



CITY COUNCIL REGULAR MEETING

Monday, October 05, 2026 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

AGENDA

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. SPECIAL PRESENTATIONS

A. Eagle View Elementary Superintendent, Kurt Stumpf-2027 Preliminary Levy

5. OPEN FORUM

The City Council invites residents to share new ideas or concerns related to city business not already on the agenda; however, individual question and remarks are limited to three (3) minutes per speaker. No City Council action will be taken, although the Council may refer issues to staff for follow up or for consideration at a future meeting. The Mayor may use discretion if speakers are repeating views already expressed or ask for a spokesperson for groups of individuals with similar views. Speakers should state their name and home address at the podium before speaking.

6. CONSENT AGENDA

A. Approve City Council Meeting Minutes from September 14, 2026

B. Approve Claims Totaling: \$315,618.54

C. Approve Request to Waive Rental Fees for Community Education Program

D. Approve Proposal with Ehlers for Long-Term Financial Management Plan

E. Approve IT Purchases for Police Department

F. Approve Intent to Purchase 2027 Squad Car

G. Approve Joint Powers Agreement Renewal with Ideal Township for Public Works Services

H. Res. No. 50-2026 Approve Local Road Improvement Program Grant Agreement Terms and Conditions

7. BUSINESS ITEMS

A. Res. No. 51-2026 Award the Sale of General Obligation Capital Improvement Plan Bonds, Series 2026A for Buschmann Road Improvement Project

[B.](#) 2027 Fee Schedule Review and Discussion

[C.](#) Authorize Cost Share Agreement for Thrane Drive

[D.](#) Approve Widseth Proposal for Design and Construction Administration for 2027 Street Improvement Project

8. DEPARTMENTAL UPDATES

[A.](#) 2027 Short-Term Rental Process Update

[B.](#) August Cash and Investments- *Informational Item*

[C.](#) 2026 Police Department Offense Summary- *Informational Item*

9. ADJOURN

Special City Council Meeting Meeting Minutes September 14, 2026, 6:30 PM

The Mayor called the Special City Council Meeting to order on Monday, September 14, 2026 at 6:30 PM.

The Pledge of Allegiance was recited by all present.

Administrator Polsfuss conducted the roll call. Council members Rebecca Ball, Steve Jensen, Todd Roggenkamp, and Michael Moroni were present. Brad Scott was absent. Staff present included Administrator Allie Polsfuss, Zoning Administrator Anthony Moberg, Police Chief Brian Sandell, Finance Director Janette Rust, Public Works Director Joe Zierden, and Nick Peterson with Widseth Engineering.

Lifesaving Awards- Sergeant Garcia and Officer Rustad

Chief Sandell introduced the special presentations, noting that two separate lifesaving awards would be presented — one to Paramedic Sergeant Garcia and one to EMT Officer Rustad.

Sergeant Garcia also informed the council that he has been invited to present a case study at the Minnesota Medical Directors Conference. He explained the presentation would cover how the department transitioned from operating under North Memorial Health to a standalone part-time advanced life support EMS, and would compare their municipal model to a state-run "chase car" pilot program.

Open Forum

The Mayor opened the floor for Open Forum three times. Hearing no speakers, Open Forum was closed.

Consent Agenda

Mayor Roggenkamp read all items on the consent agenda into the record. No changes were requested by the council.

- Approve City Council Meeting Minutes from August 3, 2026
- Approve Claims Totaling \$363,537.36; Checks 141335-141391 and eChecks 4142-4151
- Approve Promotion of Nick Salvevold from Police Officer to Police Officer/EMT
- Approve Promotion of Marshall Garbe from Police Officer to Police Officer/EMT
- Approve Law Enforcement Wellness Visit Program
- Approve Part-Time Public Works Position
- Approve Conditional Offer for Owen Dabill Effective September 15, 2026
- Approve Pay Application #2 for 2026 Street Improvement Project
- Authorize the Breezy Point Police Department to seek Sourcewell Grants

- Resolution No. 46-2026 Supporting and Authorizing Application for Sourcewell Impact Funding
- Resolution No 47-2026 Accepting Butterfly Release Event Donations

A motion to approve the Consent Agenda as read was made by Council Member Moroni and seconded by Council Member Jensen. The motion carried 4-0.

Public Hearing

Consider Resolution No. 48-2026 Approving Second Modification to Redevelopment Plan

Planning and Zoning Administrator Anthony Moberg presented the item, which had been recommended for approval by the Planning Commission. He explained the resolution would allow Breezy Point to join the Housing Redevelopment Authority (HRA) to purchase approximately five tax-forfeited lots, which could then be sold to a developer at a reduced cost for single-family home development, returning the parcels to the tax rolls. He noted that John Schumer from the Housing Redevelopment Authority was available for questions.

The Mayor opened the public hearing three times. Hearing no speakers, the public hearing was closed. The Mayor praised Anthony's thorough and detailed preparation of the materials. He also noted the broader benefit of potentially getting parcels back on the tax rolls and creating housing opportunities in the community.

A motion to approve Resolution No. 48-2026 of Modification to Redevelopment Plan Proposed by Housing and Redevelopment Authority of Crow Wing County was made by Council Member Jensen and seconded by Council Member Moroni. The motion carried 4-0.

2027 Street Improvement Project Proposal

Public Works Director Joe Zierden presented the results of the road committee's spring road assessment, explaining that all roads were driven and scored. He reported that Thrane Drive received the highest priority score and was being recommended as the proposed 2027 street improvement project. He noted that Thrane Road is a collector road shared with Pelican Township, with an estimated cost of \$355,000 for a like-for-like replacement. He added that minor ditching improvements on the hill section were being considered but were not expected to raise costs dramatically.

Council Member Moroni asked whether the \$355,000 estimate reflected the full cost burden to the city or whether a cost-sharing agreement with Pelican Township could reduce that figure. Zierden confirmed the estimate reflected a straight replacement and that cost-sharing through the joint agreement could bring it down. Council Member Moroni both clarified that the motion was only giving staff direction to proceed and did not obligate the city to anything, as design and bids would still follow. The Mayor supported moving forward and referenced ongoing conversations with Pelican Township regarding the shared road.

A motion to direct staff to move forward with Thrane Road as the proposed 2027 Street Improvement Project was made by Council Member Jensen and seconded by Council Member Moroni. The motion carried 4-0.

Approve Shared Road Services Agreement with Pelican Township

City Administrator Polsfuss provided an overview, explaining that the city and Pelican Township had been operating under a 1977 annexation agreement with vague language around capital improvement cost sharing for shared roads. She noted that in June, the Mayor, Public Works Director Zierden, Township Supervisor Radke, herself, and their respective legal counsels met to develop a new agreement. The new shared road services agreement establishes a proportional cost-sharing model for capital improvements and clearly defines maintenance responsibilities in writing, though actual maintenance practices would not change. She confirmed Pelican Township had already approved the agreement at their most recent board meeting.

The Mayor noted that while the two parties were initially far apart in their discussions, they had reached a solid agreement that improved mutual understanding. He reflected that updating a 1977 agreement to reflect current language and realities was an important step, particularly as the city looks ahead to shared road improvements like Thrane Drive.

A motion to approve the Shared Road Services Agreement with Pelican Township was made by Council Member Ball and seconded by Council Member Jensen. The motion carried 4-0.

Approve Commercial Building Lease with Tremolo Communications

City Administrator Polsfuss explained that Tremolo Communications had approached the city in July about leasing the building located behind the ball fields for telecommunications operations. She noted the space had previously been leased to Charter Communications from 2012 to 2023. Staff had worked with Tremolo to finalize terms, including an annual rent of \$12,000 with the lease commencing January 1, 2027. The agreement also outlined tenant and city responsibilities as recommended by the city's legal counsel.

The Mayor noted the lease terms appeared straightforward and expressed that it was good to be generating revenue from the building again after roughly three years of vacancy.

A motion to approve the Commercial Building Lease with Tremolo Communications was made by Council Member Moroni and seconded by Council Member Jensen. The motion carried 4-0.

Award Construction Bid for 2026 Buschmann Road Street Improvement Project to Kern & Tabery, Inc.

City Administrator Polsfuss reported that the Buschmann Road project was advertised for bids from August 19th through September 10th, with four bids received. The lowest bid was submitted by Kern & Tabery, Inc. at \$3,420,581.98, which was slightly below the engineer's estimate. She noted that Crow Wing County had decided to reject the bid alternate for their portion involving turn lane improvements on County Road 11, but that this decision did not

affect the city's portion of the project. She indicated a pre-construction meeting would be held in the coming weeks, and that project funding action was anticipated in October.

A motion to award the construction bid for the 2026 Buschmann Road Street Improvement Project to Kern & Tabery, Inc. was made by Council Member Moroni _ and seconded by Council Member Ball. The motion carried 4-0.

Approve WSB Proposal for Construction Administration for Buschmann Road Street Improvement Project

City Administrator Polsfuss presented WSB's proposal for construction administration services, which included project management, construction observation, surveying, public engagement, and material testing. She noted WSB anticipated approximately 1,200 hours of construction observation over an estimated 20-week construction period, with a total cost of \$350,000, of which approximately \$50,000 was allocated for ideal township services. She confirmed the estimate was consistent with WSB's prior year figure and typical costs for road project administration. She also noted she had confirmed with Kevin Kruger that he would be managing the construction administration and serving as the primary contact for residents, which both she and Director Zierden felt comfortable with.

The Mayor expressed satisfaction that Kevin would be leading the project, noting it was exactly what he would have wanted. Council Member Jensen agreed, calling the bid competitive and expressing confidence in Kevin's management.

A motion to approve the WSB Proposal for Construction Administration for the Buschmann Road Street Improvement Project was made by Council Member Moroni and seconded by Council Member Jensen. The motion carried 4-0.

Resolution No. 49-2027 Adopting the 2027 Preliminary Budget

City Administrator Polsfuss walked the council through the 2027 preliminary budget presentation. She explained the city's budget is comprised of five funds: the General Fund, EDA Fund, Cemetery Fund, Debt Service Fund, and Revolving Capital Fund. She noted that since the August preview, minor adjustments — primarily due to increased health premiums — had led to an approximate \$6,000 increase.

The General Fund was summarized at approximately \$3,101,194 . The EDA Fund was proposed to remain the same as 2026 with no levy impact. The Cemetery Fund included a proposed \$6,000 transfer to the General Fund for administrative time. The Capital Fund included budgeting for half of a plow truck (with the remaining half in 2028), \$70,000 for a skid steer and trailer, \$450,000 for road improvement projects, a police heart monitor (with a grant application pending), a squad car purchase, and a transfer for the master park plan, totaling \$855,000.

The overall preliminary levy increase came to 7.95%, slightly up from 7.79% presented in August, with the increase attributed to the health premium adjustments. She noted that if the pending grant for the heart monitor was received, the levy could decrease or be reallocated. The estimated local tax rate was 37.9%, compared to a regional average of 44.76%, which she said placed the city in a good position relative to comparable communities.

Council Member Jensen, speaking as a finance committee member, acknowledged the difficulty of the process, noting that rising costs in wages, health care, and capital expenditures make it challenging to keep the levy within a reasonable range. The Mayor agreed and highlighted the importance of building a long-range financial plan as discussed in the strategic plan. City Administrator Polsfuss provided an update, noting the city had received a \$15,000 Sourcewell grant for third-party services related to the long-range financial plan, with an RFQ sent to four firms and responses due by end of week, with a recommendation anticipated for October.

A motion to approve Resolution No. 49-2027 Adopting the 2027 Preliminary Budget was made by Council Member Jensen and seconded by Council Member Ball. The motion carried 4-0.

Request to Reschedule November City Council Meeting

City Administrator Polsfuss requested that the council consider rescheduling the November meeting from November 2nd to November 9th. She explained that the change would allow staff time to prepare the polling location ahead of the November 3rd election early morning setup and that state law requires canvassing of election results between November 6th and November 13th, making November 9th a practical date to avoid scheduling a separate special meeting.

A motion to reschedule the November City Council Meeting from November 2nd to November 9th was made by Council Member Moroni and seconded by Council Member Jensen. The motion carried 4-0.

Departmental Updates

Finance Department July Cash and Investments Reports

Police Department Offense Summary Report

Personnel Committee members noted items had been covered in the packet. The Fire Board update covered a recent special meeting focused on rebranding, where four patch design options were reviewed and a vote was taken, with the selected design featuring a loon and sunset imagery. The Mayor noted plans to unveil the rebranding during Fire Awareness Week in October. No Streets Committee meetings had been held. The Cemetery Commission had met at the cemetery to review plans for the new waterfall, which Public Works staff were credited with executing well. The Planning and Zoning update covered two applications: a variance and CUP on Wren Drive for a two-story garage with a living unit, approved with conditions limiting it from being used as a separate dwelling or rental; and a request to place a preserve sign on their property. The Parks and Recreation committee update covered their most recent committee meeting.

Adjourn

A motion to adjourn was made by Council Member Ball and seconded by Council Member Moroni. The motion carried. The meeting was adjourned at 7:17 PM.



CITY COUNCIL MEETING

AGENDA ITEM

Section 6, ItemB.

Prepared By: <i>Janette Rust, Finance Director</i>	Meeting Date: <i>10/05/2026</i>	Item Name: <i>List of Claims</i>
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BACKGROUND/DISCUSSION

Claims are processed on a bi-weekly basis. Prior to being presented to the City Council for approval, each claim is reviewed and approved by the applicable department and by administration.

The claims listing has been provided to City council as a separate document and is available for public view at City Hall upon request.

FINANCIAL IMPACT

Claims totaling: \$315,618.54

COUNCIL ACTION REQUESTED

By approving this item on the Consent Agenda, Council would approve the List of Claims paid from September 1, 2026, through September 30, 2026.

SUPPORTING DOCUMENTS

N/A



CITY COUNCIL MEETING

AGENDA ITEM

Section 6, ItemC.

Prepared By:

Allie Polsfuss, City Administrator

Meeting Date:

10/05/2026

Item Name:

Waive Rental Fees

BACKGROUND

The 2026 Fee Schedule establishes Community Room rental rates for non-profit organizations. However, past practice has been to bring requests for fee waivers to the City Council for consideration.

OVERVIEW

The Community Education Coordinator with Pequot Lakes School is requesting use of the Community Room for a Driver Improvement Class and is also requesting that the applicable rental fees be waived. The request is attached for Council review.

There are no conflicting reservations for the dates requested.

STAFF RECOMMENDATION

Waive the Community Room Rental Fees as requested.

From: [REDACTED]
To: [Allie Polsfuss](#)
Subject: Fwd: Meeting room - City Hall
Date: Thursday, September 10, 2026 11:12:44 AM
Attachments: [image002.png](#)

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Allie,
Deb gave me your contact info; we (Community Ed) are looking for a space to use during the day for our Driver Improvement classes. The space needs to have a projector (the instructor, Sheriff Klang, brings his own laptop to use for the presentation).
Deb shared your rental information, the issue is, we can't afford to rent the space. We do charge a fee for the driver improvement class, but we in turn pay this fee to the MN Hwy Safety program that runs these Driver Improvement classes (they cover our credit card & processing fees), we do not make money on these classes, so we are unable to pay rent. We need a space during the day when school is in session (we use the school for evening classes & summer classes); we had been using the Pequot Lakes Library for our daytime, school year classes, but they have another group that would like to use it when we need it (these classes are already scheduled).
I'm reaching out to see if you would be able to waive the rental fee for us.
Here is the class info:
Driver Improvement 55+ classes
9 AM - 1 PM
October 14
November 18
January 27

I completely understand if you aren't able to accommodate this; it's a big ask.
If you have any questions please let me know. Thank you for your consideration.
Best Regards,
Andrea

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]



CITY COUNCIL MEETING

AGENDA ITEM

Prepared By: <i>Allie Polsfuss, City Administrator & Janette Rust, Finance Director</i>	Meeting Date: <i>10/05/2026</i>	Item Name: <i>Long Term Financial Management Plan Proposal</i>
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BACKGROUND

As part of the Strategic Planning Session held earlier this year, the City Council identified development of a Long-Term Financial Management Plan as a priority for the upcoming year. In July, staff applied for a Sourcewell grant to help fund the project and was notified that the City was awarded \$15,000 in grant funding.

Following the grant award, staff prepared a Request for Proposals and distributed it to four firms that provide long-term financial planning services.

OVERVIEW

- The City received two proposals:
- **Abdo, Eick & Meyers:** \$25,000
 - **Ehlers:** \$22,500

After reviewing the proposals, the Finance Committee is recommending approval of the services with Ehlers. In addition to submitting the lower-cost proposal, Ehlers currently serves as the City's bond advisor. Staff believes there is value in working with the same advisory firm on these related financial planning efforts, as it will allow for greater coordination and efficiency between the City's long-term financial planning and future debt planning.

