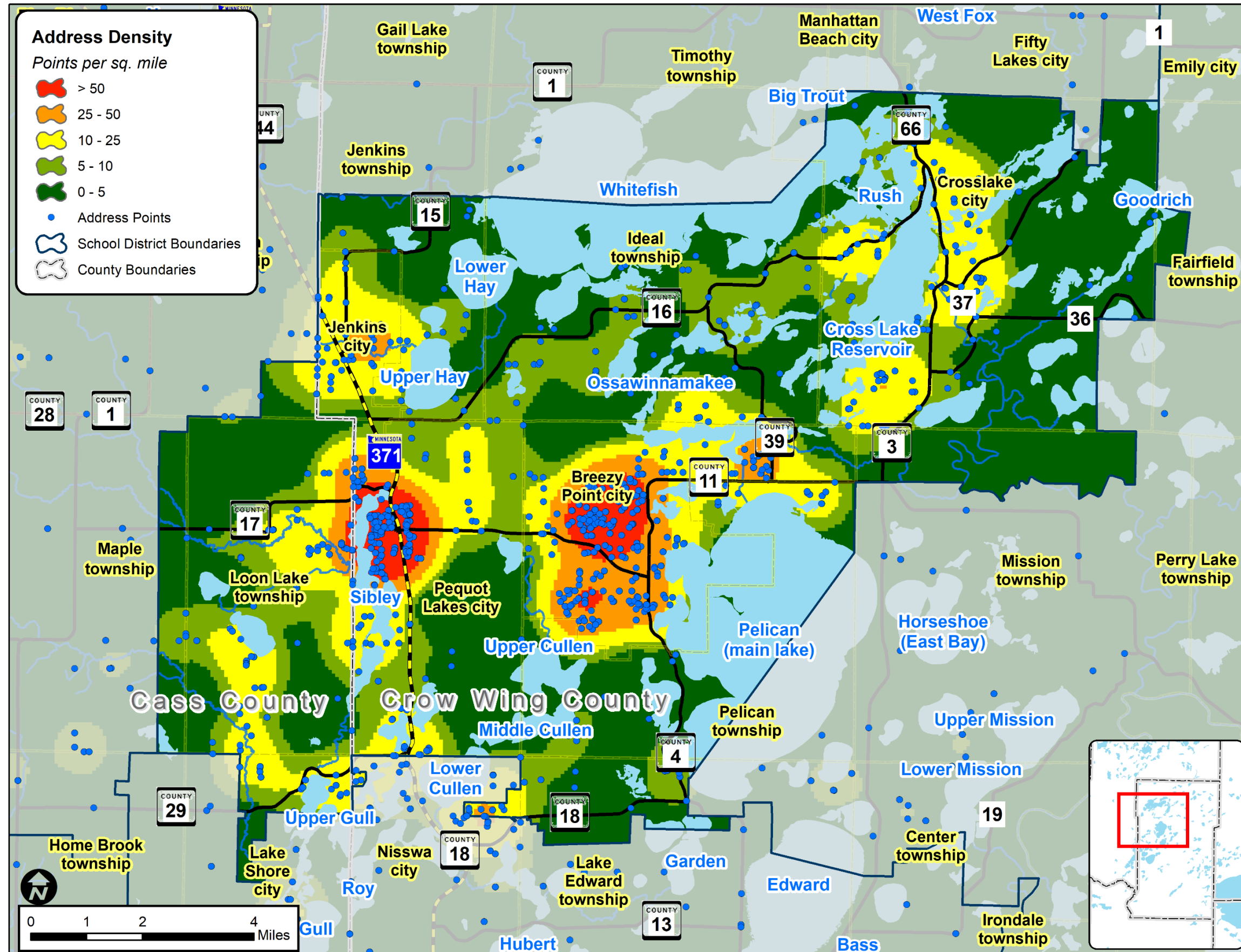
**MAPS**

The Maps below provide illustrations of certain aspects of the existing conditions. The first map is a density heat map of the student population within the Pequot Lakes School District. This map will be useful to planners and decision makers alike, as they prioritize the allocation of public funds and resources to best serve the transportation needs of the community.

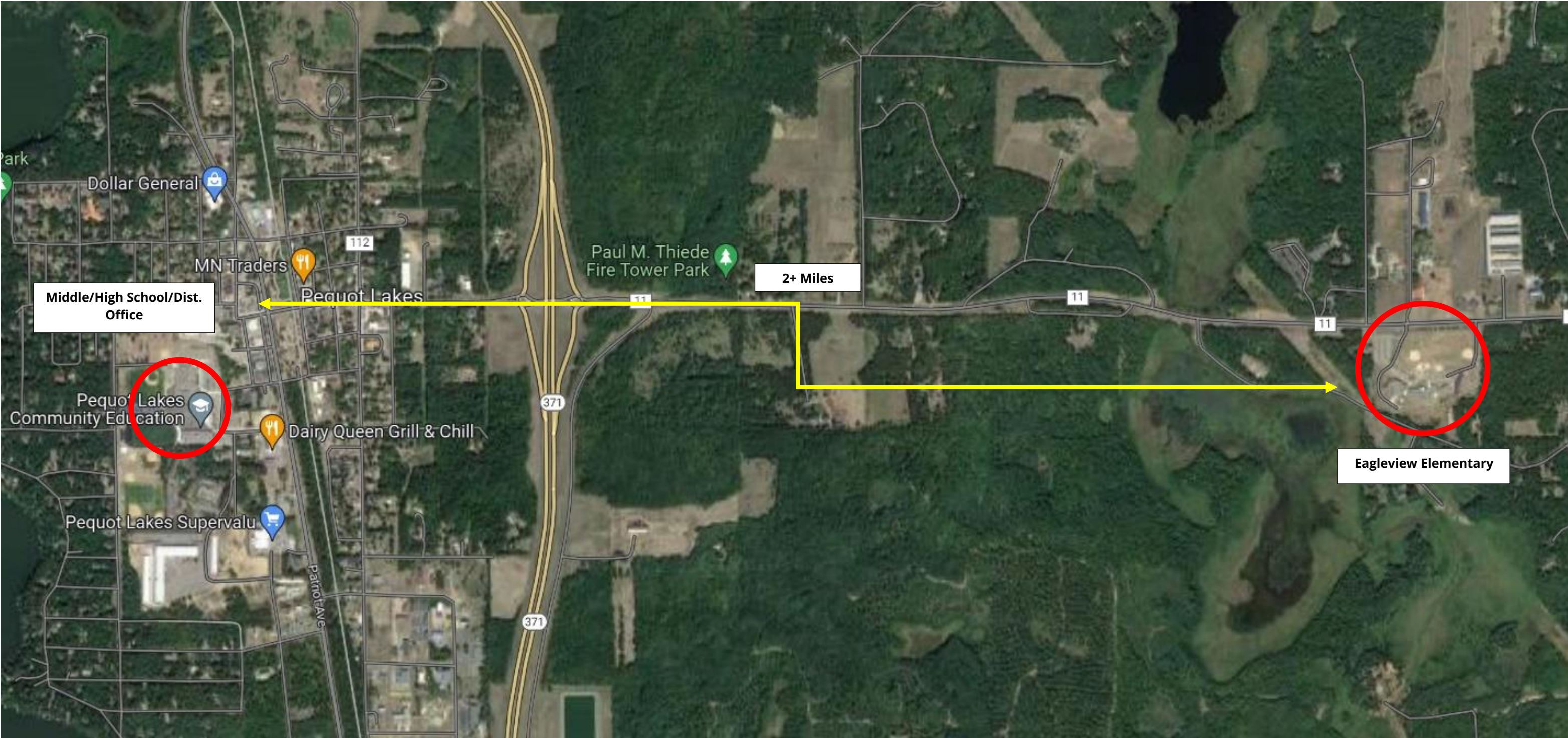
The Second Map illustrates the relative location of the two school sites in relation to one another and the City of Pequot Lakes.



Map 2: Student Population Density Heat Map



Map 3: Relative location of School Sites



Map43: Potential Trail Alignment Along County Road 11



# Introduction to Programs

*Programs are opportunities to increase awareness, understanding, and excitement around walking, biking, and rolling to school.*

Programs are focused on educating students, families, and the broader community about walking and biking, as well as on building a culture that supports and normalizes walking and biking to school and other destinations.

Because programs are low-cost and can often be implemented quickly by an individual school or the school district, they represent an important Safe Routes to School strategy that complements longer-term strategies, including infrastructure improvements and policy changes



## EXISTING PROGRAMS

The Pequot Lakes School District has been actively working towards providing safe and inviting spaces around school campuses for students. This foundation of encouraging student travel safety provides a valuable baseline for expanding programs to encourage more students to walk and bike.

### PROGRAMS ALREADY ACTIVE AT PEQUOT LAKES SCHOOLS:

- Walking and bicycling field trips
- Enhanced driver, bicycling and pedestrian safety curriculum.
- Bike giveaway
- Community Education programming
- Student involvement in community events
- Walk! Bike! Fun! Curriculum
- High Five Friday's

## PROGRAM RECOMMENDATIONS

Conversations with school and district staff, caregivers, students, community members, and city and county staff led to the following program recommendations. Programs were tailored to meet the needs, capacities, and interests of the community and were prioritized based on existing programs, input from local stakeholders, the extent to which the program would serve priority equity populations, and the readiness of the school to launch the program.

### RECOMMENDED PROGRAMS INCLUDE:

- Consider ways to continually improve and best utilize Crossing Guards
- Continue In-School Curriculum & Activities such as Walk! Bike! Fun!
- When walking and biking isn't an option, consider identifying safe and strategic Park & Walk
- Consider ways to ensure that underserved neighborhoods have equal access to public facilities.
- Continue meeting as a SRTS planning team.
- Continue conducting the parent survey annually to track changing perceptions.
- Continue conducting in-class-student tallies to track walking and bicycling numbers over time
- Develop Suggested SRTS route map.
- Continue to build on existing events and find new Walk & Bike Field Trip events.
- Promote observance of Walk and Bike to School Days
- Walking School Bus and Bike Train that would include local PTA and school staff



# Working for Change - Action Steps

*This plan and planning process provide two critical ingredients for creating a more equitable transportation system for Pequot Lakes: a prioritized set of infrastructure and program recommendations, and a network of caregivers, school staff, local government employees, and community members committed to improving walking and biking.*

### **PRIORITY SRTS INITIATIVES**

- Improve key crossings of Patriot Ave at Woodman, Lake and others.
- Improve parking situation and pedestrian facilities along South Oak St. and the route leading to the bus lot.
- Improve safety along County Road 11, by considering an off-street trail, connecting the school to both Pequot Lakes and Breezy Point.
- Consider intersection improvement at Eagleview Elementary and County Road 11.
- Improve sidewalk network by filling in sidewalk gaps, making some extensions and key connections and continuing to prioritize maintenance.

# ENGINEERING

*Creating physical improvements to streets, sidewalks, trails, infrastructure, and neighborhoods that make walking and bicycling safer, more comfortable, and more convenient.*

## Goal 1: County Road 11 Trail Development

**PRIORITY:** High

### RECOMMENDATION

Continue to seek funding and feasibility for the development of a trail along Crow Wing County Road 11 between Pequot Lakes and Breezy Point.

### WHY IS THIS RELEVANT?

Trail development would provide a barrier from heavy traffic and could potentially increase the number of walkers and bikers for all students K-12.

### WHO WILL MAKE THIS HAPPEN?

County, city and school staff, with funding from MnDOT.

### HOW WILL THIS ADDRESS EQUITY?

Improving pedestrian conditions makes walking and rolling easier and safer for people with disabilities and meet all ADA requirements.

## Goal 2: County Road 11 and Eagleview Intersection Improvements

**PRIORITY:** High

### RECOMMENDATION

Consider additional improvements to County Road 11

- Rapid Flashing Beacon
- Traffic Control
- Nickel Road (change to general terms for South of Eagleview access)
- Use Bushman to avoid CR11 in future.
- Intersection improvements

### WHY IS THIS RELEVANT?

Each of these recommended actions would improve the safety of bicyclists and pedestrians and all users on County Road 11 by improving traffic flow would making the intersection less intimidating for pedestrians while also reducing emissions by reducing vehicle idling.

### WHO WILL MAKE THIS HAPPEN?

County, city and school staff, with funding from MnDOT.

### HOW WILL THIS ADDRESS EQUITY?

Improving sidewalk conditions makes walking and rolling easier and safer for people with disabilities. This intersection is also a key crossing to schools for lower-income families and students from Grande Apartments.

## Goal 3: Rasmussen Road Pedestrian Infrastructure

**PRIORITY:** High

**RECOMMENDATION**

Consider extending the sidewalk along Rasmussen Road to the manufactured home park to the north.

**WHY IS THIS RELEVANT?**

The sidewalk network currently has gaps and extending along this route would connect key areas of town.

**WHO WILL MAKE THIS HAPPEN?**

City staff, with funding from MnDOT.

**HOW WILL THIS ADDRESS EQUITY?**

Improving sidewalk conditions makes walking and rolling easier and safer for people with disabilities. This intersection is also a key crossing to schools for lower-income families and students from the manufactured home community along Rasmussen Road.

**Goal 4: Pavement Markings and Lighting**

**PRIORITY:** High

**RECOMMENDATION**

Continue to consistently repaint and re-stripe crosswalks/ pavement markings and improve lighting to ensure a high degree of visibility.

**WHY IS THIS RELEVANT?**

Poor visibility of striping and pavement markings and poor lighting can lead to potentially unsafe routes. Continuing to maintain these pavement markings will lead to safer outcomes.

**WHO WILL MAKE THIS HAPPEN?**

County, city and school staff, with funding from MnDOT.

**HOW WILL THIS ADDRESS EQUITY?**

Improving pavement markings and lighting makes walking and rolling safer for people with disabilities along all routes that require striping and pavement markings.

**Goal 5: Patriot Ave**

**PRIORITY:** High

**RECOMMENDATION**

Consider extending sidewalk network to future development opportunities.

**WHY IS THIS RELEVANT?**

New and anticipated developments are taking place south of town and pedestrian facilities have not yet been put in place to accommodate these developments.

**WHO WILL MAKE THIS HAPPEN?**

County, city, and school staff, with funding from MnDOT.



**HOW WILL THIS ADDRESS EQUITY?**

Improving sidewalk conditions makes walking and rolling easier and safer for people with disabilities. Patriot Avenue is also a key route and crossing to schools for lower-income families and students.

**Goal 6: Patriot Ave Crossing**

**PRIORITY:** High

**RECOMMENDATION**

Consider improvements to the cross walk on Patriot Avenue, South of Lake Street. (Possible in conjunction with the City of Pequot Lakes Patriot Ave redesign).

**WHY IS THIS RELEVANT?**

This is one of the main intersections for students crossing Patriot Ave to and from school.

**WHO WILL MAKE THIS HAPPEN?**

City and school staff, with funding from MnDOT.

**HOW WILL THIS ADDRESS EQUITY?**

Improving crossing conditions makes walking and rolling easier and safer for people with disabilities. This intersection is also a key crossing to school for lower-income families and students.

**Goal 7: Woodman and Patriot Crossing**

**PRIORITY:** High

**RECOMMENDATION**

Seek funding and feasibility for Improving crossing and intersection markings on Woodman and Patriot Ave.

**WHY IS THIS RELEVANT?**

This is one of the main intersections for students crossing Patriot Ave to and from school.

**WHO WILL MAKE THIS HAPPEN?**

City and school staff, with funding from MnDOT.

**HOW WILL THIS ADDRESS EQUITY?**

Improving crossing conditions makes walking and rolling easier and safer for people with disabilities. This intersection is also a key crossing to school for lower-income families and students.

**Goal 8: Oak Street**

**PRIORITY:** High

**RECOMMENDATION**

Consider adding parking and sidewalks on South Oak Street along ball fields and bus drop area; and seek ways to slow traffic on Oak Street.

**WHY IS THIS RELEVANT?**

This is one of the main intersections for students crossing Patriot Ave to and from school.

**WHO WILL MAKE THIS HAPPEN?**

City and school staff, with funding from MnDOT.

**HOW WILL THIS ADDRESS EQUITY?**

Improving conditions along this route makes walking and rolling easier and safer for people with disabilities. This intersection is also a key crossing to school for lower-income families and students.

**Goal 9: Installation of Rapid Flashing Beacons**

**PRIORITY:** High

**RECOMMENDATION**

Consider installing Rapid Flashing Beacons at certain intersections or crossings as this will get more kids outside walking before school and getting active with the potential of encouraging more kids to walk to school.

**WHY IS THIS RELEVANT?**

This would potentially improve safety at several intersections.

**WHO WILL MAKE THIS HAPPEN?**

City and school staff, with funding from MnDOT.

**HOW WILL THIS ADDRESS EQUITY?**

Improving crossing safety would potentially make walking and rolling safer for people with disabilities. This intersection is also a key crossing to school for lower-income families and students.

**ENGAGEMENT**

*All Safe Routes to School initiatives should begin by listening to parents, students, teachers, and school leaders and seek to work with community organizations, to build intentional, ongoing engagement opportunities into the program structure.*

**Goal 1: Consider developing a walking school bus program that would include local PTA and school staff enabling local, vetted/verified/certified adults to walk or bike along with students along clearly identified route.**

**PRIORITY:** Low

**RECOMMENDATION**

Consider developing a walking school bus program that would include local PTA and school staff.

**WHY IS THIS RELEVANT?**

This will get more kids outside walking before school and getting active with the potential of encouraging more kids to walk to school.

**WHO WILL MAKE THIS HAPPEN?**

School staff, and volunteers.

**HOW WILL THIS ADDRESS EQUITY?**

It will be an inclusive strategy to get more students walking and biking to and from school when it is safe to do so by providing adult supervision to help students walk to school if their caregivers are not able or willing to walk with them to school.

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**Goal 2: When walking and biking isn't an option, consider identifying safe and strategic "Drop sites" for students to walk/bike to/from before and after school where they would then be picked up/dropped off by a school bus.**

**PRIORITY:** Low

**RECOMMENDATION**

Consider identifying safe and strategic "Drop sites" for students to walk/bike to/from.

**WHY IS THIS RELEVANT?**

The unique locations of the schools poses barriers to walking and biking for students. Drop sites will increase the likelihood of more students becoming more active.

**WHO WILL MAKE THIS HAPPEN?**

School staff, and volunteers.

**HOW WILL THIS ADDRESS EQUITY?**

Allows all students to participate in SRTS whether they typically get to school by bus, car, bike or foot. Encourages safety with a larger presence of students walking and adult supervision.

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**Goal 3: Consider working with PTA to increase engagement (high five Fridays).**

**PRIORITY:** Medium

**RECOMMENDATION**

Consider working with PTA to increase school engagement activities such as developing a walking school bus program.

**WHY IS THIS RELEVANT?**

Increasing engagement will build a positive school culture and happier students.

**WHO WILL MAKE THIS HAPPEN?**

School staff, SHIP Coordinator, and volunteers.

**HOW WILL THIS ADDRESS EQUITY?**

It will be an inclusive strategy to get more students walking and biking to and from school when it is safe to do so.

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**Goal 4: Continue staggering start times between grades to even the traffic flow during peak hours.**

**PRIORITY:** High

**RECOMMENDATION**

Continue staggering start times between grades to even the traffic flow during peak hours.

**WHY IS THIS RELEVANT?**

This is currently being done and helps reduce congestion of cars and buses.

**WHO WILL MAKE THIS HAPPEN?**

School staff

**HOW WILL THIS ADDRESS EQUITY?**

This strategy will reduce traffic around schools and ensure students are walking or biking to school during daylight year-round.

**Goal 5: Consider increasing law enforcement presence to encourage increased pedestrian and bicycle traffic when and where it’s safe to do so.**

**PRIORITY:** Medium

**RECOMMENDATION**

Consider increasing law enforcement presence.

**WHY IS THIS RELEVANT?**

This creates another layer of safety for walkers and bikers who may be intimidated by heavy traffic flow.

**WHO WILL MAKE THIS HAPPEN?**

School staff and Law Enforcement.

**HOW WILL THIS ADDRESS EQUITY?**

It will be an inclusive strategy to get more students walking and biking to and from school when it is safe to do so by supporting safety.

**Goal 6: Seek opportunities to engage the public through developing events such as a bike giveaway in the community.**

**PRIORITY:** Low

**RECOMMENDATION**

Seek opportunities to engage the public through developing events such as a bike giveaway in the community and bike rodeos or safety courses.

**WHY IS THIS RELEVANT?**

The more bikes there are in the community for kids, the more likely kids are to ride them to school.

**WHO WILL MAKE THIS HAPPEN?**

School staff, SHIP Coordinator, City Staff.

**HOW WILL THIS ADDRESS EQUITY?**

It will be an inclusive strategy to get more students walking and biking to and from school when it is safe to do so by providing bikes to kids who may not be able to afford them.

**EQUITY**

*Making an effort to ensure that Safe Routes to School initiatives are benefiting all demographic groups, in regard to safe transportation to and from school, where and when it is safe to do so.*

**Goal 1: Consider ways to ensure that low-income neighborhoods have equal access to public facilities including bike/ped facilities to schools when and where it's safe to do so.**

**PRIORITY:** Low

**RECOMMENDATION**

Seek opportunities to ensure all neighborhoods have equal access to public facilities such as identifying gaps in the sidewalk network like the gap between Rasmussen Road and Pequot Terrace Estates.

**WHY IS THIS RELEVANT?**

To ensure equal access to public facilities.

**WHO WILL MAKE THIS HAPPEN?**

School staff, City staff.

**HOW WILL THIS ADDRESS EQUITY?**

It will be an inclusive strategy to get more students walking and biking to and from school when it is safe to do so.

**Goal 2: Continue to pursue ADA compliance and consider the development of an ADA plan.**

**PRIORITY:** Medium

**RECOMMENDATION**

Continue to pursue ADA compliance of the built environment and consider the development of an ADA plan for each City.

**WHY IS THIS RELEVANT?**

To improve access, inclusivity, and safety.

**WHO WILL MAKE THIS HAPPEN?**

School staff, SHIP Coordinator, and volunteers.

**HOW WILL THIS ADDRESS EQUITY?**

It will be an inclusive strategy to get more students walking and biking to and from school when it is safe to do so by ensuring equitable access and ADA compliance.

## ENCOURAGEMENT

*Generating enthusiasm and creating a culture of walking and biking that results in increased walking and bicycling for students through events, activities, and programs.*

### **Goal 1: Consider increasing the presence and usage of Crossing Guards to increase pedestrian safety.**

**PRIORITY:** Low

**RECOMMENDATION**

Consider increasing the presence and usage of Crossing Guards to increase pedestrian safety.

**WHY IS THIS RELEVANT?**

To continually improve the safety for students by providing adult supervision crossing high volume and high speed roadways that would be considered hazards by parents and school staff.

**WHO WILL MAKE THIS HAPPEN?**

School staff, Local Law Enforcement and volunteers.

**HOW WILL THIS ADDRESS EQUITY?**

It will be an inclusive strategy to get more students walking and biking to and from school when it is safe to do so by providing adult supervision crossing high volume and high speed roadways that would be considered hazards by parents and school staff.

---

### **Goal 2: Consider ways to partner with the Brainerd Lakes Area (BLA) Towards Zero Death (TZD) Coalition on ways to raise awareness and increase walking and biking when and where it's safe to do so.**

**PRIORITY:** Low

**RECOMMENDATION**

Consider how a partnership with the Brainerd Lakes Area (BLA) Towards Zero Death (TZD) Coalition Might lead to coordinated events to provide safety education and potentially lead to infrastructure improvement recommendations.

**WHY IS THIS RELEVANT?**

To improve safety for students who walk, bike, or drive to school

**WHO WILL MAKE THIS HAPPEN?**

School staff, TZD, and city staff.

**HOW WILL THIS ADDRESS EQUITY?**

It will be an inclusive strategy to get more students walking and biking to and from school when it is safe to do so By increasing awareness of the challenges faced by both drivers and pedestrians.

**Goal 3: Consider ways that High Five can be instrumental in encouraging the development of a culture of walking and biking safely.**

**PRIORITY:** Low

**RECOMMENDATION**

Continue to promote the High Five Friday's. program that promotes a school culture of positivity.

**WHY IS THIS RELEVANT?**

To develop a culture of walking and biking safely by promoting a positive school culture.

**WHO WILL MAKE THIS HAPPEN?**

School staff, Parent Teacher organizations, SHIP Coordinator and volunteers.

**HOW WILL THIS ADDRESS EQUITY?**

It will be an inclusive strategy to get more students walking and biking to and from school when it is safe to do so  
By encouraging and developing a culture of walking and biking safely.

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**Goal 4: Continue field trips that encourage biking.**

**PRIORITY:** Low

**RECOMMENDATION**

Continuing field trips that encourage biking and utilize use of a bike fleet.

**WHY IS THIS RELEVANT?**

To develop a culture of walking and biking safely to area destinations.

**WHO WILL MAKE THIS HAPPEN?**

School staff, SHIP Coordinator, Parent-Teacher Organization, bike advocates and volunteers.

**HOW WILL THIS ADDRESS EQUITY?**

It will be an inclusive strategy to get more students walking and biking to and from school when it is safe to do so  
by allowing all students in the class to ride a bike regardless if they have access to one at home.

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**Goal 5: Seek ways to continue to provide or enhance driver, bicycling, and pedestrian safety curriculum.**

**PRIORITY:** Low

**RECOMMENDATION**

Seek ways to continue to provide or enhance driver, bicycling, and pedestrian safety curriculum such as Walk!  
Bike! Fun!

**WHY IS THIS RELEVANT?**

To promote safety for students with increase knowledge for drivers in the community and safe skills for students walking and biking

**WHO WILL MAKE THIS HAPPEN?**

School staff, Law Enforcement, Volunteers.

**HOW WILL THIS ADDRESS EQUITY?**

It will be an inclusive strategy to get more students walking and biking to and from school when it is safe to do so by providing rules of the road safety training so that all students have access to the same information.

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**Goal 6: Consider formally implementing or celebrating walk to school and or bike to school days.**

**PRIORITY:** Low

**RECOMMENDATION**

Consider formally implementing or celebrating walk to school and or bike to school days.

**WHY IS THIS RELEVANT?**

To develop a culture of walking and biking safely.

**WHO WILL MAKE THIS HAPPEN?**

School staff, SHIP Coordinator and volunteers.

**HOW WILL THIS ADDRESS EQUITY?**

It will be an inclusive strategy available to all students to encourage more students walking and biking to and from school or other destinations when it is safe to do so.

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**Goal 7: Consider increasing law enforcement presence to encourage increased pedestrian and bicycle traffic when and where its safe to do so.**

**PRIORITY:** Medium

**RECOMMENDATION**

Consider increasing law enforcement presence to encourage increased pedestrian and bicycle traffic when and where its safe to do so.

**WHY IS THIS RELEVANT?**

To promote safety for students.

**WHO WILL MAKE THIS HAPPEN?**

School staff, local law enforcement.

**HOW WILL THIS ADDRESS EQUITY?**

It will be an inclusive strategy to get more students walking and biking to and from school when it is safe to do so.



# EDUCATION

*Providing students and the community with the skills to walk and bicycle safely, educating them about benefits of walking and bicycling, and teaching them about the broad range of transportation choices.*

## Goal 1: Provide education on winter walking safety.

**PRIORITY:** Low

### RECOMMENDATION

Provide education on winter walking safety.

### WHY IS THIS RELEVANT?

To promote safety for students in winter conditions on icy or poorly maintained sidewalks and curbs, cold weather, and low light conditions with shorter days.

### WHO WILL MAKE THIS HAPPEN?

School staff, Law Enforcement and volunteers.

### HOW WILL THIS ADDRESS EQUITY?

It will be an inclusive strategy to get more students walking and biking to and from school when it is safe to do so by providing equal access to safe bicycle and pedestrian infrastructure.

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## Goal 2: Provide general education for drivers, bicyclists, and pedestrian safety rules of the road by expanding on bike safety rules of the road.

**PRIORITY:** Low

### RECOMMENDATION

Provide general education for drivers, bicyclists, and pedestrian safety rules of the road by expanding on bike safety rules of the road.

### WHY IS THIS RELEVANT?

To promote safety for students and a culture of walking and biking.

### WHO WILL MAKE THIS HAPPEN?

School staff, TZD Coalition, SHIP Coordinator, Law Enforcement and volunteers.

### HOW WILL THIS ADDRESS EQUITY?

It will be an inclusive strategy to get more students walking and biking to and from school when it is safe to do so that could provide education in different languages or modes that are more relevant to priority populations.

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## Goal 3: Consider using Minnesota’s Walk!Bike!Fun! curriculum training for educators, community members, and students.

**PRIORITY:** Low

**RECOMMENDATION**

Consider using Minnesota’s Walk!Bike!Fun! curriculum training for educators, community members, and students to provide a comprehensive approach to safety education for all students in the school district

**WHY IS THIS RELEVANT?**

To promote safety for students through increase knowledge of traffic safety and a culture of walking and biking.

**WHO WILL MAKE THIS HAPPEN?**

School staff, SHIP Coordinator, Local Bicycle Groups, and volunteers.

**HOW WILL THIS ADDRESS EQUITY?**

It will be an inclusive strategy to get more students walking and biking to and from school when it is safe to do so by ensuring that all students in the school district will have access to learn to ride a bike and safe skills for walking and biking to school.

**Goal 4: Consider creating a pickup and drop-off cheat sheet for individuals without local knowledge as this program is developed and progresses.**

**PRIORITY:** Low

**RECOMMENDATION**

Consider creating a pickup and drop-off cheat sheet for people who are new to the area or unfamiliar with the process.

**WHY IS THIS RELEVANT?**

To promote safety for students and people of all ability levels and a culture of walking and biking.

**WHO WILL MAKE THIS HAPPEN?**

School staff, City Staff, County Staff and volunteers.

**HOW WILL THIS ADDRESS EQUITY?**

It will be an inclusive strategy to get more students walking and biking to and from school when it is safe to do so by seeking to reduce transportation inequities where they may exist and by bringing the built environment up to ADA standards.

**Goal 5: Continue to seek ways that Community Education programming beyond age 6 can be instrumental in increasing walking and biking when and where its safe to do so.**

**PRIORITY:** Low

**RECOMMENDATION**

Continue to seek ways that Community Education programming beyond age 6 can be instrumental in increasing walking and biking when and where its safe to do so.

**WHY IS THIS RELEVANT?**

To promote safety for students and a culture of walking and biking by providing additional awareness and education opportunities that reinforce other strategies taught in school or community TZD efforts.

**WHO WILL MAKE THIS HAPPEN?**

School staff, community education and volunteers.

**HOW WILL THIS ADDRESS EQUITY?**

It will be an inclusive strategy to get more students walking and biking to and from school when it is safe to do so.

**EVALUATION**

*Assessing which approaches are more or less successful, ensuring that programs and initiatives are supporting equitable outcomes, and identifying unintended consequences or opportunities to improve the effectiveness of each approach.*

**Goal 1: Complete student tally forms for grades k-12 annually.**

**PRIORITY:** Low

**RECOMMENDATION**

Complete student tally forms for grades k-12 annually.

**WHY IS THIS RELEVANT?**

To help school staff, and elected decision makers understand how many students are walking and biking to and from school.

**WHO WILL MAKE THIS HAPPEN?**

School staff.

**HOW WILL THIS ADDRESS EQUITY?**

It will be an inclusive strategy to get more students walking and biking to and from school when it is safe to do so by ensuring that accurate data on students who are walking to and from school is being kept.

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**Goal 2: Complete parent survey forms for k-12 regularly**

**PRIORITY:** Low

**RECOMMENDATION**

Complete parent survey forms for k-12 annually.

**WHY IS THIS RELEVANT?**

To promote safety for students and a culture of walking and biking by providing the opportunity for parents to provide input, and for school staff and elected leaders to understand concerns and issues relating to safe travel to and from school.

**WHO WILL MAKE THIS HAPPEN?**

School staff.

**HOW WILL THIS ADDRESS EQUITY?**

It will be an inclusive strategy to get more students walking and biking to and from school when it is safe to do so.

### Goal 3: Review and make annual updates as necessary to the Safe Routes to School Plan.

**PRIORITY:** Low

**RECOMMENDATION**

Review and make annual updates as necessary to the Safe Routes to School Plan as strategies are implemented and as other barriers are identified through evaluation and engagement activities.

**WHY IS THIS RELEVANT?**

To continue to meet the safety needs of the students as improvements are made.

**WHO WILL MAKE THIS HAPPEN?**

School staff, SRTS planning team, TZD Coalition, SHIP Coordinator, and volunteers.

**HOW WILL THIS ADDRESS EQUITY?**

It will be an inclusive strategy to get more students walking and biking to and from school when it is safe to do so.

### Goal 4: Continue to meet as a Safe Routes to School task force regularly i.e., quarterly, bi-annually, or annually.

**PRIORITY:** Low

**RECOMMENDATION**

Continue to meet as a Safe Routes to School task force regularly i.e., quarterly, bi-annually, or annually.

**WHY IS THIS RELEVANT?**

This plan lays out a lot of goals and strategies and it will be important to have a group of volunteers meet regularly to continue to maintain momentum, track progress and make recommendations to the school board going forward in order to promote safety for students and a culture of walking and biking.

**WHO WILL MAKE THIS HAPPEN?**

School staff, SRTS Planning Team, Law Enforcement and volunteers.

**HOW WILL THIS ADDRESS EQUITY?**

This recommendation will address equity by ensuring all community members' voices are heard.

### Goal 5: Review crash reports

**PRIORITY:** Low

**RECOMMENDATION**

Review all relevant accident reports.

**WHY IS THIS RELEVANT?**

To promote safety for students and a culture of walking and biking by continuing to improve our understanding of the evolving barriers to students walking and biking to and from school.

**WHO WILL MAKE THIS HAPPEN?**

School staff, Law Enforcement, and volunteers.

**HOW WILL THIS ADDRESS EQUITY?**

This recommendation will assist staff and decision makers by highlighting where potential risks exist and where accidents are happening regardless of the populations being served.

# Appendices

Appendix A – Parent Survey

Appendix B – In-Class Student Tally



TO: Mayor and City Council  
FROM: David Chanski, City Administrator  
RE: Community Garden Proposal  
DATE: November 6, 2023

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Ms. Sandra Logelin will present a plan for a proposed community garden.

**Breezy Point City Council  
October 2, 2023 - 6:30 pm  
Regular Meeting Minutes**

The meeting of the Breezy Point City Council was called to order by Angel Zierden at 6:30 p.m. Roll Call was taken by Assistant City Administrator Eick. Councilmembers present were Rebecca Ball, Steve Jensen, Michael Moroni, and Brad Scott. Staff present included Assistant City Administrator Daniel Eick, Deputy Clerk Deb Runksmeier, Police Chief Brian Sandel, and Public Works Supervisor Joe Zierden. Also present were City Engineer Joe Dubel. All present stood for the pledge of allegiance.

Approval/Amendment of the Agenda

MOTION MORONI/BALL TO APPROVE THE AGENDA AS PRESENTED, MOTION CARRIED 5-0

Open Forum

Diane Williams, Parks and Recreation Committee member  
Bill Toft, 31877 Green Scene Drive

Brainerd Chamber and Visitor Bureau Presentation

Matt Killian with the Brainerd Lakes Chamber of Commerce and David Spizzo of Breezy Point Resort presented a proposal for a local 3% lodging tax.

School District Referendum

Pequot Lakes School District Superintendent Kurt Stumpf spoke about the November 7<sup>th</sup> ballot questions for capital projects levy and referendum vote.

Parks and Recreation Committee Update

Parks and Recreation Committee Chair Megan Zierden shared a presentation about the history and current projects that the committee worked with.

Consent Agenda

- A. September 5, 2023 City Council Workshop Minutes
- B. Approval of Claims Totaling \$185,407.59
- C. Resolution 13-2023 Police Department Donation
- D. Crow Wing County Voter Account Agreement

MOTION BALL/MORONI TO AMEND THE CONSENT AGENDA WITH REMOVAL OF ITEM "E" FNC CORPORAGE RESOLUTION AND TABLE TO NOVEMBER MEETING, MOTION CARRIED 5-0



MOTION BALL/MORONI TO APPROVE THE CONSENT AGENDA WITH "E" REMOVED, MOTION CARRIED 5-0

Organizational Assessment Proposals

Council discussed the need for an organizational assessment at this time and that it currently is not in the budget.

MOTION MORONI/BALL TO APPROVE RESOURCE MANAGEMENT ASSOCIATES PROPOSAL TO CONDUCT AN ORGANIZATIONAL ASSESSMENT ON THE CITY, MOTION CARRIED 4-1, SCOTT OPPOSED

Schedule Council Workshops

Discussed setting dates for a Buschmann Road Project and City Hall Design workshop and a budget workshop.

MOTION MORONI/JENSEN TO SET WORKSHOP MEETING TIMES FOR OCTOBER 17 AT 1:00 PM AND NOVEMBER 16 AT 3:30 PM, MOTION CARRIED 5-0

Parks and Recreation Committee Expansion

Discussed expanding the Parks Committee members from seven to nine and what it would look like for them to have more authority. Directed staff to research how a Park Board would operate.

MOTION MORONI/BALL TO DIRECT THE PARKS AND RECREATION COMMITTEE TO DISCUSS EXPANDING THE NUMBER OF MEMBERS, MOTION CARRIED 5-0

Disc Golf Event Permit Application

Discussed disc golf event permit application created by Assistant City Administrator Eick at request of Council.

MOTION BALL/JENSEN TO TABLE DISCUSSION OF DISC GOLF COURSE EVENT PERMIT, MOTION CARRIED 5-0

Proposed Ordinance 2023-03 Cannabis Regulations

Discussed the proposed county cannabis in public spaces Ordinance 2023-03.

MOTION BALL/JENSEN TO ADOPT ORDINANCE 2023-03 REGULATING THE USE OF CANNABIS AND CANNABIS DERIVED PRODUCTS IN PUBLIC SPACES, MOTION CARRIED 5-0

Council Reports

Councilmember Ball asked the public works department to look into extending beach steps.

Agenda Forecast

Assistant City Administrator Eick reviewed some items for the November meeting.

Adjourn

MOTION BALL/JENSEN TO ADJOURN, CARRIED 5-0

Meeting was adjourned at 9:10 p.m.

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David Chanski, City Administrator/Clerk

DRAFT

**Breezy Point City Council  
October 17, 2023 – 1:00 pm  
City Council Workshop Minutes**

A workshop of the Breezy Point City Council began at 1:00pm. Councilmembers present were Rebecca Ball, Steve Jensen, Michael Moroni, and Mayor Angel Zierden as well as City Administrator David Chanski, Assistant City Administrator Daniel Eick, Police Chief Brian Sandell, and Public Works Supervisor Joe Zierden. Also in attendance were Paul Sandy with WSB, Mike Angland and Lindsey Kriens with Widseth, and Sheldon Cohen with Resource Management Associates. Councilmember Brad Scott was absent. The purpose of the workshop was to discuss the preliminary design of Buschmann Road and schematic design of city hall.

Paul Sandy with WSB first walked the City Council through the preliminary design of Buschmann Road. After his presentation, the City Council discussed the design with the majority of discussion being around the easement acquisition process. Those members present shared a strong desire to ensure that the process is transparent and affected property owners have the opportunity to publicly discuss potential impacts. Ultimately, the members present shared a desire for the proposed Phase II (final design) be split into two halves with the first half bringing the City through easement acquisition and the second half being final design approval and project bidding.

The councilmembers also discussed concerns around the truck traffic on Buschmann. City Administrator Chanski stated that, in preparation for the City Council to consider the final design proposal in December, staff and engineers will meet with Anderson Brothers Construction and other aggregate haulers to have discussions around the operations of the gravel pits in the vicinity of Buschmann Road and their use of Buschmann Road.

Following the discussion on Buschmann Road, the City Council conducted a short recess at 2:16pm and reconvened at 2:22pm. Mayor Zierden departed the meeting during the recess.

Upon reconvening, Lindsey Kriens and Mike Angland with Widseth led the City Council through a detailed walkthrough of the schematic design of the proposed city hall building including proposed community center. After working through each element of the design, the members present were in agreement to move forward with final design for the proposed city hall building including library space and community room but not to further pursue the proposed community center.

The workshop was adjourned at 3:38pm.

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David Chanski, City Administrator/Clerk

DRAFT

CITY OF BREEZY POINT

\*Check Detail Register©

Batch: 100323WEXBANK

Check #	Check Date	Vendor Name	Amount	Invoice	Comment
<b>10100 Primary</b>					
<b>3377 e</b>	10/03/23	<b>WEX Bank</b>			
E 100-42100-212		Motor Fuels	\$2,294.91	SEPT 2023	PD Fuel
E 100-42100-212		Motor Fuels	(\$25.03)	SEPT 2023	PD Fuel Rebate
E 100-43000-212		Motor Fuels	\$324.76	SEPT 2023	PW Fuel
E 100-43000-212		Motor Fuels	(\$3.53)	SEPT 2023	PW Fuel Rebate
E 600-43250-212		Motor Fuels	\$317.22	SEPT 2023	Sewer Fuel
E 600-43250-212		Motor Fuels	(\$3.53)	SEPT 2023	Sewer Fuel Rebate
		Total	\$2,904.80		
		<b>10100</b>	<b>\$2,904.80</b>		

Fund Summary

**10100 Primary**

100 GENERAL FUND	\$2,591.11
600 SEWER OPERATING FUND	\$313.69
	<b>\$2,904.80</b>

CITY OF BREEZY POINT

\*Check Detail Register©

Batch: 093023BLDGSURCHARGE

Check #	Check Date	Vendor Name	Amount	Invoice	Comment
<b>10100 Primary</b>					
3374 e	10/04/23	MN DEPT OF LABOR & INDUSTRY			
E 100-41910-309		Building Inspector	\$3,903.33	3rd Qtr 2023	3rd Qtr 2023 Bldg Surcharge Report
		Total	\$3,903.33		
		<b>10100</b>	<b>\$3,903.33</b>		

Fund Summary

<b>10100 Primary</b>	
100 GENERAL FUND	\$3,903.33
	<b>\$3,903.33</b>

**CITY OF BREEZY POINT**

**\*Check Detail Register©**

Batch: 100423PAY

Check #	Check Date	Vendor Name	Amount	Invoice	Comment
<b>10100 Primary</b>					
<b>138805</b>	10/04/23	<b>BAER, JACK &amp; LISA</b>			
E 100-41910-810		Refund/Reimbursements	\$547.75	B-17-144	Refund expired bldg permit fee B-17-144 29726 Lakeshore Dr
		Total	\$547.75		
<b>138806</b>	10/04/23	<b>Banyon Data Systems Inc.</b>			
E 100-41900-300		Professional Svcs (GENE	\$1,680.00	164375	Software Support 10/1/23 - 9/30/24
E 600-43250-308		Software / IT Support	\$935.00	164375	Software Support 10/1/23 - 9/30/24
E 270-49010-300		Professional Svcs (GENE	\$295.00	164375	Software Support 10/1/23 - 9/30/24
		Total	\$2,910.00		
<b>138807</b>	10/04/23	<b>BOBCAT OF BRAINERD</b>			
E 600-43250-220		Repair/Maint Supply (GEN	\$228.90	53905	Sewer skidsteer alternator
		Total	\$228.90		
<b>138808</b>	10/04/23	<b>BREEZY POINT HARDWARE</b>			
E 100-45100-210		Operating Supplies (GEN	\$20.57	30490	Parks Fuel
E 100-41900-401		Maint Buildings	\$14.99	30531	CH Trim Screws
E 100-43000-220		Repair/Maint Supply (GEN	\$4.99	30542	PW Wood Glue
E 100-45100-210		Operating Supplies (GEN	\$24.01	30547	Parks Fuel
E 100-45100-210		Operating Supplies (GEN	\$24.85	30556	Parks Fuel
E 100-43000-220		Repair/Maint Supply (GEN	\$6.99	30557	PW Battery
E 100-42100-200		General Operating (Suppli	\$2.37	30625	PD Fasteners
		Total	\$98.77		
<b>138809</b>	10/04/23	<b>CITY OF BREEZY POINT</b>			
E 100-41900-381		Combined Utilities	\$150.00	CH 3Q 2023	CH Sewer 3rd Qtr 2023
E 100-42100-381		Combined Utilities	\$150.00	PD 3Q 2023	PD Sewer 3rd Qtr 2023
		Total	\$300.00		
<b>138810</b>	10/04/23	<b>COMPENSATION CONSULTANTS LTD</b>			
E 100-41900-313		Benefits Administration	\$50.00	OCT 2023	HAS/FSA Benefit Administration - Oct 2023
		Total	\$50.00		
<b>138811</b>	10/04/23	<b>Crow Wing Power</b>			
E 100-41900-381		Combined Utilities	\$360.78		CH/Maint Bldg 8/8/23-9/8/23
E 600-43250-381		Combined Utilities	\$1,819.82	1438703 AU	Sewer Plant 8/8/23-9/8/23
E 600-43250-381		Combined Utilities	\$25.77	1439301 AU	#4 Pond - TSF Pump 8/8/23-9/8/23
E 600-43250-381		Combined Utilities	\$35.18	1460301 AU	Lift Pump 2 8/8/23-9/8/23
E 600-43250-381		Combined Utilities	\$217.60	1501301 AU	Lift Pump 4 8/8/23-9/8/23
E 100-43000-381		Combined Utilities	\$360.78	1516802 AU	CH/Maint Bldg 8/8/23-9/8/23
E 600-43250-381		Combined Utilities	\$57.91	1518101 AU	Lift Pump 5 30653 N Lakeview Dr 8/8/23-9/8/23
E 600-43250-381		Combined Utilities	\$44.47	1528301 AU	Lift Pump 3 8/8/23-9/8/23
E 600-43250-381		Combined Utilities	\$436.74	1532601 AU	Lift Pump 1 8/8/23-9/8/23
E 270-49010-381		Combined Utilities	\$248.61	33476401 AU	8676 Ski Chalet Dr Pelican Woods Cemetery Well 8/8/23-9/8/23
E 600-43250-381		Combined Utilities	\$91.98	33770501 AU	Lift Pump 6 8/8/23-9/8/23
E 600-43250-381		Combined Utilities	\$50.42	33929201 AU	Lift Pump 7 8/8/23-9/8/23
E 100-42100-381		Combined Utilities	\$664.66	34120201 AU	PS Bldg 8361 CR 11 8/8/23-9/8/23
E 600-43250-381		Combined Utilities	\$32.55	34265401 AU	#8 Lift Station Sparrow Dr 8/8/23-9/8/23

CITY OF BREEZY POINT

**\*Check Detail Register©**  
Batch: 100423PAY

Check #	Check Date	Vendor Name	Amount	Invoice	Comment
E 270-49010-381		Combined Utilities	\$56.24	34454801	AU 8676 Ski Chalet Dr Pelican Woods Cemetery N 8/8/23-9/8/23
E 100-43000-381		Combined Utilities	\$27.00	34569801	AU PW 8319 N Spruce Dr 8/8/23-9/8/23
E 600-43250-381		Combined Utilities	\$28.54	34613101	AU Lift Pump 9 Airport Rd 8/8/23-9/8/23
E 100-43000-381		Combined Utilities	\$12.89	34856901	AU CSAH 11 & Buschman Rd Security Light 8/8/23-9/8/23
E 100-43000-381		Combined Utilities	\$25.77	34857001	AU CSAH 11 & Ranchette Dr 8/8/23-9/8/23
E 100-43000-381		Combined Utilities	\$10.00	35276301	AU Breezy Pt Dr Fishing Pier 8/8/23-9/8/23
		Total	\$4,607.71		
<b>138812</b>	10/04/23	<b>CULLIGAN</b>			
E 100-42100-381		Combined Utilities	\$30.00	SEPT 2023	PD Water - Sept 2023
		Total	\$30.00		
<b>138813</b>	10/04/23	<b>DIAMOND MOWERS LLC</b>			
E 100-43000-220		Repair/Maint Supply (GEN	\$123.04	7672	PW Mower Parts
		Total	\$123.04		
<b>138814</b>	10/04/23	<b>FRONT LINE INDUSTRIES</b>			
E 100-42100-200		General Operating (Suppli	\$60.00	1015	PD Permit to Acquire
		Total	\$60.00		
<b>138815</b>	10/04/23	<b>GrassMaster Professional</b>			
E 270-49010-300		Professional Svcs (GENE	\$1,028.00	7672	Cemetery Mowing - Aug 2023
E 100-42100-402		Grounds Maintenance	\$292.00	7672	PD Mowing - Aug 2023
E 100-41900-402		Grounds Maintenance	\$492.00	7672	CH Mowing - Aug 2023
		Total	\$1,812.00		
<b>138816</b>	10/04/23	<b>HEARTLAND ANIMAL RESCUE TEAM</b>			
R 100-00000-32240		Animal Licenses/Imp Fees	\$333.87	08/2023	Administration Fees - Aug 2023
R 100-00000-32240		Animal Licenses/Imp Fees	(\$333.87)	08/2023	Administration Fees - Aug 2023
E 100-41900-306		Animal Control	\$333.87	08/2023	Administration Fees - Aug 2023
E 100-41900-300		Professional Svcs (GENE	\$17.00	32882	Animal Impound Fees - Aug 2023
		Total	\$350.87		
<b>138817</b>	10/04/23	<b>INTOXIMETERS INC</b>			
E 100-42100-200		General Operating (Suppli	\$255.00	743588	PD Mouthpiece Checktraps
		Total	\$255.00		
<b>138818</b>	10/04/23	<b>MARCO TECHNOLOGIES LLC</b>			
E 100-42100-400		Equipment	\$121.45	511747859	PD Copier Lease 9/17/23 - 10/17/23
E 600-43250-200		General Operating (Suppli	\$51.84	512042128	Copier Lease 9/22/23 - 10/22/23
E 100-41900-400		Equipment	\$207.36	512042128	Copier Lease 9/22/23 - 10/22/23
		Total	\$380.65		
<b>138819</b>	10/04/23	<b>MENARDS- BAXTER</b>			
E 100-43000-220		Repair/Maint Supply (GEN	\$72.79	4892	PW Shop Supplies
E 100-43000-229		Culverts/MB Supports	\$1,154.93	4892	PW Culvert
E 600-43250-200		General Operating (Suppli	\$299.98	4892	Sewer Chlorine Tablets
E 100-41900-401		Maint Buildings	\$152.53	5170	CH Lumber & Countertop
E 100-45100-222		Landscaping	\$87.96	5418	Parks FG Starter
E 800-00000-430		Miscellaneous (GENERAL	\$17.46	5893	PD RAM Corner Brace & Felt Blanket