Staff has also been very pleased with the level of service and expertise Ehlers has provided on a variety of financial matters, including TIF, bonding, and the City's budget.

Following approval, staff will begin the project with Ehlers and the Finance Committee. Staff will provide updates to the City Council as the project progresses.

FINANCIAL IMPACT

This service will be funded with \$15,000 in grant funding from Sourcewell and \$7,500 from accounting services in the 2026 budget.

STAFF RECOMMENDATION

Approve proposal as recommended.

September 4, 2026

Allie Polsfuss
City Administrator
City of Breezy Point
8319 County Road 11
Breezy Point, MN 56472

RE: Proposal for a Long-Term Financial Management Plan

Dear Allie,

On behalf of Ehlers, we are pleased to present this proposal to undertake customized long-term financial planning for the City of Breezy Point (“City”). We are excited to have this opportunity to work with the City and demonstrate our team’s collective commitment and qualifications to deliver dynamic and practical financial planning tools.

For over 65 years, Ehlers has helped municipal clients build strong and vibrant communities through financial planning, investment advisory, debt issuance and management, and economic development consulting services. **Our firm has completed 100+ long-term financial plans and more than 250 other fiscal studies in the last five years alone.**

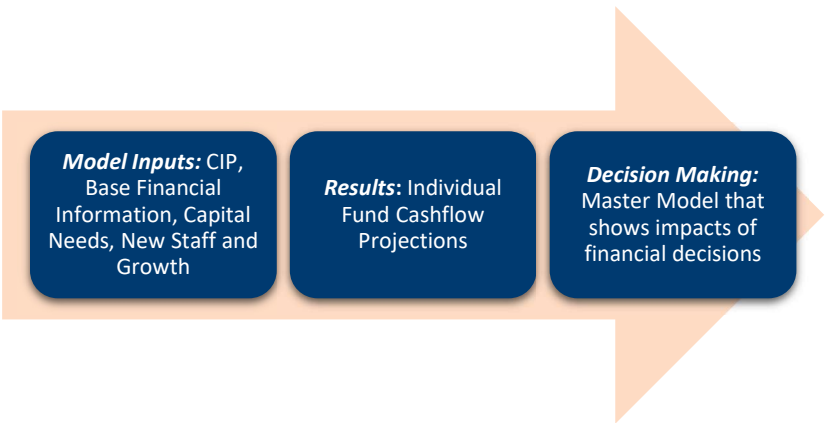
We understand the City would like to develop a long-term Financial Management Plan (“FMP”) to provide the City Council and staff with a guide to inform financial decision-making, capital investment, service delivery, revenue strategies, reserves, debt management, and overall fiscal sustainability. The FMP is a living financial management tool that can be updated periodically and will be a vehicle to determine appropriate timing for operational and capital plans. Ehlers can assist the City in evaluating the financial impact of various decisions related to the property tax levy and prioritizing the City’s needs. An FMP will provide clarity and confidence in funding decisions and their long-term financial impacts.

Financial Management Plan

The FMP is a 10-year operating budget and capital improvement plan with a funding strategy developed through facilitated discussions with staff and City Council. It will guide the City’s financial future and determine how the City can fund its capital needs and other activities.

The FMP allows the City to ask critical questions about completing its capital improvements. For example, what will happen to the tax rate if the City undertakes project X? How can projects be financed to take advantage of expiring debt? What if we delay projects? Are there opportunities to lower the City’s local tax rate? The FMP provides a tool to explore these questions and develops a comprehensive funding strategy for the long-term needs of the City.

Ehlers will build a customized Excel model for the City with cashflow projections for each fund that roll-up into a summary forecast.



We propose including the following funds in the FMP:

- General Fund
- Cemetery Fund
- EDA Fund
- Revolving Capital Fund

As part of developing the FMP, Ehlers will engage the Council in facilitated discussions to develop consensus regarding the financial direction of the City. We will overview what the FMP is, the process that is undertaken with staff, inputs and impacts, policy decisions and projections. By understanding the financial impacts of decisions, the Council can establish spending priorities and develop consensus about an acceptable

level of property taxes and other revenues. The FMP will provide the Council and public with an understanding of how today's decisions will affect constituents in the future.

Staff and Council Meetings for the FMP

The scope of work anticipates up to two meetings with staff and two meetings with the City Council. During the initial staff meeting, we will discuss policy issues to prepare a baseline model of the City's financial condition that incorporates existing operations, new staff and initiatives, plus all proposed capital expenditures. This baseline model will show financial impacts related to fund balances, tax impacts, and apparent trends and will be reviewed in a subsequent meeting with staff. This is the starting place for the conversation with Council. At the first Council workshop we will show the financial impact of accomplishing all the City's goals and determine if priorities need to be set between competing funding demands.

Based on staff and Council direction, we then refine the FMP with up to two scenarios that alter the timing of capital projects and staffing additions, among other considerations. After soliciting additional feedback, we will develop a fiscal strategy and make recommendations on financial policies at a second Council meeting or work session.

Financial Management Plan Deliverables

The FMP will deliver an achievable, comprehensive financial plan that has been reviewed by and agreed upon by the City Council.

The FMP includes:

- Annual projected budget numbers for each of the next 10 years
- Inclusion of all capital improvements identified by the City
- Inclusion of additional staffing and related equipment (if applicable)
- Tax impacts
- Facilitated discussions to reach consensus on prioritization of projects
- Presentation materials and attendance at up to two public meetings

Most importantly, the FMP process will result in a feasible funding plan for the City's operations and capital projects, as further described in [Appendix A](#).

Project Team & Schedule

The Project Team for the FMP will consist of Todd Hagen, Jeanne Vogt and Mitchell Thiesfeld. Todd will attend the Council meetings, as well as meetings with City staff, and oversee the project. Jeanne and Mitchell will complete the numerical analysis.

Proposed Cost

Ehlers proposes to complete the project at the **not-to-exceed** cost of:

Financial Management Plan:	\$22,500
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We propose that the project will be billed hourly at the rate of \$310, for actual hours worked so that the final cost may be less. As the project unfolds, Ehlers will invoice monthly for the work completed in the prior month with descriptions of project activities and time expended. *If the City anticipates issuing debt in 2026 or 2027, the cost of the FMP can be financed along with the capital project.*

Ehlers is committed to delivering, and showing value, in our work. Thank you for engaging with us in your financial planning discussion. We appreciate your consideration and look forward to discussing how Ehlers can best serve the City.

Sincerely,



Todd Hagen
Senior Municipal Advisor
(651) 697-8508

Appendix A: Scope of Work

The Financial Management Plan (“FMP”) will be completed in the following general steps.

- Step 1.** Review City’s current financial position, policies, and practices.
- Step 2.** Aggregate and outline all future capital needs and program requests from City staff and consultants. A comprehensive list of major capital items and operational needs will be developed with the staff leadership.
- Step 3.** Assist in identifying other policy issues to be discussed and establish a framework for such discussion.
- Step 4.** Evaluate the impact of any tax base changes. Potential changes in the tax base due to growth, redevelopment or anticipated business closures will be included in the FMP model, as well as expiring TIF Districts (if applicable).
- Step 5.** Create the FMP Base Model that shows the impact of including all capital requests. The Model will follow the City’s financial statements and show projected ending fund balances for each fund for each of the next ten years.
- Step 6.** Analyze options to best meet the City’s needs. Options might include varying the timing of capital projects, changing capital funding policies, or modeling alternative revenue sources. The financial impact, including determining bond rating impact(s), of up to two (2) scenarios will be shown.
- Step 7.** Prepare an achievable, comprehensive financial plan that helps the City fund capital and operating priorities and builds Council consensus.



CITY COUNCIL MEETING

AGENDA ITEM

Section 6, Item E.

Prepared By:

Brian Sandell, Chief of Police

Meeting Date:

October 5, 2026

Item Name:

Monitors for Surveillance System

BACKGROUND/DISCUSSION

Looking to add four additional monitors at the Public Safety Building for the existing surveillance system. We previously had an assault in the parking lot while officers were inside the building. Officers inside were unaware of the assault at the time. The additional monitors would go in each office and the squad room. This will give officers inside the building a view of what is going on outside. Our parking lot is used for child exchanges and often victims of crimes come to the office.

FINANCIAL IMPACT

Midwest Security and Fire provided a quote of \$7,032.00 for the monitors, mounts, and installation. There are funds available in Building Maintenance for this purchase.

STAFF RECOMMENDATION

Approve the purchase and installation of four additional surveillance monitors.

COUNCIL ACTION REQUESTED**SUPPORTING DOCUMENTS**

Midwest Security and Fire quote.



July 8, 2026

Brian Sandell, Chief of Police
City of Breezy Point Police Department
78361 County Road 11
Breezy Point MN 56472

Project- Install additional Spot Monitor Modules and Monitors for HD Surveillance System
Install (4) Monitor Wall Mount for 32" Monitor
Install (4) 32" HDMI Monitor
Install (4) DW 16 Channel Spot Monitoring Module
Installation of wiring, hardware, and materials

Total cost is \$7,032.00

Terms

If Buyer accepts this proposal is by facsimile, emailed or scanned copy it shall be deemed as original by both parties. Security & Fire Partners, Inc. and Buyer acknowledge that copies of documents are acceptable and that the copy is a true copy of the original.

Balance is due in full upon completion of attached work. A service charge of 1.5% will be charged on all past due balances over 30 days with a minimum rebilling charge of \$5.00.

The proposal must be accepted within 30 days or there may be a price increase due to operating costs. If this bid is acceptable, please sign, initial any changes and email, fax or mail one copy to our office. All changes or additions will be charged extra.

Verbal agreements not binding – all additional work and agreements must be shown in writing. All orders accepted by us with the understanding that we are not to be held liable for causes beyond our control.

Thank you for the opportunity to provide this proposal. Please call us to go over
Any questions you may have. We look forward to working with you on this project soon.

Safe and sound,
Harry Brodmark

ACCEPTANCE

I have read the above and accept the terms and conditions of this contract.

Accepted By _____

Date _____



CITY COUNCIL MEETING

AGENDA ITEM

Section 6, Item F.

<i>Prepared By:</i> <i>Brian Sandell, Chief of Police</i>	<i>Meeting Date:</i> <i>October 5, 2026</i>	<i>Item Name:</i> <i>2027 Chevrolet Tahoe Purchase</i>
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BACKGROUND/DISCUSSION

The police department has transitioned to the Chevrolet Tahoe to provide adequate space for large medical gear. We need to inform the dealership of our intent to purchase a 2027 Tahoe. This saves a build date, but the vehicle will not arrive until 2027.

FINANCIAL IMPACT

This is a budgeted expense.

STAFF RECOMMENDATION

Approve notice to the dealership of our intent to purchase a 2027 Chevrolet Tahoe.



CITY COUNCIL MEETING

AGENDA ITEM

Prepared By: <i>Allie Polsfuss, City Administrator, Joe Zierden Public Works Director</i>	Meeting Date: <i>10/05/2026</i>	Item Name: <i>JPA with Ideal Township</i>
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BACKGROUND

The current Joint Powers Agreement with Ideal Township approved in 2021 expires on December 31, 2026.

OVERVIEW

The partnership with Ideal under this agreement has been successful over the last five years. The only minor change proposed includes the addition of language under VII (1.) Staff is agreeable to this change.

STAFF RECOMMENDATION

Approve JPA as presented

CITY OF BREEZY POINT AND IDEAL TOWNSHIP
COUNTY OF CROW WING
STATE OF MINNESOTA

PUBLIC WORKS SERVICES JOINT POWERS AGREEMENT

This Agreement is made between the City of Breezy Point (“Breezy Point”) and Ideal Township (“Ideal”),

WHEREAS, Ideal and Breezy Point desire to obtain certain public works services from each governmental unit; and

WHEREAS, Ideal and Breezy Point agree to furnish road maintenance and repair services for Buschmann Road, Ossawinimakee Road, Forest Knolls Road, Graf Road, Sunset Strip and Wild Turkey Trail on the terms and conditions set forth herein;

NOW THEREFORE, it is agreed as follows:

- I. **EFFECTIVE DATE:** This Agreement is made this 1st day of January 2027, and is effective upon adoption and execution by Breezy Point and Ideal.
- II. **PURPOSE:** The purpose of this Agreement is to provide the basis for and outline the terms and conditions upon which Breezy Point and Ideal will exercise public works services within the boundaries of the City and Township. Breezy Point and Ideal hereby agree to provide public works services for each entity and hereby engage each entity to provide such service in accordance with and subject to the terms of this agreement.
- III. **LEGAL BASIS:** This Agreement is made pursuant to Minnesota Statutes Section 471.59. Further, neither party waives its tort liability limits under Chapter 466 of the Minnesota Statutes.
- IV. **ADMINISTRATION AND SERVICES:** The administration of public works services under this Agreement shall be the sole responsibility of the appropriate officials of the City and Township. It is further agreed that the Ideal Board Chairman or his or her designee, shall confer with the Breezy Point Mayor or his or her designee, when requested by either party, on any matter relating to public works services being provided pursuant to this Agreement.
- V. **PERSONNEL POLICIES AND FRINGE BENEFITS:** All personnel used in providing public works service under this Agreement shall be and remain employees of each governmental unit.

VI. **TERM OF AGREEMENT:** This Agreement shall be effective as of January 1, 2027 and shall continue to December 31, 2032. This Agreement shall be in effect as determined above unless terminated by either party. Termination of the Agreement by either party shall be effective by serving the other party with a written notice of termination not less than ninety (90) days prior to the date of termination of the Agreement. Either party, at its option, may terminate the Agreement as set forth above if the other party fails to comply with the terms and conditions of this Agreement. The parties also agree that this Agreement may be renewed on an annual basis upon agreement of both parties. Renewal of the Agreement may be by written resolution of both parties prior to expiration of the Agreement term.

VII. **ASSUMPTION OF LIABILITY:**

1. Breezy Point agrees to assume all liability for Breezy Point’s personnel arising out of public works services performed pursuant to this Agreement and Ideal agrees to assume all liability for Ideal personnel arising out of services performed pursuant to this Agreement.
2. Each party agrees that the acts of its employees and agents for any activity other than public works services identified herein shall be its responsibility and each party indemnifies the other from any claims arising out of non-public works activities caused by each party.
3. Breezy Point shall not be deemed to assume any liability for intentional misconduct of Ideal Township personnel or any agent or employee thereof. Ideal Township shall defend Breezy Point, its officers, employees, and agents against, indemnify and hold Breezy Point harmless from any claim for damages resulting from the performance of the services by Ideal Township under this Agreement.
4. Ideal shall not be deemed to assume any liability for intentional misconduct of Breezy Point’s personnel or any agent or employee thereof. Breezy Point shall defend Ideal, its officers, employees, and agents against, indemnify and hold Ideal harmless from any claim for damages resulting from the performance of the services by Breezy Point under this Agreement.
5. Breezy Point and Ideal shall maintain comprehensive municipal liability coverage and automobile liability coverage in an amount equal to or greater than the maximum liability applicable to municipalities under Minnesota Statutes, Section 466.04, subd. 1., as amended. Breezy Point and Ideal shall add the other party as an additional insured to its liability coverage for claims that may arise under this agreement Breezy Point and

Ideal shall also maintain workers’ compensation insurance on their employees performing services under this agreement.

- 6. Under no circumstances shall a party be required to pay on behalf of itself and the other party any amounts in excess of the limits on liability established in Minnesota Statutes, Chapter 466 applicable to any one party. The limits of liability for the parties may not be added together to determine the maximum amount of liability for any party.
- 7. Ideal/Breezy shall be responsible for repairing any mailboxes that are hit by the snowplow provided they comply with Minnesota Rules Chapter 8818 and are properly installed as shown in Minnesota Standard Plate No. 9350A. Mailboxes that are damaged as a result of the snow thrown from the snowplow shall not be the responsibility of Ideal or Breezy.

VIII. SCOPE AND DESCRIPTION OF SERVICES:

BY CITY OF BREEZY POINT

Buschmann Road (shared portion .5 miles)	Summer and Winter
Buschmann Road (Ideal portion .2 miles)	Winter
Wild Turkey Trail (Ideal portion .2 miles)	Winter

BY IDEAL TOWNSHIP

Ossawinimakee Road (shared portion .7 miles)	Summer and Winter
Graf Road (.1 miles)	Summer and Winter
Sunset Strip (.2 miles)	Summer and Winter
Forest Knolls (.1 miles)	Summer and Winter

MAINTENANCE RESPONSIBILITIES

- 1. Winter Maintenance: Plowing and sanding
- 2. Summer Maintenance: Mowing and minor pothole repairs
- 3. Materials: Materials put on line roads will be a cost-share project. Any materials put on a line-share road must be done with the approval of both the City Council and the Township Board. If approval is not given, cost-share materials can be denied.

- 4. **Minor Repairs:** Minor pot holes or shouldering repairs to be done by each perspective entity.
- 5. **Repairs:** Road surface and shoulders will be done by joint agreement for entire roadway with costs split in proportion to road ownership.
- 6. **Tree Removal:** Removing trees from the road right-of-way as needed to avoid interference with travel, maintenance, or safety will be the responsibility of the entity who owns the road on that portion in which the trees are located.

IN WITNESS THEREOF, the parties hereto have executed this agreement the day first above written.

CITY OF BREEZY POINT

IDEAL TOWNSHIP

By: _____
Its: Mayor

By: _____
Its: Town Board Chair

By: _____
Its: City Clerk

By: _____
Its: Town Clerk

Date: _____

Date: _____



CITY COUNCIL MEETING

AGENDA ITEM

Prepared By: <i>Allie Polsfuss, City Administrator& Kevin Kruger, WSB</i>	Meeting Date: <i>10/05/2026</i>	Item Name: <i>Approve LRIP Terms and Conditions</i>
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BACKGROUND

The City of Breezy Point was awarded the \$1,500,000 LRIP grant and following the awarding of the bid on September 14, 2026, the City must approve the grant terms and conditions.

OVERVIEW

The City Council is being asked to consider approval of the LRIP grant terms and conditions, which is required by MNDOT to finalize funding. Also included in the packet is the grant agreement for the Council’s information. The next step following tonight’s approval is to begin construction and seek reimbursement for grant funds as the project progresses. Reimbursements will be coordinated between the City, County and MNDOT.

STAFF RECOMMENDATION

Approve Resolution 51-2026 as presented.

GRANTEE RESOLUTION APPROVING GRANT AGREEMENT

RESOLUTION 50-2026

Local Road Improvement Program Grant Agreement

Grant Terms and Conditions

SAP No. 018-594-002

WHEREAS, the City of Breezy Point has applied to the Commissioner of Transportation for a grant from the Local Road Improvement Fund; and

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

WHEREAS, the amount of the grant has been determined to be **\$1,500,000.00** by reason of the lowest responsible bid;

NOW THEREFORE, be it resolved that *the City of Breezy Point* does hereby agree to the terms and conditions of the grant consistent with Minnesota Statutes, section 174.52, and will pay any additional amount by which the cost exceeds the estimate and will return to the Local Road Improvement Fund any amount appropriated for the project but not required. The proper City officers are authorized to execute a grant agreement and any amendments thereto with the Commissioner of Transportation concerning the above-referenced grant.

Adopted this 5th day of October 2026.

Rebecca Ball: ____

Todd A. Roggenkamp: ____

Steve Jensen: ____

Brad Scott: ____

Michael Moroni: ____

Mayor Todd A. Roggenkamp

Attest:

Deb Runksmeier, City Clerk

**LOCAL ROAD IMPROVEMENT PROGRAM (LRIP)
GRANT AGREEMENT**

This Agreement between the Minnesota Department of Transportation (“MnDOT”) and the Grantee named below is made pursuant to Minnesota Statutes Section 174.52 and pursuant to Minn. Laws 2023, Chapter 72- H.F. 669 and Minn. Laws 2025, 1st Special Session, Chapter 15- H.F. 18. The provisions in that section and the Exhibits attached hereto and incorporated by reference constitute this Agreement and the persons signing below agree to fully comply with all of the requirements of this Agreement. This Agreement will be effective on the date State obtains all required signatures under Minnesota Statutes §16C.05, subdivision 2.

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

City of Breezy Point
8319 County Road 11
Breezy Point, MN 56472
Contact: Allie Polsfuss

2. Project(s):

Name of Project & Project Number (See Exhibit C for location)	Amount of LRIP Funds	Amount of Required Matching Funds	Completion Date
SAP 018-594-002	\$1,500,000.00	\$1,920,581.98	December 31, 2030

3. Total Amount of LRIP Grant for all projects under this Agreement: \$1,500,000.00.
4. The following Exhibits for each project are attached and incorporated by reference as part of this Agreement:

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

5. Additional requirements, if any: None
6. Any modification of this Agreement must be in writing and signed by both parties.

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

PUBLIC ENTITY (GRANTEE)
The Grantee certifies that the appropriate person(s) have executed the grant agreement on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

DEPARTMENT OF TRANSPORTATION
Approval and Certifying Encumbrance as required by Minnesota Statutes § 16A.15 and 16C.05

By: _____
State Aid Programs Manager
(with delegated authority)
Date: _____

**DEPARTMENT OF TRANSPORTATION
CONTRACT MANAGEMENT**

By: _____
Date: _____

EXHIBIT A

SOURCES AND USES OF FUNDS SCHEDULE

SOURCES OF FUNDS		USES OF FUNDS	
Entity Supplying Funds	Amount	Expenses	Amount
State Funds:		Items Paid for with LRIP Grant Funds:	
2023 LRIP Funds Grant (SAAS Act 385)	\$1,477,177.51		
2023 LRIP Funds Grant (SAAS Act 435)	\$22,822.49	Roadway, curb and gutter, storm sewer	\$1,500,000.00
Other:			
Subtotal	\$1,500,000.00	Subtotal	\$1,500,000.00
Public Entity Funds:		Items paid for with Non-LRIP Grant Funds:	
Matching Funds			
Local Match	\$1,920,581.98	Roadway, curb and gutter, storm sewer	\$1,920,581.98
Other:			
Subtotal	\$1,920,581.98	Subtotal	\$1,920,581.98
TOTAL FUNDS	\$3,420,581.98	TOTAL PROJECT COSTS	\$3,420,581.98

EXHIBIT B

PROJECT SCHEDULE, WORKFORCE CERTIFICATE, AND EQUAL PAY CERTIFICATE

Award Date: September 14, 2026
Construction Start Date: October, 2026
Construction Substantial Complete Date: August 30, 2027
Contract Final Completion Date : December 31, 2030



WORKFORCE CERTIFICATE OF COMPLIANCE

The Commissioner of the Minnesota Department of Human Rights by the signature below attests that **KERN & TABERY, INC.** is hereby certified as a contractor under the Minnesota Human Rights Act, § 363A.

Certificate start date: **3/13/2023**

Certificate expiration date: **3/12/2027**

Minnesota Department of Human Rights

FOR THE DEPARTMENT BY:

A handwritten signature in black ink, appearing to read 'RL', with a long horizontal flourish extending to the right.

Rebecca Lucero, Commissioner

AN EQUAL OPPORTUNITY EMPLOYER

540 Fairview Ave N, Suite 201 • St. Paul, MN 55104 • Tel 651.539.1100
MN Relay 711 or 1.800.627.3529 • Toll Free 1.800.657.3704 • mn.gov/mdhr

EQUAL PAY CERTIFICATE OF COMPLIANCE

The Commissioner of the Minnesota Department of Human Rights by the signature below attests that **KERN & TABERY, INC.** is hereby certified as a contractor under the Minnesota Human Rights Act, § 363A.44.

Certificate start date: **March 17, 2023**

Certificate expiration date: **March 16, 2027**

Minnesota Department of Human Rights

FOR THE DEPARTMENT BY:



Rebecca Lucero, Commissioner

AN EQUAL OPPORTUNITY EMPLOYER

540 Fairview Ave N, Suite 201 • St. Paul, MN 55104 • Tel 651.539.1100
MN Relay 711 or 1.800.627.3529 • Toll Free 1.800.657.3704 • mn.gov/mdhr

Rev 10/26/2021

EXHIBIT C

BOND FINANCED PROPERTY CERTIFICATION

State of Minnesota
General Obligation Bond Financed Property

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

- A. The Restricted Property is State bond-financed property under Minn. Stat. Sec. 16A.695, is subject to the requirements imposed by that statute, and cannot be sold, mortgaged, encumbered or otherwise disposed of without the approval of the Commissioner of Minnesota Management and Budget; and
- B. The Restricted Property is subject to the provisions of the Local Road Improvement Program Grant Agreement between the Minnesota Department of Transportation and the undersigned dated _____, 2026; and
- C. The Restricted Property shall continue to be deemed State bond-financed property for 37.5 years or until the Restricted Property is sold with the written approval of the Commissioner of Minnesota Management and Budget.

Date: _____, 2026

City of Breezy Point, a political subdivision
of the State of Minnesota

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Attachment 1 to Exhibit C

GENERAL DESCRIPTION OF RESTRICTED PROPERTY

S.A.P. 018-594-002 LOCATED ON	<u>RANCHETTE DRIVE</u>	FROM	<u>CHEROKEE TRAIL</u>	TO	<u>BUSCHMANN ROAD</u>
	<u>BUSCHMANN ROAD</u>	FROM	<u>1100' SE OF NELSON RD & AKERSON RD INTERSECTION</u>	TO	<u>CSAH 11 (IN THE CITY OF BREEZY POINT)</u>



EXHIBIT D

GRANT APPLICATION

Attach the grant application for the project

Form Name: Local Road Improvement Program: 2025 Solicitation Application
Submission Time: December 12, 2025 11:06 am
Browser: Chrome 143.0.0.0 / Windows
IP Address: 98.162.209.41
Unique ID: 1413362219
Location: 35.4971, -97.733

Section 6, ItemH.

Local Road Improvement Program: 2025 Solicitation Application

A: Applicant Entity Information

Applicant Name	Allie Polsfuss
Applicant Job Title / Position	City Administrator
Applicant Phone	(218) 569-1001
Applicant Email	apolsfuss@cityofbreezypointmn.us
Applicant Address	8319 County Road 11 Breezy Point, MN 56472
Applicant Entity Name	City of Breezy Point
Applicant Entity Type	Non-State Aid City (Population < 5,000)
As a grant applicant, are you representing a non-state aid city or township? If yes, it is required to have a county project sponsor.	Yes, I am a non-state city or township
Sponsoring County (required if applicant is non-state aid city or township)	Crow Wing
Sponsoring County Engineer name	Timothy Bray, PE, MPA
Sponsoring County Engineer Phone	(218) 824-1110
Sponsoring County Engineer Email	tim.bray@crowwing.us
As a grant applicant, are you serving as the lead entity for a LRIP grant application benefitting multiple jurisdictions (a co-application)?	Yes, LRIP funds requested by this application will fund improvements in other jurisdictions in addition to my own

B: Project Location

MnDOT District	District 3
-----------------------	------------

County	Crow Wing	Section 6, Item H.
City	City of Breezy Point	
Township	Ideal Township	
Name/Designation of Road	Buschmann Road and CSAH-11	
Type of Road	Local Street	
Functional Classification of Road	Local	
Average Daily Traffic (ADT) Count or Estimate	780 to 945 vehicles per day	
Year of ADT Data Collection (If available)	2021	
Road Authority Type (entity who has primary jurisdictional ownership of the road)	Non-State Aid City (Population < 5,000)	
Road Authority Name	City of Breezy Point/Ideal Township	
Project Termini - From	Buschmann Road at CSAH 11	
Project Termini - To	750 feet east of Nelson Road	
Beginning Point - Latitude	46.61643	
Beginning Point - Longitude	-94.21865	
General Environment (the general environment that represents the majority of the project)	Rural	
Will construction of the proposed improvements impact or disturb the right-of-way of a jurisdiction other than the applicant entity or project sponsor?	No, the project will impact only the right-of-way of my jurisdiction and/or that of my project sponsor (if applicable)	

C. LRIP Grant Eligibility Checks

Has the PROJECT received a legislative appropriation (also known as an "earmark") or previous competitive LRIP grant funds?	No
--	----

The applicant must have a signed resolution (not just a letter of support) from their council or governing board approving the 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. The applicant understands this eligibility requirement and has executed the signed resolution for attachment to the application. Yes

Township and Non-State Aid City applicants will need a County to serve as their project sponsor. If a project sponsor is required, the applicant must have a signed resolution (not just a letter of support) from the sponsoring entity's board supporting the project and agreeing to act as the project sponsor. The applicant understands this eligibility requirement and has obtained this signed resolution for attachment to the application. Yes

The applicant must have a signed resolution (not just a letter of support) from all entities other than the applicant entity or project sponsor whose property or right-of-way will be impacted by the proposed project. The applicant understands this eligibility requirement and has obtained, if required, this signed resolution(s) from all impacted entities for attachment to the application. Yes

Projects are required to be ready for construction in 2026, 2027 or 2028. The applicant understands this eligibility requirement and will execute a signed MnDOT grant agreement prior to starting construction and prior to December 31, 2028.

Yes

Please select the anticipated construction year

2026

LRIP grant funds cannot be used on trunk highway improvements or on local improvements that are located within trunk highway right-of-way. The applicant understands this eligibility requirement.

Yes

Only construction costs are grant eligible for the program. Development of engineering and construction plans are not eligible expenses nor are right-of-way acquisition costs. All selected projects must follow the State Aid process, which includes identifying applicable design standards and developing a construction plan set signed by a licensed professional engineer. The applicant must have the ability to develop this plan set or the funds to pay a consultant to develop the proposed project plan set. Exhibits from engineering studies do not qualify as a construction plan set. The applicant understands this requirement and has the ability or funds to develop the plan set.

Yes

LRIP funds cannot be used to pay local entity staff time to construct or install any improvements. Local entity staff time is not an eligible cost for the program. All selected projects must be advertised for bids and awarded to a contractor, consistent with the Uniform Municipal Contracting Law in Statute 471.345 (<https://www.revisor.mn.gov/statutes/cite/471.345>). The applicant understands this program requirement and plans to bid the project out to a contractor.

D: Project Description

Type of Project	Reconstruction
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Provide a description of the proposed project corridor's existing transportation deficiencies, including any current operational or safety concerns. Also, include supporting data (e.g. pavement condition index (PCI) ratings, percentages of heavy truck traffic, etc.). Attaching pictures (via Section I. Attachments) can be helpful supplements yet, are not required.

This LRIP application is a collaborative effort led by the Breezy Point, serving as the lead entity, in partnership with Ideal Township. The proposed improvements to Buschmann Road will directly benefit both jurisdictions, as the project area spans right-of-way owned and managed by each entity. Both Breezy Point and Ideal Township have provided approved resolutions and letters of commitment. This segment of Buschmann Road faces several operational and safety challenges.

Section 6, Item H.

The pavement is 20-24 feet wide with only 1-2 feet of gravel shoulders, offering limited space for vehicles, especially heavy trucks and no dedicated area for pedestrians or cyclists. Trees and utility poles are often too close to the roadway, and side slopes are steep or non-compliant, increasing run-off-road crash risk. Undulating terrain and tight curves, especially near intersections, restrict visibility and contribute to unsafe conditions. Between 2015 and 2020, four crashes occurred at or near the CSAH 11 intersection and at horizontal curves within this segment, highlighting safety risks. Due to local mining operations, heavy vehicles make up 14-24% of daily traffic, intensifying pavement wear and operational challenges. The 85th percentile speed is 43 mph, exceeding the posted 40 mph limit, indicating a tendency for drivers to travel faster than intended. Soil borings show 2-4 inches of bituminous pavement over 0-4 inches of aggregate base, with underlying sandy soils generally suitable for support. However, frost heaves and drainage issues have been observed, affecting ride quality and durability.

These deficiencies impact safety, efficiency, and comfort for all users. Improvements are needed to widen the roadway, enhance sight lines, provide adequate shoulders, and address crash risks.

Supporting Data:

Cooperative Community Enhancement Project Final Report. Bolton & Menk, Inc., February 2022.

-Corridor Study Report (Pages 7-10)

-Soil Boring Report (Appendix A, Pages 23-31)

Provide a robust and specific description of the proposed project, including roadway dimensions, lane configurations and all other associated improvements. Attaching a proposed typical section to the application can be helpful as a supplement to conveying the intent of the proposed project (yet a typical section is not an LRIP application submittal requirement). Address how the proposed project will eliminate transportation deficiencies and improve operations and safety along the corridor. Note, that projects seeking funding from the Rural Road Safety Account will need to provide a more detailed description of safety issues and benefits under the Section E3. Rural Road Safety Account Considerations and Eligibility page of the application.

This LRIP co-application, led by the City of Breezy Point in partnership with Ideal Township, proposes the reconstruction and widening of Buschmann Road from CSAH 11 to 750 feet east of Nelson Road. The project area spans right-of-way owned and managed by both entities, with cost-sharing and maintenance responsibilities defined in supporting documentation.

Section 6, Item H.