**CITY OF BREEZY POINT**

**\*Check Detail Register©**

Batch: 100423PAY

Check #	Check Date	Vendor Name	Amount	Invoice	Comment
			Total	\$1,785.65	
<b>138820</b>	10/04/23	<b>MINNESOTA MUNICIPAL UTILITIES ASSN</b>			
E 100-43000-300		Professional Svcs (GENE	\$105.00	62284	Drug & Alcohol Testing Consortium - 2023
E 600-43250-300		Professional Svcs (GENE	\$70.00	62284	Drug & Alcohol Testing Consortium - 2023
			Total		\$175.00
<b>138821</b>	10/04/23	<b>MOTOROLA SOLUTIONS INC</b>			
E 100-42100-300		Professional Svcs (GENE	\$62.16	1411009939	PD Local Redundant Storage - Jan, Feb 2023
E 100-42100-300		Professional Svcs (GENE	\$31.26	1411016645	PD Local Redundant Storage - March 2023
E 100-42100-300		Professional Svcs (GENE	\$112.98	1411023813	PD Local Redundant Storage - April, May, June 2023
E 100-42100-300		Professional Svcs (GENE	\$2,065.00	8230401687	PD Annual Software & Hosting 4/1/23 - 3/31/24
			Total		\$2,271.40
<b>138822</b>	10/04/23	<b>PELICAN SQUARE INC</b>			
E 600-43250-212		Motor Fuels	\$22.10	1015872	Sewer Fuel
			Total		\$22.10
<b>138823</b>	10/04/23	<b>PEQUOT LAKES SANITATION</b>			
E 100-41900-324		Recycling	\$40.00	172500 - OC	Recycling Service - Oct 2023
E 100-41900-381		Combined Utilities	\$96.70	172500 - OC	CH Trash Service - Oct 2023
E 100-42100-381		Combined Utilities	\$64.34	172500 - OC	PD Trash Service - Oct 2023
			Total		\$201.04
<b>138824</b>	10/04/23	<b>PREMIER AUTO REPAIR</b>			
E 100-42100-220		Repair/Maint Supply (GEN	\$20.05	41539	PD 2020 Ford Explorer Interceptor Tire Repair
			Total		\$20.05
<b>138825</b>	10/04/23	<b>QUALITY FLOW SYSTEMS, INC.</b>			
E 600-43250-220		Repair/Maint Supply (GEN	\$22,700.00	45584	Sewer Pumps
			Total		\$22,700.00
<b>138826</b>	10/04/23	<b>RATWIK ROSZAK &amp; MALONEY PA</b>			
E 100-41610-304		Legal/Prosecution Fees	\$102.00	74617	Ossawinnamakee Rd HOA
E 100-41610-304		Legal/Prosecution Fees	\$199.50	74617	Detachment Petition Docket #71-0330-37967
E 100-41610-304		Legal/Prosecution Fees	\$87.50	74617	Hazardous Structure 30431 Terminal Rd
			Total		\$389.00
<b>138827</b>	10/04/23	<b>RUST, JANETTE</b>			
E 600-43250-331		Travel Expenses / Mileage	\$34.39	2Q 3Q 2023	Mileage Reimbursement 2nd & 3rd Qtr 2023
E 100-41300-331		Travel Expenses / Mileage	\$34.39	2Q 3Q 2023	Mileage Reimbursement 2nd & 3rd Qtr 2023
			Total		\$68.78
<b>138828</b>	10/04/23	<b>SADUSKY RENOVATIONS</b>			
E 100-41910-309		Building Inspector	\$8,595.09	SEPT 2023	Bldg Inspections Services - Sept 2023
			Total		\$8,595.09
<b>138829</b>	10/04/23	<b>SPARROW CLEANING SERVICE</b>			
E 100-42100-401		Maint Buildings	\$450.00	3644	PD Office Cleaning - Aug 2023
E 100-41900-401		Maint Buildings	\$350.00	3645	CH Office Cleaning - Aug 2023

**CITY OF BREEZY POINT**

**\*Check Detail Register©**

Batch: 100423PAY

Check #	Check Date	Vendor Name	Amount	Invoice	Comment
Total			\$800.00		
<b>138830</b>	10/04/23	<b>VERIZON WIRELESS</b>			
E 100-43000-321		Telephone	\$150.00	9944053004	PW Cell Phones 8/11/23 - 9/10/23
E 600-43250-321		Telephone	\$100.00	9944053004	Sewer Cell Phones 8/11/23 - 9/10/23
Total			\$250.00		
<b>138831</b>	10/04/23	<b>WIDSETH SMITH NOLTING &amp; ASSOC</b>			
G 100-11500		Accounts Receivable	\$4,836.73	225197	Passthru Expense- Whitebirch Chickasaw Sewer Extension Engineering
E 602-41950-592		Engineering Costs	\$3,815.25	225774	WWF & Sewer Expansion Study Engineering Services thru 9/8/23
E 100-41900-303		Engineering Fees	\$376.00	225775	P&Z Engineering Services thru 9/8/23
Total			\$9,027.98		
<b>10100</b>			<b>\$58,060.78</b>		

**Fund Summary**

**10100 Primary**

100 GENERAL FUND	\$25,317.03
270 CEMETERY Special Revenue Fund	\$1,627.85
600 SEWER OPERATING FUND	\$27,283.19
602 Sewer Capital Projects Fund	\$3,815.25
800 Escrow Reserve Fund	\$17.46
	\$58,060.78

# CITY OF BREEZY POINT

## \*Check Detail Register©

January-December 2021

		Check Amt	Invoice	Comment	Claim Nbr
<b>10100 Primary</b>					
<b>138832</b>	10/5/2023		<b>Peterson, Jerry E.</b>		
R 600-00000-37210	Sewer Service Payments	\$75.00		Utility Billing Credit Refund Waldenheim #505	1322
	<b>Total</b>	<u>\$75.00</u>			
<b>10100 Primary</b>		<u>\$75.00</u>			

**CITY OF BREEZY POINT**

**\*Check Detail Register©**

Batch: 100723USBANK

Check #	Check Date	Vendor Name	Amount	Invoice	Comment
<b>10100 Primary</b>					
<b>3373 e</b>	10/07/23	<b>US BANK</b>			
E 100-41300-200		General Operating (Suppli	\$14.45	088	CH Postage
E 100-41900-401		Maint Buildings	\$480.93	091923	Complete Refurbish Lux Vacuum
E 100-42100-401		Maint Buildings	\$480.92	091923	Complete Refurbish Lux Vacuum
E 800-00000-430		Miscellaneous (GENERAL	\$113.22	11464201568	PD Flashlight
E 100-41910-300		Professional Srvs (GENE	\$295.00	3392681	Planning & Zoning Administrator position ad
E 100-45100-210		Operating Supplies (GEN	\$38.52	3595592-739	Parks Reflective Signs
E 100-42100-200		General Operating (Suppli	\$11.49	36838112293	PD Internet Cabel
E 100-42100-208		Training and Education	\$1,000.00	43904	PD K. Rustad Trainings
E 100-42100-200		General Operating (Suppli	\$6.25	677	PD Postage
E 100-42100-200		General Operating (Suppli	\$4.85	678	PD Postage
E 100-42100-200		General Operating (Suppli	\$4.85	853	PD Postage
E 100-42100-200		General Operating (Suppli	\$5.50	854	PD Postage
E 100-42100-200		General Operating (Suppli	\$4.85	979	PD Postage
E 800-00000-430		Miscellaneous (GENERAL	\$761.99	BRD-54464-0	PD RAM Nerf Bars installed
E 800-00000-430		Miscellaneous (GENERAL	\$237.95	BRD-54670-0	PD RAM Floor Liners
E 600-43250-220		Repair/Maint Supply (GEN	\$170.01	S41467	Camlocks
E 600-43250-220		Repair/Maint Supply (GEN	\$45.45	S41728	Camlocks
		Total	\$3,676.23		
		<b>10100</b>	\$3,676.23		

**Fund Summary**

**10100 Primary**

100 GENERAL FUND	\$2,347.61
600 SEWER OPERATING FUND	\$215.46
800 Escrow Reserve Fund	\$1,113.16
	\$3,676.23

**CITY OF BREEZY POINT**

**\*Check Detail Register©**

Batch: 101823PAY

Check #	Check Date	Vendor Name	Amount	Invoice	Comment
<b>10100 Primary</b>					
<b>138833</b>	10/18/23	<b>Anderson Brothers Constr Inc</b>			
E 100-43000-224		Aggregate Material	\$72.92	112298	PW Class 5
		Total	\$72.92		
<b>138834</b>	10/18/23	<b>APPLIED CONCEPTS, INC</b>			
E 100-42100-200		General Operating (Suppli	\$542.50	426957	PD Antenna
		Total	\$542.50		
<b>138835</b>	10/18/23	<b>Aramark Uniform Services</b>			
E 100-41900-401		Maint Buildings	\$103.28	2530195026	CH Mats
E 100-42100-401		Maint Buildings	\$112.19	2530195027	PD Mats
		Total	\$215.47		
<b>138836</b>	10/18/23	<b>AT&amp;T MOBILITY</b>			
E 100-42100-321		Telephone	\$921.75	X10032023	PD Cell Phones & Air Cards
		Total	\$921.75		
<b>138837</b>	10/18/23	<b>AW RESEARCH LABORATORIES INC</b>			
E 600-43250-326		MPCA Permit/Lab Testing	\$27.00	58555	Testing
E 600-43250-326		MPCA Permit/Lab Testing	\$199.00	58854	Testing
		Total	\$226.00		
<b>138838</b>	10/18/23	<b>AXON ENTERPRISE, INC.</b>			
E 100-42100-590		Capital Outlay	\$17,571.84	INUS172138	PD Cameras, Vehicle License
		Total	\$17,571.84		
<b>138839</b>	10/18/23	<b>Bureau of Crim. Apprehension</b>			
E 100-42100-300		Professional Srvs (GENE	\$600.00	761596	CJDN Access Fee 7/1/23 - 6/30/24
		Total	\$600.00		
<b>138840</b>	10/18/23	<b>BREEZY POINT HARDWARE</b>			
E 100-43000-212		Motor Fuels	\$102.99	30488	PW Fuel
E 600-43250-200		General Operating (Suppli	\$79.99	30509	Sewer Measuring Wheel
E 100-43000-220		Repair/Maint Supply (GEN	\$39.99	30538	PW Lopper Telescopic Power
E 100-45100-210		Operating Supplies (GEN	\$15.77	30538	Parks Fuel
E 100-43000-401		Maint Buildings	\$26.98	30615	PW Screws & Washers
E 100-43000-200		General Operating (Suppli	\$9.99	30620	PW Armor All
E 100-43000-212		Motor Fuels	\$120.99	30640	PW Fuel
E 100-43000-240		Small Tools/Minor Equipm	\$49.98	30642	PW Socket Sets
E 100-43000-240		Small Tools/Minor Equipm	(\$24.99)	30645	PW Socket Set Return
E 600-43250-212		Motor Fuels	\$29.27	30669	Sewer Fuel
E 100-45100-401		Maint Buildings	\$84.96	30688	Parks Paint & Painting Supplies
E 100-42100-401		Maint Buildings	\$93.92	30712	PD Paint & Painting Supplies
E 100-42100-401		Maint Buildings	\$32.98	30713	PD Paint & Painting Supplies
E 100-45100-210		Operating Supplies (GEN	\$57.31	30716	Parks Fuel
E 100-43000-220		Repair/Maint Supply (GEN	\$24.99	30731	PW Socket Set
E 600-43250-220		Repair/Maint Supply (GEN	\$56.93	30763	Sewer Fuel
E 600-43250-220		Repair/Maint Supply (GEN	\$14.04	30766	Sewer Fuel
E 100-42100-200		General Operating (Suppli	\$2.58	30774	PD Fasteners

CITY OF BREEZY POINT

**\*Check Detail Register©**  
Batch: 101823PAY

Check #	Check Date	Vendor Name	Amount	Invoice	Comment
E 100-45100-210		Operating Supplies (GEN	\$9.96	30791	Parks Paint Brush
E 100-45100-210		Operating Supplies (GEN	\$9.98	30794	Parks Chip Brush
E 100-43000-200		General Operating (Suppli	\$38.97	30801	PW Batteries
		Total	\$877.58		
<b>138841</b>	10/18/23	<b>BROWNELLS Inc.</b>			
E 100-42100-208		Training and Education	\$292.11	20234106570	PD Glock Magazines
		Total	\$292.11		
<b>138842</b>	10/18/23	<b>CARGORAXX LLC</b>			
E 100-42100-417		Uniforms	\$897.90	2129	2020-2022 Ford PIU Hard Mount Full Package
		Total	\$897.90		
<b>138843</b>	10/18/23	<b>David Chanski</b>			
E 100-41300-208		Training and Education	\$1,962.08	ICMA 2023	ICMA Conference Lodging, Meals, Transportation
		Total	\$1,962.08		
<b>138844</b>	10/18/23	<b>CHARTER COMMUNICATIONS</b>			
E 100-43000-200		General Operating (Suppli	\$0.71	41845100823	Internet Service 10/08/23 - 11/07/23
E 100-42100-308		Software / IT Support	\$56.00	41845100823	Internet Service 10/08/23 - 11/07/23
E 600-43250-200		General Operating (Suppli	\$27.00	41845100823	Internet Service 10/08/23 - 11/07/23
E 100-41910-200		General Operating (Suppli	\$0.42	41845100823	Internet Service 10/08/23 - 11/07/23
E 100-41900-381		Combined Utilities	\$54.03	41845100823	Internet Service 10/08/23 - 11/07/23
E 100-41300-200		General Operating (Suppli	\$1.40	41845100823	Internet Service 10/08/23 - 11/07/23
E 100-41100-100		Compensation (GENERAL	\$0.42	41845100823	Internet Service 10/08/23 - 11/07/23
		Total	\$139.98		
<b>138845</b>	10/18/23	<b>CHARTER COMMUNICATIONS - PA</b>			
E 100-42100-381		Combined Utilities	\$24.38	17560430110	PD Cabel TV 10/02/23 - 11/01/23
		Total	\$24.38		
<b>138846</b>	10/18/23	<b>CROW WING CO TREASURER</b>			
E 100-41910-302		E911 / Permit Exp	\$125.00	6465	E911 Addressing - Sept 2023
		Total	\$125.00		
<b>138847</b>	10/18/23	<b>CTC</b>			
E 100-41300-321		Telephone	\$205.18	21273424	Phone Service 10/12/23 - 11/11/23
E 100-43000-321		Telephone	\$28.30	21273424	Phone Service 10/12/23 - 11/11/23
E 100-42100-321		Telephone	\$474.04	21273424	Phone Service 10/12/23 - 11/11/23
		Total	\$707.52		
<b>138848</b>	10/18/23	<b>CULLIGAN</b>			
E 100-42100-381		Combined Utilities	\$30.00	59178	PD Water
		Total	\$30.00		
<b>138849</b>	10/18/23	<b>DIAMOND MOWERS LLC</b>			
E 100-43000-222		Landscaping	\$53.19	250688	PW Mower Parts
E 100-43000-222		Landscaping	\$304.34	251378	PW Mower Parts
		Total	\$357.53		
<b>138850</b>	10/18/23	<b>FED EX</b>			

**CITY OF BREEZY POINT**

**\*Check Detail Register©**

Batch: 101823PAY

Check #	Check Date	Vendor Name	Amount	Invoice	Comment
E 100-42100-200		General Operating (Suppli	\$12.53	8-275-39935	PD Postage
E 100-42100-200		General Operating (Suppli	\$11.74	8-282-63151	PD Postage
		Total	\$24.27		
<b>138851</b>	10/18/23	<b>FORUM COMMUNICATIONS COMPANY</b>			
E 100-41910-351		Legal Notices Publishing	\$76.02	AD #262408-	Planning PH 10/10/23
E 100-41100-351		Legal Notices Publishing	\$425.00	I2023-000913	2022 Summary Financial Report
		Total	\$501.02		
<b>138852</b>	10/18/23	<b>FYLES SATELLITES INC.</b>			
E 100-45100-300		Professional Svcs (GENE	\$214.50	9950	Portable Restroom Rental 9/5/23 - 10/5/23
		Total	\$214.50		
<b>138853</b>	10/18/23	<b>GALLS LLC</b>			
E 800-00000-430		Miscellaneous (GENERAL	\$45.95	25800986	PD RAM Pickup Car Seat Organizer
		Total	\$45.95		
<b>138854</b>	10/18/23	<b>GOPHER STATE ONE CALL</b>			
E 600-43250-332		Gopher One Locates	\$71.55	3090247	Locates
		Total	\$71.55		
<b>138855</b>	10/18/23	<b>GRANITE ELECTRONICS</b>			
E 100-42100-300		Professional Svcs (GENE	\$204.40	150013137-1	PD Mission Critical Wireless Battery
E 100-42100-300		Professional Svcs (GENE	(\$204.40)	150013137-1	PD Mission Critical Wireless Battery
E 100-42100-417		Uniforms	\$204.40	150013137-1	PD Mission Critical Wireless Battery
		Total	\$204.40		
<b>138856</b>	10/18/23	<b>HEARTLAND ANIMAL RESCUE TEAM</b>			
E 100-41900-306		Animal Control	\$333.87	09/2023	Impound Fees - Oct 2023
		Total	\$333.87		
<b>138857</b>	10/18/23	<b>HOVDE ENTERPRISES</b>			
E 100-43000-220		Repair/Maint Supply (GEN	\$500.00	1305	MN DOT Inspections 5 power units, 3 trailers
E 600-43250-220		Repair/Maint Supply (GEN	\$300.00	1305	MN DOT Inspections 5 power units, 3 trailers
		Total	\$800.00		
<b>138858</b>	10/18/23	<b>KIMBER CREEK FORD</b>			
E 600-43250-220		Repair/Maint Supply (GEN	\$1,127.17	7636	Sewer 2016 Ford Explorer Repair
		Total	\$1,127.17		
<b>138859</b>	10/18/23	<b>LANDSBURG LANDSCAPE NURSERY</b>			
E 100-45100-222		Landscaping	\$467.94	23259	Parks Vines & Trees
E 270-49010-222		Landscaping	\$4,893.75	3423	Cemetery Landscape Maintenance as per proposal
		Total	\$5,361.69		
<b>138860</b>	10/18/23	<b>LAW ENFORCEMENT LABOR SERVICES</b>			
G 100-21710		Other Deductions	\$202.50	OCT 2023	PD Union Dues - October 2023
		Total	\$202.50		
<b>138861</b>	10/18/23	<b>LMC - INSURANCE TRUST</b>			
E 100-41100-150		Worker s Comp (GENERA	\$7.61	WC1002170-	Worker's Comp Audit 4/8/22 - 4/8/23
E 100-41300-150		Worker s Comp (GENERA	\$190.28	WC1002170-	Worker's Comp Audit 4/8/22 - 4/8/23

**CITY OF BREEZY POINT**

**\*Check Detail Register©**

Batch: 101823PAY

Check #	Check Date	Vendor Name	Amount	Invoice	Comment
E 100-41910-150		Worker s Comp (GENERA	\$14.46		WC1002170- Worker's Comp Audit 4/8/22 - 4/8/23
E 100-42100-150		Worker s Comp (GENERA	\$2,740.09		WC1002170- Worker's Comp Audit 4/8/22 - 4/8/23
E 100-43000-150		Worker s Comp (GENERA	\$989.48		WC1002170- Worker's Comp Audit 4/8/22 - 4/8/23
E 600-43250-150		Worker s Comp (GENERA	\$723.08		WC1002170- Worker's Comp Audit 4/8/22 - 4/8/23
		Total	\$4,665.00		
<b>138862</b>	10/18/23	<b>M&amp;R SIGN CO., INC.</b>			
E 100-45100-210		Operating Supplies (GEN	\$335.49	221606	Parks Signs
		Total	\$335.49		
<b>138863</b>	10/18/23	<b>MENARDS- BAXTER</b>			
E 100-43000-220		Repair/Maint Supply (GEN	\$146.85	5840	PW Rain-X, Hydraulic Oil, Def
E 100-45100-222		Landscaping	\$199.68	6089	Parks Cedar Fence Materials
E 100-43000-200		General Operating (Suppli	\$17.40	6089	PW Water
E 600-43250-200		General Operating (Suppli	\$149.99	6257	Sewer Chlorine Tablets
		Total	\$513.92		
<b>138864</b>	10/18/23	<b>MN DEPT OF LABOR &amp; INDUSTRY</b>			
E 600-43250-326		MPCA Permit/Lab Testing	\$10.00	AMR0313164	UM Pressure Vessel WWP
		Total	\$10.00		
<b>138865</b>	10/18/23	<b>MOTOROLA SOLUTIONS INC</b>			
E 100-42100-220		Repair/Maint Supply (GEN	\$1,129.68	8281730650	PD Radio Reprogram
E 100-42100-220		Repair/Maint Supply (GEN	(\$1,129.68)	8281730650	PD Radio Reprogram
E 100-42100-300		Professional Srvs (GENE	\$1,129.68	8281730650	PD Radio Reprogram
E 100-42100-417		Uniforms	\$5,262.88	8281738972	PD Radios
		Total	\$6,392.56		
<b>138866</b>	10/18/23	<b>ON SYSTEMS INC</b>			
E 100-41900-308		Software / IT Support	\$610.55	10436	IT Support - OCT 2023
E 100-41910-308		Software / IT Support	\$244.22	10436	IT Support - OCT 2023
E 100-42100-308		Software / IT Support	\$1,709.55	10436	IT Support - OCT 2023
E 100-43000-308		Software / IT Support	\$183.17	10436	IT Support - OCT 2023
E 600-43250-308		Software / IT Support	\$305.27	10436	IT Support - OCT 2023
		Total	\$3,052.76		
<b>138867</b>	10/18/23	<b>PETTY CASH</b>			
E 600-43250-331		Travel Expenses / Mileage	\$119.21	101823	Sewer Mileage 7/28/23 - 10/03/23
E 100-45100-222		Landscaping	\$18.96	101823	Parks Plants
		Total	\$138.17		
<b>138868</b>	10/18/23	<b>PLACID LAKE ADVISORS</b>			
E 100-41910-100		Compensation (GENERAL	\$3,510.00	SEPT 2023	Planning & Zoning Services - Sept 2023
		Total	\$3,510.00		
<b>138869</b>	10/18/23	<b>PREMIER AUTO REPAIR</b>			
E 100-42100-200		General Operating (Suppli	\$175.00	41356	PD 2013 Lexus RX 350 VIN: 4240 Towing
E 100-42100-220		Repair/Maint Supply (GEN	\$326.42	41532	PD 2018 Ford Police Interceptor Utility Install Battery
		Total	\$501.42		
<b>138870</b>	10/18/23	<b>QUADIENT LEASING USA, INC.</b>			



**CITY OF BREEZY POINT**

**\*Check Detail Register©**  
Batch: 101823PAY

Check #	Check Date	Vendor Name	Amount	Invoice	Comment
E 100-41900-400		Equipment	\$107.38	Q1006981	Postage Machine Lease 11/3/23 - 02/02/24
E 600-43250-200		General Operating (Suppli	\$26.84	Q1006981	Postage Machine Lease 11/3/23 - 02/02/24
		Total	\$134.22		
<b>138871</b>	10/18/23	<b>RUSTAD, KIEL</b>			
E 100-42100-208		Training and Education	\$239.82	091323	K. Rustad St. Paul Training Lodging
E 100-42100-417		Uniforms	\$164.00	092123	K. Rustad (2) Pairs Uniform Pants
E 100-42100-208		Training and Education	\$296.88	092723	K. Rustad Bemidji Training Lodging
		Total	\$700.70		
<b>138872</b>	10/18/23	<b>Salvevold, Nicholas</b>			
E 100-42100-208		Training and Education	\$364.35	092723	N. Salvevold Bemidji Training Loding & Meals
		Total	\$364.35		
<b>138873</b>	10/18/23	<b>SPARROW CLEANING SERVICE</b>			
E 100-42100-401		Maint Buildings	\$360.00	3649	PD Cleaning - Sept 2023
E 100-41900-401		Maint Buildings	\$280.00	3650	CH Cleaning - Sept 2023
		Total	\$640.00		
<b>138874</b>	10/18/23	<b>TDS TELECOM</b>			
E 100-42100-308		Software / IT Support	\$47.59	OCT 2023	Internet Service 10/13/23 - 11/12/23
E 100-43000-308		Software / IT Support	\$5.10	OCT 2023	Internet Service 10/13/23 - 11/12/23
E 600-43250-308		Software / IT Support	\$8.50	OCT 2023	Internet Service 10/13/23 - 11/12/23
E 100-41900-308		Software / IT Support	\$17.00	OCT 2023	Internet Service 10/13/23 - 11/12/23
E 100-41910-308		Software / IT Support	\$6.80	OCT 2023	Internet Service 10/13/23 - 11/12/23
		Total	\$84.99		
<b>138875</b>	10/18/23	<b>THE OFFICE SHOP</b>			
E 100-41300-200		General Operating (Suppli	\$20.40	1132178-0	CH Binders
E 100-42100-200		General Operating (Suppli	\$154.08	1133054-0	PD Office Supplies
E 100-42100-200		General Operating (Suppli	\$24.70	1133054-1	PD Office Supplies
E 100-41300-200		General Operating (Suppli	\$86.57	1133511-0	CH Office Supplies
E 100-41300-200		General Operating (Suppli	\$15.99	1133630-0	CH Paper
		Total	\$301.74		
<b>138876</b>	10/18/23	<b>UtilityLogic</b>			
E 600-43250-200		General Operating (Suppli	\$1,185.00	14301	Sewer Locator
		Total	\$1,185.00		
<b>138877</b>	10/18/23	<b>VERIZON WIRELESS</b>			
E 100-43000-321		Telephone	\$150.12	9946476105	PW Cell Phones
E 600-43250-321		Telephone	\$100.08	9946476105	Sewer Cell Phones
		Total	\$250.20		
<b>138878</b>	10/18/23	<b>VIKING ELECTRIC SUPPLY INC</b>			
E 100-42100-401		Maint Buildings	\$33.93	S007381311.	Keyste KT-LED
		Total	\$33.93		
<b>138879</b>	10/18/23	<b>XCEL ENERGY</b>			
E 100-42100-381		Combined Utilities	\$36.65	846781525	PD Natural Gas Service 8/29/23 - 9/28/23
		Total	\$36.65		

# CITY OF BREEZY POINT

## \*Check Detail Register©

Batch: 101823PAY

Check #	Check Date	Vendor Name	Amount	Invoice	Comment
			<b>10100</b>	\$57,302.58	

### Fund Summary

**10100 Primary**

100 GENERAL FUND	\$47,802.96
270 CEMETERY Special Revenue Fund	\$4,893.75
600 SEWER OPERATING FUND	\$4,559.92
800 Escrow Reserve Fund	\$45.95
	<b>\$57,302.58</b>

TO: Mayor and City Council  
FROM: David Chanski, City Administrator  
RE: PERA Contributions for Part-Time Police Officers  
DATE: November 6, 2023

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**Background**

As part of the 2023 legislative session, legislation was adopted that requires public employers to enroll any part-time employee that makes more than \$425 in a single month in the Public Employee Retirement Association (PERA). Seasonal employees and full-time students are exempt.

**Effects on the City**

This change in legislation current affects only one employee, Part-Time Patrol Officer Luke Hamilton. As Officer Hamilton has made over \$400 in a single month, the City must enroll him in PERA. However, by enrolling him in PERA, the City (and Officer Hamilton) not longer have to pay contributions to FICA as police officers enrolled in a retirement system are not eligible for FICA.

To enroll Officer Hamilton (and any other future part-time patrol officers) in PERA, the attached resolution must be adopted.

**Council Action**

Staff recommends that the City Council adopt Resolution 14-2023.

CITY OF BREEZY POINT  
RESOLUTION 14-2023

A RESOLUTION DECLARING PERA CONTRIBUTIONS FOR PART-TIME POLICE OFFICERS

WHEREAS, Minnesota Statutes 353.64, Subdivision 2, permits the governing body of a governmental subdivision to declare that a position is that of a police officer and that the person who holds said position on a part-time basis is to be covered by the Police and Fire retirement plan if the following employment duties and qualification requirements are met.

1. The position requires a license by the Minnesota peace officer standards and training board and the employee is so licensed;
2. The primary (over 50%) duty of the position is to enforce the general criminal laws of the state;
3. The position charges the employee with the prevention and detection of crime;
4. The position gives this employee the full power of arrest, and
5. The position is assigned to a designated police or sheriff's department.

NOW THEREFORE BE IT RESOLVED by the City of Breezy Point City Council that the position of Part-Time Police Officer in the Breezy Point Police Department satisfies all of the requirements listed above and declares its desire to provide all current and future employees holding said part-time law enforcement position with coverage under the Police and Fire plan; and

BE IT FURTHER RESOLVED that this governmental unit will provide a copy of this resolution to PERA each time it provides Police and Fire membership to a person who is hired to said part-time position and will indicate the name of the employee eligible for such coverage.

Rebecca Ball: \_\_\_

Brad Scott: \_\_\_

Steve Jensen: \_\_\_

Angel Zierden: \_\_\_

Michael Moroni: \_\_\_

Adopted this 6<sup>th</sup> Day November 2023

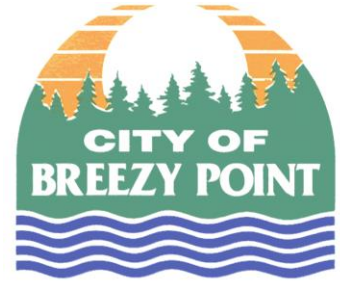
\_\_\_\_\_  
Mayor Angel Zierden

Attest:

\_\_\_\_\_  
David Chanski, City Administrator/Clerk

TO: Mayor and City Council  
FROM: David Chanski, City Administrator  
RE: LRIP Grant Application for Buschmann Road  
DATE: November 6, 2023

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The Minnesota Department of Transportation (MNDOT) is currently soliciting applications for the Local Road Improvement Program (LRIP) grant. As part of the 2023 legislative session, the Legislature appropriated a total of \$102,967,000 for the LRIP and split the funds into three categories: Trunk Highway Corridor Account, Routes of Regional Significance Account, and Rural Road Safety Account. The maximum grant award through LRIP is \$1.5 million.

Staff and the City’s engineers with WSB recommend applying for the \$1.5 million maximum grant amount for the Buschmann Road project, which would fall under the Routes of Regional Significance category. If awarded the full amount, this grant would reduce the current estimated construction costs of Buschmann Road by approximately 40%.

As part of WSB’s contract with the City, WSB will prepare and submit all application materials on behalf of the City. The grant deadline is December 8, 2023. MNDOT currently expects to announce grant awards in late March/early April 2024.

Part of the application requirements is a supporting resolution for the local governing entity. The attached Resolution 15-2023 is such a supporting resolution. Additionally, this resolution will be going before the Ideal Township Board on November 13 for adoption as well as before the Crow Wing County Board on November 21.

**Council Action**

Staff recommends that the City Council adopt Resolution 15-2023, a resolution supporting pursuit and submission of 2023 Local Road Improvement Program from the Minnesota Department of Transportation for the reconstruction of Buschmann Road.

CITY OF BREEZY POINT  
RESOLUTION 15-2023

A RESOLUTION SUPPORTING PURSUIT AND SUBMISSION OF 2023 LOCAL ROAD IMPROVEMENT PROGRAM (LRIP) FROM THE MINNESOTA DEPARTMENT OF TRANSPORTATION FOR THE RECONSTRUCTION OF BUSCHMANN ROAD FROM CSAH 11 TO 750 FEET EAST OF NELSON ROAD

WHEREAS, Buschmann Road, functionally classified as a local street, traverses between CSAH 11 and Nelson Road in the City of Breezy Point and shares a segment of Buschmann Road with Ideal Township in Crow Wing County, Minnesota; and

WHEREAS, Buschmann Road currently consists of an average 24-foot-wide paved roadway at the end of its serviceable life along with an unsafe vertical geometric profile that does not meet current design speed criteria and provides for numerous blind intersections and driveways; and

WHEREAS, since 2013, calculated crash rates along Buschmann Road have been consistently over the average crash rates for 2-lane, undivided rural roadways with ADT < 1,500 veh/day; and

WHEREAS, Buschmann Road has an average daily traffic of near 900 vehicles/day consisting of both local and commuter trips that utilize Buschmann Road to travel between Breezy Point, Pequot Lakes, and other surrounding communities in Crow Wing County; and

WHEREAS, Buschmann Road is a route of regional significance that currently provides connection and congestion relief to neighboring trunk highways and county roads in the vicinity such as TH 371, CSAH 11, CSAH 16, and County Road 112 in Crow Wing County; and

WHEREAS, Buschmann Road has been studied since the early 2000's, and most recently, a study completed in 2021 called the Cooperative Community Enhancement Project (CCEP) in which outlines Buschmann Road's overall importance to the local and regional transportation system and was a culmination of work between the Crow Wing County, City of Pequot Lakes, City of Breezy Point, Ideal Township, and the City of Jenkins; and

WHEREAS, the CCEP studied 3 main goals and objectives in which were outlined by the steering committee and consisted of understanding feasible alternatives to improve safety and regional connectivity on the corridor, identify costs and impacts related to construction, right of way, and environmental, and enhance the ability to fund the project by producing a fundable recommendation; and

WHEREAS, within the CCEP study, crash history, traffic counts, and numerous alternative alignments were studied, and costs of such improvements were estimated to inform the most feasible alignment alternative for the multi-jurisdictional project; and

WHEREAS, the City of Breezy Point and Ideal Township have both elected to construct their portions of Buschmann Road from CSAH 11 to 750 feet east of Nelson Road to a supported local standard, as identified in the CCEP; and

WHEREAS, \$102.967 million in LRIP funding is available, with a cap of \$1.5 million for each project, and

WHEREAS, LRIP funds can be used on reasonable elements associated with roadway construction and that other costs, including but not limited to consultant engineering and inspection, utility construction, as well as construction costs above the LRIP award will need to have alternate funding sources identified; and

WHEREAS, Breezy Point and Ideal Township have significant local financial investment into Buschmann Road studies and preliminary design over the last 3 years totaling nearly \$300,000 of preliminary investigations including wetland delineations, geotechnical investigations, preliminary roadway and hydraulic modeling, cost estimating, constructability reviews, and topographic surveying; and

WHEREAS, Breezy Point and Ideal Township wish to pursue LRIP funds to reconstruct the 2.15 miles Buschmann Road between CSAH 11 to 750-foot east of Nelson Road to a 10-ton roadway standard, widening the roadway to a full 32-foot-wide paved surface to accommodate pedestrians and bikes, and improve horizontal and vertical geometrics at locations on the corridor and at select street and driveway entrances; and

WHEREAS, the construction on Buschmann will benefit many agencies and people, including but not limited to MnDOT, Crow Wing County, and residents as roadway geometrics will be improved to provide for safer geometrics and adequate clear zones, provide for a paved shoulder to accommodate local and regional pedestrian and bike traffic, and relieve congestion on neighboring Trunk Highway and County routes such as TH 371, CSAH 11, CSAH 16, and County Road 112; and

WHEREAS, Breezy Point and Ideal Township wish to pursue the LRIP funds and complete the project work in construction year 2025; and

WHEREAS, the City and Township have committed to provide for all other project costs in which would be ineligible for LRIP funding including but not limited to design engineering, construction administration and testing, legal/administrative fees, and utility construction; and

WHEREAS, the City and Township agree to maintain such improvements under each its own jurisdiction for the lifetime of the improvements.

NOW THEREFORE BE IT RESOLVED by the City of Breezy Point City Council that:

1. The Breezy Point City Council supports the reconstruction project and agrees to maintain such improvement.
2. The City of Breezy Point City Council supports the submittal of the LRIP application.

3. The City of Breezy Point, if awarded LRIP funds, will hold the grant agreement with the State of Minnesota, and as such, will provide for cost splits for costs above the awarded grant amount that consider grant award monies on a prorated basis.
4. The City Council provides assurances that the city will pay all costs associated with the project beyond the LRIP grant award.
5. The City Council seeks the support by resolution of Crow Wing County to act as project sponsor for the project should the City and Township be selected to receive LRIP funds, and that such sponsorship shall include the following responsibilities:
  - a. Authorizing the County Engineer to act as an agent on behalf of the sponsoring agency.
  - b. Be the fiscal agent on behalf of the City and have funds flow from MnDOT to the County and to the Contractor.
  - c. Work with the City and Township’s representative, WSB, through the state aid process including plan reviews, approvals, and grant agreements.
  - d. Request an SAP number for the project.
  - e. Work with WSB to ensure the project is meeting milestones and dates.
  - f. Review and sign the plans prepared by WSB along with providing cursory review of the engineers estimate and proposal before submission to the DSAE.
  - g. Review and sign state aid pay requests (SAPRs) prepared by WSB before submission to State Aid for review.
  - h. Assist WSB in communicating progress and updates with the DSAE’s and State Aid State Programs Engineer.

Rebecca Ball: \_\_\_

Brad Scott: \_\_\_

Steve Jensen: \_\_\_

Angel Zierden: \_\_\_

Michael Moroni: \_\_\_

Adopted this 6<sup>th</sup> Day November 2023

\_\_\_\_\_  
Mayor Angel Zierden

Attest:

\_\_\_\_\_  
David Chanski, City Administrator/Clerk



## NOTICE OF GRANT OPPORTUNITY

**Minnesota Department of Transportation (MnDOT)**

**Local Road Improvement Program Grant Solicitation**

**2023 Solicitation Guide**

Note: This document is available in alternative formats for persons with disabilities by calling the Minnesota Relay Service at 1-800-627-3529 or for persons who are hearing, or speech impaired by e-mailing [ADArequest.dot@state.mn.us](mailto:ADArequest.dot@state.mn.us)

This grant announcement does not obligate MnDOT to award a grant, and MnDOT reserves the right to cancel the solicitation if it is considered to be in its best interest.

Responses to this grant announcement will be public information under the Minnesota Data Practices Act, Minnesota Statutes Chapter 13.

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# Local Road Improvement Program Solicitation Overview

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**IMPORTANT NOTES:**

- Projects that have received legislatively selected appropriations (“earmarks”) or previous Local Road Improvement Program (LRIP) grants are not eligible for funding under this solicitation.
- Projects that will be awarded and/or under construction before the anticipated LRIP award notifications in March 2024 are not eligible for funding under this solicitation.
- Required design standards. Work on County State Aid Highways and Municipal State Aid Streets are subject to all of the requirements in the state aid rules. For projects on county roads, municipal streets, township roads, and tribal roads, the District State Aid Engineer will determine the appropriate design standards. This could be design standards from the state aid rules, American Association of State Highway and Transportation Official (AASHTO) A Policy on Geometric Design of Highways and Streets, or other design standards. Applicants can contact their [District State Aid Engineer](#) to discuss design standard assumptions during the application process if desired.

MnDOT requests responses for the Local Road Improvement Program (LRIP) solicitation.

The Local Roads Improvement Program (LRIP) was established by the Minnesota legislature in 2002 and is defined in [Minnesota Statute 174.52](#). The legislature appropriated \$84,954,000 in general obligation (GO) bonds (of which \$6,000,000 is designated for grants to townships) in Laws of Minnesota 2023, Chapter 72, Article 1, Section 16, Subdivision 2 and \$18,013,000 in general funds for LRIP in Laws of Minnesota 2023, Chapter 68, Article 1, Section 2, Subdivision 4(c)(2). Depending on the number and quality of applications, we intend to award projects to counties, state aid cities, non-state aid cities, townships, and federally recognized Indian Tribes.

The LRIP provides funding for capital construction costs only – LRIP funds cannot be used for engineering, right of way, or other non-construction related costs. The statute describes three types of accounts with a specific intent for the types of local road or Tribal Road projects that can be considered for program.

1. The Trunk Highway Corridor Account provides funds to assist in paying the local or Tribal share of trunk highway projects. For consideration under this account, all of the following conditions must be met, and a letter of support from MnDOT must be submitted.
  - i. There must be a MnDOT trunk highway project in the State Transportation Improvement Plan (STIP). The State Project (SP) number must be provided in the application under Section D1 below.
  - ii. The local agency or tribal agency must have cost sharing responsibility. Only those costs outside of the trunk highway are eligible for LRIP funds.
  - iii. The local or Tribal portions must not be eligible under the Routes of Regional Significance or Rural Road Safety Accounts. If the proposed project is eligible under either of these two other accounts, the project should be submitted for LRIP funding under one of these two other accounts.

Note that funds from this account are for local or Tribal road improvements impacted by trunk highway projects where local agencies or tribal agencies have cost responsibility. LRIP funds cannot be used for improvements or projects on the trunk highway or within the trunk highway corridor right of way that may require local or Tribal cost sharing per MnDOT’s Cost Participation Policy. All LRIP funds cannot be used for work on a trunk highway or on trunk highway right of way.

2. The Routes of Regional Significance Account provides funds for the costs of constructing or reconstructing city streets, county highways, town roads, or Tribal roads with statewide or regional significance.
3. The Rural Road Safety Account funds capital safety improvement projects on County State Aid Highways (CSAH) primarily to reduce traffic crashes, deaths, injuries, and property damages. Funds from this account are eligible for use on County State Aid Highways only.

## Program Goal

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The MnDOT State Aid for Local Transportation Office administers the Local Road Improvement Program with guidance from the Local Road Improvement Program Advisory Committee, as established in statute [174.52 Subd. 3](#). The process and criteria for determining eligibility and prioritizing projects for the solicitation are established in the statute and recommended with guidance and input from the Local Road Improvement Program Advisory Committee. Project grants are approved by the Local Road Improvement Program Advisory Committee with a program goal to provide funding assistance to local agencies and federally recognized Indian Tribes for construction, reconstruction, or reconditioning projects.

## Funding Availability

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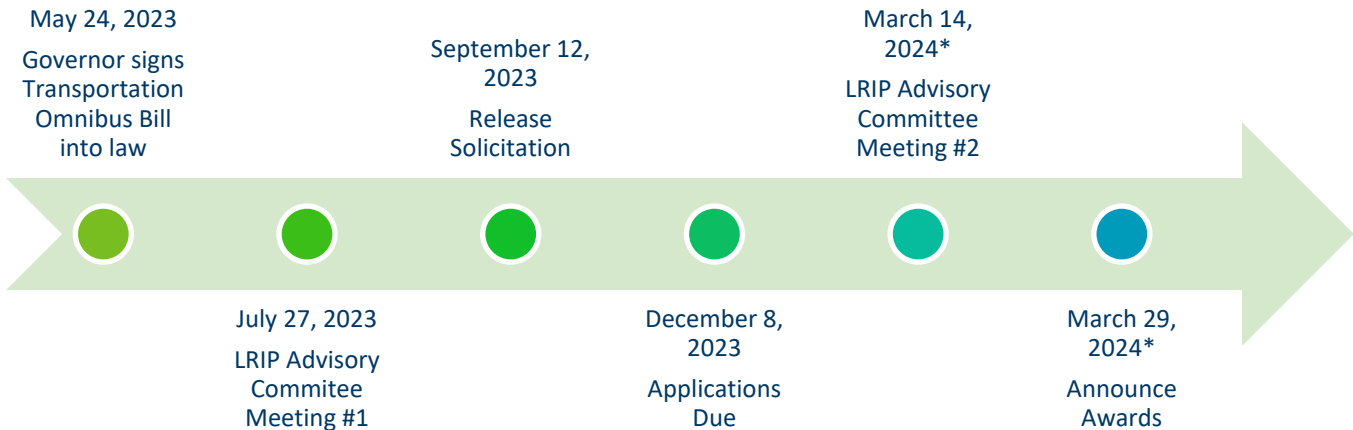
A maximum of \$1,500,000 may be requested for a project. There is no minimum amount set that must be requested.

LRIP funds may be requested for the full construction cost of a project, up to the maximum amount, or be leveraged with other funding sources on a project.

LRIP funding does not require any local or Tribal match, and grants are paid on a reimbursable basis (the local agency or tribal agency finances 100% of the project cost up front and submits state aid pay requests for reimbursement as costs are incurred).

## Solicitation Schedule

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\*Note that this schedule is subject to change depending on the number of applications submitted and review time required.

## Project Requirements

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Proposed projects must follow the listed requirements to be considered for grant funding:

1. Eligibility. The project must be a local road (street or highway) or Tribal road construction, reconstruction, or reconditioning project under one of the three accounts established in the LRIP.  
**Note: LRIP bond funds may not be used for right of way acquisition, engineering, public or private utilities, work on trunk highways, or standalone enhancement projects (landscaping, trails, sidewalks, ADA improvements, etc.).**
2. Operations and Safety. Address a transportation deficiency and/or improve safety on local or Tribal roads.
3. Account Specific Considerations
  - i) Trunk Highway: The project must be located on a local or Tribal road owned by the local agency or tribal agency that is impacted by a Trunk Highway project.
  - ii) Regionally Significant. Demonstrate the regional significance of the route by being classified as a major collector or higher unless it meets one of the following criteria; a) identified in a regional plan as a farm-market artery, b) part of a 10-ton route system, c) part of an economic development plan, d) serves as a regional tourist destination, e) provides capacity or congestion relief to a parallel trunk

highway or county road, and f) is a connection to the regional system, trunk highway, or a county road.

iii) Rural Road Safety Account: The project must be located on a rural County State Aid Highway (CSAH).

4. For non-tribal applicants, be supported by agency board or council and other local agencies impacted by the project, including county sponsor.

*Note: Cities that are not a State Aid city (populations less than 5,000) and townships must have a county sponsor and support of the County Board. **A city or township resolution in support of the project and a county board resolution for support and willingness to sponsor the project must be included in the application package.** The sponsor's tasks include but are not necessarily limited to:*

- *Be the fiscal agent on behalf of the community and have funds flow from MnDOT to the county to the contractor*
- *Request SAP/SP number for the project*
- *Ensure the project meets milestones and dates*
- *Assist local agency in execution of a grant agreement*
- *Develop, review and/or approve the plan*
- *Submit plan, engineers estimate, and proposal to the DSAE*
- *Advertise, let, and award the project*
- *Submit pay requests to State Aid*
- *Communicate progress and updates with the DSAEs and State Aid Programs Engineer*
- *Ensure that the project receives adequate supervision and inspection*
- *Assist with project close out*

5. Consider availability of other funding sources.

6. Be non-controversial.

*Note: Projects should have minimum problems or issues that could delay the letting and construction such as right of way acquisition, railroad, and historical impacts.*

7. Expected useful life. Include permanent elements of the roadway corridor and have a minimum expected life of the project of 10 years. Maintenance type activities such as filling potholes, blading gravel roads, and ditch repairs are not eligible for LRIP.
8. High Impact. Provide letters of support from other local agencies, federally recognized Indian Tribes, or public/private parties impacted by the improvement. For example, letters of support from area businesses regarding the impact and benefit of constructing a road to a 10-ton design standard.
9. Projects would be anticipated for construction letting in years **2024–2026**.

## Scoring Criteria

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Project selection will consider geographical distribution and distribution among jurisdictions along with other criteria, some of which include:

- The number of people that will be benefited by the project. Generally, the more people benefited by the project, the higher the score. For example, a regionally significant roadway reconstruction project for a road with 2,000 average vehicles per day would benefit the 2,000 daily users 365 days per year. Whereas, a standalone culvert improvement project on a similar regionally significant road with 2,000 average vehicles per day to prevent overtopping associated with localized flooding, would benefit the 2,000 daily users perhaps 5-10 days per year. The first example project would provide greater cumulative benefit when compared to the second project.
- The critical nature of the transportation deficiency that would be eliminated by the project.
- Project readiness. Bond funds are set to expire on December 31, 2027, and general funds are set to expire on June 30, 2027, so we want to fund projects that have a high degree of certainty of being constructed in 2024, 2025, or 2026, with little controversy or potential for the project to be delayed or abandoned.
- Account Specific Considerations.
  - Trunk Highway: The degree to which local or Tribal roads will be impacted by the Trunk Highway project.
  - Routes of Regional Significance: The degree to which a roadway is regionally significant. In general, roadways that are more regionally significant will score higher.
  - Rural Road Safety Account: The degree to which proposed improvements are identified in a County Road Safety Plan and align with elements of the Minnesota Strategic Highway Safety Plan.

## Questions

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Applicants who have any questions regarding this grant announcement may submit questions by e-mail to:

Rashmi Brewer

[Rashmi.Brewer@state.mn.us](mailto:Rashmi.Brewer@state.mn.us).

Questions must be submitted by 4:00 pm CST on December 1, 2023.

# Application Overview

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The LRIP application is available on the State Aid Local Road Improvement Program webpage - <http://www.dot.state.mn.us/stateaid/lrip.html>. Use the guide below for assistance in filling out the application. Please keep the descriptions clear and concise.

The following will be considered contents and questions asked in the application:

## A. Applicant Information

1. Name (First & Last). Provide the name of the contact person at the local agency or tribal agency applying for the funds. This person should be the person to contact with questions about the applications and representing the agency submitting the project. It may be the project sponsor if they are submitting on behalf of a non-state aid city or township.
2. Phone Number. The work phone number of the person at the agency applying for the funds.
3. E-mail. The work e-mail address of the person at the agency applying for the funds.
4. Agency type. Select the appropriate agency type from the drop down that is submitting the application: Township, Non-State Aid City (population < 5,000), State Aid City, County, or federally recognized Indian Tribe.
5. Agency Name. The name of the agency submitting the application.
6. Street Address. The number and street name of agency
7. City. The city where the agency is located.
8. State. This will always be Minnesota.
9. Zip Code. The zip code where the agency is located.
10. As a grant applicant, are you representing a non-state aid city or township? Select the appropriate option.
11. Sponsoring County and County Engineer name (if applicable): Enter the sponsoring county and the county engineer name if the applicant is a township or a city with a population of less than 5,000.

## B. Project Location

1. MnDOT District. Select the [MnDOT District](#) that the project is within. If your city or township is not listed, refer to the county your project is located in to determine the appropriate MnDOT district.
2. County. The county that the project is located within.
3. City. Provide the name of the city if a portion or the entire project is on a city road or within the city limits.
4. Township. Provide the name of the township if a portion or the entire project is on a township road.



**Note: Cities that are not a State Aid city (populations less than 5,000) and townships must have a County Sponsor.**

5. Name/Designation of Road. Route number or name of the road (County State Aid Highway 5, Main Street S, etc.)
6. Type of Road. Select the type of street the project is on from the dropdown (County State Aid Highway, County Road, Municipal State Aid Street, Local Street, Township Road, or Tribal Road)
7. Functional classification. Select the functional classification from the dropdown (principal arterial – interstate, principal arterial – other freeways and expressways, principal arterial - other, minor arterial, major collector, minor collector, or local)

How to find your roadway functional classification:

- I. Browse to the Enterprise MnDOT Mapping Application at EMMA (<http://www.dot.state.mn.us/tda/emma.html>)
  - II. Select Launch Application link at top of page.
  - III. The entire state of Minnesota will appear when the page first loads. Enter target street address or city in upper left to zoom to requested location. Users can alternatively zoom manually using the +/- icons or scrolling with their mouse.
  - IV. Click “Layer List” graphic in upper right corner of window (three stacked pieces of paper)
  - V. Within Layer List window, click “Map Layers” to expand a list of all data that can be displayed via this application.
  - VI. Find “Functional Class” in the layer list and click the open box next to it. It should populate with a white checkmark in a blue box. Now click the arrow to the left of the blue box to expand the map legend. Compare your project location to the colored legend to identify the functional classification of a roadway.
  - VII. Further clarity on the functional classification of a roadway can be identified by clicking on the ellipsis (set of three dots) to the right of “Functional Class” in the “Layer List” and selecting “View in Attribute Table”. This will activate a table at the bottom of your window and allow you to click on any visible roadway to display a textual listing of its classification.
8. Average Daily Traffic Count. The ADT from the most recent traffic count. Note that traffic count must be no more than 5 years old.
  9. Year of ADT Data Collection. The year that the most recent traffic count was conducted. Note that the data must be no more than 5 years old.
  10. Road Authority Type. Identify the agency type (township, non-state aid city [population < 5,000], state aid city, county, or federally recognized Indian Tribe) of the road authority that owns and has jurisdiction of the road the project is on.
  11. Road Authority Name. Identify the agency name of the road authority that owns and has jurisdiction of the road.
  12. Project Termini - From. Provide a short description of the beginning of the project.