The new roadway will be 32 feet wide, featuring two 12-foot travel lanes and two 4-foot paved shoulders. This configuration provides safer passage for vehicles, including heavy trucks, and creates dedicated space for pedestrians and cyclists. Centerline striping will improve lane discipline and visibility. Four-foot paved shoulders and expanded 12-foot clear zones will enhance safety for non-motorized users and reduce run-off-road crash risk by removing or relocating trees and utility poles (please see attached typical section and project map for additional detail).

Side slopes will be regraded to 1:3 standards, and new ditches will improve drainage and stormwater management. Intersection improvements at CSAH 11 and Nelson Road will address poor sight lines by adjusting horizontal and vertical alignments. The pavement structure will be upgraded for heavy vehicle loads, addressing frost heaves and durability concerns. Additional signage, pavement markings, and intersection lighting will further improve safety and nighttime visibility.

These improvements directly address documented deficiencies: narrow lanes, inadequate shoulders, poor sight lines, high truck volumes, and crash history. The project will reduce conflicts between vehicles and vulnerable users, lower crash risk at curves and intersections, and improve ride quality and long-term maintenance, resulting in a safer, more reliable corridor for all users.

E: LRIP Account Considerations and Eligibility

Select the LRIP Account requested for funding

Routes of Regional Significance

E2: Routes of Regional Significance Account Considerations and Eligibility

For Routes of Regional Significance projects, which of the following criteria does your project meet (select all that apply)?

Farm to Market route
Part of an economic development plan
Provides capacity or congestion relief to a parallel trunk highway system or county road
Part of a 10-ton route network
Connect to regional tourist destination
Project limits provide a direct connection to the regional system, trunk highway, or a county road

Section 6, Item H.

Describe the potential number of persons and multiple local entities who will be positively impacted and how they will benefit by the proposed project.

The proposed improvements will benefit thousands of people and multiple local entities:

Hundreds of residents in Breezy Point, Pequot Lakes, Jenkins Township, and Ideal Township rely on Buschmann Road for daily travel, school commutes, and access to local services. Improved roadway safety, wider lanes, and paved shoulders will reduce risks and make walking and biking safer.

The Anderson Brothers mining operations and other local businesses depend on Buschmann Road for freight and employee access. Upgrading the corridor to 10-ton standards and improving pavement durability will support efficient, year-round heavy truck movement, reduce vehicle wear, and lower transportation costs.

Farmers and resource producers transport goods to market and access gravel pits. Enhanced road capacity and reliability will facilitate timely deliveries and support local economic activity.

Visitors to regional attractions-such as Pelican Lake, Ossawinnamakee Lake, and Breezy Point Sports Center-will benefit from safer, more accessible routes, supporting tourism and local businesses.

The cities of Breezy Point and Pequot Lakes, along with Jenkins and Ideal Townships, will see reduced maintenance costs, improved emergency response times, and enhanced regional connectivity.

The project's approach ensures broad benefits and shared investment. It also creates a safer, more reliable corridor, reduces crashes, supports economic growth, and improves quality of life for all corridor users.

Describe the project's contribution to the local, regional or state economy, including economic development or redevelopment efforts. Specifically reference plans and letters of support addressing anticipated business and community impacts.

The Buschmann Road improvement project will deliver economic benefits for Breezy Point, Ideal Township, and the broader Crow Wing County region. Buschmann Road is a vital corridor for local industry, notably the Anderson Brothers gravel pit and mining operations, which supply gravel, asphalt mix, and other construction materials to the area. Upgrading the roadway to 10-ton standards will support year-round freight movement, reduce transportation costs, and enhance reliability for local businesses.

Section 6, Item H.

The project aligns with the Crow Wing 2040 County Comprehensive Plan, which identifies increased seasonal traffic volumes, population growth, and economic expansion as key trends driving demand for regional transportation improvements. Both the Breezy Point 2020 Comprehensive Plan and the Ideal Township Comprehensive Plan prioritize economic growth and transportation upgrades along existing roads, with specific goals to build and maintain road systems that support business, tourism, and residential development.

Buschmann Road serves as a connector for residents, tourists, and commercial traffic, linking local communities to regional destinations and trunk highways. Improved safety and mobility will benefit thousands of residents, support local tourism (with nearby lakes and resorts), and facilitate emergency response and school transportation.

Letters of support and commitment from Anderson Brothers and local governments have been received and will be uploaded with the application, demonstrating broad stakeholder endorsement and recognition of the project's positive business and community impacts. The project's multi-jurisdictional collaboration and alignment with adopted local and county plans further underscore its strategic importance for economic development and regional connectivity.

F: Project Readiness and Ability to Maintain

Estimated Construction Year	2026
------------------------------------	------

Are there railroad impacts (RR crossing or RR tracks within 600' of the project)?	No RR xings or tracks within 600'
--	-----------------------------------

Engineering Design

95% Design Completed: Working towards 100% plans for bidding in the Spring of 2026.

Is Right-of-Way (ROW) acquisition required?

ROW has been acquired

Describe the local entity’s ability to adequately provide for the safe operation and maintenance of the facility upon completion.

The City of Breezy Point and Ideal Township are fully committed to the safe operation and long-term maintenance of this segment of Buschmann Road, as documented in their letters of commitment. Both entities have established road maintenance programs, experienced public works staff, and dedicated funding for routine and preventive maintenance activities.

Upon project completion, Buschmann Road will be incorporated into regular maintenance schedules, including pavement preservation, snow and ice removal, drainage upkeep, and timely repairs. As a local road that is part of the 10-ton network, Buschmann Road plays a critical role in supporting heavy truck traffic for local industry, as well as providing reliable access for residents, emergency services, and school transportation. Its importance to the local economy and connectivity ensures it will continue to receive priority attention.

The project's design emphasizes sustainability and durability, with features such as improved drainage, robust pavement structure, and expanded clear zones to reduce long-term maintenance needs and lifecycle costs. Breezy Point and Ideal Township have a proven track record of matching state and federal funds for roadwork and are prepared to provide the resources necessary to maintain the facility to a high standard for years to come. Their commitment ensures that Buschmann Road will remain a safe, efficient, and sustainable corridor well into the future.

G: Multimodal/Complete Streets

Identify infrastructure improvements for non-motorized, multi-modal, and/or transit users on this project and how they align with elements of Complete Streets. (Adoption of a Complete Streets policy is not required for grant eligibility).

The Buschmann Road project incorporates several infrastructure improvements to enhance safety and accessibility for non-motorized and multi-modal users, aligning with Complete Streets principles. The roadway will be widened from 24 feet to 36 feet, providing two 12-foot travel lanes and two 6-foot paved shoulders. These paved shoulders will offer a safer, dedicated space for pedestrians, bicyclists, and other non-motorized users, reducing conflicts with vehicular traffic.

Section 6, Item H.

Sightlines will be significantly improved through the realignment of vertical and horizontal curves, increasing visibility for all users. In select locations, curbing will be added to enhance pedestrian safety and manage stormwater. Drainage improvements, including new ditches, will further support a safer and more sustainable corridor.

Additionally, the project corridor runs adjacent to established 4-wheeler and snowmobile trails, supporting year-round recreational and alternative transportation options. By integrating these features, the project not only improves safety and comfort for motorists but also creates a more inclusive, multimodal corridor that supports walking, biking, and recreational trail use. These enhancements reflect a commitment to Complete Streets, ensuring Buschmann Road serves the needs of all users, regardless of mode.

H: Estimated Project Construction Cost (only include construction costs)

Has this project been selected for federal funding? No

LRIP Request 1500000

Federal Funds 0

County State Aid Funds 0

Municipal State Aid Funds 0

Local Township Funds 465545

Local City Funds 2343012

Total Project Cost 4308557

Are funds from all sources committed? Yes

Is this project concurrently applying for competitive funding from any other sources in addition to this program?

No

Section 6, Item H.

I. Attachments

Approved applicant entity resolution of support (PDF) <https://www.formstack.com/admin/download/file/18893876382>

Approved resolution(s) of support from any entities benefitting from or impacted by the project (if applicable) (PDF) <https://www.formstack.com/admin/download/file/18893876390>

Approved resolution of support from Project Sponsor (if applicable) (PDF) <https://www.formstack.com/admin/download/file/18893876391>

Engineering or planning-based cost estimate (Excel preferred but not required) <https://www.formstack.com/admin/download/file/18893876392>

Timeline indicating major milestones and their anticipated completion date (PDF) <https://www.formstack.com/admin/download/file/18893876393>

County Road Safety Plan (CRSP) or study that identifies the proposed project or improvements (PDF) - or - a link to the documents if publicly available elsewhere <https://www.formstack.com/admin/download/file/18893876394>

Any updates, addendums or public engagement surveys updating the above listed documents (PDF) <https://www.formstack.com/admin/download/file/18893876411>

At least one location map with project routes or improvements identified. If you choose to include project photos, please make sure the project location map is the first page in this attachment. (PDF) <https://www.formstack.com/admin/download/file/18893876412>

Letters of concurrence or support. Please merge multiple letters into a single file. <https://www.formstack.com/admin/download/file/18893876418>

J. Conflict of Interest Disclosure

Having had the opportunity to review the Organizational Conflict of Interest Checklist, the applicant hereby indicates that it has, to the best of its knowledge and belief:	Determined that no potential organization conflict of interest exists
--	---

K. Affirmation of Non-Collusion

The Applicant affirms that this solicitation response has been submitted without collusion.	Yes
---	-----

L. 2025 LRIP Application Submittal

The applicant affirms to the best of their current knowledge and belief that this grant application submittal is accurate and complete.	Yes
---	-----

EXHIBIT E
GRANTEE RESOLUTION APPROVING GRANT AGREEMENT

RESOLUTION

Local Road Improvement Program Grant Agreement

Grant Terms and Conditions

SAP No. 018-594-002

Date:

WHEREAS, **the City of Breezy Point** has applied to the Commissioner of Transportation for a grant from the Local Road Improvement Fund; and

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

WHEREAS, the amount of the grant has been determined to be **\$1,500,000.00** by reason of the lowest responsible bid;

NOW THEREFORE, be it resolved that *the City of Breezy Point* does hereby agree to the terms and conditions of the grant consistent with Minnesota Statutes, section 174.52, and will pay any additional amount by which the cost exceeds the estimate and will return to the Local Road Improvement Fund any amount appropriated for the project but not required. The proper City officers are authorized to execute a grant agreement and any amendments thereto with the Commissioner of Transportation concerning the above-referenced grant.

Signatures

EXHIBIT F

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

Article I DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“MnDOT” - means the Minnesota Department of Transportation.

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

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

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

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

Article II GRANT

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

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

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

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

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

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

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

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

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

- A. If any representation, covenant, or warranty made by the Public Entity herein or in any other document furnished pursuant to the Agreement, or to induce MnDOT to disburse the LRIP Grant, shall prove to have been untrue or incorrect in any material respect or materially misleading as of the time such representation, covenant, or warranty was made.

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

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

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

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

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

If the Public Entity does not repay the amounts required to be paid under this Section or under any other provision contained herein within 30 days of demand by the Commissioner, or any amount ordered by a court of competent jurisdiction within 30 days of entry of judgment against the Public Entity and in favor

of MnDOT and/or the Commissioner, then such amount may, unless precluded by law, be offset against any aids or other monies that the Public Entity is entitled to receive from the State of Minnesota.

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

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

Section 2.11 Termination of Agreement and Modification of LRIP Grant.

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

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

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

Article III

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

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

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

A. It will not use the Real Property or use or invest the LRIP Grant or any other sums treated as "bond proceeds" under Section 148 of the Code (including "investment proceeds," "invested sinking funds" and "replacement proceeds") in such a manner as to cause the G.O. Bonds to be classified as "arbitrage bonds" under Code Section 148.

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

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

Article IV DISBURSEMENT OF GRANT PROCEEDS

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

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

It is the intent of the parties hereto that the rate of disbursement of the Advances shall not exceed the rate

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

Formula #1:

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

Formula #2:

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

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

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

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

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

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

Section 4.03 Additional Funds. If MnDOT shall at any time in good faith determine that the sum of the undisbursed amount of the LRIP Grant plus the amount of all other funds committed to the Project is less than the amount required to pay all costs and expenses of any kind which reasonably may be anticipated in connection with the Project, then MnDOT may send written notice thereof to the Public Entity specifying the amount which must be supplied in order to provide sufficient funds to complete the Project. The Public Entity agrees that it will, within 10 calendar days of receipt of any such notice, supply or have some other entity supply the amount of funds specified in MnDOT's notice.

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

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

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

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

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

Article V MISCELLANEOUS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 5.10 Waiver. Neither the failure by the Public Entity, MnDOT, or the Commissioner, as a third party beneficiary of the Agreement, in one or more instances to insist upon the complete observance or performance of any provision hereof, nor the failure of the Public Entity, MnDOT, or the Commissioner to exercise any right or remedy conferred hereunder or afforded by law shall be construed as waiving any

breach of such provision or the right to exercise such right or remedy thereafter. In addition, no delay by any of the Public Entity, MnDOT, or the Commissioner in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude other or further exercise thereof or the exercise of any other right or remedy.

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

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

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

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

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

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

Section 5.17 Public Entity Tasks. Any tasks that the Agreement imposes upon the Public Entity may be performed by such other entity as the Public Entity may select or designate, provided that the failure of such other entity to perform said tasks shall be deemed to be a failure to perform by the Public Entity.

Section 5.18 Data Practices. The Public Entity agrees with respect to any data that it possesses regarding the G.O. Grant or the Project to comply with all of the provisions and restrictions contained in the Minnesota Government Data Practices Act contained in Minnesota Statutes Chapter 13, as such may subsequently be amended or replaced from time to time.

Section 5.19 Non-Discrimination. The Public Entity agrees to not engage in discriminatory employment practices regarding the Project and it shall fully comply with all of the provisions contained in

Minnesota Statutes Chapters 363A and 181, as such may subsequently be amended or replaced from time to time.

Section 5.20 Worker's Compensation. The Public Entity agrees to comply with all of the provisions relating to worker's compensation contained in Minn. Stat. Secs. 176.181 subd. 2 and 176.182, as they may be amended or replaced from time to time with respect to the Project.

Section 5.21 Antitrust Claims. The Public Entity hereby assigns to MnDOT and the Commissioner of MMB all claims it may have for over charges as to goods or services provided with respect to the Project that arise under the antitrust laws of the State of Minnesota or of the United States of America.

Section 5.22 Prevailing Wages. The Public Entity agrees to comply with all of the applicable provisions contained in Minnesota Statutes Chapter 177, and specifically those provisions contained in Minn. Stat. §. 177.41 through 177.435 as they may be amended or replaced from time to time with respect to the Project. By agreeing to this provision, the Public Entity is not acknowledging or agreeing that the cited provisions apply to the Project.

Section 5.23 Entire Agreement. The Agreement and all of the exhibits attached thereto embody the entire agreement between the Public Entity and MnDOT, and there are no other agreements, either oral or written, between the Public Entity and MnDOT on the subject matter hereof.

Section 5.24 E-Verification. The Public Entity agrees and acknowledges that it is aware of Minn.Stat. § 16C.075 regarding e-verification of employment of all newly hired employees to confirm that such employees are legally entitled to work in the United States, and that it will, if and when applicable, fully comply with such order.

Section 5.25 Telecommunications Certification. If federal funds are included in **Exhibit A**, by signing this agreement, Contractor certifies that, consistent with Section 889 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. 115-232 (Aug. 13, 2018), and 2 CFR 200.216, Contractor will not use funding covered by this agreement to procure or obtain, or to extend, renew, or enter into any contract to procure or obtain, any equipment, system, or service that uses "covered telecommunications equipment or services" (as that term is defined in Section 889 of the Act) as a substantial or essential component of any system or as critical technology as part of any system. Contractor will include this certification as a flow down clause in any contract related to this agreement.

Section 5.26 Title VI/Non-discrimination Assurances. Public Entity agrees to comply with all applicable US DOT Standard Title VI/Non-Discrimination Assurances contained in DOT Order No. 1050.2A, and in particular Appendices A and E, which can be found at: https://edocs-public.dot.state.mn.us/edocs_public/DMResultSet/download?docId=11149035. If federal funds are included in **Exhibit A**, Public Entity will ensure the appendices and solicitation language within the assurances are inserted into contracts as required. MnDOT may conduct a review of the Public Entity's compliance with this provision. The Public Entity must cooperate with MnDOT throughout the review process by supplying all requested information and documentation to MnDOT, making Public Entity staff and officials available for meetings as requested, and correcting any areas of non-compliance as determined by MnDOT.

Section 5.27 Electronic Records and Signatures. The parties agree to contract by electronic means. This includes using electronic signatures and converting original documents to electronic records.

Section 5.28 Certification. By signing this Agreement, the Grantee certifies that it is not suspended or debarred from receiving federal or state awards.



CITY COUNCIL MEETING

AGENDA ITEM

Prepared By: <i>Allie Polsfuss, City Administrator and Janette Rust, Finance Director on behalf of the Finance Committee</i>	Meeting Date: <i>10/05/2026</i>	Item Name: <i>Resolution Authorizing Issuance and Awarding the Sale of Bonds</i>
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BACKGROUND

The City Council awarded the construction bid for the **Buschmann Road Street Improvement Project** on September 14, 2026. The next step in securing funding for the project is to authorize the issuance and award of the bond sale.

The Finance Committee met on September 15, 2026, to review the total project costs and the funding needed to adequately fund the project. Following that discussion, the Finance Committee directed staff to continue in issuing a \$2,000,000 bond to ensure the City has sufficient funds available to pay project costs as contractor pay applications are submitted.

OVERVIEW

Following approval of the construction bid and direction from the Finance Committee, staff continued working with the City's financial advisor, Ehlers, to complete the necessary steps to obtain funding through a General Obligation Street Reconstruction Bond.

A due diligence meeting was held on September 21, 2026, followed by the bond rating call on September 23, 2026. The bond sale is scheduled for October 5, 2026.

The bond resolution included as **Attachment A** will be finalized Monday afternoon following the bond sale and will be updated to reflect the final results of the 2026A Bond Sale.

PROJECT COST AND FUNDING OVERVIEW

The following table summarizes the remaining project costs:

TOTAL COSTS REMAINING

City	Construction Bid	Engineering	Total
Breezy Point	\$2,730,895	\$299,600	\$3,030,495
Ideal Township	\$689,687	\$50,400	\$740,087
Total	\$3,420,582	\$350,000	\$3,770,582

The following table summaries the anticipated funding sources:

TOTAL FUNDING

Entity	Source	Total Funding
Breezy Point	Bond	\$2,000,000
Ideal Township	Reimbursement	\$468,587
MNDOT	LRIP Grant	\$1,500,000
Total		\$3,968,587



CITY COUNCIL MEETING

AGENDA ITEM

Because the \$1,500,000 MnDOT LRIP Grant and the \$468,587 Ideal Township contribution will be received on a reimbursement basis, the City must have sufficient funds available to pay project costs before those reimbursements are received.

The Finance Committee discussed several funding options and directed staff to proceed with a \$2,000,000 bond issuance. This amount provides approximately a 5% contingency above the City's anticipated project funding needs and helps ensure adequate cash flow throughout construction.

DEBT SERVICE

Attachment B includes the final bond run. As discussed earlier this year, the City will make one interest payment in 2027, which will be funded from Debt Service Reserves. Regular debt service payments will begin in 2028.

STAFF RECOMMENDATION:

Staff recommends that the City Council approve the bond resolution authorizing the issuance and sale of the General Obligation Street Reconstruction Bonds, with the final resolution to reflect the results of the October 5, 2026, bond sale.

CITY OF BREEZY POINT, MINNESOTA

RESOLUTION NO. 51-2026

**RESOLUTION AUTHORIZING THE ISSUANCE AND AWARDED THE
SALE OF \$2,000,000 GENERAL OBLIGATION STREET
RECONSTRUCTION PLAN BONDS, SERIES 2026A, PLEDGING FOR
THE SECURITY THEREOF A TAX LEVY FOR THE PAYMENT
THEREOF**

A. WHEREAS, the City Council of the City of Breezy Point, Minnesota (the "City") has heretofore determined and declared that it is necessary and expedient to issue \$2,000,000 General Obligation Street Reconstruction Bonds, Series 2026A (the "Bonds" or individually, a "Bond"), pursuant to Minnesota Statutes, Chapter 475 and Section 475.58, Subdivision 3b, to finance street reconstruction projects under the City's Street Reconstruction Plan adopted on November 3, 2025 (the "Improvements"); and

B. WHEREAS, on November 3, 2025, following duly published notice thereof, the City Council held a public hearing on the issuance of not to exceed approximately \$3,350,000 principal amount of bonds to finance the Improvements and all persons who wished to speak or provide written information relative to the public hearing were afforded an opportunity to do so; and

C. WHEREAS, no petition signed by voters equal to 5 percent of the votes cast in the City in the last municipal general election requesting a vote on the issuance of the street reconstruction bonds was filed with the City Administrator within 30 days after the public hearing on November 3, 2025; and

D. WHEREAS, the City has retained Ehlers & Associates, Inc., in Minneapolis, Minnesota ("Ehlers"), as its independent municipal advisor for the sale of the Bonds and was therefore authorized to sell the Bonds by private negotiation in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9) and proposals to purchase the Bonds have been solicited by Ehlers; and

E. WHEREAS, the proposals set forth on Exhibit A attached hereto were received by the City Administrator, or designee, at the offices of Ehlers at 10:00 A.M. this same day pursuant to the Preliminary Official Statement for the Bonds, dated September 24, 2026; and

F. WHEREAS, it is in the best interests of the City that the Bonds be issued in book-entry form as hereinafter provided; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Breezy Point, Minnesota, as follows:

1. Acceptance of Proposal. The proposal of _____, _____, _____ (the "Purchaser"), to purchase the Bonds in accordance with the Preliminary Official Statement, at the rates of interest hereinafter set forth, and to pay therefor the sum of

\$ _____, plus interest accrued to settlement, is hereby found, determined and declared to be the most favorable proposal received and is hereby accepted and the Bonds are hereby awarded to the Purchaser. The Finance Director is directed to retain the deposit of the Purchaser.

2. Bond Terms.

(a) Original Issue Date; Denominations; Maturities; Term Bond Option. The Bonds shall be dated October 22, 2026, as the date of original issue, be issued forthwith on or after such date in fully registered form, be numbered from R-1 upward in the denomination of \$5,000 each or in any integral multiple thereof of a single maturity (the "Authorized Denominations") and mature on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2028	\$	2033	\$
2029		2034	
2030		2035	
2031		2036	
2032		2037	

As may be requested by the Purchaser, one or more term Bonds may be issued having mandatory sinking fund redemption and final maturity amounts conforming to the foregoing principal repayment schedule, and corresponding additions may be made to the provisions of the applicable Bond(s).

(b) Book Entry Only System. The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York or any of its successors or its successors to its functions hereunder (the "Depository") will act as securities depository for the Bonds, and to this end:

- (i) The Bonds shall be initially issued and, so long as they remain in book entry form only (the "Book Entry Only Period"), shall at all times be in the form of a separate single fully registered Bond for each maturity of the Bonds; and for purposes of complying with this requirement under paragraphs 5 and 10 Authorized Denominations for any Bond shall be deemed to be limited during the Book Entry Only Period to the outstanding principal amount of that Bond.
- (ii) Upon initial issuance, ownership of the Bonds shall be registered in a bond register maintained by the Bond Registrar (as hereinafter defined) in the name of CEDE & CO, as the nominee (it or any nominee of the existing or a successor Depository, the "Nominee").
- (iii) With respect to the Bonds neither the City nor the Bond Registrar shall have any responsibility or obligation to any broker, dealer, bank, or any other financial institution for which the Depository holds Bonds as securities depository (the "Participant") or the person for which a Participant holds an interest in the Bonds shown on the books and records of the Participant (the "Beneficial Owner"). Without limiting the immediately preceding sentence, neither the City, nor the Bond

Registrar, shall have any such responsibility or obligation with respect to (A) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in the Bonds, or (B) the delivery to any Participant, any Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the principal of or premium, if any, or interest on the Bonds, or (D) the consent given or other action taken by the Depository as the Registered Holder of any Bonds (the "Holder"). For purposes of securing the vote or consent of any Holder under this Resolution, the City may, however, rely upon an omnibus proxy under which the Depository assigns its consenting or voting rights to certain Participants to whose accounts the Bonds are credited on the record date identified in a listing attached to the omnibus proxy.

- (iv) The City and the Bond Registrar may treat as and deem the Depository to be the absolute owner of the Bonds for the purpose of payment of the principal of and premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to the Bonds, for the purpose of obtaining any consent or other action to be taken by Holders for the purpose of registering transfers with respect to such Bonds, and for all purpose whatsoever. The Bond Registrar, as paying agent hereunder, shall pay all principal of and premium, if any, and interest on the Bonds only to the Holder or the Holders of the Bonds as shown on the bond register, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid.
- (v) Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new Nominee in place of the existing Nominee, and subject to the transfer provisions in paragraph 10, references to the Nominee hereunder shall refer to such new Nominee.
- (vi) So long as any Bond is registered in the name of a Nominee, all payments with respect to the principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, by the Bond Registrar or City, as the case may be, to the Depository as provided in the Letter of Representations to the Depository required by the Depository as a condition to its acting as book-entry Depository for the Bonds (said Letter of Representations, together with any replacement thereof or amendment or substitute thereto, including any standard procedures or policies referenced therein or applicable thereto respecting the procedures and other matters relating to the Depository's role as book-entry Depository for the Bonds, collectively hereinafter referred to as the "Letter of Representations").
- (vii) All transfers of beneficial ownership interests in each Bond issued in book-entry form shall be limited in principal amount to Authorized Denominations and shall be effected by procedures by the Depository with the Participants for recording and transferring the ownership of beneficial interests in such Bonds.

- (viii) In connection with any notice or other communication to be provided to the Holders pursuant to this Resolution by the City or Bond Registrar with respect to any consent or other action to be taken by Holders, the Depository shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action; provided, that the City or the Bond Registrar may establish a special record date for such consent or other action. The City or the Bond Registrar shall, to the extent possible, give the Depository notice of such special record date not less than fifteen calendar days in advance of such special record date to the extent possible.
- (ix) Any successor Bond Registrar in its written acceptance of its duties under this Resolution and any paying agency/bond registrar agreement, shall agree to take any actions necessary from time to time to comply with the requirements of the Letter of Representations.
- (c) Termination of Book-Entry Only System. Discontinuance of a particular Depository's services and termination of the book-entry only system may be effected as follows:
 - (i) The Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the City and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of the Depository with respect to the Bond if it determines that the Depository is no longer able to carry out its functions as securities depository or the continuation of the system of book-entry transfers through the Depository is not in the best interests of the City or the Beneficial Owners.
 - (ii) Upon termination of the services of the Depository as provided in the preceding paragraph, and if no substitute securities depository is willing to undertake the functions of the Depository hereunder can be found which, in the opinion of the City, is willing and able to assume such functions upon reasonable or customary terms, or if the City determines that it is in the best interests of the City or the Beneficial Owners of the Bond that the Beneficial Owners be able to obtain certificates for the Bonds, the Bonds shall no longer be registered as being registered in the bond register in the name of the Nominee, but may be registered in whatever name or names the Holder of the Bonds shall designate at that time, in accordance with paragraph 10. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with paragraph 10, the Bonds will be delivered to the Beneficial Owners.
 - (iii) Nothing in this subparagraph (d) shall limit or restrict the provisions of paragraph 10.
- (d) Letter of Representations. The provisions in the Letter of Representations are incorporated herein by reference and made a part of the resolution, and if and to the extent any such provisions are inconsistent with the other provisions of this resolution, the provisions in the Letter of Representations shall control.

3. Purpose. The Bonds shall provide funds to finance the Improvements. The total cost of the Improvements, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Bonds. Work on the Improvements shall proceed with due diligence to completion. The City covenants that it shall do all things and perform all acts required of it to assure that work on the Improvements proceeds with due diligence to completion and that any and all permits and studies required under law for the Improvements are obtained.

4. Interest. The Bonds shall bear interest payable semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2027, calculated on the basis of a 360-day year of twelve 30-day months, at the respective rates per annum set forth opposite the maturity years as follows:

<u>Maturity Year</u>	<u>Interest Rate</u>	<u>Maturity Year</u>	<u>Interest Rate</u>
2028	%	2033	%
2029		2034	
2030		2035	
2031		2036	
2032		2037	

5. Redemption. All Bonds maturing on February 1, 2035, and thereafter shall be subject to redemption and prepayment at the option of the City on February 1, 2034, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the City and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected registered Holder of the Bonds not more than sixty (60) days and not fewer thirty (30) days prior to the date fixed for redemption.

To effect a partial redemption of Bonds having a common maturity date, the Registrar prior to giving notice of redemption shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers so assigned to the Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of the Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Registrar (with, if the City or Registrar so requires, a written instrument of transfer in form satisfactory to the City and Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the City shall execute (if necessary) and the Registrar shall authenticate and deliver to the Holder of the Bond, without service charge, a new Bond or Bonds having the same stated maturity and interest rate and of any Authorized

Denomination or Denominations, as requested by the Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

6. Bond Registrar. Bond Trust Services Corporation, in Minneapolis, Minnesota, is appointed to act as bond registrar and transfer agent with respect to the Bonds (the "Bond Registrar"), and shall do so unless and until a successor Bond Registrar is duly appointed, all pursuant to any contract the City and Bond Registrar shall execute which is consistent herewith. The Bond Registrar shall also serve as paying agent unless and until a successor paying agent is duly appointed. Principal and interest on the Bonds shall be paid to the registered holders (or record holders) of the Bonds in the manner set forth in the form of Bond and in paragraph 12.

7. Form of Bond. The Bonds, together with the Bond Registrar's Certificate of Authentication, the form of Assignment and the registration information thereon, shall be in substantially the form set forth on Exhibit B attached hereto.

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

9. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this resolution unless a Certificate of Authentication on the Bond, substantially in the form set forth on Exhibit B attached hereto, shall have been duly executed by an authorized representative of the Bond Registrar. Certificates of Authentication on different Bonds need not be signed by the same person. The Bond Registrar shall authenticate the signatures of officers of the City on each Bond by execution of the Certificate of Authentication on the Bond and by inserting as the date of registration in the space provided the date on which the Bond is authenticated, except that for purposes of delivering the original Bonds to the Purchaser, the Bond Registrar shall insert as a date of registration the date of original issue of October 22, 2026. The Certificate of Authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution.

10. Registration; Transfer; Exchange. The City will cause to be kept at the principal office of the Bond Registrar a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Bond Registrar shall provide for the registration of Bonds and the registration of transfers of Bonds entitled to be registered or transferred as herein provided.

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration (as provided in paragraph 9) of, and deliver, in the name of the designated transferee or transferees, one or more new Bonds of any Authorized Denomination or Denominations of a like aggregate principal amount, having the same stated maturity and interest rate, as requested by the

transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation.

At the option of the Holder, Bonds may be exchanged for Bonds of any Authorized Denomination or Denominations of a like aggregate principal amount and stated maturity, upon surrender of the Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the City shall execute (if necessary), and the Bond Registrar shall authenticate, insert the date of registration of, and deliver the Bonds which the Holder making the exchange is entitled to receive.

All Bonds surrendered upon any exchange or transfer provided for in this resolution shall be promptly canceled by the Bond Registrar and thereafter disposed of as directed by the City.

All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the City evidencing the same debt, and entitled to the same benefits under this resolution, as the Bonds surrendered for such exchange or transfer.

Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the Holder thereof or his, her or its attorney duly authorized in writing

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

Transfers shall also be subject to reasonable regulations of the City contained in any agreement with the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates. The Finance Director is hereby authorized to negotiate and execute the terms of said agreement.

11. Rights Upon Transfer or Exchange. Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

12. Interest Payment; Record Date. Interest on any Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond is registered (the "Holder") on the registration books of the City maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten days prior to the Special Record Date.

13. Treatment of Registered Owner. The City and Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in

paragraph 12) on, such Bond and for all other purposes whatsoever whether or not such Bond shall be overdue, and neither the City nor the Bond Registrar shall be affected by notice to the contrary.

14. Delivery; Application of Proceeds. The Bonds when so prepared and executed shall be delivered by the Finance Director to the Purchaser upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

15. Fund and Accounts. There is hereby created a special fund to be designated the "General Obligation Street Reconstruction Plan Bonds, Series 2026A Fund" (the "Fund") to be administered and maintained by the Finance Director as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Fund shall be maintained in the manner herein specified until all of the Bonds and the interest thereon have been fully paid. There shall be maintained in the Fund the "Construction Account" and "Debt Service Account":

(a) Construction Account. To the Construction Account there shall be credited the proceeds of the sale of the Bonds. From the Construction Account there shall be paid all costs and expenses of making the Improvements, including the cost of any construction contracts heretofore let and all other costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65. Moneys in the Construction Account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Bonds may also be used to the extent necessary to pay interest on the Bonds due prior to the anticipated date of commencement of the collection of taxes herein levied or covenanted to be levied; and provided further that if upon completion of the Improvements there shall remain any unexpended balance in the Construction Account, the balance shall be transferred to the Debt Service Account.