13. Project Termini - To. Provide a short description of the ending of the project.
14. Beginning Point Latitude. Provide the latitude of the beginning point of the project in decimal format. For example, the latitude of the Transportation Building is 44.9532 in decimal format.
15. Beginning Point Longitude. Provide the longitude of the beginning point of the project in decimal format. For example, the longitude of the Transportation Building is -93.1047 in decimal format.

To find your project location latitude and longitude:

- a. Browse to Google Maps (maps.google.com)
  - b. Find your project location and right-click.
  - c. A dropdown menu will appear with the latitude and longitude of the location listed at the top in decimal format. Left-click on the latitude and longitude to copy it to your clipboard.
  - d. Note that the latitude and longitude that you will copy to your clipboard are in the format latitude, longitude. You will need to separate the latitude and longitude to enter them in the application form.
16. General Environment. Select the most appropriate general environment that represents the majority of the project from the dropdown (urban, suburban, or rural). From [Minnesota Administrative Rules 8820.0200](#):
- "Urban" means a roadway that includes a curb and gutter and is, or will be in the foreseeable future, located in an area that is sufficiently developed to warrant an urban design.
  - "Suburban" means an area both in a subdivided area or an area in a detailed development process, and where physical restraints are present that prevent reasonable application of the rural design standards.
  - "Rural" means a roadway that includes ditches and is located in an area that is not presently, nor will it be in the foreseeable future, sufficiently developed to warrant use of an urban design.

### C. Project Description

1. Type of Project. Select the type of work on this project from the drop-down box. For consistency in use with State Aid Programs the definition of reconstruction and reconditioning are taken from the Local State Aid Route Standards, Chapter 8820, for road projects.
  - **New Construction** – new or re-aligned road
  - **Reconstruction** – the significant full depth replacement or widening of an existing roadway on a similar alignment.
  - **Reconditioning** – includes resurfacing, replacement, or rehabilitation of the pavement structure to extend the life of the roadway and effectively address critical safety and operation needs through minor improvements to the existing facility.

2. LRIP Account requested for funding. Use the drop-down box to select one of the three LRIP accounts your project is eligible for. If you believe your project falls under more than one possible LRIP Account, select the account that is the best fit. Options listed are:
  - **Trunk Highway Corridor Account.** Select this option if funds will be used for local or Tribal costs on local roads or Tribal Roads that are directly or partially related to a trunk highway improvement. This account cannot be used for local or Tribal costs of trunk highway projects as required by MnDOT’s Cost Participation Policy.
  - **Routes of Regional Significance Account.** Select this option if funds will be used to construct or reconstruct city streets, county highways, town roads, or Tribal roads with statewide or regional significance.
  - **Rural Road Safety Account.** Select this option if funds will be used for safety improvement projects on County State Aid Highways (CSAH) primarily to reduce traffic crashes, deaths, injuries, and property damages.
3. Project Description. Provide a description of the proposed project. This should include a description of operational and general safety benefits of the project and a description of the expected useful life of improvements under Section C. Projects seeking funding from the Rural Road Safety Account will need to provide a more detailed description of safety issues and benefits under Section D3.
4. Addressed Deficiencies. Provide a description of any transportation deficiencies the proposed project will eliminate. Pictures can be helpful in demonstrating transportation deficiencies. This should include a description of operational and general safety benefits of the project.
5. Project Expected Useful Life. Projects constructed with LRIP funding must have an expected service life of 10 years minimum. Select yes if to the best of your current knowledge and belief that this requirement will be met. Select no if your project will not meet this requirement and will not be eligible for this program.

#### D. LRIP Account Considerations and Eligibility

This section will include additional specific project information. The applicant should complete only the appropriate section based on which LRIP funding account is being sought (*i.e.*, D1, D2, or D3). It is possible that a project may meet the eligibility requirements for more than one LRIP Account. If that is the case, complete the section below that is the best fit.

##### D1. Trunk Highway Corridor Account Considerations and Eligibility

1. For Trunk Highway Corridor Account projects, describe the trunk highway project. Also include a description of how the local or Tribal Road(s) will be impacted by the trunk highway project, why the local or Tribal work is not being funded by state or federal funds, and potential impacts of not completing the local or Tribal work as part of the trunk highway project. If applying under this account, the application must include a letter of support from MnDOT.
2. Trunk Highway Project SP/SAP number. Enter the project SP/SAP number for the associated Trunk Highway project.

Note that funds from this account are for local road or Tribal Road improvements impacted by trunk highway projects where local agencies or federally recognized Indian Tribes have cost responsibility. It is not intended to be used for improvements or projects on the trunk highway or within the trunk highway corridor right of way that require local or Tribal cost sharing per MnDOT's Cost Participation Policy.

**D2. Routes of Regional Significance Account Considerations and Eligibility**

1. Routes of Regional Significance Criteria. Check all criteria that apply to your project. At least one must be identified to be considered a regionally significant route. More criteria being checked will generally correspond to higher regional significance.
2. Positive Impact. Describe the anticipated number of persons positively impacted by the project and how they will be positively impacted. This should include a quantitative assessment of the number and type of roadway users impacted. This could also include a qualitative description of who uses the facility and how they will benefit from the project, and how multiple local agencies and tribal agencies may benefit.
3. Economic Development. Describe the project contribution to the local, regional, state, or Tribal economy, and economic development or redevelopment efforts. Be specific and reference plans, letters of support, business impacts, and/or community impacts that this project would have in the region.

**D3. Rural Road Safety Account Considerations and Eligibility**

1. Is this project on a rural County State Aid Highway? The project must be on a rural County State Aid Highway to be eligible for funding under this account.
2. Is this project or components of this project identified in a County Road Safety Plan (CRSP)? All counties have completed CRSPs that identify priority safety projects through a data driven process. These projects on rural County State Aid Highways may be eligible under the Rural Road Safety Account. Use the drop-down box to select yes or no. If yes, provide a brief description of the elements of the project that are included in the CRSP.
3. Minnesota Strategic Highway Safety Plan. This is an effort to align local safety projects with safety priorities identified in the [Minnesota Strategic Highway Safety Plan](#). The plan was completed with a thorough analysis of statewide crash data and trends affecting transporting with various stakeholders. It identified several primary focus areas to help establish safety priorities. Three of the focus areas, intersections, speed, and lane departure include engineering strategies for partners to consider when championing safety projects. Use the drop-down box to select a focus area that your project or safety components of your project align with. The three choices are:
  - **Intersections**  
Select if your project makes improvements to an intersection or approaches to an intersection. Sample engineering strategies from this focus area include: improve

visibility of signs/signals, pedestrian countdown timers, clear sight triangle on stop or yield controlled approaches, reduced conflict intersections, or roundabouts. See the full list of strategies from plans and partners in the [Minnesota Strategic Highway Safety Plan](#).

- **Speeding** (over posted speed, too fast for conditions)  
Select this choice if your project or components of your projects will look to address speeding. Sample engineering strategies from this focus area include: dynamic speed display signs, automated speed enforcement, or traffic calming measures. See the full list from plans and partners in the [Minnesota Strategic Highway Safety Plan](#).
- **Lane departures** (run-of-road, head-on, sideswipes)  
Select this choice if your project will make improvements to address lane departure crashes or minimize damage associated with these crashes. Sample strategies from focus area include: curve speed warning systems, shoulder/centerline rumble strips, improve horizontal curves, guardrails, or remove/relocate objects in the hazardous locations. See the full list from plans and partners in the [Minnesota Strategic Highway Safety Plan](#).

4. **Safety Deficiency.** Describe the crash or safety hazard on the rural County State Aid Highway that you are attempting to address. Transportation deficiencies could include substandard roadway structure, lane or shoulder width, conditions related to certain types of crashes, and other conditions that negatively impact the public. Be specific on how the problem or issues were identified and what harm it presents to the traveling public. Answer this question even if your project is identified in a county safety plan or the Minnesota Strategic Highway Safety Plan.
5. **Improvement.** Describe how the project will address the safety deficiencies, improve safety, and reduce fatal, injury, and/or property damage crashes. Be specific as possible in explaining why the project and safety strategy chosen is the most effective and provides the most benefit, including the expected crash modification factor. Answer this question even if your project is identified in a county safety plan or the Minnesota Strategic Highway Safety Plan.

### E. Project Readiness and Ability to Maintain

This section will be used to gauge the readiness of the project. LRIP funds will expire and begin the cancellation process after four years, so it is important that projects selected for LRIP funding can be delivered within that timeframe, with minimal risk of delay.

1. **Estimated Construction Year.** Select the anticipated construction year of the project. Projects should be ready for construction in 2024, 2025, or 2026.
2. **Railroad Impacts.** Select the appropriate option and provide a narrative as necessary to indicate whether your project has railroad crossings or is adjacent to railroad tracks which may require additional coordination and agreements. Choose from the following options:
  - No RR crossings or RR tracks within 600'; or

- Yes. Necessary RR permit(s)/agreement(s) obtained; or
  - Yes. Will obtain RR permit(s)/agreement(s) as needed.
3. Project Status. Select the appropriate option and provide a narrative as necessary to indicate the status of the design work on the project. Design includes any site surveying or study, developing plan sheets, specifications, and engineering estimates. Select from the following choices that best reflects the status of the design work on the project.
- Design work has not started. Select this option if no site survey has been done, project not yet planned/programmed in a Capital Improvement Plan or approved by the local or Tribal jurisdiction.
  - Design in progress. Select this option if site survey has been done, project is approved by local or Tribal jurisdiction to proceed, and plans are being developed.
  - Design completed (plan completed). Select this option if your project is approved by the local or Tribal jurisdiction and the plan is approved by the responsible engineer. The plan is ready to be reviewed and approved by the MnDOT State Aid District Engineer.
4. Federal Funding. Select the appropriate option to indicate whether this project been selected for federal funding. If yes, answer:
- a) Indicate which federal funding program this project has been selected for
  - b) Indicate which STIP version (2023-2026, for example) the project is included in
  - c) Indicate what the Sequence Number(s) are
  - d) Indicate how much federal funding is programmed
5. Right of Way Acquisition. Select the appropriate option and provide a narrative of the status of right of way acquisition, including both permanent and temporary acquisitions, if required. The answer from this question will help gauge the readiness of the project. As a reminder, right of way acquisition costs are not an eligible use for LRIP funds.
- No additional right of way is required
  - Right of way has been acquired
  - Right of way acquisition is underway
  - Right of way acquisition has yet to begin
6. Ability to Operate and Maintain Facility. Describe the local agency's or tribal agency's ability to adequately provide for the safe operation and maintenance of the facility upon completion.

## F. Multimodal/Complete Streets

Multimodal Improvements. Depending on where and how local roads or Tribal Roads are improved, vehicle traffic, multi-modal, and non-motorized bike and pedestrian movements may benefit. Identify other users of

the roadway and describe multi-modal/non-motorized improvements included on the project and how they align with elements of Complete Streets. Note that adoption of a Complete Streets policy is not required for grant eligibility.

**G. Estimated Project Construction Cost (only include construction costs):**

Source of Funding. Provide estimated costs for construction from each funding source, including the amount of LRIP funds requested. Cost estimates should be based on planning and engineering principles. All costs listed as coming from agencies other than the applicant must be committed funds as reflected in a letter of support (agency has agreed to provide these funds for the project). Additional local or Tribal funds that may be required from the applicant need to be committed to the project as well. Do not include costs for studies, design, right of way acquisition, construction engineering, or soft costs such as staff time. These costs will need to be paid by sources other than LRIP.

LRIP funds will be capped at \$1,500,000 per project for counties, state aid cities, non-state aid cities, townships, and federally recognized Indian Tribes. Projects with total project cost estimates less than the capped amount are not required to provide a match provided that all of the construction items are LRIP-eligible.

Items that are eligible for LRIP funds include reasonable elements associated with roadway construction, including basic landscaping and turf establishment. Landscaping planters, benches, bike racks, decorative fences, ornamental lighting, and other aesthetic treatments above the standard are generally not eligible. Other items that are not eligible include engineering, construction administration and inspection, right of way acquisition, and water main, sanitary sewer, or private utility work. Additionally, work on trunk highways or on trunk highway right of way is typically not eligible.

Funding Commitments. Indicate if funds from all sources are committed. If no, provide a narrative describing which sources are not committed and a plan to get funds committed.

**H. Attachments:**

The following attachments must be included with the application:

- At least one project location map with routes and project termini labeled
- Itemized construction cost estimate based on engineering and planning principles
- Project schedule
- For non-tribal applicants, local agency resolution approving project and pledging support to fund engineering, right of way, inspection, and other non-LRIP eligible costs, as well as LRIP-eligible items in excess of the LRIP grant amount.
- Resolution of support from sponsoring county agreeing to be sponsor and agreeing to perform sponsor tasks as identified above in section “Project Selection” (required for applications by townships and cities under 5,000 population)
- County Road Safety Plan (CRSP) (submit if applying for the Rural Road Safety Account and proposed project is included in a CRSP)

- Other letters of concurrence or support from MnDOT, other cities/counties/federally recognized Indian Tribes that may benefit, businesses, local legislators, and/or other benefiting parties, if applicable.

## Application Submittal

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This application is submitted as an online form, which can be accessed on the [LRIP website](#). The online form may not be available until the call for full applications on September 12, 2023. All prompts and questions on the online form will be the same as in this solicitation guide. A link may be generated to save responses until the whole form is submitted. This link will be valid for 30 days. MnDOT staff cannot retrieve information from an expired link. The final time and date to submit the full application form is 4:00 p.m. CST on December 8, 2023.

More information is available at:

- [LRIP website](#)
- [Webinar on LRIP 2023 Solicitation](#)

If you have questions regarding this solicitation, contact Rashmi Brewer at [Rashmi.Brewer@state.mn.us](mailto:Rashmi.Brewer@state.mn.us).

## Proposal Evaluation

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Representatives of MnDOT will evaluate all responses received by the deadline. In some instances, an interview may be part of the evaluation process. A 100-point scale will be used to create the final evaluation recommendation. The factors and weighting of application scoring are broken down in the following table:

Rating Factor <sup>1</sup>	Weighting Percentage
Transportation Operational and/or Safety Deficiencies	35%
Account Specific Considerations	35%
Project Readiness and Ability to Maintain	25%
Complete Streets Considerations	5%

<sup>1</sup> Geographic and agency equity will be considered in grant awards.

NOTE: MnDOT anticipates that the evaluation and selection will be completed by March 29, 2024, though this schedule is subject to change depending on the number of applications submitted and review time required.



# General Information

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**Responders must adhere to all terms of this RFP. All costs incurred in responding to this RFP will be borne by the responder.**

## MnDOT Not Obligated To Complete Project

This RFP does not obligate MnDOT to award a Contract or complete the project, and MnDOT reserves the right to cancel the solicitation if it is considered to be in its best interest.

## Proposal Certifications

By submitting a Proposal, responders warrant that the information provided is true, correct, and reliable for purposes of evaluation for potential Contract award. The submission of inaccurate or misleading information may be grounds for disqualification from Contract award and may subject the responder to suspension or debarment proceedings, as well as other remedies available to MnDOT, by law.

## Public Data

Per [Minn. Stat. § 13.599](#)

- Names and addresses of grant applicants will be public data once proposal responses are opened.
- All remaining data in proposal responses (except trade secret data as defined and classified in §13.37) will be public data after the evaluation process is completed (for the purposes of this grant, when all grant agreements have been fully executed).
- All data created or maintained by MnDOT as part of the evaluation process (except trade secret data as defined and classified in § 13.37) will be public data after the evaluation process is completed (for the purposes of this grant, when all grant agreements have been fully executed).

## Conflicts of Interest

Responders must provide a list of all entities with which it has relationships that create, or appear to create, a conflict of interest with the work that is contemplated in this RFP. This list should indicate the name of the

entity, the relationship, and a discussion of the conflict. Responders must complete the attached “Conflict of Interest Checklist and Disclosure Form” and submit it as part of the proposal.

**Organizational Conflicts of Interest**

The responder warrants that, to the best of its knowledge and belief, and except as otherwise disclosed, there are no relevant facts or circumstances, which could give rise to organizational conflicts of interest. An organizational conflict of interest exists when, because of existing or planned activities or because of relationships with other persons, a vendor is unable or potentially unable to render impartial assistance or advice to MnDOT, or the successful responder’s objectivity in performing the Contract work is or might be otherwise impaired, or the successful responder has an unfair competitive advantage. The responder agrees that, if after award, an organizational conflict of interest is discovered, an immediate and full disclosure in writing must be made to MnDOT, which must include a description of the action, which the successful responder has taken or proposes to take to avoid or mitigate such conflicts. If an organizational conflict of interest is determined to exist, MnDOT may, at its discretion, cancel the Contract. In the event the responder was aware of an organizational conflict of interest prior to the award of the Contract and did not disclose the conflict to MnDOT, MnDOT may terminate the Contract for default. The provisions of this clause must be included in all subcontracts for work to be performed similar to the service provided by the prime contractor, and the terms “contract,” “contractor,” and “contracting officer” modified appropriately to preserve MnDOT’s rights.

**Financial Review Process**

All Non-Governmental Organizations (NGO’s) applying for grants in the state of Minnesota must undergo a financial review prior to a grant award made of \$25,000 and higher. In order to comply with [Policy on the Financial Review of Nongovernmental Organizations](#)

Please submit one of the following documents with your application, based on the following criteria:

- Grant applicants with annual income of under \$50,000, or who have not been in existence long enough to have a completed IRS Form 990 or audit should submit their most recent board-reviewed financial statements.
- Grant applicants with total annual revenue of \$50,000 or more and less than \$750,000 should submit their most recent IRS Form 990.
- Grant applicants with total annual revenue of over \$750,000 should submit their most recent certified financial audit.

**Pre-Award Audit Process**

The successful responder will be required to submit pre-award audit information and comply with audit standards. Failure to do so may result in disqualification. The Office of Audit reviews various financial documents to assess the financial strength of a grantee or subrecipient.

**Post Award Audit Process**

The final payment will be based on actual acceptable costs as determined by an audit conducted by the state. The audit will be conducted using the cost principles and procedures set forth in 2 Code of Federal Regulations – (CFR) part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The state will pay the final payment due within 30 days of completion of the audit.

**Title VI Notice**

MnDOT, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) other nondiscrimination requirements and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement will be awarded without discrimination on the grounds of race, color, national origin, sex, age, disability, income-level, or LEP.

**Sample Contract**

You should be aware of MnDOT’s standard Grant Contract terms and conditions in preparing your response. A sample [State of Minnesota Grant Contract](#) is available for your reference. [Federally recognized Indian Tribes should refer to this sample grant contract](#). Much of the language reflected in the Contract is required by statute. If you take exception to any of the terms, conditions or language in the Contract, you must indicate those exceptions in your response to this RFP; certain exceptions may result in your response being disqualified from further review and evaluation. Only those exceptions indicated in your response to this RFP will be available for discussion or negotiation.

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# CONFLICT OF INTEREST CHECKLIST AND DISCLOSURE FORM

**Purpose of this Checklist** This checklist is provided to assist responders in screening for potential organizational conflicts of interest. The checklist is for the internal use of responders and does not need to be submitted to MnDOT, however, the Disclosure of Potential Conflict of Interest form should be submitted in a separate envelope along with your proposal.

**Definition of “Responder”** As used herein, the word “Responder” includes both the potential Grantee and any sub grantees.

**Checklist is Not Exclusive** Please note that this checklist serves as a guide only, and that there may be additional potential conflict situations not covered by this checklist. If a responder determines a potential conflict of interest exists that is not covered by this checklist, that potential conflict must still be disclosed.

**Use of the Disclosure Form** A responder must complete the attached disclosure form and submit it with their Proposal (or separately as directed by MnDOT for projects not awarded through a competitive solicitation). If a responder determines a potential conflict of interest exists, it must disclose the potential conflict to MnDOT; however, such a disclosure will not necessarily disqualify a responder from being awarded a Contract. To avoid any unfair “taint” of the selection process, the disclosure form should be provided separate from the bound proposal, and it will not be provided to selection committee members. MnDOT’s Contract Management personnel will review the disclosure and the appropriateness of the proposed mitigation measures to determine if the responder may be awarded the Contract notwithstanding the potential conflict. MnDOT’s Contract Management personnel may consult with MnDOT’s Project Manager and Department of Administration personnel. By statute, resolution of conflict of interest issues is ultimately at the sole discretion of the Commissioner of Administration.

**Material Representation** The responder is required to submit the attached disclosure form either declaring, to the best of its knowledge and belief, either that no potential conflict exists, or identifying potential conflicts and proposing remedial measures to ameliorate such conflict. The responder must also update conflict information if such information changes after the submission of the proposal. Information provided on the form will constitute a material representation as to the award of this Contract. MnDOT reserves the right to cancel or amend the

resulting Contract if the successful responder failed to disclose a potential conflict, which it knew or should have known about, or if the responder provided information on the disclosure form that is materially false or misleading.

**Approach to Reviewing Potential Conflicts** MnDOT recognizes that responder’s must maintain business relations with other public and private sector entities in order to continue as viable businesses. MnDOT will take this reality into account as it evaluates the appropriateness of proposed measures to mitigate potential conflicts. It is not MnDOT’s intent to disqualify responders based merely on the existence of a business relationship with another entity, but rather only when such relationship causes a conflict that potentially impairs the responder’s ability to provide objective advice to MnDOT. MnDOT would seek to disqualify responders only in those cases where a potential conflict cannot be adequately mitigated. Nevertheless, MnDOT must follow statutory guidance on Organizational Conflicts of Interest.

**Statutory Guidance** Minnesota Statutes §16C.02, Subdivision 10 (a) places limits on state agencies ability to Contract with entities having an “Organizational Conflict of Interest”. For purposes of this checklist and disclosure requirement, the term “Vendor” includes “Responder” as defined above. Pursuant to such statute, “Organizational Conflict of Interest” means that because of existing or planned activities or because of relationships with other persons: (1) the vendor is unable or potentially unable to render impartial assistance or advice to the state; (2) the vendor’s objectivity in performing the contract work is or might otherwise be impaired; or (3) the vendor has an unfair advantage.

**Additional Guidance for Professionals Licensed by the Minnesota Board of Engineering** The Minnesota Board of Engineering has established conflict of interest rules applicable to those professionals licensed by the Board (see Minnesota Rules Part 1805.0300) Subpart 1 of the rule provides “A licensee shall avoid accepting a commission where duty to the client or the public would conflict with the personal interest of the licensee or the interest of another client. Prior to accepting such employment the licensee shall disclose to a prospective client such facts as may give rise to a conflict of interest”.

**An organizational conflict of interest may exist in any of the following cases:**

- The responder, or its principals, own real property in a location where there may be a positive or adverse impact on the value of such property based on the recommendations, designs, appraisals, or other deliverables required by this Contract.

- The responder is providing services to another governmental or private entity and the responder knows or has reason to believe, that entity’s interests are, or may be, adverse to the state’s interests with respect to the specific project covered by this contract. **Comment:** the mere existence of a business relationship with another entity would not ordinarily need to be disclosed. Rather, this focuses on the nature of services commissioned by the other entity. For example, it would not be appropriate to propose on a MnDOT project if a local government has also retained the responder for the purpose of persuading MnDOT to stop or alter the project plans.
- The Contract is for right-of-way acquisition services or related services (e.g. geotechnical exploration) and the responder has an existing business relationship with a governmental or private entity that owns property to be acquired pursuant to the Contract.
- The responder is providing real estate or design services to a private entity, including but not limited to developers, whom the responder knows or has good reason to believe, own or are planning to purchase property affected by the project covered by this Contract, when the value or potential uses of such property may be affected by the responder’s performance of work pursuant to this Contract. “Property affected by the project” includes property that is in, adjacent to, or in reasonable proximity to current or potential right-of-way for the project. The value or potential uses of the private entity’s property may be affected by the responder’s work pursuant to the Contract when such work involves providing recommendations for right-of-way acquisition, access control, and the design or location of frontage roads and interchanges. **Comment:** this provision does not presume responders know or have a duty to inquire as to all of the business objectives of their clients. Rather, it seeks the disclosure of information regarding cases where the responder has reason to believe that its performance of work under this Contract may materially affect the value or viability of a project it is performing for the other entity.
- The responder has a business arrangement with a current MnDOT employee or immediate family member of such employee, including promised future employment of such person, or a subcontracting arrangement with such person, when such arrangement is contingent on the responder being awarded this Contract. This item does not apply to pre-existing employment of current or former MnDOT employees, or their immediate family members. **Comment:** this provision is not intended to supersede any MnDOT policies applicable to its own employees accepting outside employment. This provision is intended to focus on identifying situations where promises of employment have been made contingent on the outcome of this particular procurement. It is intended to avoid a situation where a responder may have unfair access to “inside” information.
- The responder has, in previous work for the state, been given access to “data” relevant to this procurement or this project that is classified as “private” or “nonpublic” under the Minnesota Government Data Practices Act, and such data potentially provides the responder with an unfair advantage in preparing a proposal for this project. **Comment:** this provision will not, for example, necessarily disqualify a responder who performed some preliminary work from obtaining a final design Contract, especially when the results of such

previous work are public data available to all other responders. Rather, it attempts to avoid an “unfair advantage” when such information cannot be provided to other potential responders. Definitions of “government data”, “public data”, “non-public data” and “private data” can be found in Minnesota Statutes Chapter 13.

- The responder has, in previous work for the state, helped create the “ground rules” for this solicitation by performing work such as: writing this solicitation, or preparing evaluation criteria or evaluation guides for this solicitation.
- The responder, or any of its principals, because of any current or planned business arrangement, investment interest, or ownership interest in any other business, may be unable to provide objective advice to the state.

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**DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST**

Having had the opportunity to review the Organizational Conflict of Interest Checklist, the responder hereby indicates that it has, to the best of its knowledge and belief:

\_\_\_\_\_ Determined that no potential organizational conflict of interest exists

\_\_\_\_\_ Determined a potential organizational conflict of interest as follows:

Describe nature of potential conflict:

Describe measures proposed to mitigate the potential conflict:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



If a potential conflict has been identified, please provide name and phone number for a contact person authorized to discuss this disclosure form with MnDOT Contract personnel.

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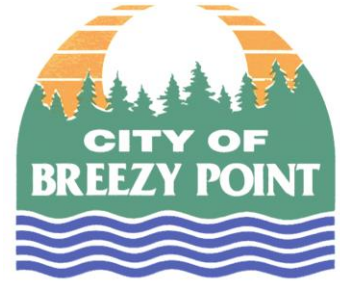
Name

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Phone:

TO: Mayor and City Council  
FROM: David Chanski, City Administrator  
RE: PLFD Ladder Truck Purchase  
DATE: November 6, 2023

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**Background**

Earlier this year, the Pequot Lakes Fire District Joint Powers Board approved a new Capital Improvement Plan for the District. The cost to implement this new plan will be integrated into service contracts starting in 2024 and, as a result, has been included in the Preliminary 2024 Budget.

The first item on the CIP is the purchase of a ladder truck. While more expensive than any other piece of equipment, this truck would not only eventually replace two pieces of equipment (a fire engine and a tender) but also give the District the ability to provide greater fire protection to existing larger buildings that ground ladders cannot adequately access as well as future buildings. This truck also contains a water pump that is more powerful than any other pump currently in use by the District.

In a special meeting on August 18, the Joint Powers Board unanimously approved the purchase of the attached ladder truck. The Board voted to move forward with this purchase as that truck was already being assembled and, therefore, would end up saving the Districts hundreds of thousands of dollars over ordering a truck in the future. Additionally, after reviewing the specifications of this truck, Fire Chief Mike Schwankl determined that it met all the District's specifications. Fire Chief Schwankl also determined that there were no unnecessary additions to the truck that would increase its price. Ultimately, the price of \$1,409,470 is around \$500,000 cheaper than any truck the District would be able to purchase in the future.

**Financing the Purchase**

The proceeds from the new CIP will not only cover the cost of a bond for such a truck (estimated bond of around \$150,000/yr. over 10 years) but also allow the District to put away money for replacements of other vehicles further down in the plan. However, special districts such as the PLFD do not have bonding authority as they are not taxing entities. Therefore, one of the member cities has to bond for the truck on behalf of the District. It is staff's recommendation that the City of Breezy Point be the bonding entity for this purchase.

Having conferred with the City's municipal advisors with BakerTilly, the recommended process is for the City of Breezy Point to enter into a joint powers agreement (JPA) with the City of Pequot Lakes for this purchase. Again, Breezy Point would be the bond

holder, but Pequot Lakes would be obligated to pay their share of the bond. The City Attorney is currently drafting that agreement, but it is not ready for approval at this time.

**Purchasing the Truck**

While the JPA is still in development, staff is seeking direction from the City Council as to how the truck should be paid for as it is ready for delivery.

As mentioned above, the truck will be bonded for. So, this City has two options:

- 1) Issue a bond for the truck and then issue payment for the truck once the bond proceeds are received (timetable minimum 45-60 days).
  
- 2) Pay cash for the truck immediately and reimburse the City through a bond at a later date.

Staff recommends Option 2. The reason for this recommendation is twofold. First, it allows for immediately delivery of the truck, which is ready for delivery. Second, BakerTilly has stated that, if the City does indeed bond for city hall or Buschmann Road in the near future, packaging the ladder truck bond with another project bond makes the bond package more desirable and, therefore, should result in a better interest rates for both.

The City’s financials are healthy, and purchasing this truck upfront and bonding later in 2024 will not place hardship on the City.

If the City Council agrees with staff’s recommendation, the final purchase will not be made until the JPA for the purchase is approved by both Breezy Point and Pequot Lakes.

**Council Action**

Staff recommends that the City Council move forward with purchasing the attached 101’ King Cobra Aerial truck from Rosenbauer using Capital Funds to be reimbursed through bond proceeds at a later date contingent on the approval of a joint powers agreement to that affect.



Invoice

**Rosenbauer Minnesota, LLC**

5181 260th Street  
PO Box 549  
Wyoming, MN 55092  
P:651-462-1000 / F:651-462-1700

PAGE: 1  
Invoice# 68657  
Date: 10/20/2023  
VIN: 54F3JFCK6PWM13447

Sold To	Ship To
---------	---------

<b>City of Breezy Point</b>	<b>Same</b>
<b>8319 County Road 11</b>	
<b>Pequot Lakes, MN 56472</b>	

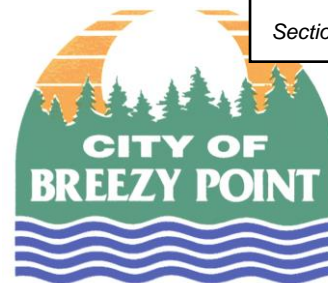
Customer ID	Customer PO	Terms	Job Number	
103125	8172023	Net Due Upon Delivery	G75527	
Qty	Description		Price	Amount
1.00	Rosenbauer 101' King Cobra Aerial Final		\$ 1,409,470.00	\$ 1,409,470.00
<b>Bank Wiring Instructions: Rosenbauer Minnesota, LLC</b> <i>Name and Address of Bank:</i> Wells Fargo Bank Minnesota, N.A. Forest Lake Office 208 South Lake Street Forest Lake, MN 55025 <i>Telephone Number:</i> 651-205-5713 <i>Bank Routing Number:</i> 121000248 <i>Bank Account Number:</i> 397 200 1140 <i>Bank Account Name:</i> Rosenbauer Minnesota, LLC FEIN:41-1808379 / MN Sales Tax Exempt ID:209-3960				
<b>THANK YOU!</b>			<b>TOTAL USD</b>	<b>\$ 1,409,470.00</b>



## Preliminary 2024-2025 Contract Amounts

Section 9, Item B.

		<b>Estimated 2024</b>		<b>2023 Contract For Comparison</b>
Operating City	\$	174,000.00		
Operating Contract	\$	58,000.00		
Capital City	\$	267,468.98		
Capital Contract	\$	16,000.00		
Relief	\$	40,000.00		
<b>Total</b>	<b>\$</b>	<b>555,468.98</b>		
<b>Operating</b>	\$	114,840.00		\$ 91,252.93
<b>Capital</b>	\$	176,529.53		
<b>Relief</b>	\$	14,644.00		\$ 16,720.95
<b>Breezy Point Total</b>	<b>\$</b>	<b>306,013.53</b>		<b>\$ 107,973.88</b>
<b>Operating</b>	\$	59,160.00		\$ 82,189.31
<b>Capital</b>	\$	90,939.45		
<b>Relief</b>	\$	14,436.00		\$ 15,060.16
<b>Pequot Lakes Total</b>	<b>\$</b>	<b>164,535.45</b>		<b>\$ 97,249.47</b>
<b>Operating</b>	\$	8,178.00		\$ 15,196.47
<b>Capital</b>	\$	2,256.00		
<b>Relief</b>	\$	2,528.00		\$ 2,784.56
<b>Jenkins Total</b>	<b>\$</b>	<b>12,962.00</b>		<b>\$ 17,981.03</b>
<b>Operating</b>	\$	19,778.00		\$ 20,219.04
<b>Capital</b>	\$	5,456.00		
<b>Relief</b>	\$	2,932.00		\$ 3,704.88
<b>Jenkins Twsp Total</b>	<b>\$</b>	<b>28,166.00</b>		<b>\$ 23,923.92</b>
<b>Operating</b>	\$	13,920.00		\$ 16,291.08
<b>Capital</b>	\$	3,840.00		
<b>Relief</b>	\$	2,884.00		\$ 2,985.14
<b>Loon Lake Total</b>	<b>\$</b>	<b>20,644.00</b>		<b>\$ 19,276.22</b>
<b>Operating</b>	\$	2,204.00		\$ 5,764.46
<b>Capital</b>	\$	608.00		
<b>Relief</b>	\$	840.00		\$ 1,056.26
<b>Poplar Total</b>	<b>\$</b>	<b>3,652.00</b>		<b>\$ 6,820.72</b>
<b>Operating</b>	\$	13,920.00		\$ 11,086.72
<b>Capital</b>	\$	3,840.00		
<b>Relief</b>	\$	1,736.00		\$ 2,031.50
<b>Pelican Total</b>	<b>\$</b>	<b>19,496.00</b>		<b>\$ 13,118.22</b>
<b>Operating</b>	\$	232,000.00		\$ 242,000.01
<b>Capital</b>	\$	283,468.98		
<b>Relief</b>	\$	40,000.00		\$ 44,343.45
<b>Grand Total</b>	<b>\$</b>	<b>555,468.98</b>		<b>\$ 286,343.46</b>



TO: Mayor and Council

FROM: Police Chief Brian Sandell

DATE: October 26, 2023

MEETING DATE: November 6, 2023

Agenda Item: Hiring of Sean Condon as Full-Time Patrol Officer

Background: During the week of October 9, an interview committee comprised of Sergeant Garcia, City Administrator Chanski, and Fire Chief Schwankl interviewed 8 candidates for the vacant patrol officer position. Upon recommendation by the interview committee, Police Chief Sandell interviewed the top two candidates.

Sean Condon was the number one pick of the interview committee, and Chief Sandell agreed with the recommendation. Sean attended Crosby High School and completed his law enforcement training at Central Lakes College.

Sean is currently employed by the Crow Wing County Sheriff's Department as a correctional sergeant in the jail. Sean has been with the county since 2017.

Sean also worked as a part-time police officer for the City of Crosby for two years. Sean left this position due to a county policy against outside employment during COVID.

Sean has a good work ethic and is highly recommended by his peers. Sean is familiar with our radio operations and record management due to his local employment.

Requested Action: Recommend hiring Sean Condon as a full-time patrol officer contingent on a successful background investigation, psychological, and physical evaluation. Recommend a starting wage of P-1 Step B with an increase to Step C after a successful 6-month review. This position requires a 12-month probationary period.

TO: Mayor and City Council  
FROM: David Chanski, City Administrator  
RE: Approval of Questica Budget Software  
DATE: November 6, 2023

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**Background**

As part of the 2024 budget process, City Administrator Chanski has discussed the addition of budget and transparency software. This was initially discussed during the August 1 budget workshop and was also included in the Preliminary 2024 Budget.

The purpose of this software is multifaceted. First, it will allow staff to be much more efficient in the development and management of the City’s budget. Currently, the budget is developed through a series of spreadsheets that take a lot of time to format. For example, when running wage calculations, it currently takes Administrator Chanski roughly an hour to run a scenario as dozens of formulas must be manually adjusted and then double checked as such manual entry is prone to error. Additionally, spreadsheets do not integrate with the City’s financial software, so every number for every account code in the budget (and there are hundreds) must be manually entered. As this software would directly integrate with the City’s financial software, department heads would have easier, instant access to their budgets (which would be updated daily), and dozens of hours every year would be saved in preparation management of the budget. 24 hours (for example) of City Administrator Chanski’s time is valued at over \$2,200.

In addition to internal improvements, this software has an external component as well. As this software is web-based, the public will be able to access the budget in different ways. The public will not only see the final approved budget, but the City will be able to publish preliminary budgets as well as create budget pages for various projects such as city hall and Buschmann Road. Again, as the software integrates directly with our financial software, the budget information the public will be able to see will also be kept up to date throughout the year.

Lastly, this software will always the City to easily produce a pectoral and narrative type budget document that is much more transparent and understandable. Such a document will also be able to be submitted to the Government Finance Officers Association (GFOA) for their annual Outstanding Budget Presentation Award.

For more information about this software, short video “tours” can be found [here](#).

**Software Budget**

As mentioned above, the cost of this software was included in the Preliminary 2024 Budget. The attached proposal is for 5 years (which is standard for such software) and



includes a first-year subscription cost of \$18,375 and a one-time implementation cost of \$11,500. The subscription cost is split 50/50 between the General Fund and Sewer Fund, and the one-time implementation cost would be paid out of the Capital Fund.

The provided proposal is only good through November 24, 2023. If the agreement is approved after that date, 2024 price increases will go into effect, which are estimated to increase the cost by 5%-10% (\$1,500-\$3,000). As this software is included in the 2024 Budget (not 2023), City Administrator Chanski has negotiated with Questica that, should the City approve the attached agreement, the City will not be billed until after January 1.

**Council Action**

Staff recommends that the City Council approve the attached proposal from Questica for budget and transparency software.



# Questica Budget Proposal

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City of Breezy Point, MN | August 2023

**Prepared By:** Trish Kendall  
**Prepared On:** August 29, 2023



August 29, 2023

David C. Chanski  
City Administrator/Clerk  
City of Breezy Point, MN

Dear David,

Questica Ltd. is thrilled with the possibility of partnering with the City of Breezy Point in its effort to transform the current budget development and management process. We welcome an opportunity to leverage over 25 years of success with similar sized customers across North America to help the City of Breezy Point:

- Transition from labor-intensive, unsupported on premise software to an efficient, comprehensive, cloud based budgeting and forecasting software system
- Enable City staff to more actively participate in a collaborative budgeting process remotely or in the office
- Better serve the planning team, finance staff, executive leadership and the community by facilitating analytics with up-to-date information presented in actionable reports, dashboards, and queries
- Budget more effectively for personnel, manage multiple scenarios and decision packages in a single system with a consistent, user-friendly user-interface

Questica proposes a Software-as-a-Service (SaaS) subscription of our industry leading multi-user Questica Budget solution and our professional services for implementation, integration, configuration, training, and post-implementation customer support. Questica is unique in providing a fully integrated solution offered with a consistent and well-organized user-interface that is purpose-built for budgeting in the public sector.

Simply put, Questica is THE most trusted budgeting solution provider by governments in North America. Some key considerations that set Questica apart include the following:

- **Full circle, end-to-end budgeting solutions:** Questica provides a single solution with modules and functionality to address your budgeting needs from start to finish. Per your requirements, we've provided a proposal that addresses your Operating and Personnel budgeting needs.
- **More configurable, less customizations:** Questica's 25 plus years in the government budgeting space means we've seen best practices across multiple budgeting approaches at hundreds of State and Local agencies and organizations. Rather than customize the platform for each approach, Questica builds in incremental best practices as configurable options, offering Questica customers the ability to replicate those processes without re-inventing the wheel. Ultimately, this leads to quicker, less costly, and more stable implementations for long-term ROI.
- **You are in control:** Questica Budget is designed for client-side administration, with security, reports, and workflow configurable at the admin user level. We also leverage a single tenant architecture, which means that each customer has a unique and segregated instance of our software, enabling the City to choose when to apply software updates, based on your convenience and schedule.
- **Singular focus and purpose built for government:** Questica Budget is not a generic "one-size-fits-all" solution, nor is it a "Swiss army knife" that proposes to do many things half-well. Instead, Questica Budget is a point solution that excels at enabling a collaborative budgeting process for state and local governments, and public agencies. Since our inception, we have been 100% focused on crafting best-in-class budgeting solutions for the public sector.
- **Right sized for you.** Questica is big enough to support your organization, yet nimble enough to remain agile. We currently have 130+ employees, which means we have the resources needed to support large-scale, complex implementations while remaining flexible to accommodate your unique requirements. We manage all aspects of our customer implementation, from kick-off to post-implementation support, exclusively with Questica employees.

We have an unmatched track record of success in implementing our solutions for government organizations and we stand firm in our '**getting it done right the first time**' mission. We look forward to continued conversations with your finance team and to demonstrating how Questica will provide unquestionable value and return on investment to the City of Breezy Point.

Sincerely,

*Trish Kendall*

Trish Kendall  
Senior Account Executive  
[trish.kendall@eunasolutions.com](mailto:trish.kendall@eunasolutions.com)

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## WHO WE ARE

For the past 25 years, Questica has partnered with public sector organizations to enable data-driven budgeting and decision-making, while increasing data accuracy and productivity and improving stakeholder trust. These organizations are modernizing their business processes using Questica's budgeting, performance, transparency, and engagement software solutions.



**Questica is consistently recognized as one of the leading and most trusted budgeting software solutions:**

- 2021 - 2019** As part of Euna Solutions (previously GTY Technology), recognized by Government Technology in their annual GovTech 100 Index which showcases the 100 leading companies serving state and local governments in unique, innovative, and effective ways.
- 2019** CV Magazine's Canadian Business Awards, "Best Cloud-Based Budgeting Software Solutions Provider."
- 2018** "10 most trusted public sector solution providers" by Insights Success magazine.

The Questica team is comprised of roughly 130+ technology experts, budget professionals and business specialists who have decades of experience working with local government. We in fact represent the largest group of budget software experts in North America dedicated to serving the public sector.



Euna Solutions is a leading provider of purpose-built, cloud-based solutions that power critical administrative functions and financial operations for the public sector. Formerly GTY Technology, Euna Solutions offers easy-to-use solutions for procurement, payments, grant management, budgeting, permitting and K-12 administration that are proven to increase operational efficiency, transparency, collaboration, and compliance. Euna Solutions is a trusted partner to more than 2,000 government and public sector organizations across North America, empowering digital transformation and streamlining business processes through a relationship-centered, service-focused approach. Euna propels public sector progress. To learn more, visit [www.eunasolutions.com](http://www.eunasolutions.com).

**Our team understands the unique challenges that government organizations face when preparing, managing, and sharing the details of a budget, and we bring our collective years of experience to the City of Breezy Point project.**

## WHO USES QUESTICA BUDGET?

- ◆ City of Marshall, Minnesota
- ◆ Crow Wing County, Minnesota
- ◆ City of Seattle, Washington
- ◆ City of Blaine, Minnesota
- ◆ City of Plymouth, Minnesota
- ◆ City of Spokane, Washington
- ◆ Dodge County, Minnesota
- ◆ City of Waconia, Minnesota
- ◆ Wood County, Wisconsin
- ◆ City of La Vista, Nebraska
- ◆ Saline County, Kansas
- ◆ City of La Vista, Nebraska
- ◆ Town of Erie, Colorado
- ◆ City and County of Denver, Colorado
- ◆ City of Bellevue, Washington
- ◆ City of Lee's Summit, Missouri
- ◆ Larimer County, Colorado
- ◆ City of Southfield, Michigan
- ◆ City of Rock Springs, Wyoming
- ◆ Kansas City Area Transportation Authority (KCATA)

## QUESTICA BUDGET CLIENT SUCCESS STORIES

Select a logo to learn more about how our clients are using Questica.



We have a lot more confidence in the data that's in and coming out of Questica. The security structure in Questica is much more robust and it's just a really good powerful system. Some of the things that hadn't ever worked correctly in the old system, we now have.



— **Laura Altizer**, Former Budget Performance Manager  
City of High Point



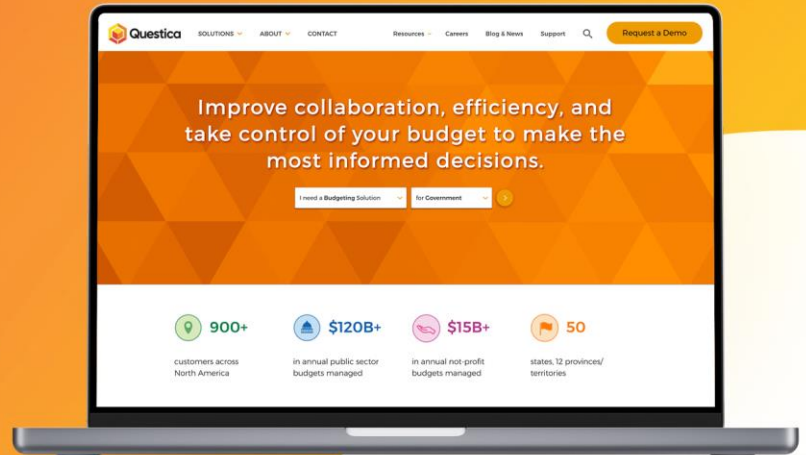
Questica's customer service and responsiveness are excellent.



— **Kelly Greunke**, Manager of Budget Operations  
Office, City and County of Denver

# ABOUT QUESTICA

Questica proposes a Software-as-a-Service (SaaS) subscription of our industry leading multi-user Questica Budget solution and our professional services for implementation, integration, configuration, training, and post-implementation customer support.



## OUR MISSION

**“We’re on a mission to simplify the complexities of public sector finance, empowering brilliance at every turn.”**

—TJ Parass, Co-Founder of Questica



At Questica, our mission is to empower many to work together in a secure environment, to take control of their budget, and make informed decisions. For the past 25 years, Questica has partnered with public sector organizations to enable data-driven budgeting and decision-making, while increasing data accuracy and productivity and improving stakeholder trust. These organizations are modernizing their business processes using Questica’s budgeting, performance, transparency, and engagement software solutions.

## OUR GOAL

Questica’s goal is to drive budget transformation by creating a single source of data truth. As a leader of budgeting preparation and management software since 1998, Questica partners with public sector organizations to better enable data-driven budgeting and decision-making, while increasing data accuracy, productivity and improving stakeholder trust.



Over 800 local and provincial governments, colleges, universities, K-12 schools, hospitals, healthcare facilities and non-profit organizations have eliminated spreadsheets using our budgeting, performance, transparency and engagement solutions. Across 50 states, and 12 provinces and territories, we’ve engineered custom budget solutions for public sector customers which seamlessly integrate with existing financial and other systems.

## WHY CLIENTS CHOOSE US

We have an unmatched track record of success in implementing our solutions for government organizations and we stand firm in our ‘getting it done right the first time’ mission. We’ve integrated highly scalable solutions for public sector entities managing budgets of a few million, and other organizations multi-billion-dollar annual spending plans. Our team is comprised of technology experts, budget professionals and business specialists. We are passionate and friendly collaborators who enjoy teaming with our customers to find the right solution to meet their needs.



# KEY BENEFITS OF QUESTICA



## CLOUD-BASED

Questica Budget Suite is a cloud-based solution hosted on Questica’s secure Microsoft Azure server. Cloud-based solutions enable clients to access their budget data online at any time and from any location. Hosting on single tenant architecture means your budget data is isolated from other clients’, with the flexibility to choose when to upgrade to new versions of the product.



## COLLABORATIVE

Budgeting is a people-centric process that requires communication and teamwork. The Questica Budget Suite is a collaborative platform that allows your budget managers to work with departments to prepare and manage budgets efficiently. We streamline budget access for financial and non-financial contributors; the result improves communication and expedites decision-making. This is particularly important if staff work remotely.



## FUNCTIONALITY

Questica Budget is feature-rich and provides powerful functionality for greater control and visibility into budgets. With the tools to calculate, analyze, forecast, report on, and develop what-if scenarios for budgets, users gain deeper financial insights while creating budgets that last. With seamless integration for flow of data to the existing ERP, users can build budgets based on accurate, real-time financial information.



## CONFIGURABILITY

Configurability means fewer requirements for customization. This will save time, resources, and complexity both in the initial implementation, and through ongoing use as upgrades and enhancements are released. The bottom line is a significantly lower cost of ownership over your lifetime use of our product.

## FLEXIBILITY

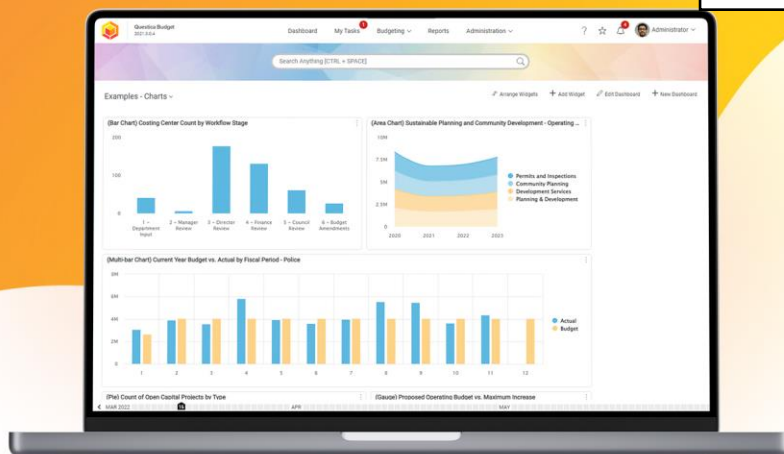
COVID-19 continues to challenge communities, heightening the need for local governments to make decisions quickly and accurately. Our product offers the capacity for multiple scenario models, for governments preparing for the future, and pivoting as plans change. When your plans shift, you don’t want to be limited by manual data entry, spreadsheets, or an inflexible legacy system. Questica Budget adapts with you, adjusting to your new budget trajectory to reallocate funds or evaluate potential cost savings.

## INNOVATION

Innovation at Questica is driven by feedback on existing product features, and the anticipated need for new features that accommodate new challenges. Questica’s product strategy is based on feedback from our clients, all public sector organizations, and serves as a guiding star that directs our focus. From user forums to early adopter groups, Questica clients are with us every step of the way as we develop new features or improve the functionality of our product Suite.



# QUESTICA BUDGET



## OVERVIEW

The Questica Budget Suite is an end-to-end budgeting system that will help you manage the budgeting process with greater efficiency and accuracy. We are confident that our budget system is the right application for your needs, providing powerful features that support ongoing budget development and reveal key budget insights that may have been hidden in a spreadsheet.

## OPERATING MODULE

Questica Budget is designed for non-finance department and non-technical users to prepare and maintain their budgets directly in the system. Budgets can be categorized on an organizational basis where cost centers roll-up into their respective departments and divisions and can also be categorized on a fund basis where cost centers roll-up into their particular funds and fund categories. Cost centers can easily be moved from one department and division to another, as well as from one fund to the next. Additional hierarchical structures can be configured as needed.

2021 - 2861 - Pump Station 1   Main (Active)											
Account Summary											
	2019 Actual	2019 Budg.	2019 Variance	2020 Actual	2020 Budg.	2020 Variance	2021 Actual	2021 Variance	2021	2022	2023
GL Account	1,451.33		1,451.33	981.87		981.87			47,000.00		47,948.00
GL Account Type Revenue											
3056 - User Fees - Drainage	1,451.33		1,451.33	981.87		981.87					
3274 - Miscellaneous Fees									47,000.00		47,948.00
3923 - Financial Stability Reserve											
GL Account Type Expenses	(1,952,272.31)	(1,838,691.45)	(113,580.86)	(1,309,765.36)	(2,201,314.77)	891,549.41	2,183,490.47	(2,183,490.47)	(2,081,138.43)		
4103 - Benefits	351,133.56	30,000.00	321,133.56	332,168.64	349,349.77	(17,181.13)	(393,230.96)	393,230.96	402,363.16		
4008 - Salaries - Pump Technician	1,554,452.85	1,511,482.45	42,970.40	1,472,129.66	1,545,241.00	(73,111.34)	(1,330,178.41)	1,330,178.41	1,386,464.92		
4094 - Retirements	3,200.00		3,200.00								
9211 - WD Regular Time	113.93		113.93	148.38		148.38					
9201 - WD Outside Purchases	6.70		6.70	35,043.27		35,043.27					
9111 - WD Inside Equipment Rentals	3.04		3.04	117.27		117.27					
4070 - Overtime	8.12		8.12	86.39		86.39					
4014 - Salaries - Outside									(6,492.70)	6,492.70	6,492.70
4116 - Conferences/Travel									(70,000.00)		12,000.00
4384 - Cable									(1,340.00)	1,340.00	1,340.00
4386 - Water									(700.00)	700.00	714.00
4072 - Insurance									(140,000.00)	140,000.00	110,174.00
4021 - Repairs and Maintenance									(102,570.00)	102,570.00	10,921.40
9211 - WD Inventory Purchases				9.72		9.72					
9024 - Work Order Reservations				(68,846.30)		(68,846.30)					
4024 - Recovery	(1,190.00)		(1,190.00)	(27,727.00)		(27,727.00)					
4014 - Miscellaneous	348.27	2,000.00	(1,651.73)	116.47	2,000.00	(1,883.53)		2,000.00	2,000.00	2,040.00	
4384 - Telecommunications	702.80	4,000.00	(3,297.20)	833.20	4,700.00	(4,866.80)		8,734.00	6,734.00	8,929.00	
4154 - Recovery - HCB	(4,591.51)		(4,591.51)	(6,612.42)		(6,612.42)					
4204 - Laundry	373.21	6,000.00	(5,626.79)	306.66	6,000.00	(5,693.34)		(6,000.00)	6,000.00	6,100.00	

Sample Costing Center Information

Role-based security ensures that users have streamlined access to only the data and functions that they need. Cost center information can be maintained, and comments, notes, and attachments (e.g., scans, documents, or links) may be added to the budget or even to the detailed line items. Budgets can be managed at a monthly, quarterly, annual, or biennial basis. Grids are configurable and may consist of historical years, current year, and future forecast years.

# PERSONNEL PLANNING & BUDGETING MODULE

Questica Budget’s Personnel Planning & Budgeting module performs like a calculator with advanced features, enabling accurate modeling and forecasting all costs associated with positions (filled and vacant) to accommodate the workforce budget. Step or pay increases, cost of living adjustments, new benefits, and other employee-related costs are all accounted for.

Each position is a record of all the information required to calculate base wages, as well as overhead costs such as benefits, allowances, and employer taxes; each is attributed to the appropriate GL Account (object code). Positions paid according to a union contract are assigned a pay grade and step, calculating pay from the pay scale for that contract. Alternatively, a position’s base wage can be entered as a distinct salary value for each position, or as a percentile of the range configured for a selected grade.

Position	Amount	Type	Date
4001	1000.00	Hourly	2021-01-01
4002	1000.00	Hourly	2021-01-01
4003	1000.00	Hourly	2021-01-01
4004	1000.00	Hourly	2021-01-01
4005	1000.00	Hourly	2021-01-01
4006	1000.00	Hourly	2021-01-01
4007	1000.00	Hourly	2021-01-01
4008	1000.00	Hourly	2021-01-01
4009	1000.00	Hourly	2021-01-01
4010	1000.00	Hourly	2021-01-01

Sample Annual Costing Positions

Description	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
GL Account Type: Expenses / Expenditure	(54,978.09)	(4,581.51)	(4,581.51)	(4,581.51)	(4,581.51)	(4,581.51)	(4,581.51)	(4,581.51)	(4,581.51)	(4,581.51)	(4,581.51)	(4,581.51)	(4,581.51)
Base Wage	41,321.12	4,126.76	4,126.76	4,126.76	4,126.76	4,126.76	4,126.76	4,126.76	4,126.76	4,126.76	4,126.76	4,126.76	4,126.76
FICA - Social Security (OASDI)	3,070.31	255.86	255.86	255.86	255.86	255.86	255.86	255.86	255.86	255.86	255.86	255.86	255.86
FICA - Medicare	716.06	59.84	59.84	59.84	59.84	59.84	59.84	59.84	59.84	59.84	59.84	59.84	59.84
Workers' Compensation	1,411.35	117.61	117.61	117.61	117.61	117.61	117.61	117.61	117.61	117.61	117.61	117.61	117.61
Life Insurance	77.25	6.44	6.44	6.44	6.44	6.44	6.44	6.44	6.44	6.44	6.44	6.44	6.44
Dental and Vision	180.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00

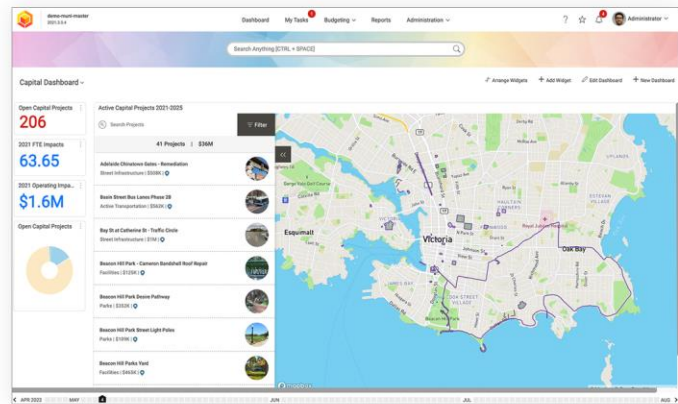
Sample Monthly Costing – Single Position

# CAPITAL MODULE

Questica Budget’s Capital module simplifies and centralizes the process of capital budget planning and execution. Users can import prior years’ budget data (actual costs and budget values) into Questica Budget, and create multi-year capital projects where they can identify their expenditures and funding sources, and make adjustments as they prepare their budgets.

Users can construct their capital projects on an annual, quarterly, or monthly basis, enter narrations or explanations for their requests and categorize their projects based on different criteria such as tangible capital assets, fund(s), or project status. Requests get escalated through the configurable workflow system integrated within Questica Budget. Project ranking can also be administered according to user-defined criteria, and multiple project scenarios can be created for each project.

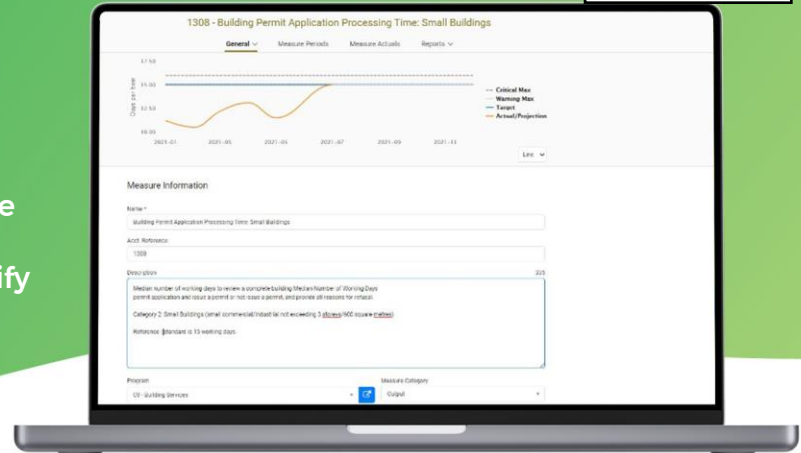
The Capital module also gives the ability to manage budgeting activities related to grant programs of varying complexities. The “type” field on projects is commonly used to indicate that the project is to be treated as a grant.



Sample Capital Improvement Plan Transparency – Interactive Visual Map

## PERFORMANCE MODULE

Questica Budget’s Performance module allows users to establish objectives and track budget progress toward achieving these objectives over time. Targets can be identified by intended outcome, where warning and critical threshold limits notify users whenever budget performance requires attention.



Sample Performance Dashboard

Measures, whether financial or statistical, may reference existing values already in the system, or may otherwise be manually entered. In either case, these measures can also be calculated based on other measures. They can be consolidated under various programs and can also be incorporated into an Organizational Scorecard. Responsibilities can be established for the various Programs and Measures, inclusive of due date and automated reminders, to facilitate workflow processing.

Questica Budget’s Performance module fully integrates with the rest of the Questica Budget Suite and leverages the Questica Dashboard platform. This functionality helps improve performance, encourages innovation within your team, encourages cost-effective practices, and delivers an enhanced level of transparency and accountability.



## SPECIAL FEATURES

### STATISTICAL LEDGER

The Questica Budget Statistical Ledger allows budget staff to plan and track numbers other than spending dollars (e.g., hours worked, number of clients, resource utilization).

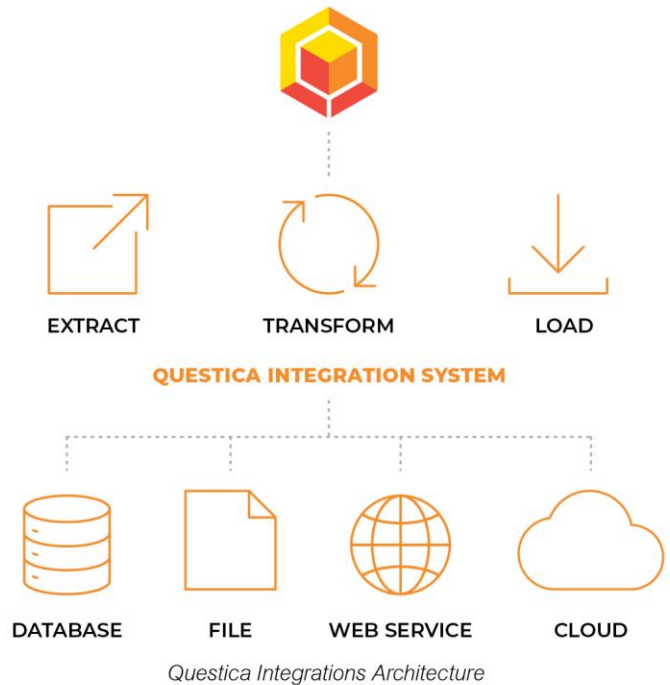
Staff can create a budget for any numeric data and work with it very much like financial budgets. This can be very useful for planning and tracking activities and outputs, and the data can be used as a guideline for building budgets. Statistical Ledger data can also be a component of a performance measurement plan.

### QUESTICA INTEGRATION SYSTEM (QIS)

Questica Budget will integrate with your City’s financial system via its proprietary Questica Integration System (QIS). QIS is a specialized, database-independent tool developed to exchange data between Questica Budget and external systems on a scheduled or as-needed basis. QIS also simplifies the integration process and reduces the time required to integrate Questica Budget with other customer systems or data warehouses.

QIS provides a highly configurable framework for importing or exporting budget related or non-financial data with existing and future external data sources, using API (Application Programming Interface) and ETL (Extract, Transform and Load) integration methods to ensure the budgeting solution always reflects updated data.

The diagram on the right illustrates the Qestica Integration System. The Qestica Budget application is represented by the symbol at the top, with the QIS system in the middle, and various customer systems on the bottom. When data is being extracted from an external system and moved to Qestica Budget, data would be moving from the bottom to the top of the diagram. On the other hand, when extracting data from Qestica Budget to insert into an external system, data moves from the top to bottom.



The process can be scheduled or run on-demand by an authorized Qestica user. Monitoring of scheduled integration tasks can be performed in many ways, but the most popular method is exception or failure notification, which can be configured to email one or more people. As detailed below, implementations can include three distinct interface points—two on the financial side and one on the HR/personnel side, and sometimes a fourth:

Actual cost integration	Actual costs are automatically imported into Qestica Budget from the Financial System. This can be set up to occur at a variety of timeframes, but most often this automated process of copying the actual costs from the Financial System into the Qestica Budget system occurs on a nightly basis. This allows users to see Budget vs. Actuals that are no more than 24 hours old.
Movement upon approval	When the budget is approved/adopted, it is typically moved from Qestica Budget into the Financial System, the system of record.
Salary sync	The process for loading HR/payroll data into the Qestica Budget system is via our 'Salaries Synchronization Tool'. This provides a mechanism to populate our salary and benefit engine with data from the city's HR records system. The integration can be run on demand, whenever updated personnel data is needed in the budget system.
Budget adjustments (if required)	As adjustments are made throughout the year (e.g., transfers, new budget requests, etc.), these changes can also be synchronized between Qestica Budget and the Financial System so that budget revisions are always current in both systems.

## ALLOCATIONS

The Allocations tool within Qestica Budget allows dollars to be moved throughout the Operating and Capital budget in a structured and balanced fashion. The functionality supports complex arrangements of allocations between many budget elements.

An employee's cost may, for example, be split between multiple programs or cost centers, or Internal Service Provider budgets can be managed. In the latter example, an IT budget that is developed in detail like any other costing center may get allocated to other budget elements, perhaps using a cost driver such as 'number of computers' as the distribution basis. Once the allocation has been run, each recipient Costing Center will have a Destination Budget Line representing a portion of IT expenses, and the IT Costing Center budget will subsequently have a Recovery Budget Line that effectively zeroes out their allocated budget.

## ADVANCED CALCULATION ENGINE (ACE)

Questica Budget's Advanced Calculation Engine is a powerful feature that brings familiar Excel functions into Questica Budget and allows users to create reusable calculation packages/models. The tool is simple to use and is designed to keep users working inside Questica Budget.

In addition to containing familiar Excel functions, there are also budget-specific functions documented in an integrated library, enabling users to reference data based on its qualities rather than by specific location. For example, a function can be performed on the budget values for a particular account code or using the actuals from a certain statistical account. Functions can also be period-based, enabling the option to reference data from past months or years, or reference a range of data such as the average from the past three years for a given month or quarter.

## CHANGE REQUESTS/DECISION PACKAGES

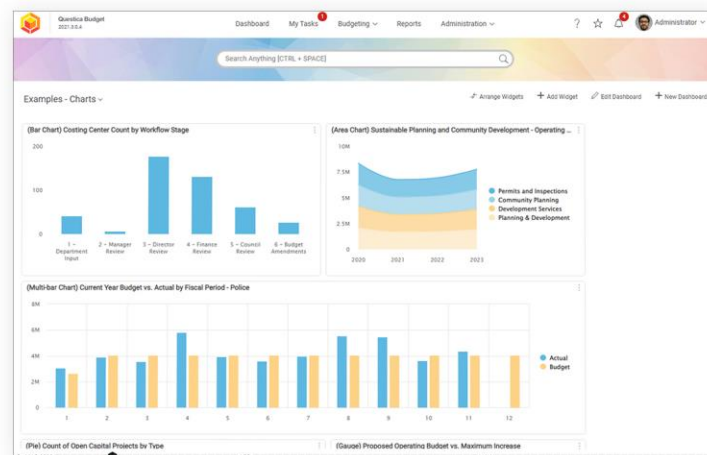
Questica Budget's Change Requests feature, also referred to as Budget Adjustments, Budget Modifications or Decision Packages, allow authorized users to process pre- and post-approval budget changes, both one-time and recurring, using a controlled process and workflow-based approval. These requests can be created individually, or they can be bundled together and treated apart from the general budget with their own dedicated approval process. Questica Budget does this in a controlled environment so that users can only submit, change, and see budget requests that are appropriate for them.

## ADVANCED SEARCHES

Questica Budget's Advanced Search function is an intuitive user-facing feature that allows non-technical users to compose detailed searches using a variety of comparators and the ability to infinitely nest AND/OR groupings. Essentially, the Advanced Search functionality allows authorized users to perform sophisticated and highly dynamic data analytics and ad-hoc queries based on multiple dimensions, including specific criteria or descriptive words. This robust and powerful tool allows complex queries to be easily built up—one line at a time.

## REPORTING AND DASHBOARDS

Questica Budget's reporting and analytics capabilities are delivered as part of its core software feature set. The system includes pre-built ad-hoc data views (i.e., queries), advanced “smart reports” that combine rows and columns of numbers with graphics (e.g., pie chart), 80+ pre-built ready-to-use reports, each with a variety of input selections, and pre-built dashboards with rich interactive visualizations of information that can be utilized to create actionable at-a-glance displays—all of which include data security to ensure users only see what they're allowed to see. Standard reports leverage Microsoft's SQL Server Reporting Services (SSRS) and can be copied and modified by budget staff without requiring programming skills.



Sample Full-Featured Dashboard

# QUESTICA'S DIGITAL BUDGET BOOK SOLUTION



Questica Digital Budget Book sample screenshot

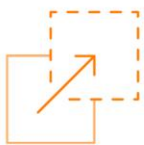
## Budget Book

Questica's Digital Budget Book (DBB) solution is a user-friendly and comprehensive document management and financial reporting tool that enables our customers to create, collaborate, edit, approve, and publish an annual budget document with ease – eliminating the headaches often associated with managing multiple spreadsheets, version control issues, manual updates, and duplicating content.

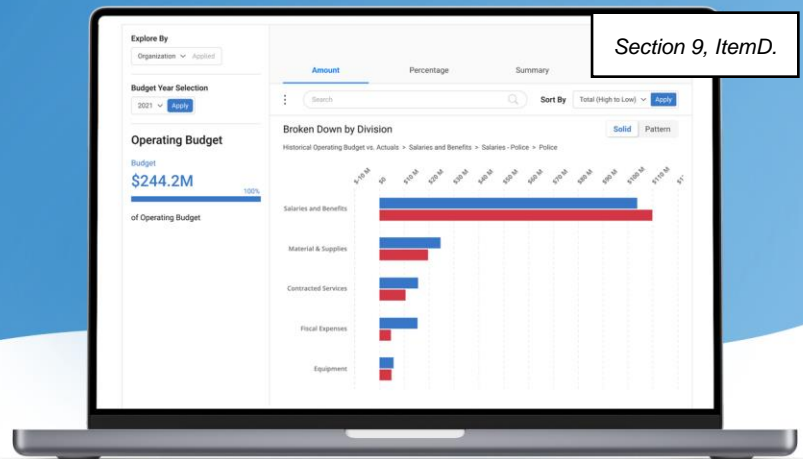
DBB is directly integrated with the Questica Budget module, allowing budget information to be seamlessly refreshed on-demand. Paired with our Questica OpenBook interactive online transparency solution, customers can provide the community with a complete understanding of the budget that is presented in a manner geared for a non-financial audience.

### Key aspects of Questica's DBB include:

- ◆ GFOA compliant—meets all standards for GFOA Award Qualifying Book Production
- ◆ Automation—automates the creation of fund summary pages, charts, tables, and more
- ◆ Templates—creates new pages quickly with easy-to-use templates
- ◆ Multiple Formats—produces budget books in digital (online) and PDF (printed) formats
- ◆ Charts and Graphs—allows automatic updates of embedded narratives and smart charts



# OPENBOOK TRANSPARENCY AND DATA VISUALIZATIONS



OpenBook - Sample Operating Budget: Interactive Chart

Questica Budget's OpenBook tool fosters transparency for public agencies, enabling the information to be visualized in an array of charts, tables, bars, graphs, and GIS mapping for Capital planning. Like all Questica tools, OpenBook is intuitive and easy-to-learn. With descriptive text, informational pop-ups, filtering and sorting capabilities, diving in and discovering information is made easy for all stakeholders.

## OPENBOOK CUSTOMER EXAMPLES

Select a logo to visit our customers' OpenBook websites.



## SEE OUR SOFTWARE SOLUTIONS IN ACTION

Learn how Questica and our software solutions can help your organization today. Our team will reach out to determine how we can help you increase efficiencies for your budgeting process.

# GOVERNMENT PROCUREMENT OPTIONS

Today's modern governments have recognized the traditional methods of procuring software through Request for Proposal are expensive, time consuming, and often very limiting in scope. An increasing number of customers have contracted with Questica utilizing the methods outlined below.

1. *Take advantage of contract vehicles and cooperative purchasing agreements.* Contract vehicles are commonly relied upon as the most efficient way for governments to buy goods and services. Questica is listed on many cooperative purchasing contracts, such as DIR, Carahsoft, SHI, NASPO, BuyBoard, Sourcwell, and Omnia. These contracts include several vendors and were established via a competitive bidding process, much like an RFP cycle.
2. *"Sole source."* This method refers to opportunities where Questica is the only provider able to deliver the set of solutions that a government entity is looking for. This can justify the avoidance of an RFP, since there are simply no other vendors in the market who can deliver the necessary goods or services.
3. *Piggyback contracts:* To satisfy procurement policy, many Questica customers choose to piggyback from contracts already vetted by a competitive RFP process of similar size and scope. For example, The City of Spokane utilized a piggyback agreement (i.e., cooperative agreement statement) with City of Seattle to purchase Questica. Questica is open to helping The City explore best fit piggyback options with current customers.
4. *Emergency Funding:* State and local governments need the right tools to remain flexible and make critical data driven decisions. Several Questica customers, such as Imperial County, CA have invoked emergency purchasing measures to fund the purchase of Questica. The funding from the American Rescue Plan Act provides an opportunity for state and local governments to purchase new technology in support of expanding services to citizens and improving responsiveness.

Specifically, sections 602(c)(1)(C) and 603(c)(1)(C) of the Act provide recipients with broad latitude to use the Fiscal Recovery Funds for the provision of government services. Questica Budget now includes a built-in calculator which automates the lost revenue calculation formula as outlined in the guidance. Included below is sample verbiage that the City could utilize to justify purchase of Questica Budget using ARPA funds.

## American Rescue Plan Justification

- ◆ Whereas COVID-19 and the required response by the (name of local government) had a significant impact on the budget of (name of local government), and
- ◆ Whereas: expenditures for essential public health and safety workers were higher than budgeted to ensure public health welfare and safety concerns; and
- ◆ Whereas: remote work of non-essential (name of local government) staff resulting from stay-at-home orders and legislated social distancing in the workplace revealed the need for upgrading IT software and infrastructure; and
- ◆ Whereas: \_\_\_\_ (name revenue source; e.g. sales tax, hotel tax, etc.) revenues in the (insert most full fiscal year) were reduced due to the economic impact of COVID-19 causing a budgeting shortfall, and
- ◆ Whereas: the (name of local government) needs to procure budgeting and performance management software that will enhance its ability to respond to the COVID-19 emergency and
- ◆ Whereas: the budgeting and performance management software will increase efficiency, improve constituent services, and enable remote work, and
- ◆ Whereas: the revenues to procure such software are not available due to the economic impacts of COVID-19 on the (name of local government) revenues.
- ◆ Now therefore be it resolved that the (name of local government) hereby declare that the use of American Rescue Plan Act funds in the amount of \$\_\_\_\_\_ be used to procure....

**Should this method be the preferred procurement option, we are more than happy to facilitate reference conversation.**





# Questica Budget Price Quote

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Prepared for:  
David C. Chanski

City Administrator/ Clerk  
City of Breezy Point, MN

August 29, 2023

Prepared by:  
Trish Kendall  
Questica Ltd

This proposal is subject to a review of your Chart of Accounts and a review of the Scope of Work.





## QUESTICA BUDGET PRICE QUOTE

Quotation ID#: City of Breezy Point – August 29, 2023

Description	Qty.	Total
<b>Questica Budget Framework – All Modules</b>		<b>\$22,000.00</b>
Operating License Seats	Unlimited	
Personnel Planning & Budgeting License Seats	Unlimited	
Capital License Seats	Not Included	
Unlimited Read-Only Licenses	Included	
Performance Measures	Included	
Allocations	Included	
Statistical Ledger	Included	
OpenBook Transparency	Included	
Digital Budget Book	Included	
Year 1 SaaS Discount		<b>(\$3,625.00)</b>
<b>Questica Year 1 Software Subscription (including software, maintenance, support, and hosting)</b>		<b>\$18,375.00</b>
<b>Professional Services (Per Scope of Work)</b>		
Planning & Analysis	Included	
Installation	Included	
Data Load & Verify	Included	
Accounting Integration	Included	
Training	Included	
Project Management	Included	
OpenBook Professional Services	Included	
Digital Budget Book Professional Services	Included	
<b>Total Questica Professional Services: (one-time fee)</b>		<b>\$11,500.00</b>
<b>GRAND TOTAL (Year 1)</b>		<b>\$29,875.00</b>



## PRICING NOTES

Quotation ID#: City of Breezy Point – August 29, 2023

Pricing valid through: November 24, 2023

- ◆ Questica annual subscription is based on a 5-year term.
- ◆ Questica annual subscription has been discounted to \$18,375.00 in year 1
- ◆ Questica will apply a 5% inflationary increase beginning in year 2

### Questica Annual Fees

- Year 1 is \$29,875.00 (SaaS and Professional Services)
- Year 2 is \$23,100.00 (includes 5% increase)
- Year 3 is \$24,255.00 (includes 5% increase)
- Year 4 is \$25,467.75 (includes 5% increase)
- Year 5 is \$26,741.14 (includes 5% increase)
- Total 5 Year contract is \$129,438.89.

Above pricing in US dollars. Applicable Taxes Extra. Pricing is not applicable in response to a formal RFP Process.

### Terms of Payment

- ◆ **Software:**
  - 100% upon Contract Effective Date (Net 30)
  - Year 2 due 365 days from Contract Effective Date and annually thereafter
- ◆ **Professional Services:**
  - Due 100% upon Contract Effective Date (Net 30)

### Other Options

#### 3 Module (including OpenBook & Digital Budget Book)

- ◆ Annual Software Subscription: \$24,500.00
- ◆ Annual subscription has been discounted to \$19,625.00 in year 1
- ◆ Professional Services (one-time fee): \$12,000.00
  - Total 5-year contract: **\$142,502.97**

#### 1 Module (without OpenBook & Digital Budget Book)

- ◆ Annual Software Subscription: \$9,500.00
- ◆ Annual subscription discounted in year 1 not applicable.
- ◆ Professional Services (one-time fee): \$5,000.00
  - Total 5-year contract: **\$57,493.50**



## SUMMARY

Questica greatly appreciates City of Breezy Point's interest in learning more about our Company and our software. As stated, we welcome an opportunity to leverage our more than 25 years of success in public sector budgeting, to help the city improve the efficiency and effectiveness of its budgeting process and to provide a technology solution that optimizes and supports the budget formulation and management cycle.

We are happy to address questions and engage in more detailed conversations to showcase how our software fits your requirements, our implementation approach, and the support our company provides. I would also be happy to facilitate introductions to current clients and would encourage you to connect with your peers to understand why they decided to partner with Questica - the most trusted solution for government organizations.



TO: Mayor and City Council  
FROM: David Chanski, City Administrator  
RE: STR Well Testing  
DATE: November 6, 2023

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**Background**

[Section 115 of the City Code](#) regulates the licensing of Short Term Rentals (STRs) within the City of Breezy Point. Section 115.003(G) requires that applicants for STR licenses conduct tests on their private well systems and provide the results as part of the license application/renewal process.

Applicants must test for Coliform Bacteria and Nitrates on an annual basis and Arsenic, Mercury, Lead, and Sulfate every 10 years.

**Discussion on Well Testing**

Having gone through the STR licensing process for the first time in 2023, staff is recommending the Section 115 be amended to remove the requirement that wells be tested as listed above.

The reason behind this recommendation is twofold. First, unlike Crow Wing County, the City does not have public health officials that are trained to review such test results and deal with issues that may arise. Second, staff has concerns that, by essentially approving well tests, the City may be opening itself up for litigation should a guest of a STR get sick from well water. Staff believes this is an issue that should be addressed between the STR guest and the STR owner. City involvement is unnecessary.

As a replacement to the current requirement, staff recommends that Section 115 be amended to *encourage* well testing, but not *require* it.

**Council Action**

Staff recommends that the City Council direct staff to conduct the process to amend Section 115.003(G) of the City Code to change the code language from requiring the testing of private wells for short term rentals to encouraging the testing of wells.

TO: Mayor and City Council  
FROM: Daniel Eick, Assistant City Administrator  
RE: Golf Cart Rules & Regulations Discussion  
DATE: October 30, 2023



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**Summary**

On Wednesday, July 19, 2023, Councilman Jensen reached out to Staff requesting an item be placed on an upcoming agenda for discussion on golf cart rules & regulations. Administrator Chanski responded and scheduled the discussion for the Monday, November 6, 2023, Regular Council Meeting. The City’s current Rules & Regulations, permit application, and social media material are attached below for review.

**Background**

The City of Breezy Point sells the majority of its golf cart permits during the spring and summer seasons between the months of May and July. Seeing as the City’s sale rate has been increasing steadily over the past several years, staff predict the City could exceed 700 permits sold in 2024. Relevant growth figures since 2017 can be found below:

- 2017 – 396
- 2018 – 421
- 2019 – 487
- 2020 – 548
- 2021 – 649
- 2022 – 662
- 2023 – 681

**City of Breezy Point**  
**8319 County Road 11**  
**Breezy Point, MN 56472**  
Phone 218-562-4441 Fax 218-656-1326

# Golf Cart Rules and Regulations

## Rules and Regulations for Golf Cart Operation on City Streets

Proof of ***Minnesota State Minimum Liability Insurance Coverage for Operation on City Streets*** must be provided at time of permit purchase. Please check with your insurance agent to make sure you have at least the minimum required coverage for operation on City streets.

### **Golf Carts May Be Driven on County Roads 4, 11, and 39 and City Streets:**

- with current permit sticker displayed on the rear of cart
- verification of insurance coverage must be carried in golf cart at all times
- with slow moving vehicle emblem displayed on rear of cart
- with rear view mirror
- passengers limited to seating capacity

### **Golf Carts are prohibited:**

- with drivers younger than 15 years old
- on Buschmann Road
- from City Parks and Trails
- during inclement weather or limited visibility
- between sunset and sunrise; unless equipped with original equipment headlights, taillights, and rear facing brake lights
- from towing trailers

The operator is required to obey all **Minnesota Traffic Laws** and **use hand signals**.

An operator can be arrested for D.W.I. while operating a golf cart.

Permits may be obtained from Breezy Point City Clerk's Office 218-562-4441.

Application forms may also be downloaded by visiting our website at:

[www.cityofbreezypointmn.us](http://www.cityofbreezypointmn.us)



Follow the City of Breezy Point on Facebook for local updates.



8319 County Road 11  
Breezy Point, MN 56472  
Phone: (218) 562-4441  
[www.cityofbreezypointmn.us](http://www.cityofbreezypointmn.us)

Permit #: Section 9, Item F.  
Issued On: \_\_\_\_\_  
Receipt #: \_\_\_\_\_  
Permit Cost: **\$20.00**

## Cart Permit Application – 2023

### Applicant Information

Name: \_\_\_\_\_

Address: \_\_\_\_\_ City/State/Zip: \_\_\_\_\_

Cell Phone: \_\_\_\_\_ Home Phone: \_\_\_\_\_

Email Address: \_\_\_\_\_

### Golf Cart Information

Make/Year: \_\_\_\_\_ VIN or Serial #: \_\_\_\_\_ Color: \_\_\_\_\_

### Insurance Information (Proof of Insurance must be provided with application)

Insurance Company: \_\_\_\_\_ Coverage Dates: \_\_\_\_\_

Policy Number: \_\_\_\_\_

\*\*\*\*\*

**I have received the Golf Cart Rules and Regulations for the City of Breezy Point and agree to abide by them.**

\_\_\_\_\_  
**Applicant Signature**

\_\_\_\_\_  
**Date**

#### Data Privacy Notice\*

The City of Breezy Point is asking you to provide information which includes private information under the Minnesota Government Data Practices Act (MGDPA). The City of Breezy Point is asking for this information to facilitate providing the service being requested. This information will be used to provide the requested or required service whether it be issuing a license, permit, conducting an assessment search or other specified service.

You are not legally required to provide the information and you may refuse to provide some or all of the information requested. However, the City of Breezy Point may not be able to process your request if you do not provide sufficient information. Failure to provide certain information could result in not providing the license, permit, or other specific service being sought.

With some exceptions, unless you consent to further release of private information, access to this information will be limited to those within the City whose jobs reasonably require access to this information. However, state and federal law authorizes release of private information without your consent to:

- to the Commissioner of the Department of Employee Relations (Minn. Stat. Chapter 43A);
- to State and Federal Revenue authorities for tax purposes;
- to child support enforcement authorities in this or another state (Minn. Stat. §256.978);
- if required by a court order, or authorized by other state or federal law.

\*This notice is required when collecting private data from an individual. Minn. Stat. Sect. 13.04, Subd.2.  
This has sometimes been called the "Tennessee Warning."



# BREEZY POINT GOLF CARTS

## Rules and Regulations

### *What do I need to drive?*

- Proof of MN Minimum Liability Insurance Coverage stored in vehicle during operation.
- City of Breezy Point permit sticker displayed on rear of vehicle alongside slow moving vehicle emblem.

### *Where and when can I drive?*

- Vehicles are prohibited along Buschmann Roadway and all City Parks & Trails.
- Vehicles must only operate between sunrise and sunset unless equipped with full vehicle lighting.
- Vehicle may be driven on County Roads 4,11, and 39 on the right shoulder or right-hand side and City Streets.

### *Who can drive and how?*

- Driver must be older than 15 years of age at all times.
- Vehicle cannot operate during inclement weather or limited visibility.
- Number of passengers must be limited to the vehicles designed seating capacity.
- Vehicle must have appropriate rear view mirror coverage and cannot tow trailers.



<https://www.breezypointmn.gov/>

Section 9, Item F.



### **Contact Information**

*City Hall*

**218-562-4441**

**deputyclerk@cityof  
breezypointmn.us**

*Police (Public Safety):  
Non-Emergency*

**218-562-4488**

**police@cityofbreezy  
pointmn.us**

***Rules, Regulations,  
and application for  
permit can be found  
on the City's Website.***





TO: Mayor and City Council  
FROM: David Chanski, City Administrator  
RE: City Hall Final Design  
DATE: November 6, 2023

---

**Background**

At the City Council workshop on October 17, Widseth presented the schematic design for a new city hall building (schematic designs are attached). At the workshop, those members of the City Council present had consensus to move forward into final design for the presented city hall building, including the library space and community room. However, no further action would be taken on the proposed community center.

**Final Design Proposal**

Attached is the final design proposal from Widseth. This proposal takes the City through final building design and construction document development, bidding, and through the entire construction process. The proposed fee for each element is as follows and can be found in the attached Exhibit D:

- Design Development: \$69,580
- Construction Documents: \$208,740
- Bidding: \$4,499
- Construction Admin \$65,181
- o TOTAL \$348,000

These costs would be paid out of the Capital Fund.

**Design Team and Process**

With the goal to have the City Council give the final approval to go out to bid at the February 5, 2024 City Council meeting, staff has two recommendations for the City Council to consider.

First, staff would like the City Council to appoint up to two of its members to work with staff and consultants as the Design Team. The Design Team’s primary responsibility will be to work through various elements of the design with an emphasis on architecture and interior design.

Second, staff is recommending that the City Council approve conducting the design process using Sourcewell’s indefinite quantity and delivery construction contracts (IQCC) administered by Gordian. Informational memos from Sourcewell on the IQCC are attached.

In short, the IQCC process uses Gordian's vast catalog of over 250,000 unique building materials and locks in approved contractors to specific costs for each building material. By doing this, state bidding requirements are met, design processes are streamlined, public entities can directly select from an approved list of contractors, and final cost estimates are almost always within a few percentage points of the design estimate.

Using Gordian and the IQCC process, staff further recommends entering into a letter of intent with Hy-Tec Construction for the construction of the new city hall should the City Council ultimately approve final designs and authorize the construction of the building. Hy-Tec is one of three local contractors approved through the IQCC process (the other two contractors are Nor-Son and Barrato Brothers).

Staff recommends Hy-Tec for a number of reasons. First, staff and Widseth have a close working relationship with the company. When asked, Building Official Scott Sadusky also stated that Hy-Tec would be by far his first choice as he has always had the best experience working with them on related projects, including projects done through Gordian and the IQCC process. He even stated that Andy Pickar, who would be the City's project manager, is the best project manager he's ever worked with.

Second, Hy-Tec is very experienced in working on public projects and through the IQCC process, having constructed the Crosslake City Hall, Crosslake Fire Department remodel, various projects with Crow Wing County, and much of the Brainerd School District's building projects as part of the their 2018 \$205 million referendum among other public projects.

Third, Hy-Tec has already stated that by signing the attached letter of intent (which is not binding or commits the City to actually build the new building), they will actively participate with Design Team throughout the process. No other process other than IQCC would allow the City to work directly with a contract throughout the design process.

Finally, Hy-Tec owners Toni Bieser, Mitch Feierabend, and Jeff Hanson are lifelong members of the Brainerd Lakes Area community, and the company and its employees (including Project Managing Andy Pickar) are very familiar working in Breezy Point.

**Council Action**

Staff recommends that the City Council approve the attached proposal from Widseth for final design of a new city hall building and further approve the attached letter of intent from Hy-Tec Construction.

Staff also requests that two members of the City Council be selected to serve as part of the Design Team.

November 1, 2023

David Chanski, City Administrator  
City of Breezy Point  
8319 Country Road 11  
Breezy Point, MN 56472

**Brainerd/Baxter**  
7804 Industrial Park Road  
Baxter MN 56425

218.829.5117  
Baxter@Widseth.com  
Widseth.com

**Re: Breezy Point City Hall Design Services**

Dear Mr. Chanski and Members of the City Council,

Widseth has had the pleasure of working with the City of Breezy Point over the past year regarding the Breezy Point city hall building. Our services included two phases, which were Preliminary Design and Schematic Design.

**Preliminary Design**

Widseth began this process by providing you with a facility study and preliminary design services that included an analysis of the current physical condition of the building, space needs of the staff and community and potential designs for interior remodels, building additions and a potential new building. The result of this facility study was a comprehensive look at the existing city hall that provided the City of Breezy Point with information to make an educated decision for moving forward. This information was also shared with the residents of Breezy Point through an online resource as well as through an open house at city hall. The City of Breezy Point ultimately decided to pursue the option for building a new city hall.

**Schematic Design**

Upon completion of this phase of the project, Widseth proceeded with providing schematic design services for a new city hall building. Widseth met with multiple user groups that included city staff and Breezy Point residents to ensure that the design for a new city hall met the immediate and future needs of Breezy Point. The schematic design also incorporated and planned for a potential community center that could be constructed in the future. Upon completion of the schematic design phase, Widseth presented schematic site plans, floor plans as well as approximate construction costs.

**Final Design**

Per the direction of the Breezy Point City Council at the October 17, 2023 Budget Workshop, please refer to the attached contract for finalizing the design for a new city hall building. This contract includes Design Development, Construction Documents, Bidding and Construction Administration Services. The contract is the AIA Document B101 – 2017 Standard Form of Agreement Between Owner and Architect, which is an industry standard for a project of this scale. The contract includes our schematic design deliverables and project schedule as exhibits that you can reference as it relates to the agreed upon project scope and schedule that will serve as a basis and guide throughout the final phases of design.

Thank you for the opportunity to continue working with you on this exciting project. Please feel free to reach out to us with any questions that you may have regarding this contract and the services we are offering to provide.

Sincerely,

Widseth Smith Nolting & Associates, Inc.



Lindsey Kriens, CID, Vice President

Cc: Mike England, AIA, LEED AP, Vice President

# WIDSETH

## 2023 FEE SCHEDULE

CLASSIFICATION	RATE
Engineer/Architect/Surveyor/Scientist/Wetland Specialist/Geographer/Project Manager	
Level I	\$130 / Hour
Level II	\$155 / Hour
Level III	\$180 / Hour
Level IV	\$188 / Hour
Level V	\$200 / Hour
Technician	
Level I	\$ 87 / Hour
Level II	\$110 / Hour
Level III	\$130 / Hour
Level IV	\$145 / Hour
Level V	\$160 / Hour
Computer Systems Specialist	\$175 / Hour
Senior Funding Specialist	\$135 / Hour
Marketing Specialist	\$120 / Hour
Funding Specialist	\$105 / Hour
Administrative Assistant	\$ 82 / Hour

OTHER EXPENSES	RATE
Mileage (Federal Standard Rate) <i>subject to IRS Guidelines</i>	
Meals/Lodging	Cost
Stakes & Expendable Materials	Cost
ATV 4-Wheeler Rental	\$100 / Day
ATV Side by Side Rental	\$200 / Day
Waste Water Sampler	\$40 / Day
ISCO Flow Recorder	\$60 / Day
Photoionization Detection Meter	\$100 / Day
Explosimeter	\$50 / Day
Product Recovery Equipment	\$35 / Day
Survey-Grade GPS (Global Positioning System)	\$75 / Hour
Mapping GPS (Global Positioning System)	\$150 / Day
Lath & Hubs	\$150 / Day
Soil Drilling Rig	\$35 / Hour
Groundwater Sampling Equipment	\$125 / Day
Subcontractors	Cost plus 10%

REPRODUCTION COSTS	
Black & White Copies: 8-1/2" x 11"	\$0.10 Each
Black & White Copies: 11" x 17"	\$0.50 Each
Black & White Copies: 24" x 36"	\$3 Each
Color Copies: 8-1/2" x 11"	\$2 Each
Color Copies: 11" x 17"	\$4 Each
Color Copies: 24" x 36"	\$12 Each
Color Plots: 42" x 48"	\$22 Each

These rates are effective for only the year indicated and are subject to yearly adjustments which reflect equitable changes in the various components.

**PRE-LIEN NOTICE**

**PURSUANT TO THE AGREEMENT WIDSETH WILL BE PERFORMING SERVICES IN CONNECTION WITH IMPROVEMENTS OF REAL PROPERTY AND MAY CONTRACT WITH SUBCONSULTANTS OR SUBCONTRACTORS AS APPROPRIATE TO FURNISH LABOR, SKILL AND/OR MATERIALS IN THE PERFORMANCE OF THE WORK. ACCORDINGLY, CLIENT IS ENTITLED UNDER MINNESOTA LAW TO THE FOLLOWING NOTICE:**

**(a) ANY PERSON OR COMPANY SUPPLYING LABOR OR MATERIALS FOR THIS IMPROVEMENT TO YOUR PROPERTY MAY FILE A LIEN AGAINST YOUR PROPERTY IF THAT PERSON OR COMPANY IS NOT PAID FOR ITS CONTRIBUTIONS.**

**(b) UNDER MINNESOTA LAW, YOU HAVE THE RIGHT TO PAY PERSONS WHO SUPPLIED LABOR OR MATERIALS FOR THIS IMPROVEMENT DIRECTLY AND DEDUCT THIS AMOUNT FROM OUR CONTRACT PRICE, OR WITHHOLD THE AMOUNTS DUE FROM US UNTIL 120 DAYS AFTER COMPLETION OF THE IMPROVEMENT UNLESS WE GIVE YOU A LIEN WAIVER SIGNED BY PERSONS WHO SUPPLIED ANY LABOR OR MATERIALS FOR THE IMPROVEMENT AND WHO GAVE YOU TIMELY NOTICE.**