(b) Debt Service Account. There are hereby irrevocably appropriated and pledged and shall be credited to the Debt Service Account: (i) all collections of taxes herein or hereafter levied for the payment of the Bonds and the interest thereon; (ii) all funds remaining in the Construction Account after completion of the Improvements and payment of the costs thereof; (iii) all investment earnings on funds held in the Debt Service Account; and (iv) any and all other moneys which are properly available and are appropriated by the governing body of the City to the Debt Service Account. The amount of any surplus remaining in the Debt Service Account when the Bonds and interest thereon are paid shall be used consistent with Minnesota Statutes, Section 475.61, Subdivision 4. The Debt Service Account shall be used solely to pay the principal and interest on the Bonds and any other general obligation bonds of the City hereafter issued by the City and made payable from said account as provided by law

No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued and (2) in addition to the above in an amount not greater than the lesser of five percent of the proceeds of the Bonds or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Construction Account or Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the bonds payable therefrom) in excess of amounts which under then applicable federal arbitrage regulations may be invested without regard to yield shall not be invested at a yield in

excess of the applicable yield restrictions imposed by the arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in the Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

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

<u>Year of Tax Levy</u>	<u>Year of Tax Collection</u>	<u>Amount</u>
See Attached Schedule in Exhibit C		

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

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

18. Defeasance. When all Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Bonds shall, to the extent permitted by law, cease. The City may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given. The City may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all

amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

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

The City hereby certifies and/or covenants as follows:

(a) Not later than 60 days after the date of payment of a Reimbursement Expenditure, the City (or person designated to do so on behalf of the City) has made or will have made a written declaration of the City's official intent (a "Declaration") which effectively (i) states the City's reasonable expectation to reimburse itself for the payment of the Reimbursement Expenditure out of the proceeds of a subsequent borrowing; (ii) gives a general and functional description of the property, project or program to which the Declaration relates and for which the Reimbursement Expenditure is paid, or identifies a specific fund or account of the City and the general functional purpose thereof from which the Reimbursement Expenditure was to be paid (collectively the "Program"); and (iii) states the maximum principal amount of debt expected to be issued by the City for the purpose of financing the Program; provided, however, that no such Declaration shall necessarily have been made with respect to: (i) "preliminary expenditures" for the Program, defined in the Reimbursement Regulations to include engineering or architectural, surveying and soil testing expenses and similar prefatory costs, which in the aggregate do not exceed twenty percent of the "issue price" of the Bonds, and (ii) a *de minimis* amount of Reimbursement Expenditures not in excess of the lesser of \$100,000 or five percent of the proceeds of the Bonds.

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

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

(d) Each such reimbursement allocation will be made in a writing that evidences the City's use of Bond proceeds to reimburse the Reimbursement Expenditure and, if made within 30 days after the Bonds are issued, shall be treated as made on the day the Bonds are issued.

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

20. Continuing Disclosure. The City is the sole obligated person with respect to the Bonds. The City hereby agrees, in accordance with the provisions of Rule 15c2-12 (the "Rule"),

promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended, and a Continuing Disclosure Undertaking (the "Undertaking") hereinafter described:

(a) to provide or cause to be provided to the Municipal Securities Rulemaking Board, by filing at www.emma.msrb.org, (i) at least annually, its audited financial statements for the most recent fiscal year, and (ii) notice of the occurrence of certain events with respect to the Bonds in not more than ten (10) business days after the occurrence of such event, in accordance with the Undertaking; and.

(b) its covenants pursuant to the Rule set forth in this paragraph and in the Undertaking is intended to be for the benefit of the Holders of the Bonds and shall be enforceable on behalf of such Holders; provided that the right to enforce the provisions of these covenants shall be limited to a right to obtain specific enforcement of the City's obligations under the covenants.

The Mayor and City Administrator of the City, or any other officer of the City authorized to act in their place (the "Officers") are hereby authorized and directed to execute on behalf of the City the Undertaking in substantially the form presented to the City Council subject to such modifications thereof or additions thereto as are (i) consistent with the requirements under the Rule, (ii) required by the Purchaser of the Bonds, and (iii) acceptable to the Officers.

21. Certificate of Registration and Tax Levy. A certified copy of this resolution is hereby directed to be filed with the County Auditor of Crow Wing County, Minnesota, together with such other information as the County Auditor shall require, and there shall be obtained from the County Auditor a certificate that the Bonds have been entered in the County Auditor's Bond Register, and that the tax levy required by law has been made.

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

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

24. Tax-Exempt Status of the Bonds; Rebate. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Bonds, including without limitation (i) requirements relating to temporary periods for investments, (ii) limitations on amounts invested at a yield greater than the yield on the Bonds, and (iii) the rebate of excess investment earnings to the United States if the

Bonds (together with other obligations reasonably expected to be issued and outstanding at one time in this calendar year) exceed the small-issuer exception amount of \$5,000,000.

For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements for governmental units issuing \$5,000,000 or less of bonds, the City hereby finds, determines and declares that (i) the Bonds are issued by a governmental unit with general taxing powers; (ii) no Bonds are a private activity bond; (iii) 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City); and (iv) the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City (and all entities subordinate to, or treated as one issuer with the City) during the calendar year in which the Bonds are issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

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

- (a) the Bonds are issued after August 7, 1986;
- (b) the Bonds are not "private activity bonds" as defined in Section 141 of the Code;
- (c) the City hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;
- (d) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2026 will not exceed \$10,000,000; and
- (e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2026 have been designated for purposes of Section 265(b)(3) of the Code; and
- (f) the aggregate face amount of the Bonds does not exceed \$10,000,000.

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

26. Official Statement. The Official Statement relating to the Bonds prepared and distributed by Ehlers is hereby approved and the officers of the City are authorized in connection with the delivery of the Bonds to sign such certificates as may be necessary with respect to the completeness and accuracy of the Official Statement.

27. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to Wells Fargo Bank, National Association, San Francisco, California, on the closing date for further distribution as directed by Ehlers.

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

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

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

and the following voted against the same:

Whereupon the resolution was declared duly passed and adopted.

STATE OF MINNESOTA
COUNTY OF CROW WING
CITY OF BREEZY POINT

I, the undersigned, being the duly qualified and acting City Clerk of the City of Breezy Point, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council of the City, duly called and held on the date therein indicated, insofar as such minutes relate to authorizing the issuance and awarding the sale of \$2,000,000 General Obligation Street Reconstruction Plan Bonds, Series 2026A.

WITNESS my hand on October 5, 2026.

City Clerk

EXHIBIT A
PROPOSALS

EXHIBIT B

FORM OF BOND

UNITED STATES OF AMERICA
STATE OF MINNESOTA
CROW WING COUNTY
CITY OF BREEZY POINT

R-_____ \$_____

GENERAL OBLIGATION IMPROVEMENT BOND, SERIES 2026A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	February 1, 20____	October 22, 2026	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

THE CITY OF BREEZY POINT, CROW WING COUNTY, MINNESOTA (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, unless called for earlier redemption, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, and to pay interest thereon semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2027, at the rate per annum specified above (calculated on the basis of a 360-day year of twelve thirty-day months) until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issue hereof. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the Bond Trust Services Corporation, in Minneapolis, Minnesota (the "Bond Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Interest on this Bond will be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder hereof at the close of business on a date (the "Special Record Date") fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to Bondholders not less than ten days prior to the Special Record Date. The principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America. So long as this Bond is registered in the name of the Depository or its Nominee as provided in the Resolution hereinafter described, and as those terms are defined therein, payment of principal of, premium, if any, and interest on this Bond and notice with respect thereto shall be made as provided in the Letter of Representations, as defined in the

Resolution, and surrender of this Bond shall not be required for payment of the redemption price upon a partial redemption of this Bond. Until termination of the book-entry only system pursuant to the Resolution, Bonds may only be registered in the name of the Depository or its Nominee.

Optional Redemption. The Bonds of this issue (the "Bonds") maturing on February 1, 2035, and thereafter, are subject to redemption and prepayment at the option of the Issuer on February 1, 2034, and on any date thereafter at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and the principal amounts within each maturity to be redeemed shall be determined by the Issuer; and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar. Bonds or portions thereof called for redemption shall be due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date. Mailed notice of redemption shall be given to the paying agent and to each affected registered Holder of the Bonds not more than sixty (60) days and not fewer thirty (30) days prior to the date fixed for redemption.

Prior to the date on which any Bond or Bonds are directed by the Issuer to be redeemed in advance of maturity, the Issuer will cause notice of the call thereof for redemption identifying the Bonds to be redeemed to be mailed to the Bond Registrar and all Bondholders, at the addresses shown on the Bond Register. All Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption have been duly deposited.

Selection of Bonds for Redemption; Partial Redemption. To effect a partial redemption of Bonds having a common maturity date, the Bond Registrar shall assign to each Bond having a common maturity date a distinctive number for each \$5,000 of the principal amount of such Bond. The Bond Registrar shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to the Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of the Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. If a Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the Issuer or Bond Registrar so requires, a written instrument of transfer in form satisfactory to the Issuer and Bond Registrar duly executed by the Holder thereof or the Holder's attorney duly authorized in writing) and the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver to the Holder of the Bond, without service charge, a new Bond or Bonds having the same stated maturity and interest rate and of any Authorized Denomination or Denominations, as requested by the Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

Issuance; Purpose; General Obligation. This Bond is one of an issue in the total principal amount of \$2,000,000, all of like date of original issue and tenor, except as to number, maturity, interest rate, redemption privilege and denomination, issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council of the Issuer on October 5, 2026 (the "Resolution"), for the purpose of providing money to finance street reconstruction projects within the jurisdiction of the of the Issuer. This Bond is payable out of the General Obligation Street Reconstruction Plan Bonds, Series 2026A

Fund of the Issuer. This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of its principal, premium, if any, and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

Denominations; Exchange; Resolution. The Bonds are issuable solely in fully registered form in Authorized Denominations (as defined in the Resolution) and are exchangeable for fully registered Bonds of other Authorized Denominations in equal aggregate principal amounts at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution. Reference is hereby made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

Transfer. This Bond is transferable by the Holder in person or the Holder's attorney duly authorized in writing at the principal office of the Bond Registrar upon presentation and surrender hereof to the Bond Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with the Bond Registrar. Thereupon the Issuer shall execute and the Bond Registrar shall authenticate and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee (but not registered in blank or to "bearer" or similar designation), of an Authorized Denomination or Denominations, in aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate.

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

Treatment of Registered Owners. The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except as otherwise provided herein with respect to the Record Date) and for all other purposes, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

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

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

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law; that the Issuer has covenanted and agreed with the Holders of the Bonds that it will levy a direct, annual, irrevocable ad valorem tax upon all of the taxable property of the Issuer, without limitation as to rate or amount,

for the years and in amounts sufficient to pay the principal and interest on the Bonds as they respectively become due, if any sums irrevocably appropriated to the Debt Service Account are insufficient therefor; and that this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Breezy Point, Crow Wing County, Minnesota, by its City Council has caused this Bond to be executed on its behalf by the facsimile signatures of its Mayor and its City Administrator, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

Date of Registration:

Registrable by: BOND TRUST SERVICES CORPORATION

Payable at: BOND TRUST SERVICES CORPORATION

BOND REGISTRAR'S
CERTIFICATE OF
AUTHENTICATION

CITY OF BREEZY POINT,
CROW WING COUNTY, MINNESOTA

This Bond is one of the
Bonds described in the
Resolution mentioned
within.

[DO NOT SIGN THIS FORM OF BOND]
Mayor

BOND TRUST SERVICES CORPORATION
Minneapolis, Minnesota
Bond Registrar

[DO NOT SIGN THIS FORM OF BOND]
City Administrator

By: _____
Authorized Signature

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UTMA - _____ as custodian for _____

(Cust)

(Minor)

under the _____ Uniform

(State)

Transfers to Minors Act

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Notice:

The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges or any other "Eligible Guarantor Institution" as defined in 17 CFR 240.17 Ad-15(a)(2).

The Bond Registrar will not effect transfer of this Bond unless the information concerning the transferee requested below is provided.

Name and Address: _____

(Include information for all joint owners if the Bond is held by joint account.)

EXHIBIT C
SCHEDULES

City of Breezy Point, Minnesota

\$2,000,000 General Obligation Street Reconstruction Plan Bonds, Series 2026A
Assumes Current Market BQ "AA" Rated Rates plus 50bps
10 Years

Sources & Uses

Dated 10/22/2026 | Delivered 10/22/2026

Sources Of Funds

Par Amount of Bonds	\$2,000,000.00
LRIP Grant	1,500,000.00
Township Contribution	468,587.00

Total Sources	\$3,968,587.00
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Uses Of Funds

Total Underwriter's Discount (1.200%)	24,000.00
Costs of Issuance	61,000.00
Deposit to Project Fund	3,883,587.00

Total Uses	\$3,968,587.00
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City of Breezy Point, Minnesota

\$2,000,000 General Obligation Street Reconstruction Plan Bonds, Series 2026A

Assumes Current Market BQ "AA" Rated Rates plus 50bps

10 Years

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
10/22/2026	-	-	-	-	-
08/01/2027	-	-	58,611.31	58,611.31	-
02/01/2028	150,000.00	3.250%	37,813.75	187,813.75	246,425.06
08/01/2028	-	-	35,376.25	35,376.25	-
02/01/2029	175,000.00	3.350%	35,376.25	210,376.25	245,752.50
08/01/2029	-	-	32,445.00	32,445.00	-
02/01/2030	185,000.00	3.450%	32,445.00	217,445.00	249,890.00
08/01/2030	-	-	29,253.75	29,253.75	-
02/01/2031	190,000.00	3.550%	29,253.75	219,253.75	248,507.50
08/01/2031	-	-	25,881.25	25,881.25	-
02/01/2032	195,000.00	3.650%	25,881.25	220,881.25	246,762.50
08/01/2032	-	-	22,322.50	22,322.50	-
02/01/2033	205,000.00	3.800%	22,322.50	227,322.50	249,645.00
08/01/2033	-	-	18,427.50	18,427.50	-
02/01/2034	210,000.00	3.900%	18,427.50	228,427.50	246,855.00
08/01/2034	-	-	14,332.50	14,332.50	-
02/01/2035	220,000.00	4.000%	14,332.50	234,332.50	248,665.00
08/01/2035	-	-	9,932.50	9,932.50	-
02/01/2036	230,000.00	4.150%	9,932.50	239,932.50	249,865.00
08/01/2036	-	-	5,160.00	5,160.00	-
02/01/2037	240,000.00	4.300%	5,160.00	245,160.00	250,320.00
Total	\$2,000,000.00	-	\$482,687.56	\$2,482,687.56	-

Yield Statistics

Bond Year Dollars	\$12,270.00
Average Life	6.135 Years
Average Coupon	3.9338839%
Net Interest Cost (NIC)	4.1294830%
True Interest Cost (TIC)	4.1459615%
Bond Yield for Arbitrage Purposes	3.9178692%
All Inclusive Cost (AIC)	4.7433406%

IRS Form 8038

Net Interest Cost	3.9338839%
Weighted Average Maturity	6.135 Years

City of Breezy Point, Minnesota

\$2,000,000 General Obligation Street Reconstruction Plan Bonds, Series 2026A

Assumes Current Market BQ "AA" Rated Rates plus 50bps

10 Years

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2027	-	-	-	-	-
02/01/2028	150,000.00	3.250%	96,425.06	246,425.06	258,746.31
02/01/2029	175,000.00	3.350%	70,752.50	245,752.50	258,040.13
02/01/2030	185,000.00	3.450%	64,890.00	249,890.00	262,384.50
02/01/2031	190,000.00	3.550%	58,507.50	248,507.50	260,932.88
02/01/2032	195,000.00	3.650%	51,762.50	246,762.50	259,100.63
02/01/2033	205,000.00	3.800%	44,645.00	249,645.00	262,127.25
02/01/2034	210,000.00	3.900%	36,855.00	246,855.00	259,197.75
02/01/2035	220,000.00	4.000%	28,665.00	248,665.00	261,098.25
02/01/2036	230,000.00	4.150%	19,865.00	249,865.00	262,358.25
02/01/2037	240,000.00	4.300%	10,320.00	250,320.00	262,836.00
Total	\$2,000,000.00	-	\$482,687.56	\$2,482,687.56	\$2,606,821.94

Significant Dates

Dated	10/22/2026
First Coupon Date	8/01/2027

Yield Statistics

Bond Year Dollars	\$12,270.00
Average Life	6.135 Years
Average Coupon	3.9338839%
Net Interest Cost (NIC)	4.1294830%
True Interest Cost (TIC)	4.1459615%
Bond Yield for Arbitrage Purposes	3.9178692%
All Inclusive Cost (AIC)	4.7433406%

IRS Form 8038

Net Interest Cost	3.9338839%
Weighted Average Maturity	6.135 Years



CITY COUNCIL MEETING

AGENDA ITEM

Section 7, ItemB.