# BREEZY POINT CITY HALL

# EXHIBIT C



### LEGEND

- COMMUNITY
- SUPPORT SPACES
- COUNCIL CHAMBERS
- ADMINISTRATION
- COMMUNITY CENTER



10-17-23

# BREEZY POINT CITY HALL CONCEPT FLOOR PLANS



### LEGEND

- COMMUNITY
- SUPPORT SPACES
- COUNCIL CHAMBERS
- ADMINISTRATION

### BUILDING AREA

CITY HALL LOWER LEVEL- 4,000 SF  
 CITY HALL MAIN LEVEL - 11,500 SF  
 CITY HALL TOTAL SF- 15,500 SF



1 LOWER LEVEL CITY HALL CONCEPT PLAN – 4,000 SF  
 1" = 10'0"

2 MAIN LEVEL CITY HALL CONCEPT PLAN – 11,500 SF  
 1" = 10'0"

OCTOBER 17, 2023



# BREEZY POINT CITY HALL CONCEPT FLOOR PLANS



- LEGEND**
- COMMUNITY
  - SUPPORT SPACES
  - COUNCIL CHAMBERS
  - ADMINISTRATION

### BUILDING AREA

CITY HALL LOWER LEVEL- 4,000 SF  
 CITY HALL MAIN LEVEL -11,500 SF  
 CITY HALL TOTAL SF- 15,500 SF

### City Hall Concept

**Lower Level**  
 4,000 square feet  
 \$175 per square foot  
 Estimate \$700,000

**Main Level**  
 11,500 square feet  
 \$275 - \$325 per square foot  
 Estimate \$3M - \$3.7M

**City Hall Concept Estimate**  
**Total: \$3.7M - \$4.4M**



1 LOWER LEVEL CITY HALL CONCEPT PLAN – 4,000 SF  
 1" = 10'0"



2 MAIN LEVEL CITY HALL CONCEPT PLAN – 11,500 SF  
 1" = 10'0"

# BREEZY POINT CITY HALL



## LEGEND

- COMMUNITY
- SUPPORT SPACES
- COUNCIL CHAMBERS
- ADMINISTRATION
- COMMUNITY CENTER



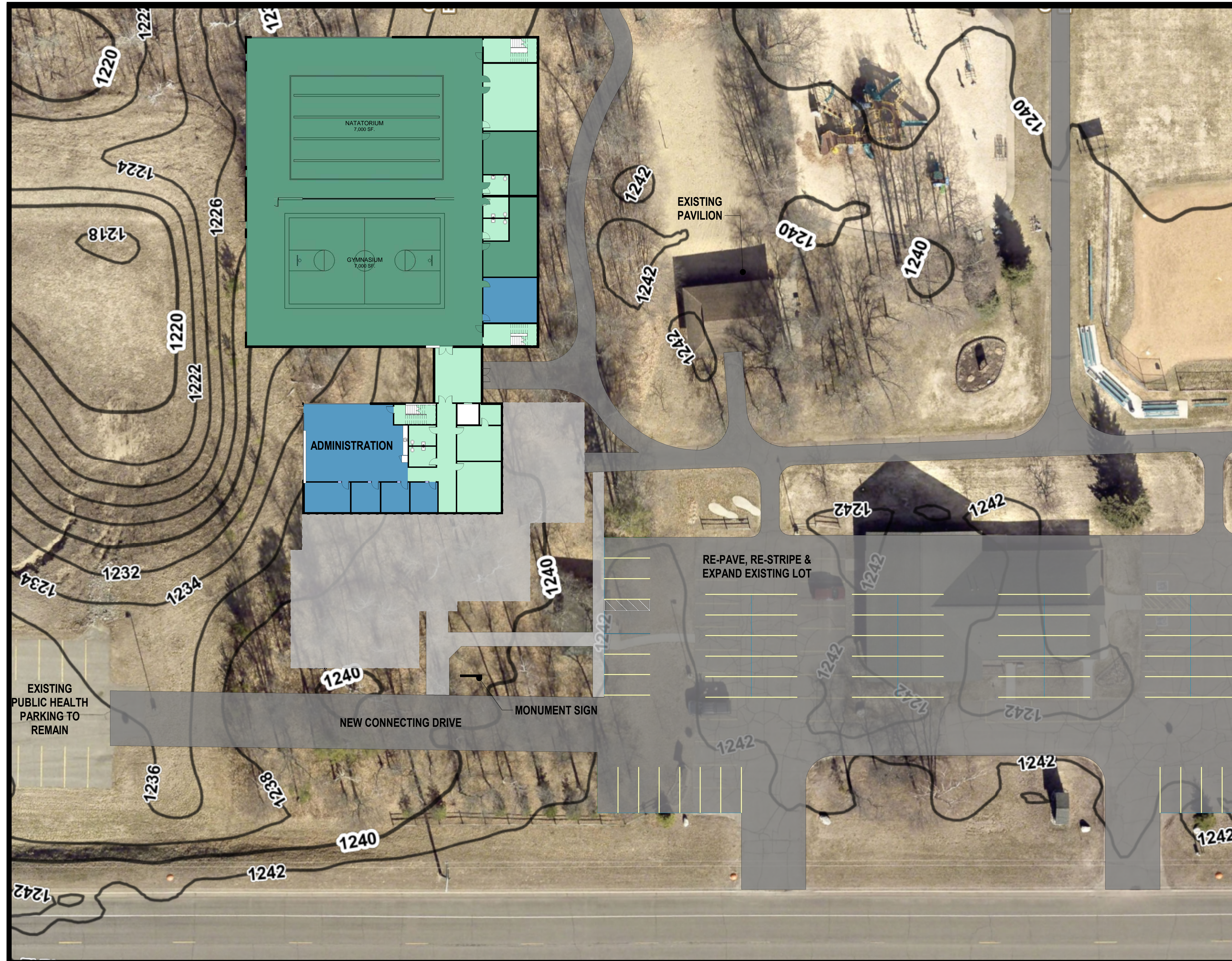
10-17-23

# BREEZY POINT CITY HALL



## LEGEND

- COMMUNITY
- SUPPORT SPACES
- COUNCIL CHAMBERS
- ADMINISTRATION
- COMMUNITY CENTER



10-17-23

# BREEZY POINT CITY HALL AND COMMUNITY CENTER CONCEPT FLOOR PLANS



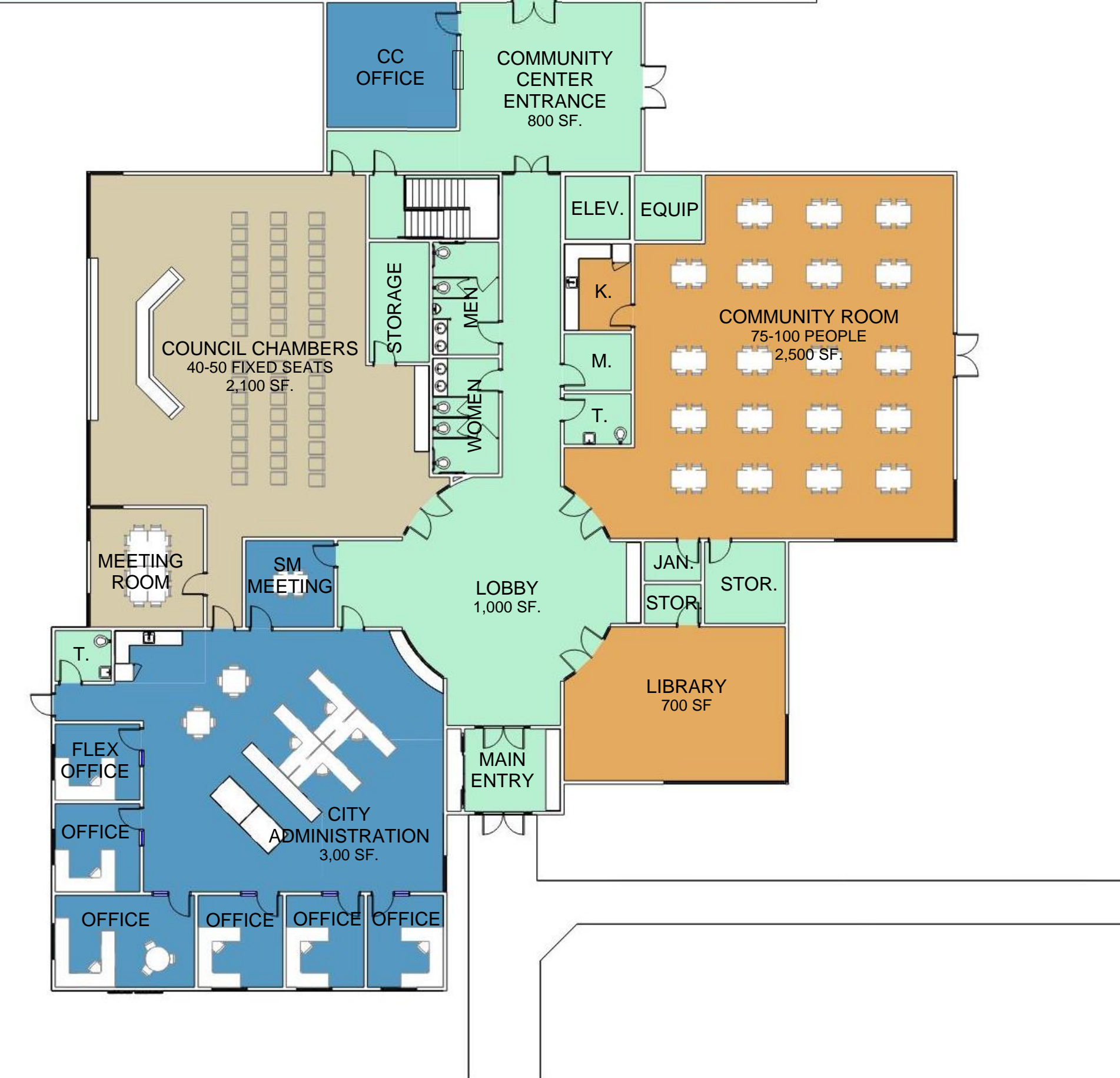
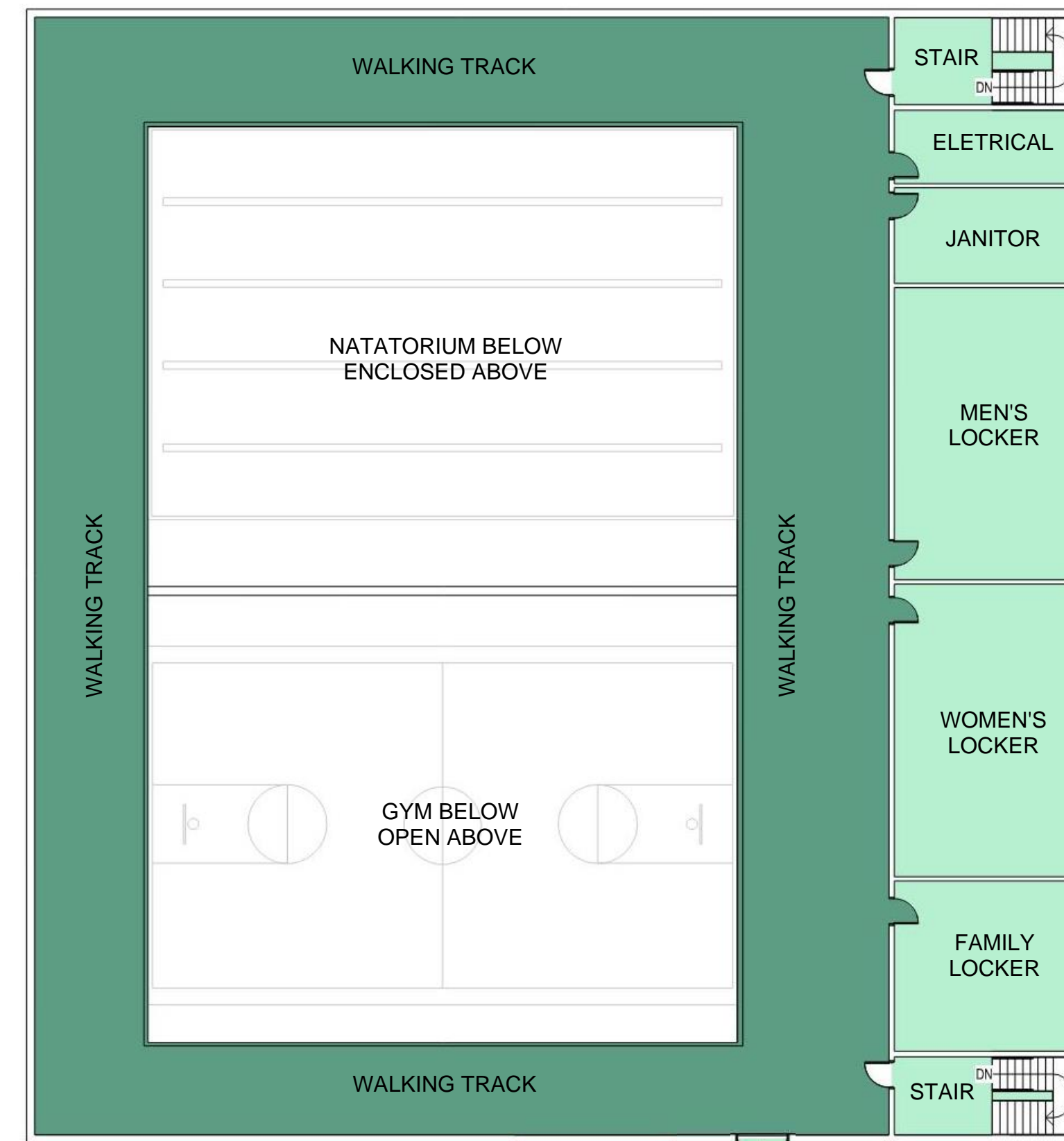
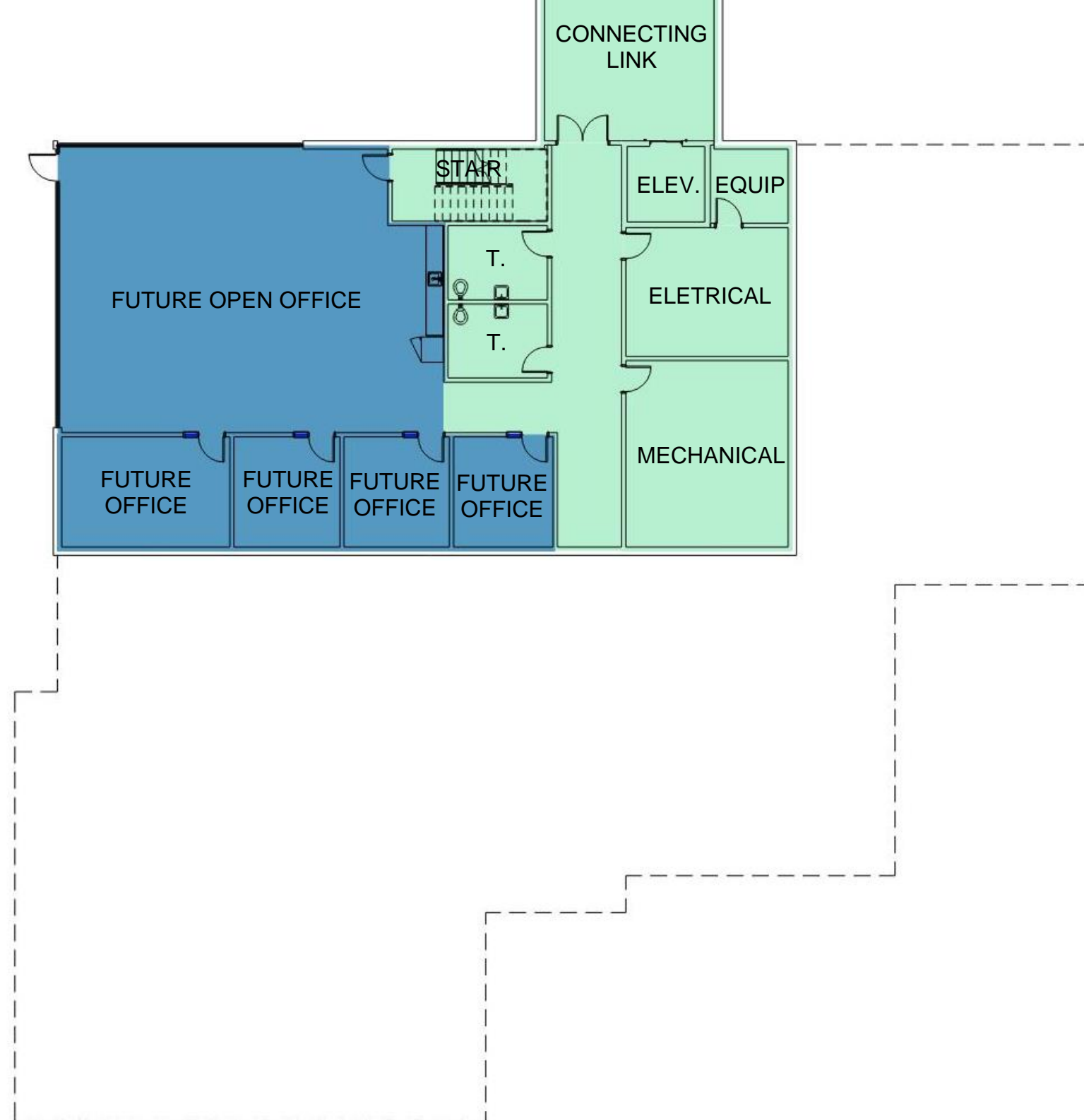
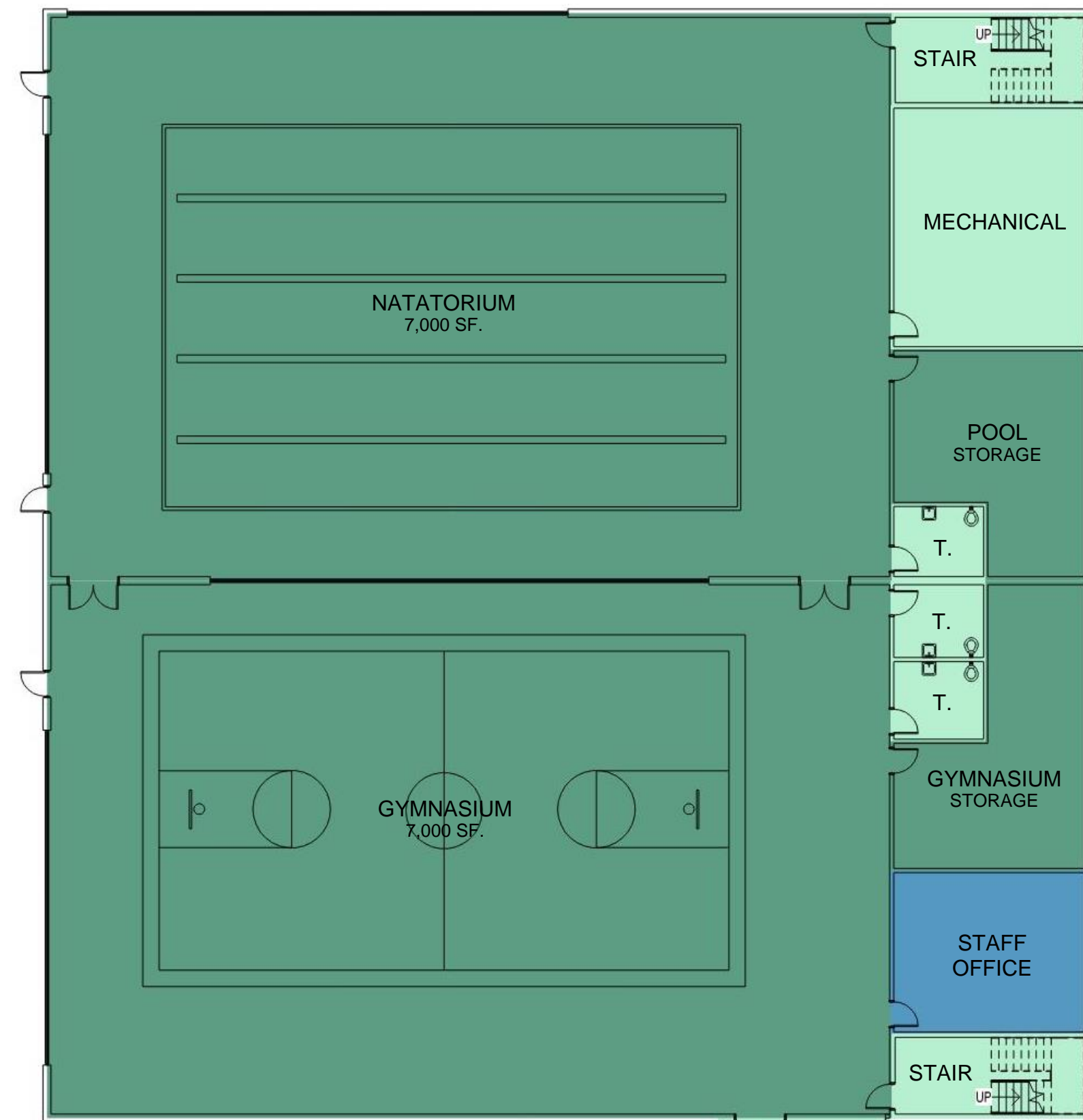
- LEGEND**
- COMMUNITY
  - SUPPORT SPACES
  - COUNCIL CHAMBERS
  - ADMINISTRATION
  - COMMUNITY CENTER

### BUILDING AREA

CITY HALL LOWER LEVEL- 4,000 SF  
 CITY HALL MAIN LEVEL -11,500 SF  
 COMMUNITY CENTER LL- 18,000 SF  
 COMMUNITY CENTER ML- 10,000 SF

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BUILDING TOTAL SF- 43,500 SF



3 LOWER LEVEL CITY HALL & COMMUNITY CENTER CONCEPT PLAN – 22,000 SF  
 1/16" = 1'-0"

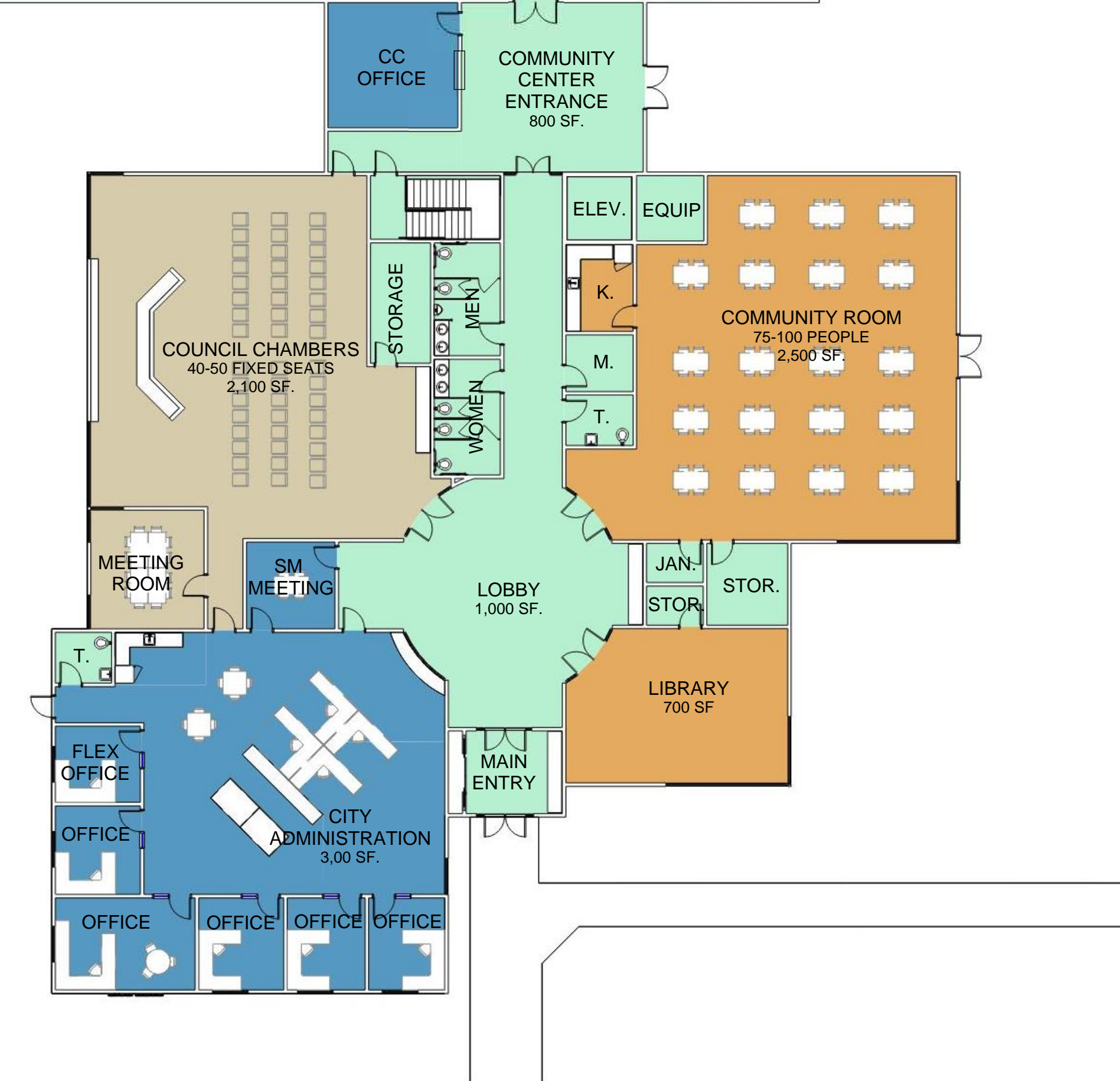
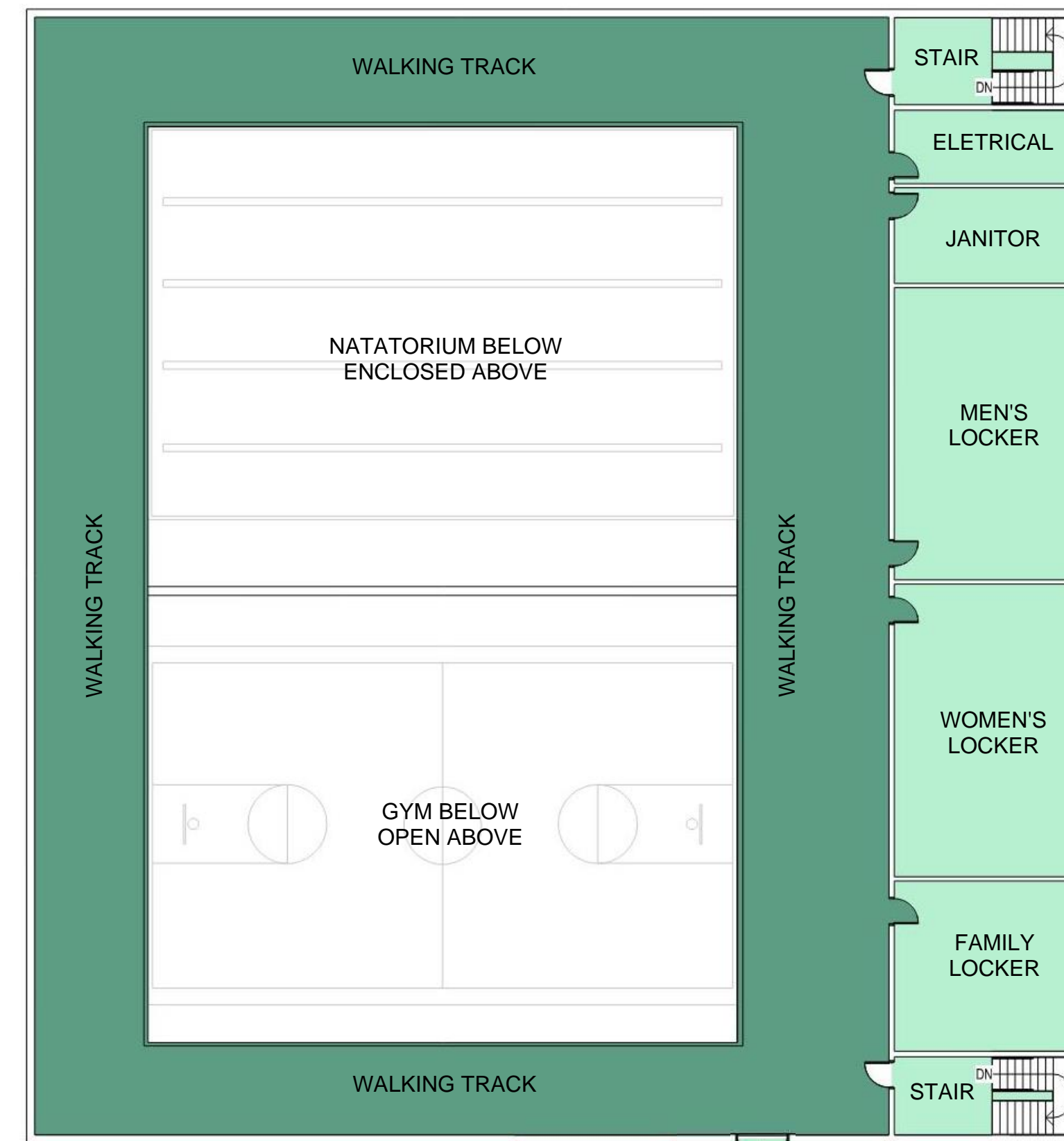
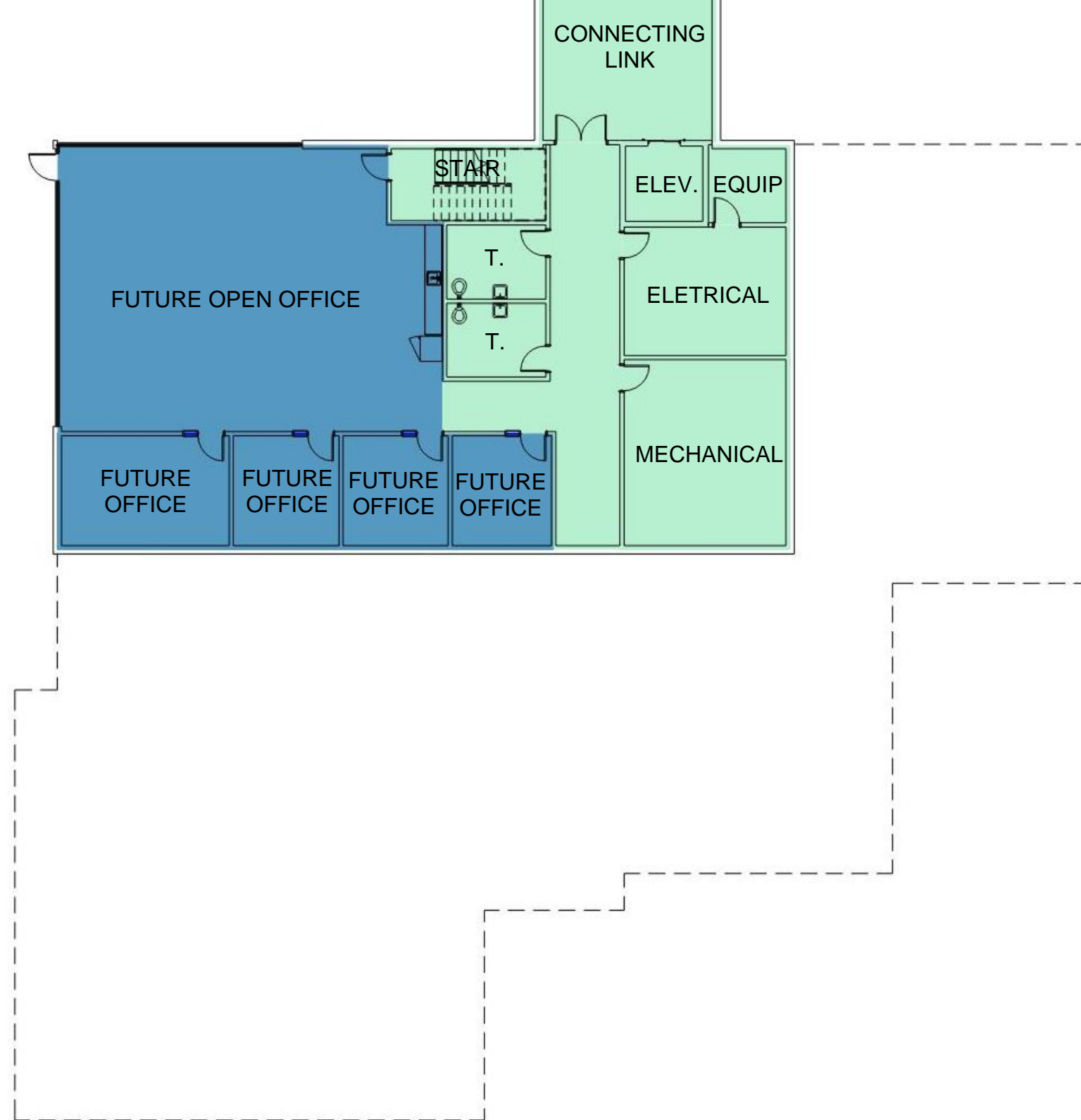
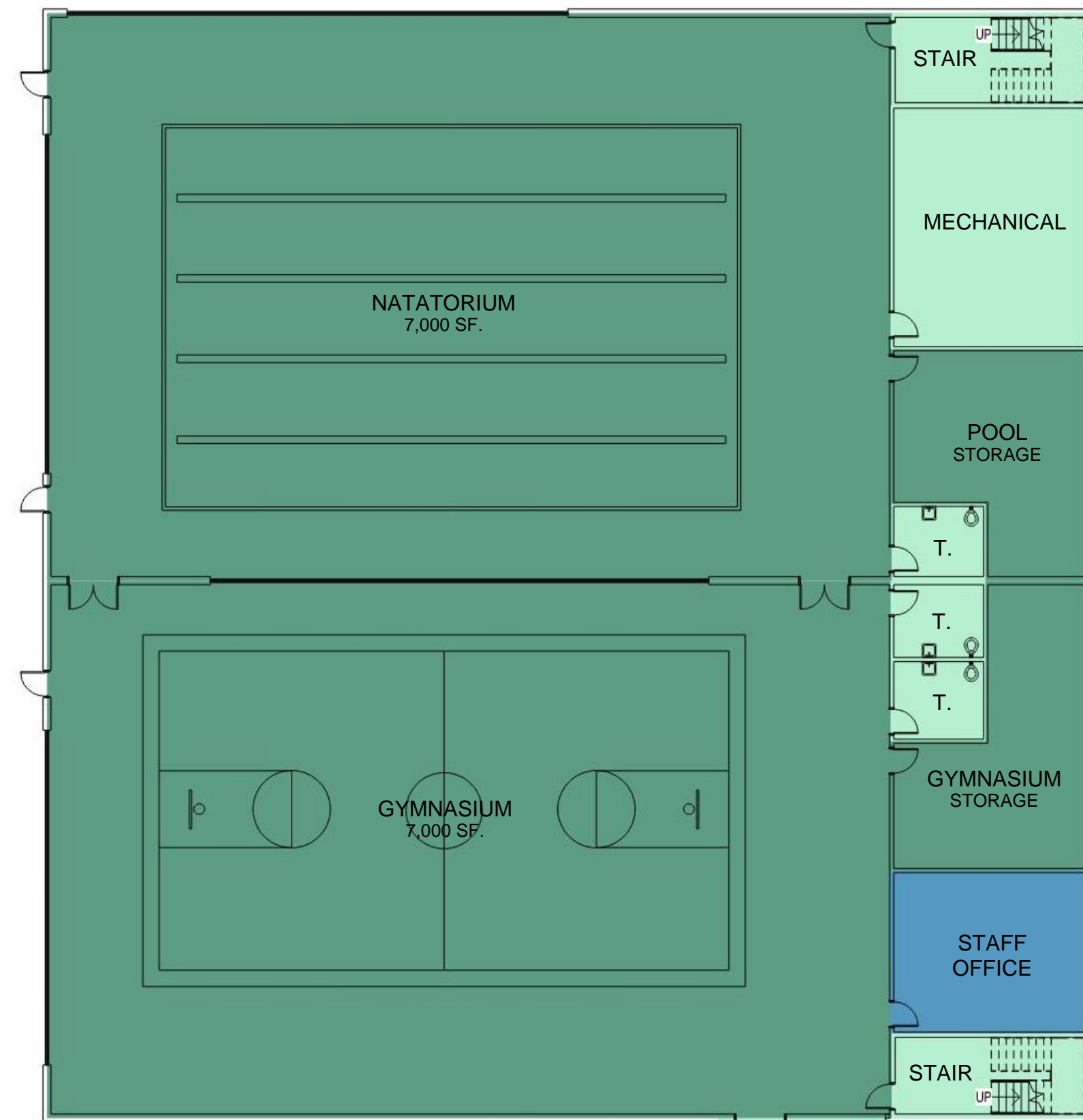
4 MAIN LEVEL CITY HALL & COMMUNITY CENTER CONCEPT PLAN - 21,500 SF  
 1/16" = 1'-0"

OCTOBER 17, 2023

# BREEZY POINT CITY HALL AND COMMUNITY CENTER CONCEPT FLOOR PLANS



- LEGEND**
- COMMUNITY
  - SUPPORT SPACES
  - COUNCIL CHAMBERS
  - ADMINISTRATION
  - COMMUNITY CENTER



### BUILDING AREA

CITY HALL LOWER LEVEL- 4,000 SF  
 CITY HALL MAIN LEVEL -11,500 SF  
 COMMUNITY CENTER LL- 18,000 SF  
 COMMUNITY CENTER ML- 10,000 SF

BUILDING TOTAL SF- 43,500 SF

### Community Center Concept

**Lower Level**  
 18,000 square feet  
 \$400 - \$425 per square foot  
 Estimate \$7.2M - \$7.6M

**Main Level**  
 10,000 square feet  
 \$325 - \$350 per square foot  
 Estimate \$3.25M - \$3.5M

**Community Center Concept Estimate Total: \$10.5M - \$11M**

3 LOWER LEVEL CITY HALL & COMMUNITY CENTER CONCEPT PLAN – 22,000 SF  
 1/16" = 1'-0"

4 MAIN LEVEL CITY HALL & COMMUNITY CENTER CONCEPT PLAN - 21,500 SF  
 1/16" = 1'-0"

OCTOBER 17, 2023

# BREEZY POINT CITY HALL BUDGET ESTIMATES

## City Hall Concept

**Lower Level**  
4,000 square feet  
\$175 per square foot  
Estimate \$700,000

**Main Level**  
11,500 square feet  
\$275 - \$325 per square foot  
Estimate \$3M - \$3.7M

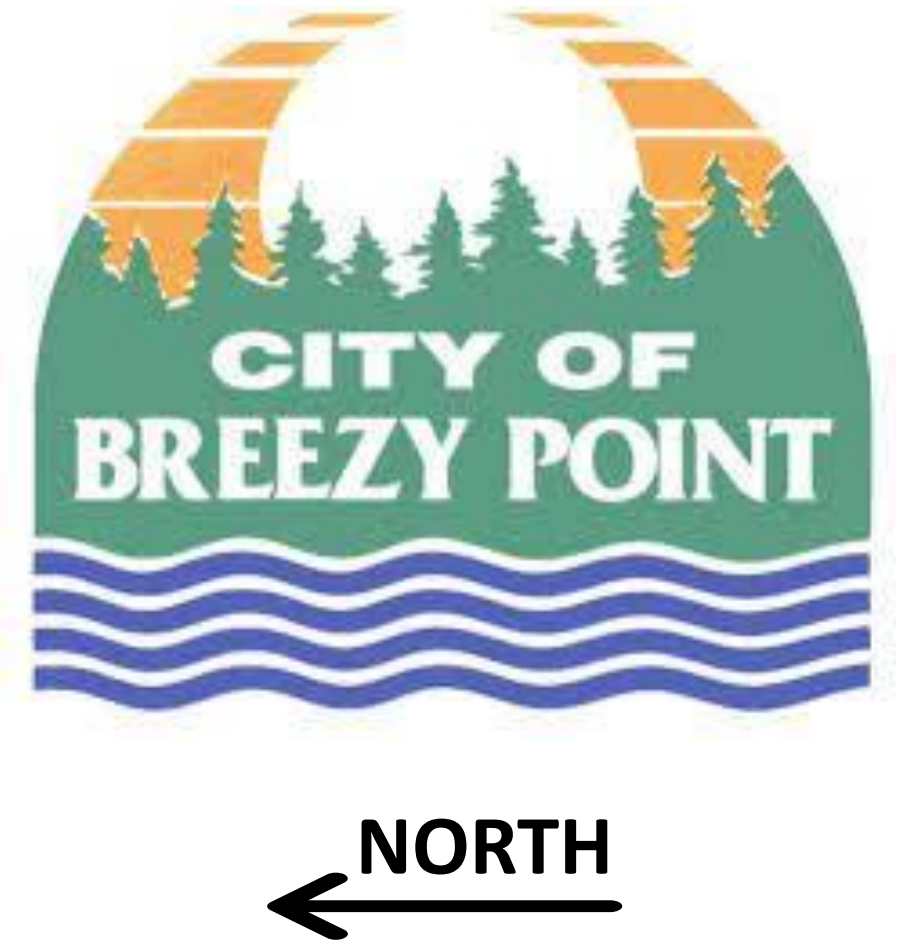
**City Hall Concept Estimate Total: \$3.7M - \$4.4M**



1 LOWER LEVEL CITY HALL CONCEPT PLAN – 4,000 SF  
1" = 10'-0"



2 MAIN LEVEL CITY HALL CONCEPT PLAN – 11,500 SF  
1" = 10'-0"

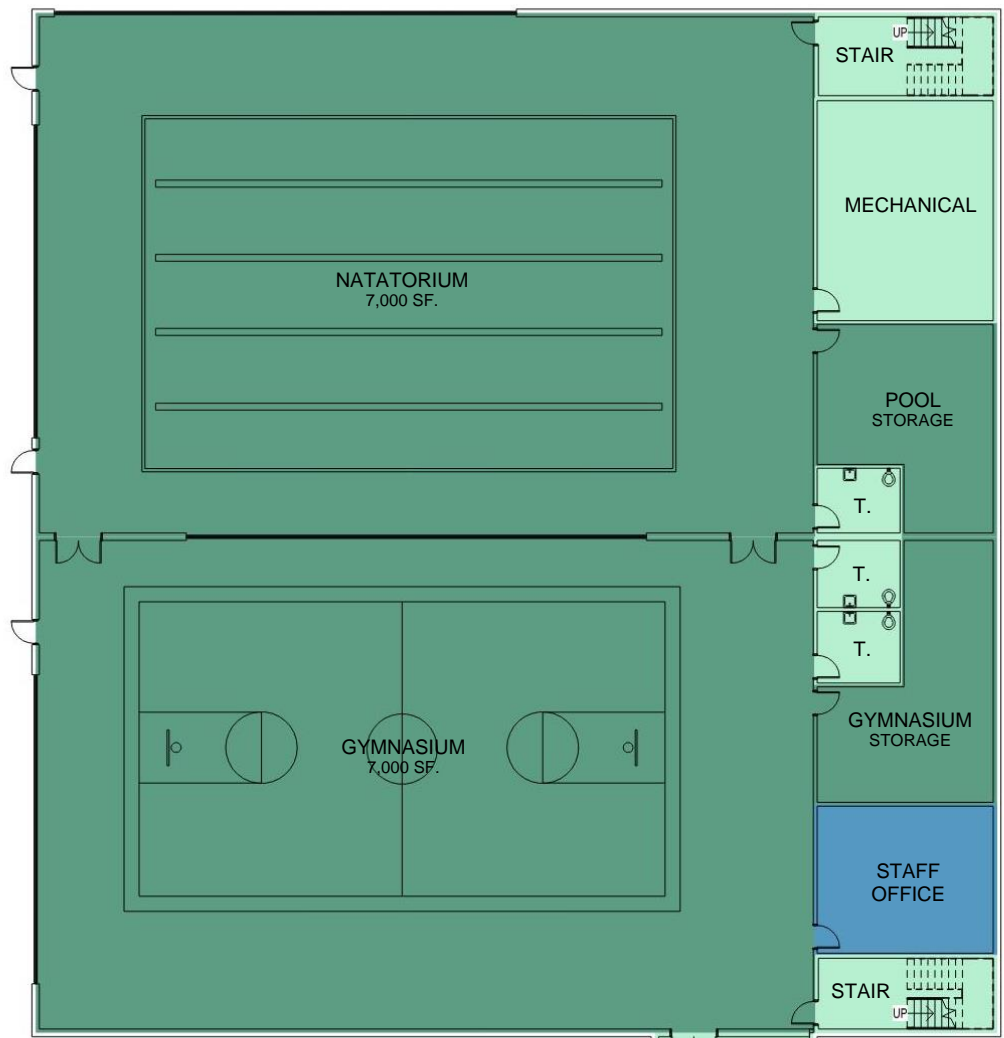


## Community Center Concept

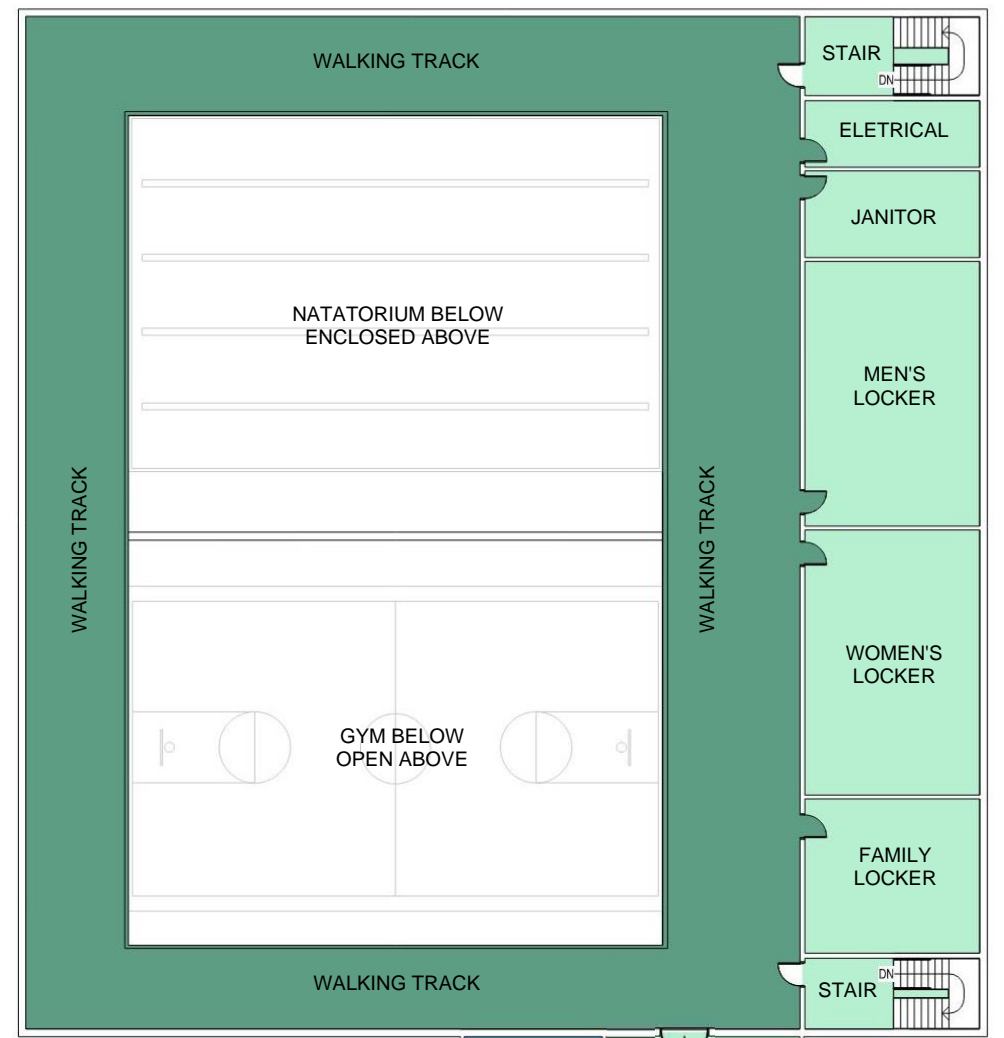
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\$325 - \$350 per square foot  
Estimate \$3.25M - \$3.5M

**Community Center Concept Estimate Total: \$10.5M - \$11M**



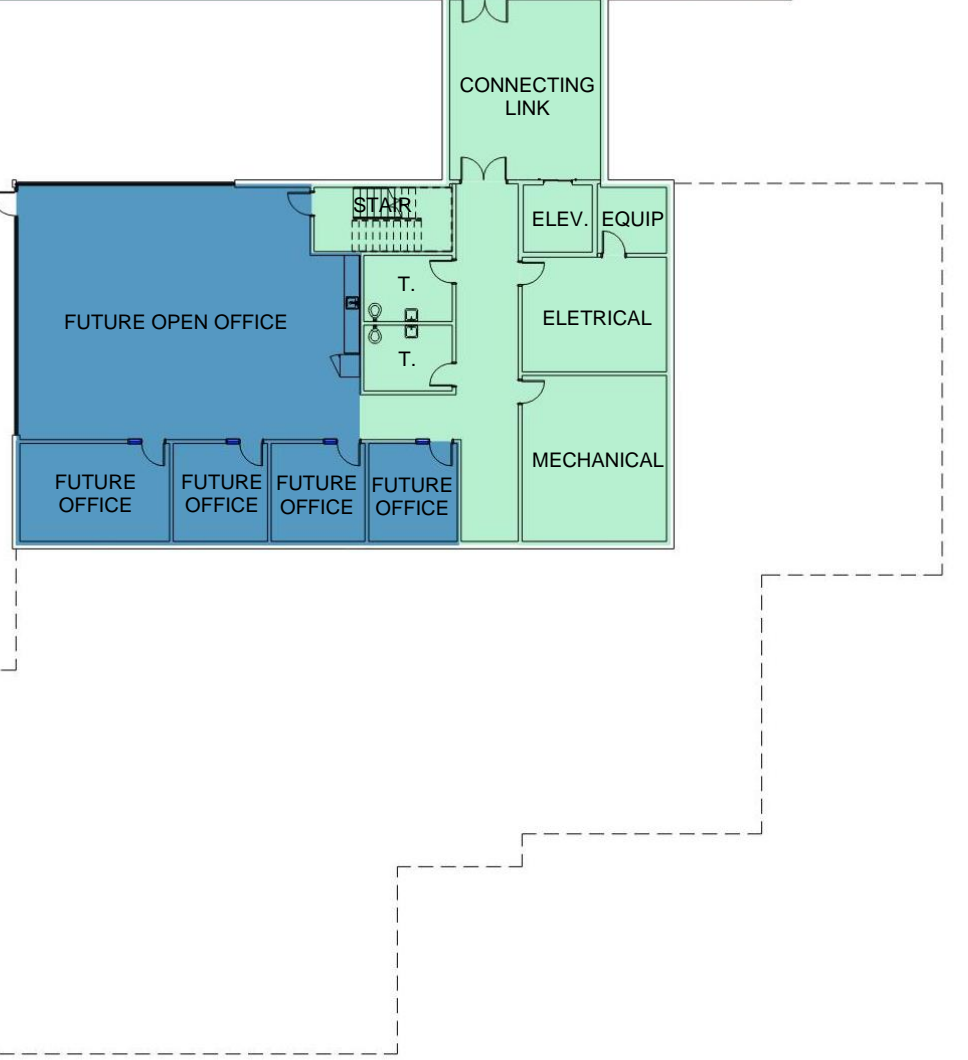
3 LOWER LEVEL CITY HALL & COMMUNITY CENTER CONCEPT PLAN – 22,000 SF  
1/16" = 1'-0"



4 MAIN LEVEL CITY HALL & COMMUNITY CENTER CONCEPT PLAN - 21,500 SF  
1/16" = 1'-0"

## Building Totals

City Hall Concept Estimate Total: \$3.7M - \$4.4M  
Community Center Concept Estimate Total: \$10.5M - \$11M  
  
Project Total: \$14.2M - \$15.4M



OCTOBER 17, 2023



# AIA® Document B101® – 2017

## Standard Form of Agreement Between Owner and Architect

**AGREEMENT** made as of the 6th day of November in the year Two Thousand Twenty-three  
*(In words, indicate day, month and year.)*

**BETWEEN** the Architect's client identified as the Owner:  
*(Name, legal status, address and other information)*

David C. Chanski City Administrator/Clerk  
City of Breezy Point  
8319 County Road 11  
Breezy Point, MN 56472

and the Architect:  
*(Name, legal status, address and other information)*

Widseth Smith Nolting & Assoc., Inc. dba "Widseth"  
Mike Angland  
7804 Industrial Park Road  
Baxter, MN 56425

for the following Project:  
*(Name, location and detailed description)*

City of Breezy Point City Hall  
8319 County Road 11  
Breezy Point, MN 56472

The Breezy Point City Hall building will be constructed at 8319 County Road 11, Breezy Point, MN 56472. The building will be a 15,000 square foot City Hall building with a main level and lower level building and associated with site improvements. The City Hall will have administrative office areas, council chambers, community room and a library. The lower level will be constructed as an unfinished space for future office space and it will also include the mechanical and electrical rooms.

The Owner and Architect agree as follows.

**ADDITIONS AND DELETIONS:**

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

Init.



TABLE OF ARTICLES

- 1 INITIAL INFORMATION
- 2 ARCHITECT'S RESPONSIBILITIES
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ARTICLE 1 INITIAL INFORMATION

§ 1.1 This Agreement is based on the Initial Information set forth in this Section 1.1.

§ 1.1.1 The Owner's program for the Project:

*(Insert the Owner's program, identify documentation that establishes the Owner's program, or state the manner in which the program will be developed.)*

Refer to Schematic Design Drawings dated October 17, 2023, attached hereto and made a part hereof

§ 1.1.2 The Project's physical characteristics:

*(Identify or describe pertinent information about the Project's physical characteristics, such as size; location; dimensions; geotechnical reports; site boundaries; topographic surveys; traffic and utility studies; availability of public and private utilities and services; legal description of the site, etc.)*

Refer to Schematic Design Drawings dated October 17, 2023, attached hereto and made a part hereof

§ 1.1.3 The Owner's budget for the Cost of the Work, as defined in Section 6.1:

*(Provide total and, if known, a line item breakdown.)*

Owner's Budget is approximately \$4,000,000.00

§ 1.1.4 The Owner's anticipated design and construction milestone dates:

- .1 Design phase milestone dates, if any:

Design Development: November 6, 2023 - December 15, 2023

Construction Documents: December 15, 2023 – January 31, 2024  
Bidding: January 31, 2024 – March 4, 2024  
Construction Administration: March 4, 2024 – December 1, 2025

**.2 Construction commencement date:**

Bid Approval: March 4, 2024  
General Contractor Contracts: March 4, 2024 – March 18, 2024  
General Construction: May 2024 – December 2025

**.3 Substantial Completion date or dates:**

December 1, 2025

**.4 Other milestone dates:**

Not Applicable

**§ 1.1.5** The Owner intends the following procurement and delivery method for the Project:  
*(Identify method such as competitive bid or negotiated contract, as well as any requirements for accelerated or fast-track design and construction, multiple bid packages, or phased construction.)*

The Owner has identified that this project will be constructed using the Gordian Process.

**§ 1.1.6** The Owner’s anticipated Sustainable Objective for the Project:  
*(Identify and describe the Owner’s Sustainable Objective for the Project, if any.)*

Not Applicable

**§ 1.1.6.1** If the Owner identifies a Sustainable Objective, the Owner and Architect shall complete and incorporate AIA Document E204™–2017, Sustainable Projects Exhibit, into this Agreement to define the terms, conditions and services related to the Owner’s Sustainable Objective. If E204–2017 is incorporated into this agreement, the Owner and Architect shall incorporate the completed E204–2017 into the agreements with the consultants and contractors performing services or Work in any way associated with the Sustainable Objective.

**§ 1.1.7** The Owner identifies the following representative in accordance with Section 5.3:  
*(List name, address, and other contact information.)*

David C. Chanski  
City Administrator/Clerk  
City of Breezy Point  
8319 County Road 11  
Breezy Point, MN 56472  
(218) 562-4441  
cityadministrator@cityofbreezypointmn.us

**§ 1.1.8** The persons or entities, in addition to the Owner’s representative, who are required to review the Architect’s submittals to the Owner are as follows:  
*(List name, address, and other contact information.)*

Not Applicable

**§ 1.1.9** The Owner shall retain the following consultants and contractors:  
*(List name, legal status, address, and other contact information.)*

**.1 Geotechnical Engineer:**

Init.  
/

Unknown at this time

**.2 Civil Engineer:**

Wideth Smith Nolting & Associates Inc.  
7804 Industrial Park Road  
Baxter, MN 56425

**.3 Other, if any:**

*(List any other consultants and contractors retained by the Owner.)*

**§ 1.1.10 The Architect identifies the following representative in accordance with Section 2.3:**  
*(List name, address, and other contact information.)*

Wideth, Smith Nolting & Associates, Inc.  
Mike Angland, AIA, LEED AP  
Vice President  
7804 Industrial Park Road  
Baxter, MN 56425

**§ 1.1.11 The Architect shall retain the consultants identified in Sections 1.1.11.1 and 1.1.11.2:**  
*(List name, legal status, address, and other contact information.)*

**§ 1.1.11.1 Consultants retained under Basic Services:**

**.1 Structural Engineer:**

Wideth Smith Nolting & Associates, Inc.  
Kent Rohr  
610 Fillmore Street  
Alexandria, MN 56308

**.2 Mechanical Engineer:**

Wideth Smith Nolting & Associates, Inc.  
Adam Siemers  
7804 Industrial Park Road  
Baxter, MN 56425

**.3 Electrical Engineer:**

Wideth Smith Nolting & Associates, Inc.  
Jim Szustek  
7804 Industrial Park Road  
Baxter, MN 56425

**§ 1.1.11.2 Consultants retained under Supplemental Services:**

Widseth Smith Nolting & Associates Inc.

**§ 1.1.12 Other Initial Information on which the Agreement is based:**

Not Applicable

**§ 1.2** The Owner and Architect may rely on the Initial Information. Both parties, however, recognize that the Initial Information may materially change and, in that event, the Owner and the Architect shall appropriately adjust the Architect's services, schedule for the Architect's services, and the Architect's compensation. The Owner shall adjust the Owner's budget for the Cost of the Work and the Owner's anticipated design and construction milestones, as necessary, to accommodate material changes in the Initial Information.

**§ 1.3** The parties shall agree upon protocols governing the transmission and use of Instruments of Service or any other information or documentation in digital form.

**§ 1.3.1** Any use of, or reliance on, all or a portion of a building information model without agreement to protocols governing the use of, and reliance on, the information contained in the model and without having those protocols set forth shall be at the using or relying party's sole risk and without liability to the other party and its contractors or consultants, the authors of, or contributors to, the building information model, and each of their agents and employees.

**ARTICLE 2 ARCHITECT'S RESPONSIBILITIES**

**§ 2.1** The Architect shall provide professional services as set forth in this Agreement. The Architect represents that it is properly licensed in the jurisdiction where the Project is located to provide the services required by this Agreement, or shall cause such services to be performed by appropriately licensed design professionals.

**§ 2.2** The Architect shall perform its services consistent with the professional skill and care ordinarily provided by architects practicing in the same or similar locality under the same or similar circumstances. The Architect shall perform its services as expeditiously as is consistent with such professional skill and care and the orderly progress of the Project. The Architect makes no other representations or warranties whether expressed or implied, with respect to the services rendered hereunder. Design changes made necessary by newly enacted laws, codes and regulations after the date of this Agreement shall entitle the Architect to a reasonable adjustment in the schedule and additional compensation in accordance with the Additional Services provisions of this Agreement. In the event of a conflict between laws, codes and regulations of various governmental entities having jurisdiction over this Project, the Architect shall notify the Owner of the nature and impact of such conflict. The Owner agrees to cooperate and work with the Architect in an effort to resolve this conflict.

**§ 2.3** The Architect shall identify a representative authorized to act on behalf of the Architect with respect to the Project.

**§ 2.4** Except with the Owner's knowledge and consent, the Architect shall not engage in any activity, or accept any employment, interest or contribution that would reasonably appear to compromise the Architect's professional judgment with respect to this Project.

**§ 2.5** The Architect shall maintain the following insurance until termination of this Agreement. If any of the requirements set forth below are in addition to the types and limits the Architect normally maintains, the Owner shall pay the Architect as set forth in Section 11.9.

**§ 2.5.1** Commercial General Liability with policy limits of not less than One Million Dollars (\$1,000,000) for each occurrence and Two Million Dollars (\$2,000,000) in the aggregate for bodily injury and property damage.

**§ 2.5.2** Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Architect with policy limits of not less than One Million Dollars (\$1,000,000) per accident for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles, along with any other statutorily required automobile coverage.

§ 2.5.3 The Architect may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess or umbrella liability insurance, provided such primary and excess or umbrella liability insurance policies result in the same or greater coverage as the coverages required under Sections 2.5.1 and 2.5.2, and in no event shall any excess or umbrella liability insurance provide narrower coverage than the primary policy. The excess policy shall not require the exhaustion of the underlying limits only through the actual payment by the underlying insurers.

§ 2.5.4 Workers' Compensation at statutory limits.

§ 2.5.5 Employers' Liability with policy limits not less than Five Hundred Thousand Dollars (\$500,000) each accident, Five Hundred Thousand Dollars (\$500,000) each employee, and Five Hundred Thousand Dollars (\$500,000) policy limit.

§ 2.5.6 Professional Liability covering negligent acts, errors and omissions in the performance of professional services with policy limits of not less than Five Hundred Thousand Dollars (\$500,000) per claim and Five Hundred Thousand Dollars (\$500,000) in the aggregate.

§ 2.5.7 **Additional Insured Obligations.** To the fullest extent permitted by law, the Architect shall cause the primary and excess or umbrella policies for Commercial General Liability and Automobile Liability to include the Owner as an additional insured for claims caused in whole or in part by the Architect's negligent acts or omissions. The additional insured coverage shall be primary and non-contributory to any of the Owner's insurance policies and shall apply to both ongoing and completed operations.

§ 2.5.8 The Architect shall provide certificates of insurance to the Owner that evidence compliance with the requirements in this Section 2.5.

§ 2.5.9 The Architect shall perform in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances at the same time and in the same or similar locality. Nothing in this Agreement is intended to create, nor shall it be construed to create, a fiduciary duty owed by either party to the other party.

**ARTICLE 3 SCOPE OF ARCHITECT'S BASIC SERVICES**

§ 3.1 The Architect's Basic Services consist of those described in this Article 3 and include usual and customary structural, mechanical, and electrical engineering services. Services not set forth in this Article 3 are Supplemental or Additional Services.

§ 3.1.1 The Architect shall manage the Architect's services, research applicable design criteria, attend Project meetings, communicate with members of the Project team, and report progress to the Owner.

§ 3.1.2 The Architect shall coordinate its services with those services provided by the Owner and the Owner's consultants. The Architect shall be entitled to rely on, and shall not be responsible for, the accuracy, completeness, and timeliness of, services and information furnished by the Owner and the Owner's consultants. The Architect shall provide prompt written notice to the Owner if the Architect becomes aware of any error, omission, or inconsistency in such services or information.

§ 3.1.3 As soon as practicable after the date of this Agreement, the Architect shall submit for the Owner's approval a schedule for the performance of the Architect's services. The schedule initially shall include anticipated dates for the commencement of construction and for Substantial Completion of the Work as set forth in the Initial Information. The schedule shall include allowances for periods of time required for the Owner's review, for the performance of the Owner's consultants, and for approval of submissions by authorities having jurisdiction over the Project. Once approved by the Owner, time limits established by the schedule shall not, except for reasonable cause, be exceeded by the Architect or Owner. With the Owner's approval, the Architect shall adjust the schedule, if necessary, as the Project proceeds until the commencement of construction.

§ 3.1.4 The Architect shall not be responsible for an Owner's directive or substitution, or for the Owner's acceptance of non-conforming Work, made or given without the Architect's written approval.

§ 3.1.5 The Architect shall contact governmental authorities required to approve the Construction Documents and entities providing utility services to the Project. The Architect shall respond to applicable design requirements imposed by those authorities and entities.

§ 3.1.6 The Architect shall assist the Owner in connection with the Owner’s responsibility for filing documents required for the approval of governmental authorities having jurisdiction over the Project.

**§ 3.2 Schematic Design Phase Services**

§ 3.2.1 The Architect shall review the program and other information furnished by the Owner, and shall review laws, codes, and regulations applicable to the Architect’s services.

§ 3.2.2 The Architect shall prepare a preliminary evaluation of the Owner’s program, schedule, budget for the Cost of the Work, Project site, the proposed procurement and delivery method, and other Initial Information, each in terms of the other, to ascertain the requirements of the Project. The Architect shall notify the Owner of (1) any inconsistencies discovered in the information, and (2) other information or consulting services that may be reasonably needed for the Project.

§ 3.2.3 The Architect shall present its preliminary evaluation to the Owner and shall discuss with the Owner alternative approaches to design and construction of the Project. The Architect shall reach an understanding with the Owner regarding the requirements of the Project.

§ 3.2.4 Based on the Project requirements agreed upon with the Owner, the Architect shall prepare and present, for the Owner’s approval, a preliminary design illustrating the scale and relationship of the Project components.

§ 3.2.5 Based on the Owner’s approval of the preliminary design, the Architect shall prepare Schematic Design Documents for the Owner’s approval. The Schematic Design Documents shall consist of drawings and other documents including a site plan, if appropriate, and preliminary building plans, sections and elevations; and may include some combination of study models, perspective sketches, or digital representations. Preliminary selections of major building systems and construction materials shall be noted on the drawings or described in writing.

§ 3.2.5.1 The Architect shall consider sustainable design alternatives, such as material choices and building orientation, together with other considerations based on program and aesthetics, in developing a design that is consistent with the Owner’s program, schedule and budget for the Cost of the Work. The Owner may obtain more advanced sustainable design services as a Supplemental Service under Section 4.1.1.

§ 3.2.5.2 The Architect shall consider the value of alternative materials, building systems and equipment, together with other considerations based on program and aesthetics, in developing a design for the Project that is consistent with the Owner’s program, schedule, and budget for the Cost of the Work.

§ 3.2.6 The Architect shall submit to the Owner an estimate of the Cost of the Work prepared in accordance with Section 6.3.

§ 3.2.7 The Architect shall submit the Schematic Design Documents to the Owner, and request the Owner’s approval.

**§ 3.3 Design Development Phase Services**

§ 3.3.1 Based on the Owner’s approval of the Schematic Design Documents, and on the Owner’s authorization of any adjustments in the Project requirements and the budget for the Cost of the Work, the Architect shall prepare Design Development Documents for the Owner’s approval. The Design Development Documents shall illustrate and describe the development of the approved Schematic Design Documents and shall consist of drawings and other documents including plans, sections, elevations, typical construction details, and diagrammatic layouts of building systems to fix and describe the size and character of the Project as to architectural, structural, mechanical and electrical systems, and other appropriate elements. The Design Development Documents shall also include outline specifications that identify major materials and systems and establish, in general, their quality levels.

§ 3.3.2 The Architect shall update the estimate of the Cost of the Work prepared in accordance with Section 6.3.

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§ 3.3.3 The Architect shall submit the Design Development Documents to the Owner, advise the Owner of any adjustments to the estimate of the Cost of the Work, and request the Owner's approval.

§ 3.4 Construction Documents Phase Services

§ 3.4.1 Based on the Owner's approval of the Design Development Documents, and on the Owner's authorization of any adjustments in the Project requirements and the budget for the Cost of the Work, the Architect shall prepare Construction Documents for the Owner's approval. The Construction Documents shall illustrate and describe the further development of the approved Design Development Documents and shall consist of Drawings and Specifications setting forth in detail the quality levels and performance criteria of materials and systems and other requirements for the construction of the Work. The Owner and Architect acknowledge that, in order to perform the Work, the Contractor will provide additional information, including Shop Drawings, Product Data, Samples and other similar submittals, which the Architect shall review in accordance with Section 3.6.4.

§ 3.4.2 The Architect shall incorporate the design requirements of governmental authorities having jurisdiction over the Project into the Construction Documents.

§ 3.4.3 During the development of the Construction Documents, the Architect shall assist the Owner in the development and preparation of (1) procurement information that describes the time, place, and conditions of bidding, including bidding or proposal forms; (2) the form of agreement between the Owner and Contractor; and (3) the Conditions of the Contract for Construction (General, Supplementary and other Conditions). The Architect shall also compile a project manual that includes the Conditions of the Contract for Construction and Specifications, and may include bidding requirements and sample forms.

§ 3.4.4 The Architect shall update the estimate for the Cost of the Work prepared in accordance with Section 6.3.

§ 3.4.5 The Architect shall submit the Construction Documents to the Owner, advise the Owner of any adjustments to the estimate of the Cost of the Work, take any action required under Section 6.5, and request the Owner's approval.

§ 3.5 Procurement Phase Services

§ 3.5.1 General

The Architect shall assist the Owner in establishing a list of prospective contractors. Following the Owner's approval of the Construction Documents, the Architect shall assist the Owner in (1) obtaining either competitive bids or negotiated proposals; (2) confirming responsiveness of bids or proposals; (3) determining the successful bid or proposal, if any; and, (4) awarding and preparing contracts for construction.

§ 3.5.2 Competitive Bidding

§ 3.5.2.1 Bidding Documents shall consist of bidding requirements and proposed Contract Documents.

§ 3.5.2.2 The Architect shall assist the Owner in bidding the Project by:

- .1 facilitating the distribution of Bidding Documents to prospective bidders;
- .2 organizing and conducting a pre-bid conference for prospective bidders;
- .3 preparing responses to questions from prospective bidders and providing clarifications and interpretations of the Bidding Documents to the prospective bidders in the form of addenda; and,
- .4 organizing and conducting the opening of the bids, and subsequently documenting and distributing the bidding results, as directed by the Owner.

§ 3.5.2.3 If the Bidding Documents permit substitutions, upon the Owner's written authorization, the Architect shall, as an Additional Service, consider requests for substitutions and prepare and distribute addenda identifying approved substitutions to all prospective bidders.

§ 3.5.3 Negotiated Proposals

§ 3.5.3.1 Proposal Documents shall consist of proposal requirements and proposed Contract Documents.

§ 3.5.3.2 The Architect shall assist the Owner in obtaining proposals by:

- .1 facilitating the distribution of Proposal Documents for distribution to prospective contractors and requesting their return upon completion of the negotiation process;
- .2 organizing and participating in selection interviews with prospective contractors;

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- .3 preparing responses to questions from prospective contractors and providing clarifications and interpretations of the Proposal Documents to the prospective contractors in the form of addenda; and,
- .4 participating in negotiations with prospective contractors, and subsequently preparing a summary report of the negotiation results, as directed by the Owner.

§ 3.5.3.3 If the Proposal Documents permit substitutions, upon the Owner’s written authorization, the Architect shall, as an Additional Service, consider requests for substitutions and prepare and distribute addenda identifying approved substitutions to all prospective contractors.

§ 3.6 Construction Phase Services

§ 3.6.1 General

§ 3.6.1.1 The Architect shall provide administration of the Contract between the Owner and the Contractor as set forth below and in AIA Document A201™–2017, General Conditions of the Contract for Construction. If the Owner and Contractor modify AIA Document A201–2017, those modifications shall not affect the Architect’s services under this Agreement unless the Owner and the Architect amend this Agreement.

§ 3.6.1.2 The Architect shall advise and consult with the Owner during the Construction Phase Services. The Architect shall have authority to act on behalf of the Owner only to the extent provided in this Agreement. The Architect shall not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, nor shall the Architect be responsible for the Contractor’s failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect shall be responsible for the Architect’s negligent acts or omissions, but shall not have control over or charge of, and shall not be responsible for, acts or omissions of the Contractor or of any other persons or entities performing portions of the Work.

§ 3.6.1.3 Subject to Section 4.2 and except as provided in Section 3.6.6.5, the Architect’s responsibility to provide Construction Phase Services commences with the award of the Contract for Construction and terminates on the date the Architect issues the final Certificate for Payment.

§ 3.6.2 Evaluations of the Work

§ 3.6.2.1 The Architect shall visit the site at intervals appropriate to the stage of construction, or as otherwise required in Section 4.2.3, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine, in general, if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. On the basis of the site visits, the Architect shall keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and promptly report to the Owner (1) known deviations from the Contract Documents, (2) known deviations from the most recent construction schedule submitted by the Contractor, and (3) defects and deficiencies observed in the Work.

§ 3.6.2.2 The Architect has the authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect shall have the authority to require inspection or testing of the Work in accordance with the provisions of the Contract Documents, whether or not the Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 3.6.2.3 The Architect shall interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect’s response to such requests shall be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 3.6.2.4 Interpretations and decisions of the Architect shall be consistent with the intent of, and reasonably inferable from, the Contract Documents and shall be in writing or in the form of drawings. When making such interpretations and decisions, the Architect shall endeavor to secure faithful performance by both Owner and Contractor, shall not show partiality to either, and shall not be liable for results of interpretations or decisions rendered in good faith. The Architect’s decisions on matters relating to aesthetic effect shall be final if consistent with the intent expressed in the Contract Documents.

Init.



§ 3.6.2.5 Unless the Owner and Contractor designate another person to serve as an Initial Decision Maker, as that term is defined in AIA Document A201–2017, the Architect shall render initial decisions on Claims between the Owner and Contractor as provided in the Contract Documents.

§ 3.6.2.5.1 On written request of either the Owner or the Contractor, the Architect shall interpret and render decisions on matters concerning performance of the Owner and the Contractor under the requirements of the Contract Documents. The Owner will pay the Architect for these services in accordance with the Additional Services provisions of this Agreement. Decisions of the Architect shall be consistent with the design concepts and information contained in the Contract Documents and reasonably inferable therefrom and shall be made with reasonable promptness. The Architect shall attempt to ensure that both the Owner and the Contractor faithfully perform their contractual obligations, and the Architect shall not be partial to either. The Architect shall not be liable to either the Owner or the Contractor for the results of interpretations or decisions rendered by the Architect in good faith.

§ 3.6.2.5.2 Accordingly, the Owner agrees, to the fullest extent permitted by law, to indemnify and hold harmless the Architect from any damages, liabilities or costs arising out of or in any way connected with the Architect’s service as an initial decision maker.

§ 3.6.2.5.3 In addition, the Owner agrees, and shall require all contractors to agree, to make no claim and to waive, to the fullest extent permitted by law, any claim or cause of action of any nature against the Architect arising out of or in any way connected with the Architect’s service as an initial decision maker.

§ 3.6.3 Certificates for Payment to Contractor

§ 3.6.3.1 The Architect shall review the Contractor’s application for payment and determine the amounts that the Architect recommends the Contractor be paid. The Architect’s recommendation for payment shall constitute a representation to the Owner, based on the Architect’s evaluation of the Work as provided in Section 3.6.2 and on the data comprising the Contractor’s Application for Payment, that, to the best of the Architect’s knowledge, information and belief, the Work has progressed to the point indicated, the quality of the Work is generally in accordance with the Contract Documents. The foregoing representations are subject to (1) an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, (2) results of subsequent tests and inspections, (3) correction of minor deviations from the Contract Documents prior to completion, and (4) specific qualifications expressed by the Architect.

§ 3.6.3.2 By recommending any payment to the Contractor, the Architect shall not be deemed to have represented that the Architect has (1) made exhaustive or continuous on-site observations to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and suppliers and other data requested by the Owner to substantiate the Contractor’s right to payment, or (4) ascertained how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 3.6.3.3 The Architect shall maintain a record of the Applications and Certificates for Payment.

§ 3.6.4 Submittals

§ 3.6.4.1 The Architect shall review the Contractor’s submittal schedule and shall not unreasonably delay or withhold approval of the schedule. The Architect’s action in reviewing submittals shall be taken in accordance with the approved submittal schedule or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time, in the Architect’s professional judgment, to permit adequate review.

§ 3.6.4.2 The Architect shall review and approve, or take other appropriate action upon, the Contractor’s submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. Review of such submittals is not for the purpose of determining the accuracy and completeness of other information such as dimensions, quantities, and installation or performance of equipment or systems, which are the Contractor’s responsibility. The Architect’s review shall not constitute approval of safety precautions or construction means, methods, techniques, sequences or procedures. The Architect’s approval of a specific item shall not indicate approval of an assembly of which the item is a component.

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§ 3.6.4.3 If the Contract Documents specifically require the Contractor to provide professional design services or certifications by a design professional related to systems, materials, or equipment, the Architect shall specify the appropriate performance and design criteria that such services must satisfy. The Architect shall review and take appropriate action on Shop Drawings and other submittals related to the Work designed or certified by the Contractor's design professional, provided the submittals bear such professional's seal and signature when submitted to the Architect. The Architect's review shall be for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect shall be entitled to rely upon, and shall not be responsible for, the adequacy and accuracy of the services, certifications, and approvals performed or provided by such design professionals.

§ 3.6.4.4 Subject to Section 4.2, the Architect shall review and respond to requests for information about the Contract Documents. The Architect shall set forth, in the Contract Documents, the requirements for requests for information. Requests for information shall include, at a minimum, a detailed written statement that indicates the specific Drawings or Specifications in need of clarification and the nature of the clarification requested. The Architect's response to such requests shall be made in writing within any time limits agreed upon, or otherwise with reasonable promptness. If appropriate, the Architect shall prepare and issue supplemental Drawings and Specifications in response to the requests for information.

§ 3.6.4.5 The Architect shall maintain a record of submittals and copies of submittals supplied by the Contractor in accordance with the requirements of the Contract Documents.

§ 3.6.5 Changes in the Work

§ 3.6.5.1 The Architect may order minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in the Contract Sum or an extension of the Contract Time. Subject to Section 4.2, the Architect shall prepare Change Orders and Construction Change Directives for the Owner's approval and execution in accordance with the Contract Documents.

§ 3.6.5.2 The Architect shall maintain records relative to changes in the Work.

§ 3.6.6 Project Completion

§ 3.6.6.1 The Architect shall:

- .1 conduct observations to determine the date or dates of Substantial Completion and the date of final completion;
- .2 issue Certificates of Substantial Completion;
- .3 forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract Documents and received from the Contractor; and,
- .4 issue a final Certificate for Payment based upon a final observations indicating that, to the best of the Architect's knowledge, information, and belief, the Work complies with the requirements of the Contract Documents.

§ 3.6.6.2 The Architect's observations shall be conducted with the Owner to check conformance of the Work with the requirements of the Contract Documents and to verify the accuracy and completeness of the list submitted by the Contractor of Work to be completed or corrected.

§ 3.6.6.3 When Substantial Completion has been achieved, the Architect shall inform the Owner about the balance of the Contract Sum remaining to be paid the Contractor, including the amount to be retained from the Contract Sum, if any, for final completion or correction of the Work.

§ 3.6.6.4 The Architect shall forward to the Owner the following information received from the Contractor: (1) consent of surety or sureties, if any, to reduction in or partial release of retainage or the making of final payment; (2) affidavits, receipts, releases and waivers of liens, or bonds indemnifying the Owner against liens; and (3) any other documentation required of the Contractor under the Contract Documents.

§ 3.6.6.5 Upon request of the Owner, and prior to the expiration of one year from the date of Substantial Completion, the Architect shall, without additional compensation, conduct a meeting with the Owner to review the facility operations and performance.

Init.

**ARTICLE 4 SUPPLEMENTAL AND ADDITIONAL SERVICES**

**§ 4.1 Supplemental Services**

§ 4.1.1 The services listed below are not included in Basic Services but may be required for the Project. The Architect shall provide the listed Supplemental Services only if specifically designated in the table below as the Architect’s responsibility, and the Owner shall compensate the Architect as provided in Section 11.2. Unless otherwise specifically addressed in this Agreement, if neither the Owner nor the Architect is designated, the parties agree that the listed Supplemental Service is not being provided for the Project.

*(Designate the Architect’s Supplemental Services and the Owner’s Supplemental Services required for the Project by indicating whether the Architect or Owner shall be responsible for providing the identified Supplemental Service. Insert a description of the Supplemental Services in Section 4.1.2 below or attach the description of services as an exhibit to this Agreement.)*

Supplemental Services	Responsibility <i>(Architect, Owner, or not provided)</i>
§ 4.1.1.1 Programming	Not Provided
§ 4.1.1.2 Multiple preliminary designs	Not Provided
§ 4.1.1.3 Measured drawings	Not Provided
§ 4.1.1.4 Existing facilities surveys	Not Provided
§ 4.1.1.5 Site evaluation and planning	Not Provided
§ 4.1.1.6 Building Information Model management responsibilities	Not Provided
§ 4.1.1.7 Development of Building Information Models for post construction use	Not Provided
§ 4.1.1.8 Civil engineering	Architect
§ 4.1.1.9 Landscape design	Architect
§ 4.1.1.10 Architectural interior design	Included in Basic Services
§ 4.1.1.11 Value analysis	Not Provided
§ 4.1.1.12 Detailed cost estimating beyond that required in Section 6.3	Not Provided
§ 4.1.1.13 On-site project representation	Not Provided
§ 4.1.1.14 Conformed documents for construction	Not Provided
§ 4.1.1.15 As-designed record drawings	Architect
§ 4.1.1.16 As-constructed record drawings	Architect
§ 4.1.1.17 Post-occupancy evaluation	Not Provided
§ 4.1.1.18 Facility support services	Not Provided
§ 4.1.1.19 Tenant-related services	Not Provided
§ 4.1.1.20 Architect’s coordination of the Owner’s consultants	Not Provided
§ 4.1.1.21 Telecommunications/data design	Not Provided
§ 4.1.1.22 Security evaluation and planning	Not Provided
§ 4.1.1.23 Commissioning	Owner
§ 4.1.1.24 Sustainable Project Services pursuant to Section 4.1.3	Not Provided
§ 4.1.1.25 Fast-track design services	Not Provided
§ 4.1.1.26 Multiple bid packages	Not Provided
§ 4.1.1.27 Historic preservation	Not Provided
§ 4.1.1.28 Furniture, furnishings, and equipment design	Architect
§ 4.1.1.29 Other services provided by specialty Consultants	Not Provided
§ 4.1.1.30 Other Supplemental Services	Not Provided

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Supplemental Services	Responsibility <i>(Architect, Owner, or not provided)</i>
§ 4.1.1.31 Land Survey	Architect
§ 4.1.1.32 Geotechnical Report	Owner

**§ 4.1.2 Description of Supplemental Services**

**§ 4.1.2.1** A description of each Supplemental Service identified in Section 4.1.1 as the Architect’s responsibility is provided below.

*(Describe in detail the Architect’s Supplemental Services identified in Section 4.1.1 or, if set forth in an exhibit, identify the exhibit. The AIA publishes a number of Standard Form of Architect’s Services documents that can be included as an exhibit to describe the Architect’s Supplemental Services.)*

- 4.1.1.8 – Civil engineering – Provide site design for areas impacted by construction.
- 4.1.1.9 – Landscape design – Provide planting schedules and details for landscape plan.
- 4.1.1.28 – Furniture, furnishings, and equipment design – Provide design and coordination services.
- 4.1.1.31 – Land Survey - Provide survey of existing conditions.

**§ 4.1.2.2** A description of each Supplemental Service identified in Section 4.1.1 as the Owner’s responsibility is provided below.

*(Describe in detail the Owner’s Supplemental Services identified in Section 4.1.1 or, if set forth in an exhibit, identify the exhibit.)*

- 4.1.1.32 – Geotechnical Report – Owner will provide a Geotechnical Report

**§ 4.1.3** If the Owner identified a Sustainable Objective in Article 1, the Architect shall provide, as a Supplemental Service, the Sustainability Services required in AIA Document E204™–2017, Sustainable Projects Exhibit, attached to this Agreement. The Owner shall compensate the Architect as provided in Section 11.2.

**§ 4.2 Architect’s Additional Services**

The Architect may provide Additional Services after execution of this Agreement without invalidating the Agreement. Except for services required due to the fault of the Architect, any Additional Services provided in accordance with this Section 4.2 shall entitle the Architect to compensation pursuant to Section 11.3 and an appropriate adjustment in the Architect’s schedule.

**§ 4.2.1** Upon recognizing the need to perform the following Additional Services, the Architect shall notify the Owner with reasonable promptness and explain the facts and circumstances giving rise to the need. The Architect shall not proceed to provide the following Additional Services until the Architect receives the Owner’s written authorization:

- .1 Services necessitated by a change in the Initial Information, previous instructions or approvals given by the Owner, or a material change in the Project including size, quality, complexity, the Owner’s schedule or budget for Cost of the Work, or procurement or delivery method;
- .2 Services necessitated by the enactment or revision of codes, laws, or regulations, including changing or editing previously prepared Instruments of Service;
- .3 Changing or editing previously prepared Instruments of Service necessitated by official interpretations of applicable codes, laws or regulations that are either (a) contrary to specific interpretations by the applicable authorities having jurisdiction made prior to the issuance of the building permit, or (b) contrary to requirements of the Instruments of Service when those Instruments of Service were prepared in accordance with the applicable standard of care;
- .4 Services necessitated by decisions of the Owner not rendered in a timely manner or any other failure of performance on the part of the Owner or the Owner’s consultants or contractors;
- .5 Preparing digital models or other design documentation for transmission to the Owner’s consultants and contractors, or to other Owner-authorized recipients;
- .6 Preparation of design and documentation for alternate bid or proposal requests proposed by the Owner;
- .7 Preparation for, and attendance at, a public presentation, meeting or hearing;
- .8 Preparation for, and attendance at, a dispute resolution proceeding or legal proceeding, except where the Architect is party thereto;
- .9 Evaluation of the qualifications of entities providing bids or proposals;

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- .10 Consultation concerning replacement of Work resulting from fire or other cause during construction; or,
- .11 Assistance to the Initial Decision Maker, if other than the Architect.

§ 4.2.2 To avoid delay in the Construction Phase, the Architect shall provide the following Additional Services, notify the Owner with reasonable promptness, and explain the facts and circumstances giving rise to the need. If, upon receipt of the Architect’s notice, the Owner determines that all or parts of the services are not required, the Owner shall give prompt written notice to the Architect of the Owner’s determination. The Owner shall compensate the Architect for the services provided prior to the Architect’s receipt of the Owner’s notice.

- .1 Reviewing a Contractor’s submittal out of sequence from the submittal schedule approved by the Architect;
- .2 Responding to the Contractor’s requests for information that are not prepared in accordance with the Contract Documents or where such information is available to the Contractor from a careful study and comparison of the Contract Documents, field conditions, other Owner-provided information, Contractor-prepared coordination drawings, or prior Project correspondence or documentation;
- .3 Preparing Change Orders and Construction Change Directives that require evaluation of Contractor’s proposals and supporting data, or the preparation or revision of Instruments of Service;
- .4 Evaluating an extensive number of Claims as the Initial Decision Maker; or,
- .5 Evaluating substitutions proposed by the Owner or Contractor and making subsequent revisions to Instruments of Service resulting therefrom.

§ 4.2.3 The Architect shall provide Construction Phase Services exceeding the limits set forth below as Additional Services. When the limits below are reached, the Architect shall notify the Owner:

- .1 One (1) review of each Shop Drawing, Product Data item, sample and similar submittals of the Contractor
- .2 Two (2) visit per month to the site by the Architect during construction
- .3 Two (2) observation of the Work to determine whether such portion of the Work is substantially complete in accordance with the requirements of the Contract Documents
- .4 One (1) observation of the Work to determine final completion.

§ 4.2.4 Except for services required under Section 3.6.6.5 and those services that do not exceed the limits set forth in Section 4.2.3, Construction Phase Services provided more than 60 days after (1) the date of Substantial Completion of the Work or (2) the initial date of Substantial Completion identified in the agreement between the Owner and Contractor, whichever is earlier, shall be compensated as Additional Services to the extent the Architect incurs additional cost in providing those Construction Phase Services.

§ 4.2.5 If the services covered by this Agreement have not been completed within forty-eight ( 48 ) months of the date of this Agreement, through no fault of the Architect, extension of the Architect’s services beyond that time shall be compensated as Additional Services.

**ARTICLE 5 OWNER’S RESPONSIBILITIES**

§ 5.1 Unless otherwise provided for under this Agreement, the Owner shall provide information in a timely manner regarding requirements for and limitations on the Project, including a written program, which shall set forth the Owner’s objectives; schedule; constraints and criteria, including space requirements and relationships; flexibility; expandability; special equipment; systems; and site requirements.

§ 5.2 The Owner shall establish the Owner’s budget for the Project, including (1) the budget for the Cost of the Work as defined in Section 6.1; (2) the Owner’s other costs; and, (3) reasonable contingencies related to all of these costs. The Owner shall update the Owner’s budget for the Project as necessary throughout the duration of the Project until final completion. If the Owner significantly increases or decreases the Owner’s budget for the Cost of the Work, the Owner shall notify the Architect. The Owner and the Architect shall thereafter agree to a corresponding change in the Project’s scope and quality.

§ 5.3 The Owner shall identify a representative authorized to act on the Owner’s behalf with respect to the Project. The Owner shall render decisions and approve the Architect’s submittals in a timely manner in order to avoid unreasonable delay in the orderly and sequential progress of the Architect’s services.

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§ 5.4 The Owner shall furnish surveys to describe physical characteristics, legal limitations and utility locations for the site of the Project, and a written legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions, and other necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.

§ 5.5 The Owner shall furnish services of geotechnical engineers, which may include test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, seismic evaluation, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsoil conditions, with written reports and appropriate recommendations.

§ 5.6 The Owner shall provide the Supplemental Services designated as the Owner’s responsibility in Section 4.1.1.

§ 5.7 If the Owner identified a Sustainable Objective in Article 1, the Owner shall fulfill its responsibilities as required in AIA Document E204™–2017, Sustainable Projects Exhibit, attached to this Agreement.

§ 5.8 The Owner shall coordinate the services of its own consultants with those services provided by the Architect. Upon the Architect’s request, the Owner shall furnish copies of the scope of services in the contracts between the Owner and the Owner’s consultants. The Owner shall furnish the services of consultants other than those designated as the responsibility of the Architect in this Agreement, or authorize the Architect to furnish them as an Additional Service, when the Architect requests such services and demonstrates that they are reasonably required by the scope of the Project. The Owner shall require that its consultants and contractors maintain insurance, including professional liability insurance, as appropriate to the services or work provided.

§ 5.9 The Owner shall furnish tests, inspections and reports required by law or the Contract Documents, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.

§ 5.10 The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner’s needs and interests.

§ 5.11 The Owner shall provide prompt written notice to the Architect if the Owner becomes aware of any fault or defect in the Project, including errors, omissions or inconsistencies in the Architect’s Instruments of Service.

§ 5.11.1 The Owner shall promptly report to the Architect any defects or suspected defects in the Architect’s services of which the Owner becomes aware, so that the Architect may take measures to minimize the consequences of such a defect. The Owner further agrees to impose a similar notification requirement on all contractors in its Owner/Contractor contract and shall require all subcontracts at any level to contain a like requirement. Should legal liability for the defects exist, failure by the Owner and the Owner’s contractors or subcontractors to notify the Architect shall relieve the Architect of any liability for costs of remedying the defects above the sum such remedy would have cost had prompt notification been given when such defects were first discovered.

§ 5.12 The Owner shall include the Architect in all communications with the Contractor that relate to or affect the Architect’s services or professional responsibilities. The Owner shall promptly notify the Architect of the substance of any direct communications between the Owner and the Contractor otherwise relating to the Project. Communications by and with the Architect’s consultants shall be through the Architect.

§ 5.13 Before executing the Contract for Construction, the Owner shall coordinate the Architect’s duties and responsibilities set forth in the Contract for Construction with the Architect’s services set forth in this Agreement. The Owner shall provide the Architect a copy of the executed agreement between the Owner and Contractor, including the General Conditions of the Contract for Construction.

§ 5.14 The Owner shall provide the Architect access to the Project site prior to commencement of the Work and shall obligate the Contractor to provide the Architect access to the Work wherever it is in preparation or progress.

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§ 5.15 Within 15 days after receipt of a written request from the Architect, the Owner shall furnish the requested information as necessary and relevant for the Architect to evaluate, give notice of, or enforce lien rights.

§ 5.16 The Owner acknowledges that the requirements of the Americans with Disabilities Act (ADA), Fair Housing Act (FHA) and other federal, state and local accessibility laws, rules, codes, ordinances and regulations will be subject to various and possibly contradictory interpretations. The Architect, therefore, will use its reasonable professional efforts and judgment to interpret applicable accessibility requirements in effect as of the date of the execution of this Agreement and as they apply to the Project. The Architect, however, cannot and does not warrant or guarantee that the Owner's Project will comply with all possible interpretations of the accessibility requirements and/or the requirements of other federal, state and local laws, rules, codes, ordinances and regulations as they apply to the Project, and the Architect shall, accordingly, not have any liability to the Owner in connection with same.

§ 5.17 If the Owner retains the services of a Commissioning Agent (CxA) to review the plans prepared by the Architect, those CxA services shall be at the Owner's sole expense and shall be performed in a timely manner so as not to delay the orderly progress of the Architect's services. The Owner shall promptly notify the Architect of the identity of the CxA and shall define the CxA's scope of services. All recommendations of the CxA shall be given to the Architect for review, and adequate time will be provided for the Architect to respond to these recommendations.

§ 5.17.1 If the Architect objects to any recommendations made by the CxA, it shall so state in writing to the Owner, along with the reasons for objecting. If the Owner, in spite of the Architect's objections, requires the incorporation of changes in the Construction Documents, the Owner agrees, to the fullest extent permitted by law, to waive all claims against the Architect and to indemnify and hold harmless the Architect from any damages, liabilities, or costs, including reasonable attorneys' fees and costs of defense, which arise in connection with or as a result of the incorporation of such design changes required by the Owner.

§ 5.17.2 The Architect shall be compensated as Additional Service for all time spent to prepare for, review, and respond to the recommendations of the CxA, and to incorporate recommended commissioning changes into the Architect's reports, drawings, specifications, bidding, or other documents. The Architect's time for performance of those services shall be equitably adjusted.

**ARTICLE 6 COST OF THE WORK**

§ 6.1 For purposes of this Agreement, the Cost of the Work shall be the total cost to the Owner to construct all elements of the Project designed or specified by the Architect and shall include contractors' general conditions costs, overhead and profit. The Cost of the Work also includes the reasonable value of labor, materials, and equipment, donated to, or otherwise furnished by, the Owner. The Cost of the Work does not include the compensation of the Architect; the costs of the land, rights-of-way, financing, or contingencies for changes in the Work; or other costs that are the responsibility of the Owner.

§ 6.2 The Owner's budget for the Cost of the Work is provided in Initial Information, and shall be adjusted throughout the Project as required under Sections 5.2, 6.4 and 6.5. Evaluations of the Owner's budget for the Cost of the Work, and the preliminary estimate of the Cost of the Work and updated estimates of the Cost of the Work, prepared by the Architect, represent the Architect's judgment as a design professional. It is recognized, however, that neither the Architect nor the Owner has control over the cost of labor, materials, or equipment; the Contractor's methods of determining bid prices; or competitive bidding, market, or negotiating conditions. Accordingly, the Architect cannot and does not warrant or represent that bids or negotiated prices will not vary from the Owner's budget for the Cost of the Work, or from any estimate of the Cost of the Work, or evaluation, prepared or agreed to by the Architect.

§ 6.3 In preparing estimates of the Cost of Work, the Architect shall be permitted to include contingencies for design, bidding, and price escalation; to determine what materials, equipment, component systems, and types of construction are to be included in the Contract Documents; to recommend reasonable adjustments in the program and scope of the Project; and to include design alternates as may be necessary to adjust the estimated Cost of the Work to meet the Owner's budget. The Architect's estimate of the Cost of the Work shall be based on current area, volume or similar conceptual estimating techniques. If the Owner requires a detailed estimate of the Cost of the Work, the Architect shall provide such an estimate, if identified as the Architect's responsibility in Section 4.1.1, as a Supplemental Service.

§ 6.4 If, through no fault of the Architect, the Procurement Phase has not commenced within 90 days after the Architect submits the Construction Documents to the Owner, the Owner’s budget for the Cost of the Work shall be adjusted to reflect changes in the general level of prices in the applicable construction market.

§ 6.5 If, prior to the conclusion of the Construction Documents Phase, the Architect’s estimate of the Cost of the Work exceeds the Owner’s budget for the Cost of the Work, the Architect shall make appropriate recommendations to the Owner to adjust the Project’s size, quality, or budget for the Cost of the Work, and the Owner shall cooperate with the Architect in making such adjustments.

§ 6.6 If the Owner’s budget for the Cost of the Work at the conclusion of the Construction Documents Phase Services is exceeded by the lowest bona fide bid or negotiated proposal, the Owner shall

- .1 give written approval of an increase in the budget for the Cost of the Work;
- .2 authorize rebidding or renegotiating of the Project within a reasonable time;
- .3 terminate in accordance with Section 9.5;
- .4 in consultation with the Architect, revise the Project program, scope, or quality as required to reduce the Cost of the Work; or,
- .5 implement any other mutually acceptable alternative.

§ 6.7 If the Owner chooses to proceed under Section 6.6.4, the Architect shall modify the Construction Documents as necessary to comply with the Owner’s budget for the Cost of the Work at the conclusion of the Construction Documents Phase Services, or the budget as adjusted under Section 6.6.1. If the Owner requires the Architect to modify the Construction Documents because the lowest bona fide bid or negotiated proposal exceeds the Owner’s budget for the Cost of the Work by greater than 10% or due to market conditions the Architect could not reasonably anticipate, the Owner shall compensate the Architect for the modifications as an Additional Service pursuant to Section 11.3; otherwise the Architect’s services for modifying the Construction Documents shall be without additional compensation. In any event, the Architect’s modification of the Construction Documents shall be the limit of the Architect’s responsibility under this Article 6.

**ARTICLE 7 COPYRIGHTS AND LICENSES**

§ 7.1 The Architect and the Owner warrant that in transmitting Instruments of Service, or any other information, the transmitting party is the copyright owner of such information or has permission from the copyright owner to transmit such information for its use on the Project.

§ 7.2 The Architect and the Architect’s consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and shall retain all common law, statutory and other reserved rights, including copyrights. Submission or distribution of Instruments of Service to meet official regulatory requirements or for similar purposes in connection with the Project is not to be construed as publication in derogation of the reserved rights of the Architect and the Architect’s consultants.

§ 7.3 The Architect grants to the Owner a nonexclusive license to use the Architect’s Instruments of Service solely and exclusively for purposes of constructing, using, maintaining, altering and adding to the Project, provided that the Owner substantially performs its obligations under this Agreement, including prompt payment of all sums due pursuant to Article 9 and Article 11. The Architect shall obtain similar nonexclusive licenses from the Architect’s consultants consistent with this Agreement. The license granted under this section permits the Owner to authorize the Contractor, Subcontractors, Sub-subcontractors, and suppliers, as well as the Owner’s consultants and separate contractors, to reproduce applicable portions of the Instruments of Service, subject to any protocols established pursuant to Section 1.3, solely and exclusively for use in performing services or construction for the Project. If the Architect rightfully terminates this Agreement for cause as provided in Section 9.4, the license granted in this Section 7.3 shall terminate.

§ 7.3.1 In the event the Owner uses the Instruments of Service without retaining the authors of the Instruments of Service, the Owner releases the Architect and Architect’s consultant(s) from all claims and causes of action arising from such uses. The Owner, to the extent permitted by law, further agrees to indemnify and hold harmless the Architect and its consultants from all costs and expenses, including the cost of defense, related to claims and causes of action asserted by any third person or entity to the extent such costs and expenses arise from the Owner’s use of the Instruments of Service under this Section 7.3.1. The terms of this Section 7.3.1 shall not apply if the Owner rightfully terminates this Agreement for cause under Section 9.4.

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§ 7.4 Except for the licenses granted in this Article 7, no other license or right shall be deemed granted or implied under this Agreement. The Owner shall not assign, delegate, sublicense, pledge or otherwise transfer any license granted herein to another party without the prior written agreement of the Architect. Any unauthorized use of the Instruments of Service shall be at the Owner's sole risk and without liability to the Architect and the Architect's consultants.

§ 7.5 Except as otherwise stated in Section 7.3, the provisions of this Article 7 shall survive the termination of this Agreement.

**ARTICLE 8 CLAIMS AND DISPUTES**

**§ 8.1 General**

§ 8.1.1 The Owner and Architect shall commence all claims and causes of action against the other and arising out of or related to this Agreement, whether in contract, tort, or otherwise, in accordance with the requirements of the binding dispute resolution method selected in this Agreement and within the period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Architect waive all claims and causes of action not commenced in accordance with this Section 8.1.1.

§ 8.1.2 To the extent damages are covered by property insurance, the Owner and Architect waive all rights against each other and against the contractors, consultants, agents, and employees of the other for damages, except such rights as they may have to the proceeds of such insurance as set forth in AIA Document A201-2017, General Conditions of the Contract for Construction. The Owner or the Architect, as appropriate, shall require of the contractors, consultants, agents, and employees of any of them, similar waivers in favor of the other parties enumerated herein.

§ 8.1.3 The Architect shall indemnify and hold the Owner and the Owner's officers and employees harmless from and against damages, losses and judgments arising from claims by third parties, including reasonable attorneys' fees and expenses recoverable under applicable law, but only to the extent they are caused by the negligent acts or omissions of the Architect, its employees and its consultants in the performance of professional services under this Agreement. The Architect's obligation to indemnify and hold the Owner and the Owner's officers and employees harmless does not include a duty to defend. The Architect's duty to indemnify the Owner and the Owner's officers and employees under this Section 8.1.3 shall be limited to the lesser of (1) the stated amount of the professional liability insurance coverage required of the Architect under this Agreement or (2) the amount stated in Section 8.1.6

§ 8.1.4 The Owner shall indemnify and hold the Architect, its officers, employees and consultants harmless from and against damages, losses and judgments arising from claims by third parties, including reasonable attorneys' fees and expenses recoverable under applicable law, (1) arising from the breach of the representation under Section 2.3 or (2) caused by the negligent acts or omissions of the Owner, the Contractor or the employees, consultants or subcontractors of either of them.

§ 8.1.5 The Architect and Owner waive consequential damages for claims, disputes, or other matters in question, arising out of or relating to this Agreement. This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination of this Agreement, except as specifically provided in Section 9.7.

§ 8.1.6 The Owner acknowledges that it has been advised by the Architect to retain a consultant (Accessibility Consultant) to review the project plans, specifications, and construction for compliance with the Americans with Disability Act, the Fair Housing Act, and other federal, state, and local accessibility laws, rules, codes, ordinances, and regulations (hereinafter referred to as "Accessibility Issues").

§ 8.1.6.1 If Owner fails to retain an Accessibility Consultant, the Owner agrees to release, defend, indemnify and hold harmless the Architect, its officers, directors, employees and subconsultants (collectively, Architect) from any claim, damages, liabilities or costs arising out of or in any way connected with Accessibility Issues.

§ 8.1.7 If, due to the Architect's negligence, a required item or component of the Project is omitted from the Architect's construction documents, the Architect shall not be responsible for paying the cost required to add such item or component to the extent that such item or component would have been required and included in the original construction documents. In no event will the Architect be responsible for any cost or expense that provides betterment or upgrades or enhances the value of the Project.

§ 8.1.8 The Owner shall make no claim for professional negligence, either directly or by way of a cross complaint against the Architect unless the Owner has first provided the Architect with a written certification executed by an independent consultant currently practicing in the same discipline as the Architect and licensed in the State in which the Project is located. This certification shall: a) contain the name and license number of the certifier; b) specify the acts or omissions that the certifier contends are not in conformance with the standard of care for a consultant performing professional services under similar circumstances; and c) state in detail the basis for the certifier's opinion that such acts or omissions do not conform to the standard of care. This certificate shall be provided to the Architect not less than thirty (30) calendar days prior to the presentation of any claim or the institution of any arbitration or judicial proceeding. This Certificate of Merit clause will take precedence over any existing state law in force at the time of the claim or demand for arbitration.

§ 8.1.9 The Architect may be required to report on or render confidential opinions about the past or current performance and/or qualifications of others engaged or being considered for engagement directly or indirectly by the Owner. Those about whom reports and opinions are rendered may, as a consequence, initiate claims against the Architect. To help create an atmosphere in which the Architect may freely report or express such opinions candidly in the interest of the Owner, the Owner agrees, to the fullest extent permitted by law, to indemnify and hold harmless the Architect against all damages, liabilities or costs, including reasonable attorneys' fees and defense costs, arising or allegedly arising from the rendering of such confidential opinions and reports by the Architect to the Owner or to the Owner's agents.

§ 8.1.10 The Owner agrees that any and all limitations of the Architect's liability, waivers of damages by the Owner to the Architect and indemnifications by the Owner to the Architect shall include and extend to those individuals and entities the Architect retains for performance of the services under this Agreement, including but not limited to the Architect's officers, partners and employees and their heirs and assigns, as well as the Architect's subconsultants and their officers, employees, heirs and assigns.

§ 8.1.11 In the event the Owner, the Owner's contractors or subcontractors, or anyone for whom the Owner is legally liable makes or permits to be made any changes to any reports, plans, specifications or other construction documents, including electronic files, prepared by the Architect without obtaining the Architect's prior written consent, the Owner shall assume full responsibility for the results of such changes. Therefore the Owner agrees to waive any claim against the Architect and to release the Architect from any liability arising directly or indirectly from such changes. In addition, the Owner agrees, to the fullest extent permitted by law, to indemnify and hold harmless the Architect from any damages, liabilities or costs, including reasonable attorneys' fees and costs of defense, arising from such changes. In addition, the Owner agrees to include in any contracts for construction appropriate language that prohibits the Contractor or any subcontractors of any tier from making any changes or modifications to the Architect's construction documents, including electronic files, without the prior written approval of the Architect and that further requires the Contractor to indemnify both the Architect and the Owner from any liability or cost arising from such changes made without such proper authorization.

§ 8.2 Mediation

§ 8.2.1 Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to binding dispute resolution. If such matter relates to or is the subject of a lien arising out of the Architect's services, the Architect may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to resolution of the matter by mediation or by binding dispute resolution.

§ 8.2.2 The Owner and Architect shall endeavor to resolve claims, disputes and other matters in question between them by mediation, which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of this Agreement. A request for mediation shall be made in writing, delivered to the other party to this Agreement, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of a complaint or other appropriate demand for binding dispute resolution but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration

proceeding is stayed pursuant to this section, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

**§ 8.2.3** The parties shall share the mediator’s fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

**§ 8.2.4** If the parties do not resolve a dispute through mediation pursuant to this Section 8.2, the method of binding dispute resolution shall be the following:  
*(Check the appropriate box.)*

- Arbitration pursuant to Section 8.3 of this Agreement
- Litigation in a court of competent jurisdiction
- Other: *(Specify)*

If the Owner and Architect do not select a method of binding dispute resolution, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, the dispute will be resolved in a court of competent jurisdiction.

*(Paragraphs deleted)*  
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**ARTICLE 9 TERMINATION OR SUSPENSION**

**§ 9.1** If the Owner fails to make payments to the Architect in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the Architect’s option, cause for suspension of performance of services under this Agreement. If the Architect elects to suspend services, the Architect shall give seven days’ written notice to the Owner before suspending services. In the event of a suspension of services, the Architect shall have no liability to the Owner for delay or damage caused the Owner because of such suspension of services. Before resuming services, the Owner shall pay the Architect all sums due prior to suspension and any expenses incurred in the interruption and resumption of the Architect’s services. The Architect’s fees for the remaining services and the time schedules shall be equitably adjusted.

**§ 9.2** If the Owner suspends the Project, the Architect shall be compensated for services performed prior to notice of such suspension. When the Project is resumed, the Architect shall be compensated for expenses incurred in the interruption and resumption of the Architect’s services. The Architect’s fees for the remaining services and the time schedules shall be equitably adjusted.

**§ 9.3** If the Owner suspends the Project for more than 90 cumulative days for reasons other than the fault of the Architect, the Architect may terminate this Agreement by giving not less than seven days’ written notice.

**§ 9.4** Either party may terminate this Agreement upon not less than seven days’ written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination.

**§ 9.5** The Owner may terminate this Agreement upon not less than seven days’ written notice to the Architect for the Owner’s convenience and without cause.

**§ 9.6** If the Owner terminates this Agreement for its convenience pursuant to Section 9.5, or the Architect terminates this Agreement pursuant to Section 9.3, the Owner shall compensate the Architect for services performed prior to termination, Reimbursable Expenses incurred, and costs attributable to termination, including the costs attributable to the Architect’s termination of consultant agreements.

**§ 9.7** In addition to any amounts paid under Section 9.6, if the Owner terminates this Agreement for its convenience pursuant to Section 9.5, or the Architect terminates this Agreement pursuant to Section 9.3, the Owner shall pay to the Architect the following fees:

- .1 Termination Fee:  
25% of the remaining compensation indicated in Section 11.1 at the time of termination.
- .2 Licensing Fee if the Owner intends to continue using the Architect’s Instruments of Service:  
100% of the remaining compensation indicated in Section 11.1 at the time of termination.

**§ 9.8** Except as otherwise expressly provided herein, this Agreement shall terminate one year from the date of Substantial Completion.

**§ 9.9** The Owner’s rights to use the Architect’s Instruments of Service in the event of a termination of this Agreement are set forth in Article 7 and Section 9.7.

**ARTICLE 10 MISCELLANEOUS PROVISIONS**

**§ 10.1** This Agreement shall be governed by the law of the place where the Project is located, excluding that jurisdiction’s choice of law rules. If the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 8.3.