Prepared By: <i>Allie Polsfuss, City Administrator</i>	Meeting Date: <i>10/05/2026</i>	Item Name: <i>2027 Fee Schedule</i>
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BACKGROUND

Each year, the City Council must approve the fee schedule to charge for fees and services for the following year. The Finance Committee met on September 15 to review the fee schedule by line item.

OVERVIEW

Attachment A identifies the proposed fee schedule. Changes from 2026 can be seen in red, with the rationale included in the furthest right column. The Council can discuss the proposed changes and rationale during the meeting.

Some of the notable changes include:

- Costs and fees associated with violations and citations, including:
 - Administrative citations
 - Zoning and Building citations
 - Short-Term Rental (STR) licensing violations
- Conditional Use, Interim Use, and Variance Applications
- Short-Term Rental License Application
- Sewer rate changes, based on the sewer rate study and Finance Committee discussion

Most of the remaining proposed changes are related to increased costs incurred by the City.

NEXT STEPS

1. Discuss and provide direction for staff
2. Hold Public Hearing in November to consider approval of fee schedule

RECOMMENDATION

Staff recommends that the Council review the proposed 2027 Fee Schedule, provide feedback, and identify any adjustments for final adoption in November.

CITY OF BREEZY POINT
ORDINANCE 01-2027
AN ORDINANCE APPROVING FEES AND CHARGES FOR 2027
FOR THE CITY OF BREEZY POINT

The City Council of Breezy Point ordains that the 2027 Fee Schedule is approved as follows:

COSTS AND FEES ASSOCIATED WITH LICENSING

SERVICE	2026 FEE	2027 PROPOSED	Rationale
3.2 Percent Malt Liquor On-sale	\$100.00		
3.2 Percent Malt Liquor Off-sale	\$50.00		
3.2 Percent Malt Liquor Combination On/Off	\$135.00		
3.2 Malt Liquor License, Temporary	\$25.00		
Background Check Fee	\$500.00		
Background Check Fee, Renewal	\$100.00		
Brew Pub On-Sale	\$250.00		
Cannabis Retail Registration	\$500.00		
Cannabis Retail Renewal License	NA	\$1,000.00	New license 2026, need renewal fee
Chicken Permit - Initial	\$15.00		
Chicken Permit - Renewal	\$100.00		
Club Licenses: Under 200 members	\$100.00		
Club Licenses: 201-500 members	\$150.00		
Club Licenses: 501-1000 members	\$250.00		
Consumption and Display	\$100.00		
Consumption and Display – 1 day	\$25.00		
Dog License	\$20.00/life dog		
Replacement License Fee	\$10.00		
Golf Cart Fee	\$20.00		
Replacement License Fee	\$10.00		
Growler Off-Sale	\$25.00		
Kennel Permit	\$35.00		
Liquor License On-Sale	\$2,000.00		
Liquor License Off-Sale	\$240.00		
Liquor Sunday On-Sale	\$200.00		
Liquor, Temporary	\$25.00		
Pawn Broker Fee	\$1,000.00		
Pawn Broker Transaction Fee	\$2.00/transaction		
Sexually Oriented Business (SOB)	\$3,000.00		
SOB Background investigation Fee	\$500.00		
Stable Permit	\$100.00		
Transient Merchant Permit	\$25.00/2 day		
Transient Merchant Park Permit	\$250.00		
Wine On-sale	\$250.00		
Wine Off-Sale, Temporary	\$100.00		
Shipping, Handling & Postage	\$5.00		

COSTS AND FEES ASSOCIATED WITH MISCELLANEOUS ITEMS

SERVICE	2026 FEE	2027 PROPOSED	Rationale
Filing Fee - Affidavit of Candidacy	\$10.00		
Abatement Application	\$1,000.00 & \$5,000.00 deposit*		
Certifying to taxes	\$50.00 per occurrence		
Returned check fee	\$30.00		
Bank Account (ACH) / eCheck Returned Transaction Fee	NA	\$30.00	Cover City costs
TIF Application Fee	\$5,000.00	\$10,000.00	Per TIF Procedure
Credit or Debit Card Transaction Fee	3.5% per transaction		
Bank Account (ACH) / eCheck Transaction Fee	NA	\$1.50 per transaction	Cover City Costs
Mileage Rate	Current IRS Rate		

COSTS AND FEES ASSOCIATED WITH VIOLATIONS/CITATIONS

SERVICE	2026 FEE	2027 PROPOSED	Rationale
City Code Administrative Citation	\$50.00	\$100.00	No increase since adopted
Zoning & Building Code Administrative Citation	\$100.00	\$200.00	Citation fee increased to ensure the fee is not less than permit fee
Short Term Licensing Violation	NA	\$1,000.00	New fee to address license violations
After the fact building permit fee penalty	Equal building permit fee		

COSTS AND FEES ASSOCIATED WITH LAND USE & PROPERTY

SERVICE	2026 FEE	2027 PROPOSED	Rationale
After the Fact Zoning Permits	\$100.00	Double the permit fee	Citation fee increased to ensure the fee is not less than permit fee
Amendment, Ordinance	\$250.00		
Amendment, Zoning Map	\$250.00*		
Appeal, Planning Commission	\$100.00*		
Appeal of PC, City Council	\$100.00*		
Comprehensive Plan Amendment	\$350.00*		
Conditional Use, Residential	\$250.00*	\$500.00	Cover City costs
(Including PUD)			
Conditional Use, Commercial	\$350.00*	\$700.00	Cover City costs
(Including PUD)			
Culvert (delivered/12" diameter/25 ft. black hdpe)	\$225.00		
E911 Address Request	\$90.00		
E911 Replacement Sign	\$50.00		
E911 Replacement Post	\$15.00		
E911 Replacement Post Install	\$20.00		
Fill/Excavation (Ordinance Required)	\$50.00		
Interim Use, Commercial	\$350.00*	\$700.00	Cover City costs
Interim Use, Residential	\$250.00*	\$500.00	Cover City costs
Mailbox Support	\$95.00 + sales tax		
Mailbox Support and Install	\$125.00 + sales tax		
Short Term Rental License	\$300.00	\$500.00	Cover Inspection costs

Sign Impoundment Release	\$50.00	
Sign Impoundment Release subsequent	\$100.00	
Special Meeting Fee	\$250.00	
Street Renaming Petition	\$100.00 + Sign cost	
Street Vacation	\$250.00	
Subdivision, Platting Application	\$400.00* + \$10/lot	
Subdivision, Administrative	\$50.00	
Subdivision, Metes and Bounds	\$150.00	
Variance, Commercial	\$350.00	\$700.00 Cover City costs
Variance, Residential	\$250.00	\$500.00 Cover City costs
Zoning Permits (includes signs)	\$50.00	

*All out of pocket expenses of the city shall be paid by applicant.
An excrow deposit for expenses may be required.

COSTS AND FEES ASSOCIATED WITH BUILDING PERMITTING			
SERVICE	FEE	2027 PROPOSED	Rationale
1994 Fee Schedule			
Plan review	65% of Building Permit Fee		
Plan review of similar plans meeting MS §1300.0160 subd. 6	25% of Building Permit Fee		
State Surcharge amount is equivalent to one half mil (.0005) of the fee or \$1.00 for all fixed fee permits			
State Surcharge fees shall be in accordance with MS §326B.121			

Total Valuation		
\$1.00 to \$500.00	\$21.00	
\$501.00 to 2,000.00	\$21.00 for the first \$500.00 plus \$2.75 for each additional \$100.00, or fraction thereof, to and including \$2000.00.	
\$2,001.00 to \$25,000.00	\$62.25 for the first \$2,000.00 plus \$12.50 for each additional 1,000.00, or fraction thereof, to and including \$25,000.00.	
\$25,001.00 to \$50,000.00	\$349.75 for the first \$25,000.00 plus \$9.00 for each additional \$1,000.00, or fraction thereof, to and including \$50,000.00.	
\$50,001.00 to \$100,000.00	\$574.75 for the first \$50,000.00 plus \$6.25 for each additional \$1,000.00, or fraction thereof, to and including \$100,000.00.	
\$100,001.00 to \$500,000.00	\$887.25 for the first \$100,000.00 plus \$5.00 for each additional \$1,000.00, or fraction thereof, to and including \$500,000.00.	
\$500,001.00 to \$1,000,000.00	\$2,887.25 for the first \$500,000.00 plus \$4.25 for each additional \$1,000.00, or fraction thereof, to and including \$1,000,000.00.	
\$1,000,001.00 and up	\$5,012.25 for the first \$1,000,000.00 plus \$2.75 for each additional \$1,000.00, or fraction thereof.	
Demolition /Moving Building	\$50.00 & \$1.00 surcharge	
Fence (over 6' in height)	\$40.00 & \$1.00 surcharge	
Fireplace	\$50.00 & \$1.00 surcharge	
Mechanical (New Residential)	\$100.00/unit & \$1.00 surcharge	
Mechanical (Replace Existing Residential)	\$35.00/unit & \$1.00 surcharge	
Plumbing Fee (Residential)	\$7.00/opening & \$1.00 surcharge	
Re-Inspection Fee	\$40 per inspection	
Re-Roof (Residential)	\$35.00 & \$1.00 surcharge	
Re-Side (Residential)	\$35.00 & \$1.00 surcharge	
Retaining Wall (Over 4ft)	\$40.00 & \$1.00 surcharge	
Water Heater - Gas	\$35.00 & \$1.00 surcharge	
Other Maintenance Work as determined by the Building Official	\$40.00 & \$1.00 surcharge	
OTHER FEES AND POLICIES		
Refund Policy	Requests must be made in writing by permit applicant before any work has started. The applicant shall be responsible for 100% of plan review fee. All other fees shall be refunded.	
Permit Expiration	Each permit issued shall expire if the work authorized by the permit is not commenced within 180 days from the date issued, or if a new inspection has not been scheduled or conducted for a period of 180 days after the last inspection.	
Reissuance of Expired Permit	50% of building permit fee (plus plan review fee, if changes have been made to original plans)	
Commercial Mechanical and Plumbing fees	Based on Valuation	
Manufactured home install fees	shall be based on the valuation of on-site work only	
Permit Revision Fee	NA	\$50.00 New fee to cover staff time
Administrative Fee - Permit Refund	NA	\$25.00 New fee to cover staff time

COSTS AND FEES ASSOCIATED WITH UTILITIES			
SERVICE	FEE	2027 PROPOSED	Rationale
Sewer Availability Charge	\$3,250.00	\$3,575.00	Increase per Utility Rate Study
Sewer main Charge — Prior 2011 projects	\$4,288.20		
Sewer Connection Permit	\$75.00	\$100.00	Match Quarterly rate
Sewer Disconnection Fee	\$75.00	\$100.00	Match Quarterly rate
Sewer Re-connection Fee	\$75.00	\$100.00	Match Quarterly rate
Quarterly Sewer Charge per ERU	\$85.00	\$100.00	2027 Quarterly rate to address operational loss
Sewer Administrative Fee, Delinquent	\$25.00		
Sewer Late Fee	10% of unpaid balance per month		

Minimum Charge Metered Sewer Fee/Quarter (Includes first 12,000 gal)		
5/8 inch	\$57.64	
3/4 inch	\$62.70	
1 inch	\$64.79	
1 1/2 inch	\$66.85	
Large or special Meters	to be determined at time of installation	
Additional Flow above 12,000	\$8.82/1000	

Water Meter Charges		
5/8 inch with remote read	\$110.25	
3/4 inch with remote read	\$149.10	
1 inch with remote read	\$178.50	
Larger or special meters	Cost plus handling	

COSTS AND FEES ASSOCIATED WITH CITY FACILITIES, SERVICES AND MATERIALS

SERVICE	FEE	2027 PROPOSED	Rationale
FACILITIES			
Ball Field Reservation	\$10.00		
Community Room Rental			
Resident	\$50.00/ hour		
Non Resident	\$75.00/ hour		
Non Profit Half Day	\$50.00		
Non Profit Full Day	\$100.00		
Deposit	\$200.00		
Kitchen Add On	\$25.00/hour		
Meeting Room			
Resident	\$20.00/hour		
Non Resident	\$30.00/hour		
Non Profit	\$10.00/hour		
Park Pavilion Reservation, Large			
1/2 Day	\$30.00/hour		
Full Day	\$60.00/hour		
Deposit	\$50.00	\$30.00	Better align with charges
Disc Golf Tournament Permit	\$150.00		
Special event Permit	\$50.00		
MATERIALS			
Copy of meeting Audio	\$5.00		
2- sided copies	\$.50/page		
Color copies	\$1.00/page		
Police CD/DVD	\$5.00		
Key Replacement	\$10.00		
Community Garden Plot Resident	\$40.00		
Community Garden Plot Non Resident	\$50.00		\$60.00
SERVICES			
Documentation/Video Search	Loaded labor rate, first 30 minutes no charge	\$55 per hour	City staff rate
Police Services	\$125/hour plus mileage		
Assessment Searches	\$30.00		

COSTS AND FEES ASSOCIATED WITH EQUIPMENT RENTAL

SERVICE	FEE	2027 PROPOSED	Rationale
RATES WITH OPERATOR			
Mobilization Fee (all rentals)	\$245.00		
1 Ton Dump Truck	\$95.00		
1 Ton Utility Box & Crane	\$95.00		
Dump/Gravel Truck	\$165.00		
D-5 Cat Dozer w/Trailer	\$185.00		
310 5C Ext-Hoe Backhoe/Loader	\$135.00		
New Holland 90HP Tractor	\$95.00		
930G CAT Wheel Loader (3 yd bucket)	\$160.00		
Skid Steer 247 CAT	\$160.00		
Motor Grader 135UF	\$185.00		
Trailer Mount Sewer Jetter	\$185.00		
1800 Water Tanker	\$105.00		
Bobcat 5600 Toolcat	\$120.00		
JD 27 mini-excavator	\$125.00		
Misc w/trucks – sanders, plows	No charge, salt/sand at cost		
RATES WITHOUT OPERATOR			
50 KW Portable Generator	\$95.00		
5 KW Portable Generator	\$25.00		
Trash Pump 300GPM	\$25.00		
Delivery Charge	\$125.00.00 plus mileage over 50 miles		

COSTS AND FEES ASSOCIATED WITH PELICAN WOODS CEMETERY

SERVICE	FEE	2027 PROPOSED	Rationale
COLUMBARIA			
Upper Tier Niche	\$1,475.00	\$1,490.00	Cover cost of materials
Middle Tier Niche	\$1,375.00	\$1,390.00	Cover cost of materials
Lower Tier Niche	\$1,275.00	\$1,290.00	Cover cost of materials
Upper Tier Niche (w/ discount)	\$1,180.00	\$1,192.00	Cover cost of materials
Middle Tier Niche (w/ discount)	\$1,110.00	\$1,112.00	Cover cost of materials
Lower Tier Niche (w/ discount)	\$1,020.00	\$1,032.00	Cover cost of materials
Property Owner Discount	20%		
Shallow Niche – Ends	(Discount of \$100 from above tier pricing)		
Columbarium Opening/Closing: Overtime charge *	\$150.00 (over 2 hours additional \$100.00/hour)	\$200.00	Flat rate
Engraved Plaque	Determined by November Meeting		

DEEDED BURIAL RIGHTS			
Category 1 (one lot – one burial right)	\$600.00		
Category 2 (one lot – two burial rights)	\$840.00		
Category 3 (one lot – three burial rights)	\$1,080.00		
Category 4 (one lot – four burial rights)	\$1,320.00		
Category 5 (one lot – five burial rights)	\$1,560.00		
Category 6 (one lot – six burial rights)	\$1,800.00		
Phase I, Block 18 (individual cremain sites)	\$350.00		
Select Lots: one cremain site	\$450.00		
Select Lots: two cremain sites	\$550.00		
Additional burial rights on the same lot, purchased after the original purchase	\$300.00		
Property Owner Discount	20%		
Administrative Change Fee	NA	\$50.00	New fee cover staff time
* Overtime charged for all burials outside business hours (8:30 a.m. - 3:00 p.m., Monday - Friday).			
MARKER INSTALLATION			
Family Marker	\$100.00	\$150.00	Cover cost of materials
Individual Marker	\$50.00	\$75.00	Cover cost of materials

Adopted by the City Council this 2nd day of November, 2026.
This ordinance shall take effect on the day following its publication in the official newspaper

Rebecca Ball _____ Brad Scott _____

Steve Jensen _____ Todd Roggenkamp _____

Michael Moroni _____

Adopted this 2nd day of November, 2026.