**§ 10.2** Terms in this Agreement shall have the same meaning as those in AIA Document A201–2017, General Conditions of the Contract for Construction.

**§ 10.3** The Owner and Architect, respectively, bind themselves, their agents, successors, assigns, and legal representatives to this Agreement. Neither the Owner nor the Architect shall assign this Agreement without the written consent of the other, except that the Owner may assign this Agreement to a lender providing financing for the Project if the lender agrees to assume the Owner’s rights and obligations under this Agreement, including any payments due to the Architect by the Owner prior to the assignment.

**§ 10.4** If the Owner requests the Architect to execute certificates, the proposed language of such certificates shall be submitted to the Architect for review at least 14 days prior to the requested dates of execution. If the Owner requests the Architect to execute consents reasonably required to facilitate assignment to a lender, the Architect shall execute all such consents that are consistent with this Agreement, provided the proposed consent is submitted to the Architect for review at least 14 days prior to execution. The Architect shall not be required to execute certificates or consents that would require knowledge, services, or responsibilities beyond the scope of this Agreement.

**§ 10.5** Nothing contained in this Agreement shall create a contractual relationship with, or a cause of action in favor of, a third party against either the Owner or Architect.

**§ 10.6** Unless otherwise required in this Agreement, the Architect shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to, hazardous materials or toxic substances in any form at the Project site.

**§ 10.7** The Architect shall have the right to include photographic or artistic representations of the design of the Project among the Architect’s promotional and professional materials. The Architect shall be given reasonable access to the completed Project to make such representations. However, the Architect’s materials shall not include the Owner’s confidential or proprietary information if the Owner has previously advised the Architect in writing of the specific information considered by the Owner to be confidential or proprietary. The Owner shall provide professional credit for the Architect in the Owner’s promotional materials for the Project. This Section 10.7 shall survive the termination of this Agreement unless the Owner terminates this Agreement for cause pursuant to Section 9.4.

§ 10.8 If the Architect or Owner receives information specifically designated as "confidential" or "business proprietary," the receiving party shall keep such information strictly confidential and shall not disclose it to any other person except as set forth in Section 10.8.1. This Section 10.8 shall survive the termination of this Agreement.

§ 10.8.1 The receiving party may disclose "confidential" or "business proprietary" information after 7 days' notice to the other party, when required by law, arbitrator's order, or court order, including a subpoena or other form of compulsory legal process issued by a court or governmental entity, or to the extent such information is reasonably necessary for the receiving party to defend itself in any dispute. The receiving party may also disclose such information to its employees, consultants, or contractors in order to perform services or work solely and exclusively for the Project, provided those employees, consultants and contractors are subject to the restrictions on the disclosure and use of such information as set forth in this Section 10.8.

§ 10.9 The invalidity of any provision of the Agreement shall not invalidate the Agreement or its remaining provisions. If it is determined that any provision of the Agreement violates any law, or is otherwise invalid or unenforceable, then that provision shall be revised to the extent necessary to make that provision legal and enforceable. In such case the Agreement shall be construed, to the fullest extent permitted by law, to give effect to the parties' intentions and purposes in executing the Agreement.

§ 10.10 Limitations on liability, waivers and indemnities in this Agreement are arms-length business understandings between the parties and shall apply to all legal theories of recovery, including breach of contract or warranty, breach of fiduciary duty, tort (including negligence), strict or statutory liability, or any other cause of action, provided that these limitations on liability, waivers and indemnities will not apply to any losses or damages that may be found by a trier of fact to have been caused by the Architect's gross negligence or the Architect's willful misconduct. The parties also agree that the Owner will not seek damages in excess of the contractually agreed-upon limitations directly or indirectly through suits against other parties who may join the Architect as a third-party defendant. Parties means the Owner and the Architect, and their officers, directors, partners, employees, subcontractors and subconsultants.

§ 10.11 If, during the term of this Agreement, circumstances or conditions that were not originally contemplated by or known to the Architect are revealed, to the extent that they affect the scope of services, compensation, schedule, allocation of risks or other material terms of this Agreement, the Architect may call for renegotiation of appropriate portions of this Agreement. The Architect shall notify the Owner of the changed conditions necessitating renegotiation, and the Architect and the Owner shall promptly and in good faith enter into renegotiation of this Agreement to address the changed conditions. If terms cannot be agreed to, the parties agree that either party has the absolute right to terminate this Agreement in accordance with the Termination provision hereof.

§ 10.12 The Owner agrees that the Architect is not responsible for damages arising directly or indirectly from any delays for causes beyond the Architect's control. For purposes of this Agreement, such causes include, but are not limited to, strikes or other labor disputes; severe weather disruptions or other natural disasters or acts of God; fires, riots, war or other emergencies; failure of any government agency to act in timely manner; failure of performance by the Owner or the Owner's contractors or consultants; or discovery of any hazardous substances or differing site conditions. In addition, if the delays resulting from any such causes increase the cost or time required by the Architect to perform its services in an orderly and efficient manner, the Architect shall be entitled to a reasonable adjustment in schedule and compensation.

§ 10.13 If an event or circumstance beyond the Architect's reasonable control occurs, including without limitation an act of God, fire, flood, hurricane, wind event, storm, weather disturbance, earthquake, pandemic, disease, epidemic, or other viral or bacterial outbreak, government-ordered shutdown, quarantine or shelter-in-place order, an act or omission of a third party, strike, war, riot, terrorism or threat of terrorism, civil unrest, or any other event or circumstance not within the reasonable control of the Architect, whether similar or dissimilar to any of the foregoing, that cause the Architect delay or additional expense ("Force Majeure Event"), then the Architect is entitled to an equitable adjustment in the contract price or time for performance. If any Force Majeure Event renders the Architect's performance impossible or impracticable, the Architect has the right to terminate performance under this Agreement consistent with any termination requirements that might exist in this Agreement. Upon occurrence of a Force Majeure Event, the Architect will notify the Owner within a reasonable time that a Force Majeure Event has occurred and its anticipated impact on the Architect's performance, including its expected duration. The Architect will use reasonable efforts to mitigate the impact of any Force Majeure Event on the Architect's ability to perform under this Agreement.

§ 10.14 The Owner understands and agrees that products or building materials that are permissible under current building codes and ordinances may, at some future date, be banned or limited in use in the construction industry because of presently unknown hazardous and/or defective characteristics. The Architect is only expected to meet current industry standards and may rely on manufacturers' information and representations. The Owner agrees that if any product or material specified for this Project by the Architect shall, at any future date be suspected or discovered to be defective or a health or safety hazard, then the Owner shall waive all claims as a result thereof against the Architect.

§ 10.14.1 To the extent the Architect collects product manufacturer materials disclosing product contents, the Owner acknowledges that it is not relying upon the Architect for any analysis of materials composition or the human or environmental health impacts of specific material selections. If the Owner requires such analysis, any assessments or evaluations of this kind shall be conducted by a toxicologist or other trained professionals retained by the Owner. The Architect shall be entitled to rely on information furnished by manufacturers and material suppliers. In addition, the Owner may direct the use of new and untested products, materials and/or technologies. The Owner assumes all risk for the foregoing and releases the Architect from any claims arising out of or relating to the foregoing.

§ 10.14.2 The Owner further agrees that if the Owner directs the Architect to specify any product or material after the Architect has informed the Owner that such product or material may not be suitable or may embody characteristics that are suspected of causing or may cause the product or material to be considered a hazardous substance in the future, the Owner waives all claims as a result thereof against the Architect, and the Owner agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless the Architect from any damages, liabilities or costs, including reasonable attorneys' fees and defense costs, arising in any way from the specification or use of any products or materials which, at any future date, are deemed unsuitable for the Project or become known or suspected health or safety hazards.

§ 10.15 Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Owner or the Architect. The Architect's services under this Agreement are being performed solely for the Owner's benefit, and no other party or entity shall have any claim against the Architect because of this Agreement or the performance or nonperformance of services hereunder. The Owner and Architect agree to require a similar provision in all contracts with contractors, subcontractors, subconsultants, vendors and other entities involved in this Project to carry out the intent of this provision.

**ARTICLE 11 COMPENSATION**

§ 11.1 For the Architect's Basic Services described under Article 3, the Owner shall compensate the Architect as follows:

- .1 Stipulated Sum  
*(Insert amount)*  
  
\$348,000.00
- .2 Percentage Basis  
*(Insert percentage value)*  
  
(N/A ) % of the Owner's budget for the Cost of the Work, as calculated in accordance with Section 11.6.
- .3 Other  
*(Describe the method of compensation)*  
  
N/A

§ 11.2 For the Architect's Supplemental Services designated in Section 4.1.1 and for any Sustainability Services required pursuant to Section 4.1.3, the Owner shall compensate the Architect as follows:

Compensation amount shall be included in Section 11.1.

§ 11.3 For Additional Services that may arise during the course of the Project, including those under Section 4.2, the Owner shall compensate the Architect as follows:

On an hourly basis per Exhibit A – Fee Schedule (Current Year’s Version)

§ 11.4 Compensation for Supplemental and Additional Services of the Architect’s consultants when not included in Section 11.2 or 11.3, shall be the amount invoiced to the Architect plus Zero percent (0%), or as follows:

§ 11.5 When compensation for Basic Services is based on a stipulated sum or a percentage basis, the proportion of compensation for each phase of services shall be as follows:

Schematic Design Phase		percent (		%)
Design Development Phase	Twenty	percent (	20	%)
Construction Documents Phase	Sixty	percent (	60	%)
Procurement Phase	One	percent (	1	%)
Construction Phase	Nineteen	percent (	19	%)
<hr/>				
Total Basic Compensation	one hundred	percent (	100	%)

§ 11.6 When compensation identified in Section 11.1 is on a percentage basis, progress payments for each phase of Basic Services shall be calculated by multiplying the percentages identified in this Article by the Owner’s most recent budget for the Cost of the Work. Compensation paid in previous progress payments shall not be adjusted based on subsequent updates to the Owner’s budget for the Cost of the Work.

§ 11.6.1 When compensation is on a percentage basis and any portions of the Project are deleted or otherwise not constructed, compensation for those portions of the Project shall be payable to the extent services are performed on those portions. The Architect shall be entitled to compensation in accordance with this Agreement for all services performed whether or not the Construction Phase is commenced.

§ 11.7 The hourly billing rates for services of the Architect and the Architect’s consultants are set forth below. The rates shall be adjusted in accordance with the Architect’s and Architect’s consultants’ normal review practices.

*(Paragraph deleted)*

On an hourly basis per Exhibit A – Fee Schedule (Current Year’s Version)

**§ 11.8 Compensation for Reimbursable Expenses**

§ 11.8.1 Reimbursable Expenses are in addition to compensation for Basic, Supplemental, and Additional Services and include expenses incurred by the Architect and the Architect’s consultants directly related to the Project, as follows:

- .1 Transportation and authorized out-of-town travel and subsistence;
- .2 Long distance services, dedicated data and communication services, teleconferences, Project web sites, and extranets;
- .3 Permitting and other fees required by authorities having jurisdiction over the Project;
- .4 Printing, reproductions, plots, and standard form documents;
- .5 Postage, handling, and delivery;
- .6 Expense of overtime work requiring higher than regular rates, if authorized in advance by the Owner;
- .7 Renderings, physical models, mock-ups, professional photography, and presentation materials requested by the Owner or required for the Project;

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- .8 If required by the Owner, and with the Owner’s prior written approval, the Architect’s consultants’ expenses of professional liability insurance dedicated exclusively to this Project, or the expense of additional insurance coverage or limits in excess of that normally maintained by the Architect’s consultants;
- .9 All taxes levied on professional services and on reimbursable expenses;
- .10 Site office expenses;
- .11 Registration fees and any other fees charged by the Certifying Authority or by other entities as necessary to achieve the Sustainable Objective; and,
- .12 Other similar Project-related expenditures.

§ 11.8.2 For Reimbursable Expenses the compensation shall be the expenses incurred by the Architect and the Architect’s consultants plus zero percent (0 %) of the expenses incurred.

§ 11.9 **Architect’s Insurance.** If the types and limits of coverage required in Section 2.5 are in addition to the types and limits the Architect normally maintains, the Owner shall pay the Architect for the additional costs incurred by the Architect for the additional coverages as set forth below:  
*(Insert the additional coverages the Architect is required to obtain in order to satisfy the requirements set forth in Section 2.5, and for which the Owner shall reimburse the Architect.)*

§ 11.10 **Payments to the Architect**

§ 11.10.1 **Initial Payments**

§ 11.10.1.1 An initial payment of Zero Dollars and Zero Cents (\$0.00) shall be made upon execution of this Agreement and is the minimum payment under this Agreement. It shall be credited to the Owner’s account in the final invoice.

§ 11.10.1.2 If a Sustainability Certification is part of the Sustainable Objective, an initial payment to the Architect of Zero Dollars and Zero Cents (\$0.00) shall be made upon execution of this Agreement for registration fees and other fees payable to the Certifying Authority and necessary to achieve the Sustainability Certification. The Architect’s payments to the Certifying Authority shall be credited to the Owner’s account at the time the expense is incurred.

§ 11.10.2 **Progress Payments**

§ 11.10.2.1 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed. Payments are due and payable upon presentation of the Architect’s invoice. Amounts unpaid thirty (30) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Architect.  
*(Insert rate of monthly or annual interest agreed upon.)*

One percent (1%) monthly

§ 11.10.2.2 The Owner shall not withhold amounts from the Architect’s compensation to impose a penalty or liquidated damages on the Architect, or to offset sums requested by or paid to contractors for the cost of changes in the Work, unless the Architect agrees or has been found liable for the amounts in a binding dispute resolution proceeding.

§ 11.10.2.3 Records of Reimbursable Expenses, expenses pertaining to Supplemental and Additional Services, and services performed on the basis of hourly rates shall be available to the Owner at mutually convenient times.

§ 11.10.2.4 If the Owner’s written notice to proceed required by Section 3.1 is not received within one (1) month of the date of this Agreement, the Architect’s Stipulated Sum for Basic and Supplemental Services and the time schedules shall be equitably adjusted.

§ 11.10.2.5 Prior to the issuance of signed Construction Documents and/or Reports, all Architect’s invoices older than 30 days shall be paid in full.

§ 11.10.2.6 If the Owner fails to make payments when due and the Architect incurs any costs in order to collect overdue sums from the Owner, the Owner agrees that all such collection costs incurred shall immediately become due and payable to the Architect. Collection costs shall include, without limitation, legal fees, collection agency fees and

Init.



expenses, court costs, collection bonds and reasonable Architect staff costs at standard billing rates for the Architect's time spent in efforts to collect. This obligation of the Owner to pay the Architect's collection costs shall survive the term of this Agreement or any earlier termination by either party.

§ 11.10.2.7 If the Owner objects to any portion of an invoice, the Owner shall so notify the Architect in writing within seven (7) calendar days of receipt of the invoice. The Owner shall identify in writing the specific cause of the disagreement and the amount in dispute and shall pay that portion of the invoice not in dispute in accordance with the other payment terms of this Agreement. Any dispute over invoiced amounts due which cannot be resolved within ten (10) calendar days after presentation of invoice by direct negotiation between the parties shall be resolved within thirty (30) calendar days in accordance with the Dispute Resolution provision of this Agreement. Interest as stated above shall be paid by the Owner on all disputed invoice amounts that are subsequently resolved in the Architect's favor and shall be calculated on the unpaid balance from the due date of the invoice.

**ARTICLE 12 SPECIAL TERMS AND CONDITIONS**

Special terms and conditions that modify this Agreement are as follows:

§ 12.1 For Projects in Minnesota, refer to Exhibit B for Pre-Lien Notice.

**ARTICLE 13 SCOPE OF THE AGREEMENT**

§ 13.1 This Agreement represents the entire and integrated agreement between the Owner and the Architect and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the Owner and Architect.

§ 13.2 This Agreement is comprised of the following documents identified below:

- .1 AIA Document B101™-2017, Standard Form Agreement Between Owner and Architect
- .2

*(Paragraphs deleted)*

Exhibits:

- Exhibit A – Fee Schedule (Current Year's Version)
- Exhibit B – Pre-Lien Notice
- Exhibit C – Schematic Design Drawings, Dated October 17, 2023
- Exhibit D - Widseth Project Schedule

This Agreement entered into as of the day and year first written above.

\_\_\_\_\_  
**OWNER (Signature)**

David C. Chanski, City Administrator/Clerk  
*(Printed name and title)*

\_\_\_\_\_  
**ARCHITECT (Signature)**

Mike Angland, AIA, LEED AP, VP  
*(Printed name, title, and license number, if required)*

\_\_\_\_\_  
*Lindsey Kriens*  
**(Signature)**

Lindsey Kriens, CID, Vice President  
*(Printed name and title)*

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October 31, 2023

City of Breezy Point  
Attn: David Chanski  
8319 Co. Rd 11  
Breezy Point, MN 56472

RE: New Breezy Point City Hall

Dear David:

We hereby submit this Letter of Intent between the City of Breezy Point and Hy-Tec Construction for the following:

1. If the New City Hall project proceeds using the Sourcewell Construction Procurement program, the City of Breezy Point will commit to a contract with Hy-Tec Construction.
2. This Letter is non-binding but will allow Hy-Tec Construction to place this project into our construction schedule.
3. Hy-Tec Construction will provide pre-construction collaboration with the design team prior to the construction contract.

This Letter reflects the understanding between Hy-Tec Construction and the City of Breezy Point.

Sincerely,



Andy Pickar  
Project Manager  
HY-TEC CONSTRUCTION  
OF BRAINERD, INC.

Acceptance: \_\_\_\_\_ Dated: \_\_\_\_\_





# Construction Procurement

A guide to immediate construction contractors in Minnesota

# A smart alternative for your construction project



Contract # 071415-GGI

You get quick access to competitively awarded local contractors. Our experts guide you through every step.

When you need repairs, renovations, upgrades, or even new construction started quickly, Sourcewell indefinite quantity construction contracts are the smart alternative. With access to local contractors, you can trade the time and expense of traditional procurement for speed, efficiency, and volume-discount pricing. Our construction vendor Gordian uses its exclusive eziQC process and field experts to guide you through every step. You can get started on your project immediately and issue purchase orders within days—all while satisfying your local procurement requirements. Visit [www.sourcewell-mn.gov/eziqc](http://www.sourcewell-mn.gov/eziqc) for more information.

## Features

- Simple project initiation
- Readily available, competitively awarded contractors
- Preset construction pricing
- Immediate access to local, competitively awarded construction contracts
  - Indefinite delivery indefinite quantity (IDIQ) construction contracts
- Expert review of price proposal
- Assistance with scope of work development
- Streamlined change-order process



**Benefits**

- Time savings
- Reduced procurement and administrative cost
- Increased cost control
- Price proposal accuracy
- Higher quality of work

\*See data on back page.

## eziQC construction process



Construction can start within 10-15 days on some smaller projects.

Actual time through this process depends on the amount of construction/planning needed and availability of chosen contractors.



Widening your  
construction  
window

## Repairs, renovations, or new construction. We can help you get started today.

Minnesota winters and school calendars shorten construction schedules, but we can help you maximize building time with Sourcewell construction contractors. By using our awarded construction vendor Gordian and its proven eziQC system, now is the perfect time to take care of those new or backlogged projects. eziQC is a fast and easy way to procure construction services. By establishing local, competitively awarded contracts through Sourcewell, eziQC provides immediate access to local contractors who already know area building codes, industry best practices, and the harsh realities of ever-changing Minnesota weather. Already have a project in mind? Our team will be happy to guide you through each step of the process or answer any questions you have.

For questions about eziQC, contact:

**Kellie Erickson**

Business Development Representative

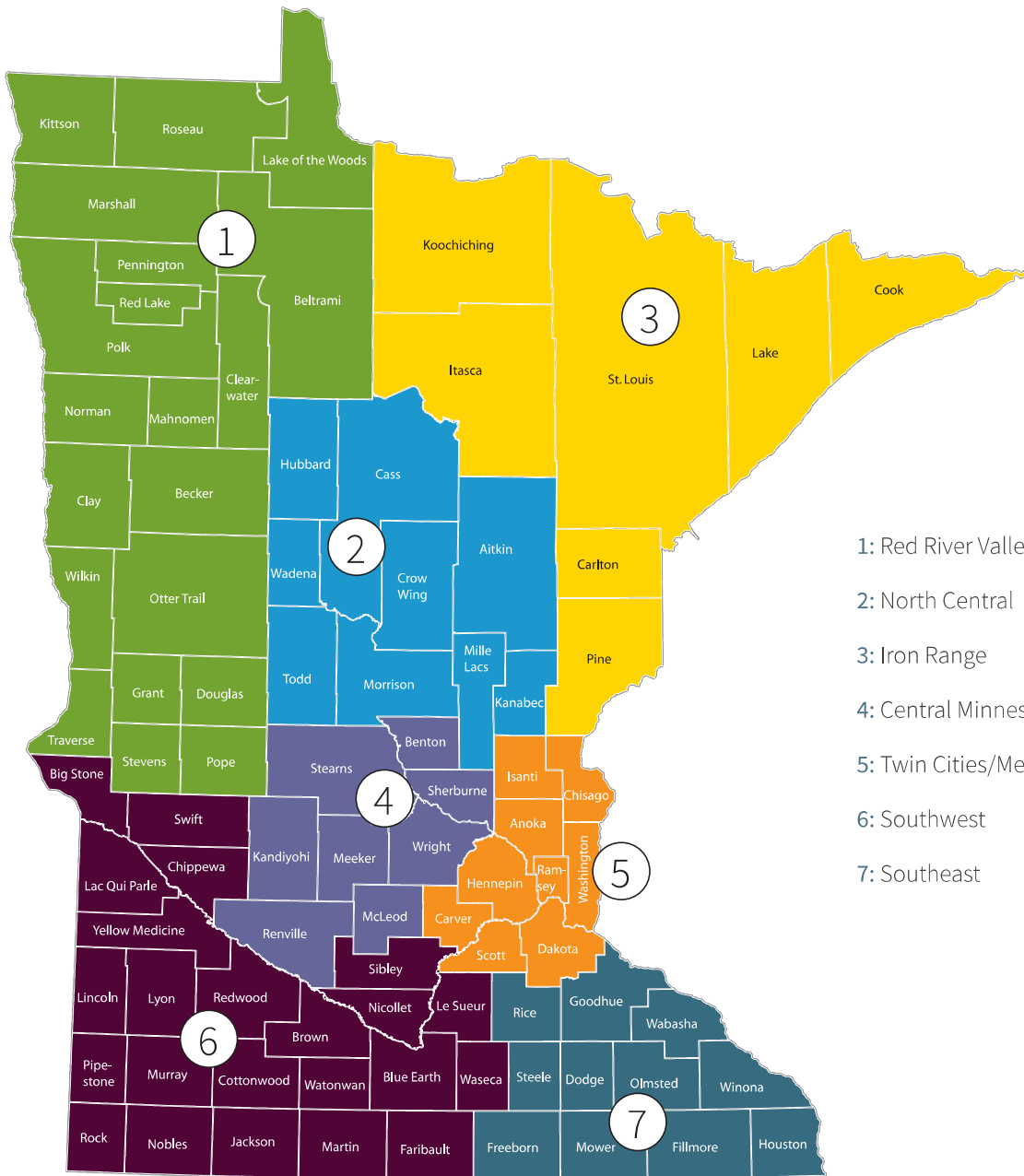
218-296-1722

[k.erickson@gordian.com](mailto:k.erickson@gordian.com)



Contract # 071415-GGI

# Contract service areas

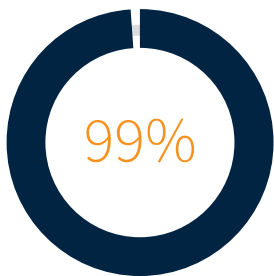


- 1: Red River Valley
- 2: North Central
- 3: Iron Range
- 4: Central Minnesota
- 5: Twin Cities/Metro
- 6: Southwest
- 7: Southeast

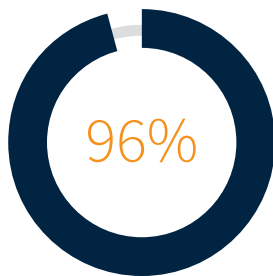
# Let's look at the latest numbers

According to the latest construction industry research\*, people are 60% more satisfied with the indefinite delivery indefinite quantity (IDIQ) construction projects compared to traditional design-bid-build construction.

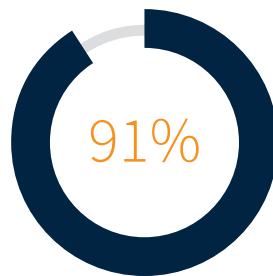
## Other benefits of previously procured construction projects:



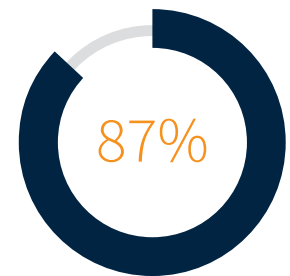
Recommended



Satisfactory Results

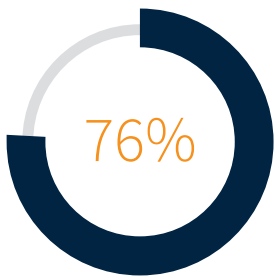


On Budget



On Time

## Increased efficiency — procurement, design, construction, post construction:



Administrative costs

24% reduction compared to other construction methods

\*From a 2016 study from Arizona State University about indefinite delivery indefinite quantity construction contracting.

For information about Sourcewell, contact:

Zach Heidmann

Contract Administrator

218-895-4195

[zach.heidmann@sourcewell-mn.gov](mailto:zach.heidmann@sourcewell-mn.gov)



[www.sourcewell-mn.gov](http://www.sourcewell-mn.gov)



To: Sourcewell ezIQC Contract Administration  
From: Marcus Miller, Sourcewell General Counsel and Dir. of Government Relations  
Date: January 2021  
RE: Legal Authority for Indefinite Quantity Construction Contracts Using Best Value

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#### Formation and Purpose:

Sourcewell is a local unit of government and public agency created by the Minnesota legislature as a service cooperative. Minn. Stat. § 123A.21 (2020). As such, Sourcewell is a local unit of government pursuant to the Minnesota Constitution. Minn. Const. art. XII, sec. 3. Sourcewell was established with the statutory purpose to assist members in meeting specific needs which are more efficiently delivered cooperatively than by an entity individually. § 123A.21, Subd. 2. These programs included joint and cooperative purchasing services. Id. at Subd. 7(23).

All Sourcewell employees are government employees. Minn. Stat. § 353.01 Subd. 6(b) (2020). Sourcewell is governed by an eight-member board made up of local elected officials including county commissioners, city council members, mayors, and school board members. § 123A.21 Subd. 4. Member agencies include eligible government, education, and non-profit entities. Id. at Subd. 3.

#### Joint Powers Authority:

Sourcewell's indefinite quantity and delivery construction contracts (IQCC) are made available to Minnesota members through the joint exercise of powers law Minn. Stat. § 471.59 (2020). Sourcewell, on behalf of itself and participating members, has conducted a joint competitive solicitation process resulting in the award of IQCC construction contracts for use in Minnesota. Members may access contracts upon the execution of the Sourcewell membership agreement by a participating member's governing board.

#### Procurement Process: Best Value Alternative

Sourcewell follows the Minnesota Uniform Municipal Contract law when soliciting contracts. Minn. Stat. § 471.345 (2020). Under this law, Sourcewell has the option of awarding contracts for the construction, alteration, repair, or maintenance of property over \$175,000 by sealed bids or by using a best value method. Id. at Subd. 3a. Best value permits an awarding entity to utilize a request for proposals (RFP) method when awarding contracts. Minn. Stat. § 16C.28 Subd. 1(a)(2) (2020). Sourcewell has chosen to award its contracts using the best value procurement method since it allows consideration of evaluation criteria beyond simply price. Id. at Subd. 1b. Criteria used to determine which contracts represent the best value are defined in the Sourcewell RFP. Id. at Subd. 1(c).

Sourcewell specifically evaluates additional criteria including responsiveness, technical qualifications, past performance, and price when determining contract awards based on a best value method.

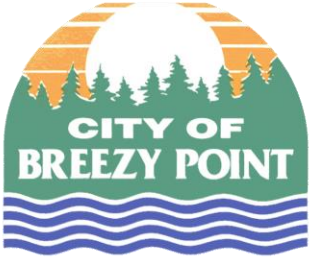
Use of the best value method allows Sourcewell to jointly procure construction contracts to meet the needs of its members in Minnesota. Because of the indefinite nature of the work at the time Sourcewell solicits and awards its construction contracts, an anticipated volume is used to inform potential contractors about the contract opportunity. This allows interested parties to prepare and respond with their most competitive price factors.

Additional best value factors are used to determine which responding contractors, considering both price and other criteria, are needed to fulfill the expected volume of work. This may result in multiple contract awards under a single solicitation.

Sourcewell has contracted with Gordian to provide third party administration and software support for its IQCC contracts. This system is known as “ezIQC.” Contractors awarded following the IQCC best value competitive process utilize the ezIQC system to process work orders from purchasing agencies.

TO: Mayor and City Council  
FROM: Daniel Eick, Assistant City Administrator  
RE: Discussion on Expansion and Empowerment of  
The Parks and Recreation Committee  
DATE: October 30, 2023

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**Summary**

On Monday, October 2, 2023, the City Council discussed the organization of the Parks & Recreation Committee and considered a resolution to expand the Committee from 7 to 9 members. Part of this discussion involved transitioning the Committee from an advisory committee to an authoritative committee. Ultimately, the City Council directed the Parks & Recreation Committee to discuss both topics prior to formal action.

On Thursday, October 12, 2023, the Parks and Recreation Committee discussed both items as outlined below in the memo from City Administrator David Chanski. Pursuant to that conversation, the Committee motioned to remain at 7 members and to remain a recommending committee as outlined in current City Ordinance.

A recording of that meeting can be found online on the City’s YouTube channel at the link below. Discussion of the item begins at 00:37:42 and ends at 01:10:45.

- [https://www.youtube.com/watch?v=T3\\_xVta5dBw](https://www.youtube.com/watch?v=T3_xVta5dBw)

**Council Action**

No action from Council is requested at this time.



TO: Parks & Recreation Committee  
FROM: David Chanski, City Administrator/Clerk  
RE: Discussion on Transition from Advisory Committee to Authoritative Committee  
DATE: October 12, 2023

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**Background**

During the City Council meeting on October 2<sup>nd</sup>, the City Council discussed the organization of the Parks & Recreation Committee and considered a resolution from Mayor Zierden to expand the Committee from 7 members to 9 members. Part of this discuss involved transitioning the Committee from an advisory committee to an authoritative committee. Ultimately, the City Council directed to have the Parks & Recreation Committee discuss the topic prior to taking any formal action.

**Committee Organization**

As was shared during the April 13 committee meeting, [Section 33.35](#) of the City Code establishes the Parks & Recreation Committee and its operations. Subpart E of Section 33.35 outlines the purpose and duties of the Committee. The *purpose* of the Committee is to “review and to make recommendations to the City Council on the development and organization of the City parks, trails and recreation programs.” The general *duty* of the Committee is to “prepare, hold hearings on and recommend to the City Council the plans, programs and policies as it deems necessary to carry out the purposes of this section.”

Section 33.35 also states that the committee membership shall be no less than 5 and no more than 7. Members are nominated by the Mayor and approved by the full City Council.

**Park Board Per Statute**

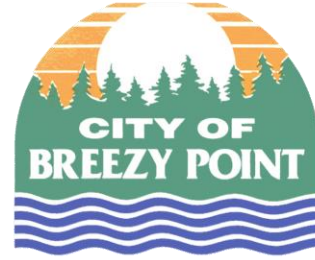
[MN Statute 412.501](#) authorizes cities with a population over 1,000 to establish a park board, which may consist of 3, 5, 7, or 9 members, and sections [412.511](#) and [412.521](#) establish the powers a park board may have. In short, statute permits park boards to be an authoritative subdivision of the city council that established them.

While statute does provide park boards with certain powers, City Code Section 33.35 specifically states, “The Committee shall not be considered a Park Committee under state law and shall have no powers to acquire or lease land, employ personnel or enter into contract or leases, or any similar powers authorized for a Park Committee by state law.” As such, the Breezy Point Parks & Recreation Committee is exclusively an advisory body to the City Council.

**Committee Action**

The City Council has requested that the Parks & Recreation Committee consider whether the City Council should move forward with the process of transitioning the Committee from an advisory committee to an authoritative committee and if the size of the committee should be altered.

TO: Mayor and City Council  
FROM: Daniel Eick, Assistant City Administrator  
RE: P&R Request - Disc Golf Course Event Permit  
DATE: October 30, 2023



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### **Summary**

On Thursday, October 12, 2023, the City of Breezy Point Parks and Recreation Committee heard a presentation from Mr. Travis Moser regarding Disc Golf Tournaments and course use within the City of Breezy Point.

As a result of that discussion, the Parks and Recreation Committee motioned to request Councilman Moroni to speak with his fellow Councilmembers and revive discussion on the tabled Disc Golf Course Event Permit. Furthermore, they requested the City Council consider returning the permit to the Committee for additional review and empower the committee to handle additional items related to the maintenance and regulation of the courses.

A recording of that meeting can be found online on the City's YouTube channel at the link below. Discussion of the item begins at 2:12:05 and ends at 2:19:25.

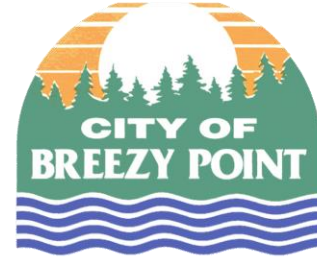
- [https://www.youtube.com/watch?v=T3\\_xVta5dBw](https://www.youtube.com/watch?v=T3_xVta5dBw)

The last memo regarding the Disc Golf Course Event Permit delivered to the City Council on Monday, October 2, 2023, is attached below.

### **Council Action**

The Parks and Recreation Committee requests the City Council revive discussion on the Disc Golf Course Event Permit, return the permit to the Committee for additional review, and authorize the Committee to work on additional items related to the maintenance and regulation of the City's Disc Golf Courses.

TO: David Chanski, City Administrator/Clerk  
 FROM: Daniel Eick, Assistant City Administrator  
 RE: Breezy Point Disc Golf Course Event Permit  
 DATE: September 19, 2023



### **Summary**

On Thursday, September 14, 2023, the City of Breezy Point Parks and Recreation Committee reviewed the Breezy Point Disc Golf Course Event Permit as directed by the City Council. A copy of the revised Event Permit is included below for review with the Committee's additions highlighted.

A recording of that meeting can be found online on the City's YouTube channel at the link below. Discussion of the item begins at 17:35 and ends at 1:46:00.

- <https://www.youtube.com/watch?v=OliPFyKTHyA>

### **Topics of Consideration**

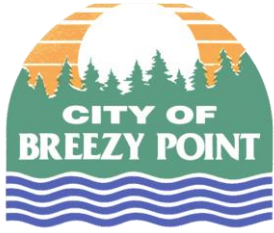
The Parks and Recreation Committee considered the following topics regarding the Disc Golf Course Event Permit:

- Enforcement Requirements.
- Public use permissibility during events.
- Costs associated with reservations and charges.
- Possible equipment expansions or course coverage.
- Tournaments, associated rules, and participation limits.

Additionally, the Parks and Recreation Committee elected to present their recommendation directly to the City Council on Monday, October 2, 2023. They also agreed to make such presentations a staple of Committee duties into the future. Should the City Council approve this change the Committee requested their presentation be made a standing item at the beginning of the City Council agenda.

### **Council Action**

Staff is seeking Council approval on the Parks and Recreation Committee's changes to the attached Breezy Point Disc Golf Course Event Permit.



Permit number: \_\_\_\_\_

Issued Date: \_\_\_\_\_

Receipt number: \_\_\_\_\_

## DISC GOLF COURSE EVENT PERMIT

Please attach a detailed site plan that shows the location of the event and any additional information as requested in this application.

Payment of associated permitting fees in the amount of \$100 per course per day are due upon submission of this application alongside a \$300 refundable damage deposit pending site inspection. Use requested via this application is limited to two consecutive days and reserves the park area for sole use by the applying organization or individual. Events must be held between the hours of 8:00 AM and 8:00 PM CST.

Course events are limited to one per month on any days between May 15<sup>th</sup> and September 30<sup>th</sup> of the calendar year. Events are required to obtain a permit if the number of participants exceeds 40 persons. The maximum allowable number of participants for any individual event is 180 persons.

The City of Breezy Point reserves the right to deny or approve any and all applications based solely upon the discretion of the City Council. The City Council is the final approval entity within the City and all permits must be submitted no less than 2 weeks in advance of the Regular Council Meeting at which it will be considered.

<b>A.</b>	Name of Business/Organization				
	Name of Event				
	Set up for the Event will Begin on	Date		Time	
	Event Date and Time	Date		Time	
	Break-Down will be Complete	Date		Time	
	Location for the Event				
	Estimated Number of Attendees				
	Estimated Number of Vendors				
	Organization Producing the Event				

<b>B.</b>	Name of Applicant				
	Business Address				
	City		State		Zip
	Phone		Fax		
	Email				

<b>C.</b>	EVENT INFORMATION	
	Purpose of Event	

	Description of Event	
	Admission Prices/Donations	

PARKING		
D.	Will off-site parking be provided?	
<i>If yes, please provide the location and show on the site plan.</i>		

FOOD & BEVERAGES				
E.	Will food be served at the event?			
	Will food be sold or given away?			
	Will there be food vendors?		If yes, how many?	
	Please show vendor location on the site plan.			
	<b><i>Applicants are responsible for obtaining necessary permits, temporary or otherwise, from associated state, county, or city authorizing entity when serving food and/or non-alcoholic beverages.</i></b>			
<b><i>Event organizer must certify that each vendor has the necessary approvals mentioned above.</i></b>				

EVENT CLEANUP, SANITATION, & RECYCLING		
F.	The Applicant acknowledges all trash or waste generated during the event must be properly stored and/or disposed of by the applying organization. On site disposal of certain waste is available through the appropriate City owned and operated trash receptacles.	
	<b><i>The City of Breezy Point and City Council reserve the right to require an applicant provide additional waste disposal services at their expense should the need arise. If that need arises the applicant will be required to provide the location and details of additional services on the site plan.</i></b>	

SALE OF ITEMS & VENDORS		
G.	Will items be sold during this event?	
	If yes, please provide names and contact information for vendors:	
	<b><i>If yes, please provide the location of each vendor and show on the site plan.</i></b>	
	<b><i>Verification of Minnesota State Sales Tax Number must be provided with this application for each vendor.</i></b>	

LIABILITY INSURANCE		
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<b>H.</b>	Name of insurance company:			
	Contact Name:		Phone Number:	
	<b>Documentation certifying proof of insurance must be provided with this application.</b>			

Please contact the City of Breezy Point at 218-562-4441 or email [deputyclerk@cityofbreezypointmn.us](mailto:deputyclerk@cityofbreezypointmn.us) if you have any questions or need assistance in completing this Application.

**APPLICATION CERTIFICATIONS & WAIVER**

The City of Breezy Point does not permit the use of alcohol, tobacco, or cannabis products on public property.

I hereby certify no Alcohol will be permitted at this event.	Initial Here:
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I hereby certify no use of Cannabis will be permitted at this event.	Initial Here:
--	---------------

I hereby certify no smoking of tobacco will be permitted at this event.	Initial Here:
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I hereby certify and acknowledge violation of this permits conditions will result in the forfeiture of my damage deposit to the City of Breezy Point and a ban from use of both City owned Disc Golf Courses for a period no less than one calendar year.	Initial Here:
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I hereby certify that I have read this application and that all information contained herein is true and correct to the best of my knowledge, information, and belief. I agree to comply with all state, Crow Wing County and City of Breezy Point Ordinances and statutes and will abide by the general instructions stated in this application, along with the special conditions issued by the City of Breezy Point, in connection with the approval of the Permit contemplated herein. That I, and the organization on whose behalf I make this application if any, represent, stipulate, contract and agree that we will jointly, and severally defend, indemnify, save and hold the City of Breezy Point harmless from any and all claims, lawsuits, judgments, and liability of death, personal injury, bodily injury, or property damage arising directly or indirectly from the exercise of this Special Permit and performance of the Special Permit by Applicant, the organization represented by Applicant, its employees, subcontractors, or assigns, including acknowledges that he/she, together with any organization represented by Applicant, shall be solely responsible by complying with the terms of the Permit. I further understand that failure to comply with any of the provisions specified herein may result in immediate cancellation of this event by State, Crow Wing County or City of Breezy Point officials.

<p>_____ Signature of Applicant or Authorized Officer/Agent of Applicant</p>	<p>_____ Date</p>
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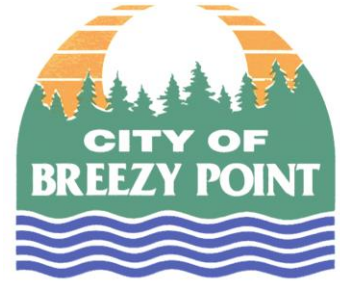
TO: Mayor and City Council

FROM: David Chanski, City Administrator

RE: FNC Corporate Resolution Certification

DATE: November 6, 2023

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FNC is one of the companies that holds the City's various investments. Periodically, these investment companies require the City to update the Corporate Resolution Certification with them. This is a routine procedure.

[Per MN Statute 188A.04](#), municipalities are restricted in how public funds are invested. Such investments include federal, state, and local municipal securities (such as general obligation bonds and revenue bonds), commercial paper (must have the highest quality category rating by at least two nationally recognized rating agencies and must mature in 270 days or less), time deposits (such as CDs that are FDIC insured), and temporary general obligations bonds guaranteed by the full faith and credit of a public entity.

The City is currently strictly invested in CDs, and the City's Investment Policy states that the City will not invest in securities that mature more than 5 years from the date of purchase. Additionally, as the most the FDIC will insure a single investment for is \$250,000, no single investment the City makes is for more than \$250,000.

Per the City's Investment Policy, the City Administrator/Clerk/Treasurer is the City's investment officer as is responsible for investment management decision and activities. All the City's investments are audited annually.

No new investments have been made in the last 12 months while the City has been working through the Buschman Road and City Hall projects and the Council may choose to use matured investment funds to help fund these or future projects.

**Council Action**

Staff recommends that the City Council approve the attached Corporate Resolution Certification with FNC.

# Corporate Resolution Certification

Section 10, Item D.

## STEP 1. ACCOUNT INFORMATION

Account Title CITY OF BREEZY POINT
Account Number QRT137200

## STEP 2. CERTIFICATION

I HEREBY CERTIFY that at a meeting, duly called, of the Board of Directors of CITY OF BREEZY POINT, a Corporation, at which said meeting a quorum was present and acting throughout, the following preamble and resolution was adopted and ever since has been and now is in full force and effect.

WHEREAS this Corporation is duly authorized and permitted by its Charter and Bylaws to:

- Engage in cash and/or margin transactions in any and all forms of securities including, but not limited to, stocks, options, mutual funds, stock options, stock index options, short sales, foreign currency options and debt instrument options, bonds, bond debentures, annuities, notes, scrips, participation certificates, rights to subscribe, warrants, certificates of deposit, mortgages, choses in action, evidences of indebtedness, commercial paper certificates or indebtedness, and certificates of interest of any and every kind and nature whatsoever, secured or unsecured, whether represented by trust, participating and/or other certificates or otherwise.
- Receive on behalf of the Corporation or deliver to the Corporation or third parties, including but not limited to the President, Vice President, Treasurer or any other authorized officer or person listed in Certification and Signatures below giving such instruction, monies, stocks, bonds, and other securities. To sell, assign, and endorse for transfer, certificates representing stocks, bonds, or other securities now registered or hereafter registered in the name of the Corporation.
- Establish and maintain an asset management account with debit card, check writing and margin privileges, from which account funds are directly spent, in the names of each authorized person and/or any additional signatories (as indicated in the separate Asset Management Account Agreement), the responsibility for which is entirely that of the Corporation.
- Borrow money or make any contract the effect of which is to borrow money, and secure such obligations by mortgages or other liens upon Corporate property; borrow, guarantee and/or pledge any Corporate assets as collateral, as the case may be, with respect to a loan; guarantee a borrowing of money or to make any contract the effect of which is to guarantee a borrowing, and secure such obligations by mortgages or other liens upon any Corporate property.

NOW THEREFORE BE IT RESOLVED that this Corporation opened an account or accounts in its name with

Financial Northeastern

Name of Introducing Firm

- and that the individuals named in Certification and Signatures below ("Authorized Person") or any one of them acting individually, may, on behalf of this Corporation, be and they hereby are and each of them hereby is authorized and empowered to (1) give written or oral orders in the said account or accounts for the purchase, sale, or other disposition of stocks, bonds, and other securities, (2) deliver to and receive from Pershing LLC (Pershing), on behalf of this Corporation monies, stocks, bonds, and other securities, (3) establish and maintain an asset management account with debit card, check writing and margin privileges from which account funds are directly spent with each authorized person as indicated in the separate asset management account agreement having check writing and debit card privileges, (4) order the transfer or delivery of funds, monies or securities to any other person whatsoever, including the President, Vice President, Treasurer or any other authorized officers or persons indicated below giving such instructions, (5) sign acknowledgements of the correctness of all statements of accounts, (6) borrow, pledge, guarantee or otherwise encumber Corporate assets, and (7) make, execute, and deliver under the corporate seal any and all written endorsements, releases and documents necessary or proper to effectuate the authority hereby conferred; the within authorization to each of said officers to remain in full force and effect until written notice of the revocation thereof shall have been received by

Financial Northeastern

Name of Introducing Firm

and Pershing.



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**STEP 3. CERTIFICATION AND SIGNATURES**

I FURTHER CERTIFY that the following are the names, titles and signatures of the officers (or others) authorized by the foregoing resolution to act for this Corporation:

Printed Name <b>David C. Chanski</b>	Date
Title <b>City Administrator/Clerk/Treasurer</b>	
Signature <b>X</b>	

Printed Name	Date
Title	
Signature <b>X</b>	

Printed Name	Date
Title	
Signature <b>X</b>	

Printed Name	Date
Title	
Signature <b>X</b>	

Printed Name	Date
Title	
Signature <b>X</b>	

Printed Name	Date
Title	
Signature <b>X</b>	

**Certification**

This individual may or may not be listed in the authorized persons box above and may also be an Officer, Director, Secretary or Sole Officer/Secretary of the corporation.

Printed Name	Date
Title	
Signature	
X	

**If the Certification is executed by a Signer who is empowered to act for the Corporation pursuant to these resolutions and certifications, but is not an Officer of the Corporation, an Officer must complete and execute the Additional Certification in Additional Certification below.**

**If the Corporation has only one Sole Officer, that Sole Officer must make the certification immediately above indicating his or her company title in addition to filling in and executing the Additional Certification in Additional Certification below.**

**STEP 4. ADDITIONAL CERTIFICATION**

This section to be completed only if the Signer in Certification and Signatures above is authorized to act pursuant to the foregoing Resolutions, but is not an Officer of the Corporation, OR if the Corporation has only one Officer.

**Check one:**

- I FURTHER CERTIFY that the Signer in Certification and Signatures above is authorized by the foregoing resolutions and its operating documents to act hereunder if listed as an authorized person.
  
- I FURTHER CERTIFY that the Corporation has only one Sole Officer/Secretary and that I am that Sole Officer/ Secretary and am authorized to execute legal and binding documents in the name of and on behalf of the Corporation pursuant to its governing documents.

Printed Name	Date
Title	
Signature	
X	

**INVESTMENT POLICY**

**FOR**

**CITY OF BREEZY POINT**

**(8319 County Road 11, Breezy Point MN 56472 )**

**INTRODUCTION**

The purpose of this policy is to establish the specific guidelines for the investment of all public funds of City of Breezy Point. This policy is designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return commensurate with the City's investment risk constraints and cash flow characteristics of the portfolio. The guidelines are intended to be broad enough to allow the investment officer to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

**OBJECTIVES:**

The objective of this policy is to establish standards for governing the investment of the funds of the City. These funds will be invested in accordance with this policy and Minnesota Statute 118A. The City has determined that its funds shall be invested based on the following three objectives, listed in priority order:

- SAFETY - Safety of principal is the foremost objective of the City. Investments shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. Avoiding capital losses shall be the primary objective of each investment transaction.
- LIQUIDITY - The portfolio will remain sufficiently liquid to enable the City to meet all operating and capital requirements that might be reasonably anticipated. A portion of the portfolio may be placed in money market mutual funds or local government investment pools, which offer same-day liquidity.
- MAXIMIZATION OF RETURN ON INVESTMENT -Following the satisfaction of liquidity and maturity needs, the balance of the funds available for investment will be placed with institutions that offer the highest rate of return consistent with preservation of principal.

**SCOPE**

This policy applies to all financial assets of City of Breezy Point While separate investment funds are created to accommodate reporting on certain bonded indebtedness, individual investments are purchased using a pooled approach for efficiency and maximum investment opportunity. The City's funds are defined in the City's Comprehensive Annual Financial Report *and include: General Fund; Special Revenue Funds; Capital Projects Fund; Enterprise Funds; Trust and Agency Funds; Debt Service Funds* and all new funds created by the City, unless specifically exempted by the City Council through resolution.

**POOLING OF FUNDS:** Except for cash in certain restricted and special funds, the City will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

**STANDARDS OF CARE**

**1. PRUDENCE**

The prudent person standard shall be applied to the management of the portfolio. This standard states: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived."  
2

Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

## 2. ETHICS AND CONFLICTS OF INTEREST

Any city official involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or that could impair their ability to make impartial decisions. Investment officials shall disclose any material interests in financial institutions with which they conduct business. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of the City.

## 3. DELEGATION OF AUTHORITY

The City Administrator/Clerk is designated as the investment officer of the City and is responsible for investment management decisions and activities. The City Administrator/Clerk through assistance of staff and consultants shall develop and maintain written administrative procedures for the operation of the investment program, monitoring diversification and risk as well as a system of controls to regulate the activities of subordinate officials. No person may engage in an investment transaction except as provided under the terms of this policy and procedures established by the investment officer.

## 4. INTERNAL CONTROLS

The investment officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the investment officer shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record-keeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian



## 5. PROHIBITED INVESTMENTS

In addition to any limitations on investment types according to Minnesota statutes, City funds will not be invested in derivative type investments such as collateralized mortgage obligations, strips, floaters, etc. Certain types of such investments may qualify under state statute but are not deemed appropriate for use by the City of Breezy Point.

## **FINANCIAL INSTITUTIONS AND SAFEKEEPING**

### 1. AUTHORIZED BROKER/DEALERS AND FINANCIAL INSTITUTIONS

The City Administrator/Clerk is authorized, as allowed under State Statute, to designate depositories and broker-dealers for City Funds. The City Administrator/Clerk will maintain a list of financial institutions authorized to provide investment services to the City. All broker/dealers who desire to become qualified bidders for investment transactions must supply the City Administrator/Clerk with:

- audited financial statements (a current audited financial statement is required to be on file for each financial institution)
- proof of National Association of Security Dealers (NASD) certification,
- proof of Minnesota registration
- Broker Notification and Certification form required by Minnesota Statutes 118A prior to any investment transactions with the City. The Broker Notification must be updated annually.
- The Official Broker/Dealer Questionnaire must be on file for each broker the City is currently doing business with.
- Authorized institutions must be registered and approved to operate in the State of Minnesota and have other Minnesota local government clients.

The purchase of all investments must be from institutional brokers. An annual review of the financial condition and registration of qualified financial institutions and brokers/dealers will be conducted by the investment officer.

### 2. SAFEKEEPING

- (1) All trades where applicable will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts. Investments shall be in safekeeping in the City's name. Certificates will be held at the financial institution in the City's name. All securities should be a risk category one according to the Governmental Accounting Standard No. 3.

## **SUITABLE AND AUTHORIZED INVESTMENTS**

Consistent with Minnesota Statute 118A, the following investments will be permitted by this policy:

- U.S. Treasury Obligations (bills, notes, bonds)
- U.S. Government Agency and Federally Sponsored Agency Securities, excluding mortgage backed securities that fail the FFEIC test.

- General obligations of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- Certificates of deposit with federally insured institutions which are collateralized or insured in excess of the amount provided by the Federal Deposit Insurance Corporation coverage limit. The City will seek to collateralize certificates of deposit or any other time deposit in an amount equal to 110%. Where this is not practicable, verifiable evidence of specific pledged securities must be supplied to the City.
- Commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest tier (e.g. A-1, P-1, F-1 or D-1 or higher) by at least two nationally recognized rating agencies and matures in 270 days or less.
- Bankers Acceptances that are eligible for purchase by the Federal Reserve.
- Repurchase Agreements which conform to the requirements stated in 118A.05, sub. 2 of the statutes;
- Guaranteed Investment Contracts that meet the requirements of M. S. 118 A.
- Local government investment pools, either state-administered or through joint powers statutes and other intergovernmental agreement legislation.

## **INVESTMENT PARAMETERS**

### **1. DIVERSIFICATION**

The investments shall be diversified by:

- Limiting investments to avoid overconcentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
- Limiting investment in securities that have higher credit risks,
- Investing in securities with varying maturities, and
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

### **2. MAXIMUM MATURITIES**

To the extent possible, the City should attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five years from the date of purchase. The City shall adopt weighted average maturity limitations (which often range from 90 days to 3 years), consistent with the investment objectives.

Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding five years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of funds. The intent to invest in securities with longer maturities shall be disclosed in writing and approved by the Breezy Point City Council.

**REPORTING**

**1. METHODS**

The Investment Officer shall prepare an investment report at least quarterly, or as new investments occur, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner which will allow the City Council to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will include the following:

- a. Listing of individual securities held at the end of the reporting period,
- b. Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration that are not intended to be held until maturity.
- c. Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks.
- d. Listing of investment by maturity date
- e. Percentage of the total portfolio which each type of investment represents.

**2. PERFORMANCE STANDARDS**

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during an economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis. The basis used to determine whether market yields are achieved shall be the average Federal Funds rate.

**3. MARKING TO MARKET**

The market value of this portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the recommended practice.

**POLICY CONSIDERATIONS**

The City's investment policy shall be adopted by resolution by the City Council and will be reviewed on an annual basis. The investment officer shall be in charge of implementation of the Investment Policy.

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

**STATUTORY AUTHORITY**

Specific investment parameters for the investment of public funds by the City are found in Minnesota Statutes Chapters 118A. Copy attached to this policy.

**LIST OF ATTACHMENTS**

The following documents, as applicable, are attached to this policy:

- Listing of authorized personnel and listing of authorized broker/dealers and financial institutions,
- Relevant investment statutes and ordinances



## INFORMATION MEMO

# City Deposits and Investments

*Learn which depositories a city may use and how to choose one. Understand FDIC insurance and other collateral considerations. Lists permitted types of investments and their safekeeping requirements excluding retirement plans and relief association pensions. Contains elements of an investment policy with a sample policy outline.*

### RELEVANT LINKS:

[Minn. Stat. Ch. 118A.](#)

[Minn. Stat. § 118A.02, subd. 1.](#)

[Minn. Stat. § 118A.01, subd. 3.](#)

## I. History

The deposit and investment laws were recodified in 1996 and became effective Jan. 1, 1997. While the 1996 law was designed to apply to all cities, there are also some older laws with requirements that may need to be considered. Where the 1996 law is mentioned, it refers to the statutes that were codified in Minn. Stat. Ch. 118A.

Home rule charter cities may also need to consider the individual requirements of their charter provisions.

## II. Deposits

### A. General authority for deposits

Virtually all government entities, including cities, have authority to safely deposit funds in a variety of financial institutions.

#### 1. Designating a depository

All city councils must designate one or more financial institutions as a depository of city funds. Typically, this is done on an annual basis, though, there is no general requirement for annual designation. A city may also change its depository at any time during the year.

##### a. Types of depositories

Cities may designate one or more of the following types of financial institutions as a depository of public funds:

- Savings associations.
- Commercial banks.
- Trust companies.
- Credit unions.
- Industrial loan and thrift companies.

This material is provided as general information and is not a substitute for legal advice. Consult your attorney for advice concerning specific situations.

**RELEVANT LINKS:**[Minn. Stat. § 427.01.](#)[Minn. Stat. § 118A.08.](#)[Minn. Stat. § 469.052.](#)  
[Minn. Stat. § 469.099.](#)[Minn. Stat. § 118A.01, subd. 3.](#)[Minn. Stat. § 427.01.](#)  
*Designating a City Depository*, LMC Model Resolution.[Minn. Stat. § 427.01.](#)  
[Minn. Stat. § 427.02.](#)

NOTE: Cities that have checking accounts through the 4M Fund will need to designate the bank where the checking account is located as a depository.

The above general requirements apply to all cities. But home rule charter cities with populations below 10,000 and all statutory cities may be more limited in their choices of a depository. An older statute states these cities must choose “national, state, or private banks” as depositories.

The requirements of the older statute may need to be considered because the 1996 law contains language that says it will not supersede any already existing laws. However, a more liberal interpretation can also be given, namely that the 1996 law offers supplemental authority for additional depository selections.

A similar concern exists for the biannual depository designation of a port authority or economic development authority (EDA). A narrow interpretation suggests that these entities would be limited to designating a national or state bank within Minnesota as a depository.

Again, the 1996 law might be given a more liberal interpretation. It is at least arguable that the 1996 law gives a port authority and EDA supplemental authority to select from the other types of financial institutions listed under the more general rule.

## **b. How designated**

Although not explicitly required for most cities, depositories are usually designated by council resolution. And the designations must be made by a council resolution if it is a statutory city or fourth-class home rule charter city. The resolution must state the terms and conditions of deposit and be filed with the city clerk.

In situations where the treasurer has been delegated the responsibility for designating the depository, it may not be possible to designate the depository by council resolution.

## **c. When designated**

Many cities annually redesignate their depositories at the first council meeting of the new year. There is no specific requirement that a city designate its depositories on an annual basis. Although an argument can be made that an annual designation is required for statutory cities and some home rule charter cities, it is not specifically required.

**RELEVANT LINKS:**

[Minn. Stat. § 469.052, subd. 1.](#)  
[Minn. Stat. § 469.099, subd. 1.](#)

[Minn. Stat. § 118A.02, subd. 1.](#)

[Minn. Stat. § 427.06.](#)

See Part II-B. *FDIC insured deposits.*

[Minn. Stat. § 471.88, subd. 2.](#)  
See LMC information memo *Official Conflict of Interest.*

A.G. Op. 140-c-7 (November 7, 1951).

A.G. Op. 140-b-6 (January 22, 1963). A.G. Op. 140-b-6 (March 8, 1965).

Every two years, port authorities and EDAs must name depositories. There does not appear to be anything that prohibits these entities from designating new depositories or changing to different depositories at other times.

Home rule charter cities may have additional requirements in their charters.

**d. Delegation**

The governing body may authorize the treasurer or chief financial officer to designate the depositories of the funds, make investments of funds authorized by law such as sections 118A.01-.06, or both. Although not specifically required by statute, such authorization is usually done by resolution.

**e. Other considerations in choice of depository**

Traditionally, money kept in the city’s designated depository could not be moved from the account by the depository alone except for payment of checks drawn by the city treasurer. More recently however, authority has been created for cities to allow a designated depository to redeposit city funds in other deposit accounts in other banks, savings and loans or credit unions. This is possible if the city treasurer serves as custodian for the city with respect to the money redeposited, and the full amount redeposited and any accrued interest is covered by FDIC insurance. While there is no direct benefit to the city that authorizes the designated depository to do this, depositories might offer incentives such as a better interest rate if the city allows for redepositing.

A bank or savings association may be designated as a depository even if one of the councilmembers has a financial interest in it. However, the designation must be by unanimous vote of the council, and the councilmember must disclose his or her interest in the official city council minutes before the depository is designated. The interested member should also abstain from discussing and voting on the matter.

Interest rates are an important consideration. An older attorney general opinion states that “good business judgment” dictates a city should secure the highest rate of interest offered. And while competitive bidding is not required to choose a depository, the attorney general has opined that if competitive bidding is used, the city is obligated to accept the bid offering the highest interest rate for the deposit.



**RELEVANT LINKS:**

[Minn. Stat. § 427.09.](#)

[Minn. Stat. § 118A.02, subd. 2.](#)

[Minn. Stat. § 427.03.](#)  
[Minn. Stat. § 427.10.](#)

[Minn. Stat. § 427.04.](#)

[Minn. Stat. § 469.052, subd. 2.](#)  
[Minn. Stat. § 469.099, subd. 3.](#)

[12 U.S.C. § 1821\(a\)\(1\).](#)  
[12 U.S.C. § 1813\(l\).](#)  
[12 C.F.R. Part 330.](#)  
[FDIC Deposit Insurance Coverage.](#)

See FDIC publication [Your Insured Deposits](#).  
Check banks for FDIC coverage at [\(Bank Find\)](#) or (877) 275-3342.

**f. Failure to designate**

If the council of a statutory city or a fourth-class home rule charter city fails to designate a depository within 30 days after the beginning of the fiscal year, the treasurer must select a depository. The treasurer may select up to four depositories. There is no general rule for other public entities concerning the failure to designate depositories.

**2. Liability for deposits**

Neither the city treasurer, chief financial officer, nor any other official responsible for the custody of funds will be personally liable for any loss sustained from deposits or investments that are made in accordance with applicable law.

An older statute states that city treasurers of statutory cities or fourth class home rule charter cities are exempt from all liability for the loss of any funds deposited in accordance with Minn. Stat. §§ 427.02-.07 if the loss is caused by the failure, bankruptcy, or any other act of default of the depository. Likewise, the treasurer is not liable for the loss of money while deposited within the specified limits occasioned by the closing or insolvency of a designated depository unless the treasurer is negligent.

However, if a statutory or fourth-class home rule charter city council fails to designate a depository, it does not relieve the treasurer or the sureties of the treasurer’s bond from liability for the deposit.

When a port authority or EDA treasurer deposits the authority’s funds in a bonded depository, the treasurer and the surety on the treasurer’s official bond are exempt from liability for the loss of deposits because of the failure, bankruptcy, or any other act or default of the depository.

**B. FDIC insured deposits**

**1. Generally**

Deposits received at a bank insured by the Federal Deposit Insurance Corporation (FDIC) are insured dollar-for-dollar for each depositor up to a coverage limit. The insurance covers principal and any accrued interest through the date of the insured bank’s closing.

FDIC insurance covers deposits in checking and savings accounts, money market deposit accounts, and time deposits such as certificates of deposit (CDs). However, some banks are not covered by FDIC insurance. Cities should be certain of whether or not a deposit will be FDIC-insured before making a deposit. Any amounts that are not covered by the FDIC must be protected by the financial institution posting a bond or collateral.

**RELEVANT LINKS:**

[12 C.F.R. § 330.15\(a\)\(2\).](#)

See FDIC factsheet “[Deposit Insurance for Accounts Held by Government Depositors.](#)”

[12 C.F.R. § 330.15\(a\)\(2\).](#)

[12 C.F.R. § 330.5\(b\).](#)  
See FDIC factsheet “[Deposit Insurance for Accounts Held by Government Depositors.](#)”

[12 U.S.C. § 1821\(a\)\(1\)\(B\) and \(C\).](#)

[Minn. Stat. § 118A.03.](#)  
[Minn. Stat. § 427.01.](#)  
See Part II-C. *Collateral.*

Accounts of a Minnesota city that are in a FDIC member bank within the state will be separately insured in the following amounts:

- Up to \$250,000 total for all time and savings deposits (including Negotiable Order of Withdrawal and money market deposit accounts).
- Up to \$250,000 total for all demand deposits (interest-bearing and non-interest bearing).

Deposits in an insured institution outside of the state in which the city is located are insured up to \$250,000. But this amount is the total for all out-of-state deposits that are kept at the same financial institution or a branch of the same institution, whether the deposits are time and savings deposits or demand deposits.

For example, a city could have a demand deposit checking account with \$250,000 in it and a time and savings deposit account with \$250,000 in it at the same bank. Both accounts would be insured by the FDIC for their respective amounts if the bank is located in Minnesota. In addition, the city could put another \$250,000 in a bank that is a branch of the same institution if it is outside of Minnesota, and this would also be covered by the FDIC. But if the city chose to reverse the situation and keep both the checking account and the time and savings account in a bank outside of Minnesota, the two accounts would not be separately guaranteed.

If a debt service fund is required by law or agreement, it’s possible with some particular disclosures to extend FDIC coverage on that account to \$250,000 per bondholder.

Generally, the maximum amount of FDIC coverage is \$250,000 per depositor, not per separate account. Cities should also be careful regarding the aggregate limits as they apply to banks that are part of the same financial institution. Simply putting money in accounts at separate banks will not give additional FDIC coverage if the banks are part of the same financial institution.

Amounts on deposit at the close of the financial institution’s banking day in excess of the \$250,000 insurance limit must be protected by collateral or a corporate surety bond for all cities. If the institution is a nonmember bank (not covered by FDIC insurance), a city must get collateral or a corporate surety bond even if the deposit is less than \$250,000.

## 2. Common questions

There are several questions that often arise when considering whether a deposit will be covered by FDIC insurance. Some of the more common ones are discussed below.

**RELEVANT LINKS:**

[12 U.S.C. § 1821\(a\)\(1\)\(B\), \(C\), and \(D\).](#)

[12 C.F.R. § 330.3\(i\).](#)  
[Minn. Stat. § 118A.03.](#)  
[Minn. Stat. § 427.01.](#)

See Part II-C. *Collateral.*

**a. Separate department funds**

Generally, all statutory city funds will be controlled by the city council. Different funds would not be eligible for separate FDIC insurance coverage simply because the funds are kept in separate accounts. Thus, if a city has a special account for its municipal liquor store, an account for the police department, and an account for the general fund, these accounts would be totaled together if kept at the same financial institution.

If the total amount exceeded \$250,000, this excess would not be covered by the FDIC. In short, putting money in separate accounts within the same bank is not a way to get around the aggregated limit.

Likewise, if separate accounts were kept in a different bank that is part of the same financial institution, these accounts would be combined into a total amount that would be covered by FDIC insurance only up to \$250,000. In short, the \$250,000 limit of FDIC coverage is calculated based on the amount per depositor at the same financial institution (or a branch that is owned by them).

Separate FDIC coverage may be available to a home rule charter city if it has a charter provision that gives the control of different funds to different individuals. However, cities in this type of situation should verify the amount of FDIC coverage on a deposit before making such a deposit. Incorrectly assuming a deposit will not be subject to the aggregate limits just because another city officer is in charge of the deposit could prove costly if a depository should fail and the FDIC denies the additional amount of insurance. The state auditor routinely checks to see that cities have the proper bond or collateral protection for their money.

**b. Insurance on interest amounts**

FDIC regulations state that, in general, a deposit includes the balance of the principal and interest credited to an account plus the amount of interest accrued to date. Therefore, the interest earned on a deposit until and through the day an insured bank defaults would be included as part of the FDIC insured amount. However, if the interest causes the total amount to exceed the \$250,000 total limit, any amounts above this would not be covered.

Amounts on deposit at the end of a banking day in excess of the \$250,000 insurance limit (where applicable) must be protected by collateral or a corporate surety bond. But unlike the FDIC insured amount, which includes both credited interest and interest accrued through the day of an insured bank’s default, the amount of collateral necessary to cover amounts over and above the insured deposit is calculated looking only at credited interest.

**RELEVANT LINKS:**

[12 C.F.R. § 330.3\(i\)\(2\).](#)

[12 U.S.C. § 1821\(a\)\(3\).](#)  
[12 C.F.R. § 330.14.](#)

[12 U.S.C. 5301, Sec. 335](#)  
(The "Dodd-Frank Act" of 2010).

[26 U.S.C. § 408\(a\).](#)

[26 U.S.C. § 457.](#)

[26 U.S.C. § 401\(d\).](#)

[29 U.S.C. § 1002\(34\).](#)

[Minn. Stat. § 118A.03, subd. 1.](#)

To ensure this protection is in place, many \$250,000 certificates of deposit (CDs) can be purchased at a discount so that the insured limit will not be exceeded. Note, however, the FDIC insures the original purchase price of the discounted CD plus the amount of accrued earnings.

**c. Pension plan funds**

Although pension plan deposits and investments are not within the scope of this memo, there are some exceptions to the FDIC coverage limits that should be mentioned.

Certain types of retirement funds have FDIC coverage up to \$250,000 for each trustee or beneficiary. (This coverage amount will not revert to \$100,000) This “pass-through” coverage means employers that offer certain types of retirement savings plans will be able to have FDIC coverage for up to \$250,000 for each beneficiary. The following types of retirement accounts are eligible for this type of FDIC coverage:

- Qualified individual retirement accounts (IRAs).
- Qualified 457-deferred compensation plans for state and local governments.
- Qualified trusts forming part of a pension or profit-sharing plan that benefits self-employed individuals (Keogh plans).
- Individual accounts or defined contribution pension plans that provide individual accounts for each participant and for benefits based solely upon the amounts contributed to the particular account, and any income, expenses, gains and losses, and any forfeitures of accounts of other participants which may be allocated to such participant’s account (including 401(k) plans).

Some of the above exceptions have limited application to Minnesota cities. And, although one might argue that some of these apply to a volunteer firefighters’ relief association, it is unclear whether or not a firefighters’ relief pension plan would be eligible for this type of “pass-through” coverage. Depositors of these funds should check carefully to ensure their plans will be eligible before depositing an amount in excess of \$250,000. At the same time, as a practical matter, most retirement funds are invested rather than deposited to ensure greater returns for the beneficiaries.

**C. Collateral**

If the funds on deposit at the close of a financial institution’s banking day exceed the FDIC coverage limit amount, a city must require the financial institution to furnish either a corporate surety bond executed by a company authorized to do business in the state or collateral security.

**RELEVANT LINKS:**

[Minn. Stat. § 118A.03, subd. 1.](#)  
[12 C.F.R. § 229.2\(f\).](#)  
[Minn. Stat. § 336.4-108.](#)

[Minn. Stat. § 118A.03, subd. 3.](#)

[Minn. Stat. § 427.01.](#)

[Minn. Stat. § 118A.03, subd. 1.](#)

[Minn. Stat. § 469.052, subd. 1.](#)  
[Minn. Stat. § 469.099, subd. 1.](#)

[12 U.S.C. § 1823\(e\)\(1\).](#)

“Banking day” is defined as that part of any business day in which an office of a bank is open to the public for carrying on substantially all of its banking functions. The banking day ends at “cutoff,” an hour of 2 p.m. or later set by the bank as a final hour for the handling of money and items and the making of entries in its books. Items or deposits received after the bank’s cutoff hour may be treated by the bank as being received at the opening of the next business day.

The total amount of the collateral computed at its market value must be at least 10 percent more than the amount on deposit at the close of the financial institution’s banking day, except when the collateral is irrevocable standby letters of credit issued by Federal Home Loan Banks.

In that case, the amount of collateral must at least equal the amount on deposit at the close of the financial institution’s banking day. The financial institution may furnish both a surety bond and collateral aggregating the required amount.

Under the older statute, statutory cities and fourth-class home rule charter cities have special collateral requirements. The financial institution must provide a bond to these cities in at least double the amount of the deposit if the deposit is neither FDIC insured, nor protected by collateral or corporate surety bond under Minn. Stat. § 118A.03.

While some banks are not FDIC insured, most are covered by FDIC insurance. But again, deposited amounts subject to and in excess of the \$250,000 insurance limit must be protected by collateral or a corporate surety bond.

Note that all funds belonging to a port authority or EDA must be bonded or collateralized, regardless of whether deposit insurance applies.

**1. Ensuring the city will receive the collateral**

If collateral is required from one depository, the collateral is held by a second unrelated depository. If the first depository fails, then the city doesn’t have a right to the collateral unless it has “perfected its interest in the pledge of collateral.”

Generally, the following steps must be taken to perfect a security interest in pledged collateral under federal law:

- The assignment must be in writing.
- The assignment must have been executed at the same time the deposit was received by the depository.
- The assignment must have been approved by the depository’s board of directors or loan committee, and the approval must be reflected in the minutes of the board or committee.

**RELEVANT LINKS:**

[North Ark. Med. Ctr. v. Barrett, 962 F.2d 780 \(8th Cir. 1992\).](#)

[12 U.S.C. § 1823\(e\)\(2\).](#)

See Part III for a detailed description of these instruments.

[Minn. Stat. § 118A.03, subd. 2\(1\).](#)

[Minn. Stat. § 118A.03, subd. 2\(2\).](#)

[Minn. Stat. § 118A.03, subd. 2\(3\).](#)

[Minn. Stat. § 118A.03, subd. 2\(4\).](#)

[Minn. Stat. § 118A.03, subd. 2\(5\).](#)

[Minn. Stat. § 118A.03, subd. 2\(6\).](#)

[Minn. Stat. § 118A.03, subd. 4.](#)

- The assignment must have been continuously, from the time of its execution, an official record of the depository.

In 1992, a federal court awarded a public depositor's collateral to the FDIC because the interest in the collateral was not perfected by following those steps. This prompted Congress to amend federal law to provide an exemption from some of these requirements for public deposits. The current law says an agreement to provide for collateralization of a city's deposit will not be deemed invalid solely because the agreement was not executed at the same time the collateral was acquired. Nor will the agreement be invalid because of pledges, delivery, or substitution of the collateral made in accordance with such agreement.

## 2. Securities that may be pledged as collateral

The following forms of securities collateral are allowed in lieu of a corporate surety bond:

- United States government treasury bills, treasury notes, and treasury bonds.
- Issues of U.S. government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity.
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue securities of any state or local government which is rated "AA" or better by a national bond rating service.
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity.
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investor's Service, Inc., or Standard & Poor's Corporation.
- Time deposits that are fully insured by any federal agency.

United States treasuries and government agencies are most common. These instruments are usually preferred because they are liquid, safe, and easily traded.

## 3. Assignment of collateral

Any collateral that is pledged must be accompanied by a written assignment to the city from the financial institution. The assignment must state that, upon default, the financial institution must release to the city on demand, free of exchange or any other charges, the pledged collateral.

**RELEVANT LINKS:**

[Minn. Stat. § 118A.03, subd. 4.](#)

[Minn. Stat. § 118A.03, subd. 5.](#)

[Minn. Stat. § 118A.03, subd. 6.](#)

See *North Ark. Med. Ctr. v. Barrett*, 962 F.2d 780 (8th Cir. 1992). mentioned above.

[Minn. Stat. § 118A.03, subd. 4.](#)

[Minn. Stat. § 118A.03, subd. 7.](#)

Interest earned on assigned collateral will be remitted to the financial institution as long as it is not in default. The city may sell the collateral to recover the amount due. Any surplus from the collateral must be paid to the financial institutions, its assigns, or both.

**4. Excess collateral**

A financial institution may withdraw excess collateral or substitute other collateral after giving written notice to the government entity and receiving confirmation. The authority to return any delivered and assigned collateral rests with the government entity.

**5. Default of financial institution**

Default of a financial institution includes, but is not limited to, any of the following:

- Failure to make interest payments when due.
- Failure to promptly deliver upon demand all money on deposit (less any early withdrawal penalty that may be required in connection with the withdrawal of a time deposit).
- Closure of a depository.

If a financial institution closes, all deposits are immediately due and payable. However, it is not a default to require prior notice of withdrawal if such notice is required as a condition of withdrawal by federal law or regulation.

Interest earned on assigned collateral will be remitted to the financial institution as long as it is not in default. The city may sell the collateral to recover the amount due. Any surplus from the collateral must be paid to the financial institutions, its assigns, or both.

**6. Safekeeping collateral**

All collateral must be placed in safekeeping. The city council must approve the selection. The council may select from among the following places to keep the collateral:

- A restricted account at a Federal Reserve Bank.
- An account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

Some representatives of financial institutions maintain they do not own or control other branches of the same institution. Cities should not assume that placing collateral in a different branch of the same bank would be appropriate.

**RELEVANT LINKS:**

See [GASB](#).

See the [State Auditor's factsheet on GASB Statement 34](#).

[Minn. Stat. § 6.47](#).

[GASB Statement No. 40](#).  
See [State Auditor's Statement of Position on Custodial Credit Risk](#).

See [Appendix A - Outline of an investment policy](#).

[Minn. Stat. § 118A.04, subd. 1](#).

[Minn. Stat. § 118A.04, subd. 9\(b\)](#).

[Minn. Stat. § 118A.04, subd. 9\(c\)](#).

[Minn. Stat. § 118A.04, subd. 9](#).

## 7. GASB considerations

The Government Accounting and Standards Board (GASB) is an independent organization that establishes standards of accounting and financial reporting for local governments. The state auditor regards GASB as the “acknowledged authoritative body in setting generally accepted accounting principles (GAAP) for local and state agencies.” And, since the state auditor prescribes suitable systems of accounts and budgeting for all cities, the statements promulgated by GASB require some attention.

According to the state auditor, GASB Statement No. 40 requires notes to financial statements to disclose a public entity’s investment policy provision regarding custodial credit risk and the extent to which city deposits are exposed to custodial credit risk. Compliance with Minnesota Statutes eliminates custodial credit risk for deposits, but the state auditor still recommends language for a city investment policy. The auditor’s recommended language is included in the investment policy outline at the end of this memo.

## III. Investments

Many cities invest idle funds in order to gain the best returns from their money. Generally, investments see higher returns than the amount of interest normally given on deposits. Although the primary goal should always be to safeguard the principal, another goal is to achieve returns that keep up with inflation and provide a market rate of return. Given high enough returns, the city can actually make a profit. However, higher returns often mean greater risks.

### A. Authority for investments

Any public funds may be invested if not needed for other purposes or restricted for other purposes. Such investments are subject to certain conditions, depending upon the instrument that is used.

### B. Broker’s annual notification and certification

Cities must annually give all brokers a written statement of investment restrictions and notification that all future investments are to be made in accordance with Minnesota statutes governing the investments of public funds. The broker must also annually acknowledge the receipt of the investment restrictions.

A “broker” includes any broker, broker-dealer, or agent of a government entity who transfers, purchases, sells, or obtains securities for or on behalf of a government entity.



**RELEVANT LINKS:**

[State Auditor's Broker Notification Form.](#)

[Minn. Stat. § 118A.04, subd. 2.](#)

[Minn. Stat. § 118A.04, subd. 3.](#)

[Minn. Stat. § 118A.04, subd. 4.](#)

A city cannot enter into a transaction with a broker until the form has been completed by the broker and returned to the city. The state auditor is responsible for preparing this notification form.

### **C. Permitted investments**

Cities are authorized to invest in a number of different types of investments. Many of these instruments must meet certain criteria, which are discussed in detail in the following sections.

#### **1. United States government securities**

Cities may invest public funds in the following direct debt issues of the federal government:

- Government bonds.
- Notes.
- Bills.
- Mortgages (except for high-risk mortgage-backed securities).
- Other securities that are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress.

By implication, a certificate of deposit secured by a letter of credit from a home loan bank is not permitted as a direct investment.

#### **2. State and local municipal securities**

Cities may invest funds in the following types of state and local securities:

- A general obligation of any state or local government with taxing powers, which is rated "A" or better by a national bond rating service.
- A revenue obligation of any state or local government which is rated "AA" or better by a national bond rating service.
- A general obligation of the Minnesota Housing Finance Agency which is a moral obligation of the state of Minnesota and is rated "A" or better by a national bond rating agency.
- Any security which is an obligation of a school district with an original maturity not exceeding 13 months and, either rated in the highest category by a national bond rating service or enrolled in a particular credit enhancement program.

#### **3. Commercial paper**

Essentially short-term unsecured promissory notes, commercial paper is usually issued by corporations. Cities may invest in commercial paper issued by U.S. corporations or their Canadian subsidiaries.

**RELEVANT LINKS:**

[Minn. Stat. § 118A.04, subd. 5.](#)  
See Part II. *Deposits*.

[Minn. Stat. § 118A.04, subd. 2.](#)

[Minn. Stat. § 118A.04, subd. 7.](#)

[Minn. Stat. § 429.091, subd. 7.](#)  
[Minn. Stat. § 469.178, subd. 5.](#)

[Minn. Stat. § 475.61, subd. 6.](#)

[Minn. Stat. § 118A.04, subd. 8.](#)

These must be rated in the highest quality category by at least two nationally recognized rating agencies and must mature in 270 days or less.

**4. Time deposits**

Time deposits include savings accounts or certificates of deposits that are made for a fixed term but can be withdrawn early with notice. Funds may be invested in time deposits that are fully insured by the FDIC or in bankers acceptances of United States banks.

As noted previously, a certificate of deposit secured by a letter of credit from a home loan bank is not permitted as a direct investment.

**5. Temporary general obligation bonds**

These are temporary bonds that are guaranteed by the full faith and credit of a public entity. Cities may invest funds in general obligation temporary bonds of the same government entity issued under certain statutes. This includes the following types of bonds:

- General obligation temporary improvement bonds.
- Temporary bonds issued for tax increment financing economic development purposes that mature within three years. These bonds must have been issued in anticipation of the issuance of other types of bonds. These other types of bonds include general obligation bonds of a city. Also included are revenue bonds and general obligation bonds of an EDA, HRA, port authority, and other similar entities.
- Temporary obligations issued for any lawful purpose that mature in three years or less. These bonds must have been issued in anticipation of the issuance of permanent obligations.

**6. Debt service funds**

Money held in a debt service fund may be used to purchase general or special obligations of an issue that is payable from the fund. The price may include a premium. Alternatively, debt service funds may be used to redeem any obligation of such issue prior to maturity in accordance with its terms. The securities representing this type of investment may be sold by the city at any time, but the money received must remain part of the fund until used for the purpose for which the fund was created. Any obligation held in a debt service fund from which it is payable may be canceled at any time unless prohibited by a resolution or other instrument securing obligations payable from the fund.

RELEVANT LINKS:

[Minn. Stat. § 118A.05, subd. 2.](#)  
[Minn. Stat. § 118A.04.](#)

[Minn. Stat. § 118A.05, subd. 2.](#)

## D. Permitted investment contracts and agreements

Cities may enter some types of investment contracts and agreements. These include certain types of repurchase agreements, reverse repurchase agreements, securities lending agreements, Minnesota joint powers investment trusts, and guaranteed investment contracts. Certain criteria must be met in order to use these instruments.

### 1. Repurchase agreements

A repurchase agreement is the sale of a government security by a banker or dealer who agrees to buy it back later. An investor who buys the security is paid interest for the time he or she holds the security. The security usually does not reach its maturity date until after the bank or dealer repurchases the security.

Repurchase agreements may be entered into if they consist of collateral that is allowed as a direct city investment. The agreement can only be made with one of the following entities:

- A financial institution qualified as a city depository.
- A financial institution which is a member of the Federal Reserve System and whose combined capital and surplus is \$10,000,000 or more.
- A primary reporting dealer in United States government securities to the Federal Reserve Bank of New York.
- A securities broker-dealer licensed pursuant to chapter 80A, or an affiliate of it, regulated by the Securities and Exchange Commission (SEC) and maintaining a combined capital and surplus of \$40,000,000 or more exclusive of subordinate debt.

### 2. Reverse repurchase agreements

A reverse repurchase agreement is very similar to a repurchase agreement. But with a reverse repurchase agreement, the city is the one selling the government security to the bank or dealer and buying it back later. Reverse repurchase agreements are often used to make cash available without suffering a penalty for early withdrawal of the investment. Reverse repurchase agreements may only be made with the entities that are permitted to make repurchase agreements with cities (see previous section).

A reverse repurchase agreement may only be entered into for a period of 90 days or less and only to meet short-term cash flow needs. In no case may the proceeds from a reverse repurchase agreement be used for investments except for securities lending agreements.

**RELEVANT LINKS:**

[Minn. Stat. § 118A.05, subd. 3.](#)

[Minn. Stat. § 118A.05, subd. 2\(1\).](#)

[Minn. Stat. § 118A.05, subd. 2\(2\).](#)

[Minn. Stat. § 118A.05, subds. 2, 3.](#)

[Minn. Stat. § 118A.05.](#)  
[Minn. Stat. § 118A.04.](#)

[Minn. Stat. § 118A.05, subd. 4.](#)

Contact [Kent Johnson of PMA Financial Network, Inc.](#) at (866) 922-2849 for information about the 4M Fund and 4M Plus Fund.

### **3. Securities lending agreements**

Securities lending agreements are similar to reverse repurchase agreements. For example, a securities lending agreement may provide the city’s securities held by a bank to be “loaned” to a third party. The third party then provides cash or securities to the bank to collateralize the loan, and the city and bank split the interest received on the loan.

Securities lending agreements may be entered into with any financial institution that has an office in Minnesota and is either of the following:

- A financial institution qualified as a “depository” of public funds of the government entity.
- A member of the Federal Reserve System with combined capital and surplus equal to at least \$10,000,000.

Securities lending transactions may also be entered into with the same type of entities that can make repurchase agreements and reverse repurchase agreements with cities.

Again, any collateral instruments must meet the same criteria that must be met to be a direct city investment. The collateral for securities lending agreements are, therefore, restricted to the following types of securities:

- Repurchase agreements.
- Reverse repurchase agreements.
- Other securities lending agreements.
- Minnesota joint powers investment trusts.
- Guaranteed investment contracts.
- U.S. securities.
- State and local securities.
- Commercial paper.
- Time deposits.
- Temporary obligation bonds.
- Debt service funds.

### **4. Minnesota joint powers investment trusts**

Cities may enter into agreements or contracts for shares of a Minnesota joint powers investment trust, units of a short-term investment fund, and shares of registered investment companies. These entities must meet certain criteria.

The League’s 4M Fund and 4M Plus Fund are joint powers investment trusts. The 4M Fund is a short-term investment option designed specifically for Minnesota municipalities to provide safety, daily liquidity, and a competitive yield.

**RELEVANT LINKS:**

[Minn. Stat. § 118A.05, subd. 4\(1\), \(2\).](#)  
[Minn. Stat. § 118A.04.](#)

[Minn. Stat. § 118A.07, subd. 7.](#)

[Minn. Stat. § 118A.05, subd. 4.](#)

[Minn. Stat. § 118A.05, subd. 4.](#)

[17 C.F.R. 270.2a-7.](#)

[Minn. Stat. § 118A.05, subd. 4.](#)

The 4M Plus Fund is a complementary money market option designed to provide safety and an enhanced yield when compared to the traditional 4M Fund. The 4M Plus Fund requires deposits be maintained for at least 30 days with a 24-hour advance withdrawal notice.

### **a. Investment trust shares**

Cities may enter agreements for shares of a Minnesota joint powers investment trust if the trust investments are restricted to certain investments, including the following:

- U.S. securities.
- State and local securities.
- Commercial paper.
- Time deposits.
- Temporary obligation bonds.
- Debt service funds.
- Certain short-term certificates of deposit.
- A money market fund or investment company shares as described below.

### **b. Money market funds**

Cities may invest in shares of an investment company that is registered under the Federal Investment Company Act of 1940 and holds itself out as a money market fund if both of the following conditions are met:

- It is a money market fund meeting the conditions of rule 2a-7 of the Securities and Exchange Commission (SEC).
- It is rated in one of the two highest rating categories for money market funds by at least one nationally recognized statistical rating organization.

### **c. Investment company shares**

Cities may also enter into agreements or contracts for shares of an investment company that meet both of the following criteria:

- It is registered under the Federal Investment Company Act of 1940.
- Its shares are registered under the Federal Securities Act of 1933.

In addition, the investment company's fund must meet all of the following criteria:

- The fund receives the highest credit rating.
- The fund is rated in one of the two highest risk categories by at least one nationally recognized statistical rating organization.

**RELEVANT LINKS:**

[Minn. Stat. § 118A.05, subd. 5.](#)

[Minn. Stat. § 118A.05, subd. 5.](#)

[Minn. Stat. § 118A.06.](#)

See [State Auditor’s Statement of Position on Qualified Safekeepers. Minn. Stat. § 118A.07. Minn. Stat. § 118A.07, subd. 2.](#)

- The fund is invested in financial instruments with a final maturity no longer than 13 months.

**5. Guaranteed investment contracts**

Agreements or contracts for guaranteed investment contracts may be entered into if they are issued by or guaranteed by any of the following:

- United States commercial banks.
- Domestic branches of foreign banks.
- United States insurance companies or their Canadian subsidiaries.
- Domestic affiliates of any of the foregoing.

The credit quality of the issuer’s or guarantor’s short-term and long-term unsecured debt must be rated in one of the two highest categories by a nationally recognized rating agency. Agreements or contracts for guaranteed investment contracts with a term of 18 months or less may be entered into regardless of the credit quality of the issuer's or guarantor's long-term unsecured debt, provided that the credit quality of the issuer's short-term unsecured debt is rated in the highest category by a nationally recognized rating agency. Should the issuer’s or guarantor’s credit quality be downgraded below “A,” the government entity must have withdrawal rights.

**E. Safekeeping of investments, contracts, and agreements**

City investments, contracts, and agreements may be held in safekeeping by any of the following:

- Any Federal Reserve Bank.
- Any bank authorized under the laws of the United States or any state to exercise corporate trust powers including, but not limited to, the bank from which the investment is purchased.
- A primary reporting dealer in United States government securities to the Federal Reserve Bank of New York.
- Any securities broker-dealer, or an affiliate of it, that
  - Is registered as a broker-dealer under chapter 80A or is exempt from the registration requirements.
  - Is regulated by the Securities and Exchange Commission.
  - Maintains insurance through the Securities Investor Protection Corporation (SIPC) or excess insurance coverage in an amount equal to or greater than the value of the securities held.

**RELEVANT LINKS:**

[Minn. Stat. § 118A.07.](#)

The city’s ownership of all securities must be evidenced by written acknowledgments identifying the securities by the names of the issuers, maturity dates, interest rates, CUSIP number, or other distinguishing marks.

Some brokers purchase securities through the Depository Trust Company (DTC), contending the DTC satisfies these safekeeping requirements. However, according to the state auditor, the DTC does not itself hold or keep these securities as contemplated by state law. Therefore, cities must still ensure that the broker or bank used by the DTC to hold the securities falls into one of the categories above.

**F. Additional investment authority for certain cities and counties**

**1. Cities over population 200,000**

Cities with populations over 200,000 and counties that contain such cities have some additional investment authority regarding repurchase agreements, reverse repurchase agreements, and options and futures. This additional authority is currently available only to the cities of Minneapolis and St. Paul and to Hennepin and Ramsey counties (and the Metropolitan Council). Certain criteria must be met in order to utilize this added authority. The governmental entity must have written investment policies and procedures, as well as an established oversight process.

**a. Investment policies and procedures**

If a city with the requisite population or its resident county wishes to use the additional authority, it must first have a written investment policy and procedures governing the following:

- The use of, or limitation on, mutual bond funds or other securities authorized or permitted as investments under law.
- Specifications for and limitations on the use of derivatives.
- The final maturity of any individual security.
- The maximum average weighted life of the portfolio.
- The use and limitations on reverse repurchase agreements.
- Credit standards for financial institutions with which the governmental entity deals.
- Credit standards for investments made by the governmental entity.

**RELEVANT LINKS:**

[Minn. Stat. § 118A.07, subd. 3.](#)

[Minn. Stat. § 118A.07, subd. 4.](#)

[Minn. Stat. § 118A.07, subd. 6.](#)

[Minn. Stat. § 118A.07, subd. 5.](#)

[Minn. Stat. § 118A.09.](#)

**b. Oversight process**

The oversight process must provide for review of the city’s investment strategy and the composition of the financial portfolio. This process must include at least one of the following:

- Audit reviews.
- Internal or external investment committee reviews.
- Internal management control.

In addition to this process, the council must pass a resolution that authorizes the treasurer to use the additional investment authority within their prescribed limits and in conformance with the written limitations, policies, and procedures of the city.

The treasurer must report annually to the governing body on the findings of the oversight process. The governing body must adopt a resolution by Dec. 1 of each year if it intends to continue to use this additional investment authority for the following calendar year.

**c. Additional permitted investments**

The following investments may be made by the cities of St. Paul and Minneapolis (as well as by Hennepin and Ramsey counties and the Metropolitan Council) if they have adopted the previously described investment policy and procedures and oversight process:

- Additional repurchase agreements. In addition to the earlier mentioned repurchase agreements, these entities can also use repurchase agreements with “high-risk mortgage-backed securities” if the margin requirement is 101 percent or more.
- Options and futures. A qualifying governmental entity can enter into futures contracts, options and futures contracts, and option agreements to buy or sell securities authorized under law as legal investments for counties, but only with respect to securities owned by the government entity. This includes securities that are the subject of reverse repurchase agreements authorized only for counties that expire at or before the due date of the option agreement.

**2. Cities over population 100,000 and highest-rated bond issuers**

Any city with population greater than 100,000 or any city which had its most recently issued general obligation bonds rated in the highest category by a national bond rating agency has additional investment authority.



**RELEVANT LINKS:**

[MN State Board of Investment.](#)

[Minn. Stat. § 144.581.](#)

See Appendix A - Outline of an investment policy.

These cities may invest funds in index mutual funds based in the U.S. and indexed to a broad market U.S. equity index. They may also invest funds with the Minnesota State Board of Investment through a PERA account.

These “qualifying” cities may only invest funds that are held for long-term capital plans authorized by the city council and may invest up to 15 percent of the sum of the city’s unassigned cash, cash equivalents deposits and investments.

**3. Cities with hospitals**

Cities that own or operate a hospital have broad additional investment authority. These cities may invest hospital funds in any security recommended by a registered investment adviser or a bank or trust company. Any funds invested under this authority must be done according to the city’s written investment policies.

**G. Investment policies**

Although some cities are required to have investment policies in order to use additional investment authority, all cities should have a written investment policy. Determining when and how to invest and in what to invest requires specialized knowledge of techniques and market operations, which is outside the scope of this memo. However, the following are some general criteria to consider when making investment decisions and to include in a city investment policy.

**1. General investment objectives**

The following general principles are commonly considered when making city investments:

- Safety of principal. Protecting the principal amount of the investment is essential, and speculation with the principal is never justified. Therefore, fully insured bank and savings deposits are generally the safest. At the same time, deposits as an investment often appear less favorable when one considers the other elements of investing such as yield and liquidity.
- Liquidity. The city must be able to obtain cash if an emergency arises. Thus, the investment must be sufficiently liquid so the city can obtain money if needed. Most investments may be sold to a dealer bank or securities dealer prior to maturity. When this happens, the city selling the investment usually will retain the interest for the time held and, depending upon the market, may gain or lose on the principal by the sale. Some banks have service charges, and some securities dealers charge commissions for buying and selling securities.

**RELEVANT LINKS:**

- Diversification of investments. In short, a city should not put all its eggs in one basket. Investing in a variety of investments can mean that if one investment loses money, the other investments may not be affected or may make up for the loss.
- Diversification of maturity dates. This concept is similar to the previous one and can go hand-in-hand with the liquidity objective. Generally, diversifying the maturity dates of investments will help ensure the city has money available when it needs it. While long-term investments will pay a higher rate of interest, a high interest rate is worthless if the funds are not available when needed or if a loss must be taken in order to sell earlier than expected. If funds might be needed prior to an issue's maturity, they should be bought only if the principal will be protected and the sale can be made when necessary.
- Competitive yield. Once all of the above criteria have been considered, the city can look at the investment's potential yield. The yield is the amount that the investment is expected to earn. Generally, long-term investments have higher yields than short-term investments. Likewise, riskier investments have the potential for higher yields.

## **2. Making a cash forecast**

Clerks and finance officers can use a cash forecast to determine the expected receipts and expenditures of their city over a projected period of time. Effective use of a cash forecast can help a city match investment materials with cash needs. A cash forecast can be made for a city's fiscal year or for several fiscal years. This information may be gathered by utilizing the following:

- The city's annual budget.
- Prior years' financial statements.
- Departmental budget requests.
- Engineering and construction timetables.
- Trends and other data.

The time to prepare a cash forecast is the beginning of the projected period or the beginning of the fiscal year. The actual receipts and disbursements determined each month should be compared with the projections, and adjustments should be made as needed.

If a city finds its first projections are missing the target by a wide margin, it may want to consider investing in instruments that have more liquidity until it has more experience making an accurate cash forecast. The yield for these types of investments, however, will be less than it might be with other investments. The ratio of investments to cash in the bank should improve with experience.

RELEVANT LINKS:

### 3. Accountability

Accountability and an evaluation of the results of an investment program can be accomplished in various ways. The same care and prudence should be used in the accountability for investments as would be used for cash or any other asset of the city.

Investments should be shown at cost, amortized for any premium or discount. An annual investment report might appropriately show, first, a year-end portfolio indicating the following:

- Purchase and maturity date of each investment.
- Type of each investment.
- Amortized cost.
- Market value of each investment and any unrealized gains or loss.
- Yield of each investment and the portfolio as a whole.

Second, the annual report might have a summary of the year’s investment results that include the following:

- Interest earned for the year.
- Realized gains for the year.
- The overall rate of return for the year including unrealized gains or losses.
- Comparison of returns to appropriate benchmarks.

### H. GASB considerations

GASB Statement No. 31 requires cities to report investments at market value in their financial statements. Under this statement, as well as state law, unrealized gains and losses must be reported in the financial statements.

The results of any investment program should be easily obtainable from the city’s accounting records once the program is under way. The finance officer should maintain a schedule of maturities of investments in order to keep funds properly re-invested when necessary.

In addition, he or she should keep a written record of each purchase and sale of securities in order to provide the evidence of securities and deposits received.

GASB Statement No. 40 requires notes to financial statements to disclose a city’s investment policy provision regarding custodial credit risk for its investments, as well as the extent to which its investments are exposed to custodial credit risk. Analysis of custodial credit risk for investments requires knowing how the investment is being held and, in some cases, whether the holder has adequate insurance.

See [GASB Statement No. 31](#).  
[Minn. Stat. § 6.745](#).

[GASB Statement No. 40](#).  
See [State Auditor’s Statement of Position on Custodial Credit Risk](#).

**RELEVANT LINKS:**

See Appendix A - Outline of an investment policy.

The auditor has also provided sample language for an investment policy, which is included in the investment policy outline in Appendix A.

## **I. Conclusion**

Many cities use professional financial services to help them with their depository and investment choices, but all city officials should seek to learn as much as possible about the type of investments they are making on behalf of their cities. If you have a question not addressed in this memo, contact the League of Minnesota Cities at (800) 925-1122 or the Office of the State Auditor at (651) 296-2551.

# Appendix A: Outline of an investment policy

Note: This outline is designed to show some of the typical sections that are often found in public investment policies. See the discussion in Part III F and G of this memo for a more detailed discussion. There are also special requirements for Minneapolis, St. Paul, Hennepin County, and Ramsey County that are not included in this outline (see Part III F of this memo). Contact the League for examples of investment policies from other cities.

## Section 1. Purpose

*(Comment: This section lists the general purposes of the investment policy)*

The purpose of this policy is to establish the city’s investment objectives and establish specific guidelines that the City of (city name) will use in the investment of city funds. It will be the responsibility of (treasurer/chief financial officer) to invest city funds in order to attain a market rate of return while preserving and protecting the capital of the overall portfolio. Investments will be made, based on statutory constraints, in safe, low risk instruments.

## Section 2. Scope/Funds

*(Comment: This section generally identifies the specific city funds to which the investment policy applies, such as the general fund, debt service fund, special funds, etc. It may also specify particular funds that are excluded from the policy, such as pension funds.)*

## Section 3. Delegation of authority

*(Comment: This section identifies the officer who is responsible for the management of the investment program. In cities, the treasurer or chief financial officer is usually the person given this function.)*

## Section 4. Investment objectives

*(Comment: This section generally identifies in detail the primary objectives of the investment policy and ranks the objectives in order of importance. Some examples of common objectives are listed.)*

- A. Safety of principal.** Safety of the principal is the foremost objective of the city. Each investment transaction must seek to first ensure that losses are minimized.
- B. Liquidity.** The investment portfolio must remain sufficiently liquid to meet all operating costs that may be reasonably anticipated. The portfolio must be structured so that securities mature concurrent with cash needs to meet anticipated demands. Cash needs will be determined based on cash flow forecasts prepared during the budget process.
- C. Diversification of instruments.** A variety of investment vehicles must be used so as to minimize the exposure to risk of loss. The investment portfolio must be diversified by individual financial institution, government agency, or by corporation (in the case of commercial paper) to reduce the exposure to risk of loss.
- D. Diversification of maturity dates.** Investment maturity dates should vary in order to ensure that the city will have money available when it needs it.

**E. Yield.** The investment portfolio must be maintained so as to attain a market-average rate of return.

**Section 5. Oversight**

*(Comment: This section can specify the internal review and audit practices to ensure that the policy is being followed.)*

**Section 6. Investment instruments**

*(Comment: This section lists the specific investment vehicles that the city will allow. Many policies may establish a percentage of funds that can be invested in each type of instrument. The city may be more restrictive than state law regarding the types of investments that it allows. See Part III C for details on investments that state law allows cities to make.)*

**Section 7. Prohibited investments**

*(Comment: Some policies may contain a provision to identify those investment vehicles that the city does not want utilized.)*

**Section 8. Prudence**

*(Many policies contain provisions that provide a standard of judgment for the investment official. Most often, this is referred to as the “prudent person” standard. This standard is usually defined as the type of judgment that a prudent person would use with his or her own investments in accordance with the adopted policy.)*

**Section 9. Ethics**

*(Comment: Most policies outline some ethical standards and prohibit conflicts of interest or the appearance of such conflicts. Some require disclosure of any situations that could relate to the city’s investments.)*

**Section 10. Internal controls, audits, external controls**

*(Comment: This type of provision is generally intended to ensure that the policy is being followed and that investments are being made properly and records are being kept. Typically this provision creates a system of checks and balances. The specifics of such a system can vary from city to city.)*

**Section 11. Deposit custodial credit risk [State Auditor model language]**

The city will minimize deposit custodial credit risk, which is the risk of loss or failure of the depository bank (or credit union), by obtaining collateral or bond for all uninsured amounts on deposit, and by obtaining collateral or bond for all uninsured amounts on deposit, and by obtaining necessary documentation to show compliance with state law and a perfected security interest under federal law.

**Section 12. Investment custodial credit risk [State Auditor model language]**

The city will eliminate investment custodial credit risk by permitting brokers that obtained investments for the city to hold them only to the extent there is securities investor protection corporation (SIPC) and excess SIPC coverage available. Securities purchased that exceed available SIPC coverages shall be transferred to the city’s custodian.

**[OR**

The city will allow no more than (some acceptable maximum) percent of its securities to be exposed to custodial credit risk.]