Attest: _____ Mayor Todd A. Roggenkamp

Allie Polsfuss, City Administrator



CITY COUNCIL MEETING

AGENDA ITEM

Prepared By: <i>Allie Polsfuss, City Administrator</i>	Meeting Date: <i>10/05/2026</i>	Item Name: <i>Thrane Drive Cost Share Agreement</i>
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BACKGROUND

At the City Council meeting on September 14, 2026, the City Council approved a Shared Road Services Agreement with Pelican Township establishing responsibilities for the maintenance and capital improvements of shared roads. Section 6, Capital Improvement Responsibilities, requires capital improvements to shared roads to be authorized through a mutual written agreement.

The proposed Thrane Drive Cost Share Agreement follows the cost-sharing formula established in the Shared Road Services Agreement and provides additional detail regarding the project’s bidding, contracting, construction management, payment, and cost-tracking procedures.

OVERVIEW

Thrane Drive is a shared road with approximately 2,768 feet of shared roadway, while the remaining 5,750 feet is entirely within Breezy Point. Under the cost-sharing formula established in the Shared Road Services Agreement, Breezy Point is responsible for 83.7% of project costs and Pelican Township is responsible for 16.3%.

Other key items in the agreement:

- Project: Full-depth reconstruction of Thrane Drive.
- Design & bidding: Breezy Point and its engineer will handle design, specifications, bidding, and contractor selection, with Township review of the final design and bids.
- Construction: Breezy Point will serve as the project owner and manage the construction, including inspections, change orders, and final acceptance.
- Additional costs: Engineering, legal, or other costs resulting from disputes are also shared 83.7%/16.3%.
- Accounting: Breezy Point will provide pay applications/payment information and maintain tracking of project costs.
- Future maintenance: Maintenance of the shared roadway will follow the existing Public Works Services Joint Powers Agreement.

Breezy Point intends to keep Pelican Township representatives involved throughout the project and will provide updates to the City Council as the project progresses.

The Cost Share Agreement was drafted by City legal counsel and provided to Pelican Township for consideration. Because the Township Board will not consider the agreement until next week, staff is seeking Council direction to authorize execution of the agreement following Pelican Township’s approval. If the Township proposes any significant changes, staff will bring the agreement back to the City Council for further discussion. If no significant changes are proposed, the appropriate parties will execute the agreement so the City can proceed with the project.



CITY COUNCIL MEETING

AGENDA ITEM

Section 7, Item C.

FINANCIAL IMPACT

With the very preliminary, conservative project budget of \$400,000, the breakdown is estimated to be:

	Split	Estimated Cost
Breezy Point	83.70%	\$334,800
Pelican Township	16.30%	\$65,200
Total	100.00%	\$400,000

The 2027 Preliminary Levy includes these costs.

STAFF RECOMMENDATION

Authorize staff to execute the Thrane Drive Cost Share Agreement following approval of the agreement by the Pelican Township Board, provided there are no significant changes to the agreement. If significant changes are proposed, staff will return to the City Council for further direction.

**COST SHARE AGREEMENT
BETWEEN THE CITY OF BREEZY POINT AND PELICAN TOWNSHIP
FOR FULL DEPTH RECONSTRUCTION OF THRANE DRIVE**

This Agreement is entered into by and between the City of Breezy Point, 8319 Co. Road 11, Breezy Point, Minnesota 56472, and Pelican Township, 7768 Red Oak Road, Pequot Lakes, MN 56472, each a “Party” and collectively referred to as “Parties,” effective as of the date of the last signature set forth below.

Recitals

- A. The Parties entered into a Public Works Services Joint Powers Agreement on September 16, 2026, setting forth the obligations of each Party with respect to Shared Roads.
- B. Thrane Drive is a Shared Road with approximately 2,768 feet of shared roadway; the remaining 5,750 linear feet of the road is entirely within Breezy Point.
- C. Due to its condition, the Parties agree that Thrane Drive needs a complete reconstruction (the “Project”).
- D. Under the terms of the Joint Powers Agreement, Breezy Point is responsible for 83.7% of the Project costs and Pelican Township is responsible for 16.3%.
- E. The Parties desire to have Thrane Drive reconstructed in 2027 pursuant to the terms of this Agreement and the Joint Powers Agreement, with Breezy Point undertaking the design and construction work.

Agreement

- 1. Project Design. The City, through its consulting engineering firm, shall provide all design engineering services. The final proposed design for full reconstruction of Thrane Drive shall be provided to the Township for review and approval prior to the call for bids and/or quotes by the City.
- 2. Project Bidding. The City, through its consulting engineer, shall create Project specifications and put the Project out for bids and/or quotes. The City shall review and tabulate the bids / quotes and provide the information to the Township. Unless the Township objects to moving forward within ____ days of receiving the bids and/or quotes, the City shall determine the lowest responsible bidder(s) and/or negotiate the contract(s) from the quotes received.
- 3. Project Contract and Management. The City shall approve and enter into construction contracts as the “owner” for purposes of the Project. The City, through its engineering consultant, shall oversee construction, inspect the work, and accept the work as it is completed. Change orders, if any, shall be processed

and approved by the City, with a copy provided to the Township. The Township may inspect any items related to the Shared Road and notify the City of any concerns. Determination of substantial completion, punchlist items and final approval shall be made by City staff and its consulting engineer.

4. Disputes. In the event disputes arise between the City and contractor(s) concerning design or construction of the Project, the City shall undertake reasonable efforts to promptly resolve them. The City shall notify the Township of the disputes as they arise. In the event additional costs are incurred, such as engineering or legal fees, said costs shall be shared by the Parties pursuant to the formula for the Project.
5. Costs. Except as otherwise provided herein, all costs associated with the design, construction and oversight of the Project shall be split between the Parties with the City responsible for 83.7% and the Township responsible for 16.3%. The City shall provide the Township with copies of Project pay applications and payments and keep a running ledger of project costs and the division of costs between the Parties.
6. Term. This Agreement may be terminated by either party prior to award of contracts by the City. All costs incurred prior to such termination shall be paid by the terminating party. Once contracts are awarded for the Project, this Agreement shall continue until the Project is completed and all obligations of the parties are fulfilled.
7. Road Maintenance. Upon final completion of the Project, maintenance of the Shared Road shall be undertaken pursuant to the Public Works Services Joint Powers Agreement.
8. Entire Agreement. The entire agreement of the parties is contained herein. This Agreement supersedes all oral agreements and all negotiations between the parties relating to the subject matter hereof. Any alterations, variations, or modifications of the provisions of this Agreement shall be valid only when they have been reduced to writing and duly signed by the parties.

CITY OF BREEZY POINT

Mayor

Dated: _____, 2026

City Administrator

Dated: _____, 2026

PELICAN TOWNSHIP

Board Chairman

Dated: _____, 2026

Clerk-Treasurer

Dated: _____, 2026

Brainerd/Baxter

7804 Industrial Park Road
Baxter MN 56425

218.829.5117
Baxter@Widseth.com
Widseth.com

MEMO

Date: September 30, 2026
To: Allie Polsfuss, City of Breezy Point
From: Nick Peterson, P.E., Widseth
Subject: 2027 Street Improvements Project Memo

Following the City Council's acceptance of the Streets Committee's recommendation to proceed with improvements to Thrane Drive as part of the City's 2027 Street Improvements Project, Widseth has prepared the provided proposal for the design and construction administration services for the project. Please refer to the proposal for additional information.

The anticipated timeline for the project:

- October
 - Survey and data collection. Existing conditions analysis.
- November
 - Design. 50% plan review with City and Streets Committee
- December
 - 90% plan review with City and Streets Committee
- January-February
 - Request approval of final plans and specification and request authorization for advertisement for bidding
 - Bid the project
- February-March
 - Recommend a bidder to the City and award the project
- Summer of 2027
 - Construct the project, exact timeframe to be determined.

Thrane Drive is not an assessable road per the City of Breezy Point Ordinance. We are not required to hold improvement hearings or conduct a feasibility report, but we always stress communication with residents. Holding a public informational meeting in November or December could be beneficial.

Thank you,

Nick Peterson, PE
Project Engineer

September 30, 2026

Allie Polsfuss – City Administrator
City of Breezy Point
8319 Co. Rd. 11
Breezy Point, MN 56472

Brainerd/Baxter
7804 Industrial Park Road
Baxter MN 56425

218.829.5117
Baxter@Widseth.com
Widseth.com

Re: Proposal for Design and Construction Administration Services for 2027 Street Improvements Project

Honorable Mayor and City Council,

Thank you for the opportunity to provide this proposal for design and construction administration services for improving Thrane Drive. This road was identified as a road in need of rehabilitation that was estimated to be in the range of the current City streets budget. Our understanding of the project scope is the improvement of Thrane drive from Ranchette to Sunset Valley Road. WiDSETH is pleased to provide this proposal with the scope of services outline below:

2027 Street Improvements

WiDSETH will provide the following professional services for the listed fee:

Professional Design Services

- Topographic Survey – Conduct a topographic survey of the project location, as well as obtain property boundary information for properties in the project area to be included in the plans.
- Engineering Services – Provide the following construction documents along with specifications for bidding:
 - Standard Details – Sheets including general project information, notes, detail references and typical sections
 - Existing Conditions and Removals – A plan identifying necessary removals to complete the improvements, and other site features gathered from the survey
 - Erosion Control Plan – This plan will include a layout of best management practices for managing erosion in the project area
 - Plan and Profile – A plan identifying the proposed improvements including existing and proposed elevations, site features, profile and alignment
 - Stormwater Pollution Prevention Plan (SWPPP)
 - Turf Establishment Plan – A plan identifying areas requiring restoration due to disturbance from construction activities

Construction Administration Services

- Assisting the City with bidding the project
- Construction staking including:
 - Centerline offsets
 - Assumed curb and gutter or other minor drainage improvement staking
- Construction observation, estimated at 40 hours per week for 3 weeks of assumed construction duration

- Review contractor material submittals
- Pay item monitoring and submitting of pay applications to the City for review
- Serving as liaison between Contractor and City

Additional Services

- WiDSETH proposes to write easement descriptions for any construction activities that may be required to take place outside of the right of way or prescriptive right of way that is assumed to be 33’ on either side of the existing centerline. We will assume two easements may need to be written at a rate of \$2,000 per easement.

If you are in agreement with our proposal, please sign, date, and return one copy of this proposal as your authorization to proceed. We appreciate the opportunity to present this proposal to you and look forward to working with you on this project. Please feel free to contact me with any questions.

Sincerely,
WiDSETH



Nick Peterson, P.E.



David Reese, P.E. VP

Enclosures: WiDSETH 2026 Fee Schedule
 WiDSETH General Provisions of Professional Services Agreement

Fees shall be billed monthly in accordance with our fee schedule that is in effect when the work is performed with payment due within 30 days of billing. Attached is our 2026 fee schedule. A finance charge is computed at a periodic rate of 1% per month (annual percentage rate of 12%) on past due balance.

Professional Services

\$44,000	Hourly Not-to-Exceed for Design Services
\$27,000	Hourly Estimated for Construction Admin. Services
\$4,000	Additional Services
\$75,000	Total Estimated Fee

Accepted by **City of Breezy Point**

_____ Allie Polsfuss, City Administrator Authorized Signatory	_____ Date Approved
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WIDSETH

2026 FEE SCHEDULE

CLASSIFICATION	RATE
Engineer/Architect/Surveyor/Scientist/Wetland Specialist/Geographer/Project Manager	
Level I	\$145 / Hour
Level II	\$170 / Hour
Level III	\$200 / Hour
Level IV	\$205 / Hour
Level V	\$215 / Hour
Technician	
Level I	\$105 / Hour
Level II	\$125 / Hour
Level III	\$145 / Hour
Level IV	\$160 / Hour
Level V	\$175 / Hour
Computer Systems Specialist	\$180 / Hour
Senior Funding Specialist	\$150 / Hour
Marketing Specialist	\$125 / Hour
Funding Specialist	\$125 / Hour
Administrative Assistant	\$ 90 / Hour

OTHER EXPENSES	RATE
Mileage (Federal Standard Rate) <i>subject to IRS Guidelines</i>	Cost
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
Hydrographic Survey System	\$500 / 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.

General Provisions of Professional Services Agreement

These General Provisions are intended to be used in conjunction with a letter-type Agreement or a Request for Services between Widsmith Smith Nolting & Assoc., Inc., a Minnesota Corporation, hereinafter referred to as WIDSETH, and a CLIENT, wherein the CLIENT engages WIDSETH to provide certain Architectural, and/or Engineering services on a Project.

As used herein, the term "this Agreement" refers to (1) the WIDSETH Proposal Letter which becomes the Letter Agreement upon its acceptance by the Client, (2) these General Provisions and (3) any attached Exhibits, as if they were part of one and the same document. With respect to the order of precedence, any attached Exhibits shall govern over these General Provisions, and the Letter Agreement shall govern over any attached Exhibits and these General Provisions. These documents supersede all prior communications and constitute the entire Agreement between the parties. Amendments to this Agreement must be in writing and signed by both CLIENT and WIDSETH.

ARTICLE 1. PERIOD OF SERVICE

The term of this Agreement for the performance of services hereunder shall be as set forth in the Letter Agreement. In this regard, any lump sum or estimated maximum payment amounts set forth in the Letter Agreement have been established in anticipation of an orderly and continuous progress of the Project in accordance with the schedule set forth in the Letter Agreement or any Exhibits attached thereto. WIDSETH shall be entitled to an equitable adjustment to its fee should there be an interruption of services, or amendment to the schedule.

ARTICLE 2. SCOPE OF SERVICES

The scope of services covered by this Agreement shall be as set forth in the Letter Agreement or a Request for Services. Such scope of services shall be adequately described in order that both the CLIENT and WIDSETH have an understanding of the expected work to be performed.

If WIDSETH is of the opinion that any work they have been directed to perform is beyond the Scope of this Agreement, or that the level of effort required significantly exceeds that estimated due to changed conditions and thereby constitutes extra work, they shall notify the CLIENT of that fact. Extra work, additional compensation for same, and extension of time for completion shall be covered by a revision to the Letter Agreement or Request for Services and entered into by both parties.

ARTICLE 3. COMPENSATION TO WIDSETH

A. Compensation to WIDSETH for services described in this Agreement shall be on a Lump Sum basis, Percentage of Construction, and/or Hourly Rate basis as designated in the Letter Agreement and as hereinafter described.

1. A Lump Sum method of payment for WIDSETH's services shall apply to all or parts of a work scope where WIDSETH's tasks can be readily defined and/or where the level of effort required to accomplish such tasks can be estimated with a reasonable degree of accuracy. The CLIENT shall make monthly payments to WIDSETH within 30 days of date of invoice based on an estimated percentage of completion of WIDSETH's services.
2. A Percentage of Construction or an Hourly Rate method of payment of WIDSETH's services shall apply to all or parts of a work scope where WIDSETH's tasks cannot be readily defined and/or where the level of effort required to accomplish such tasks cannot be estimated with any reasonable degree of accuracy. Under an Hourly Rate method of payment, WIDSETH shall be paid for the actual hours worked on the Project by WIDSETH technical personnel times an hourly billing rate established for each employee. Hourly billing rates shall include compensation for all salary costs, payroll burden, general, and administrative overhead and professional fee. In a Percentage of Construction method of payment, final compensation will be based on actual bids if the project is bid and WIDSETH's estimate to the CLIENT if the project is not bid. A rate schedule shall be furnished by WIDSETH to CLIENT upon which to base periodic payments to WIDSETH.
3. In addition to the foregoing, WIDSETH shall be reimbursed for items and services as set forth in the Letter Agreement or Fee Schedule and the following Direct Expenses when incurred in the performance of the work:
 - (a) Travel and subsistence.
 - (b) Specialized computer services or programs.
 - (c) Outside professional and technical services with cost defined as the amount billed WIDSETH.
 - (d) Identifiable reproduction and reprographic costs.
 - (e) Other expenses for items such as permit application fees, license fees, or other additional items and services whether or not specifically identified in the Letter Agreement or Fee Schedule.
4. The CLIENT shall make monthly payments to WIDSETH within 30 days of date of invoice based on computations made in accordance with the above charges for services provided and expenses incurred to date, accompanied by supporting evidence as available.

B. The CLIENT will pay the balance stated on the invoice unless CLIENT notifies WIDSETH in writing of the particular item that is alleged to be incorrect within 15 days from the date of invoice, in which case, only the disputed item will remain undue until resolved by the parties. All accounts unpaid after 30 days from the date of original invoice shall be subject to a service charge of 1 % per month, or the maximum amount authorized by law, whichever is less. WIDSETH shall be entitled to recover all reasonable costs and disbursements, including reasonable attorneys fees, incurred in connection with collecting amount owed by CLIENT. In addition, WIDSETH may, after giving seven days written notice to the CLIENT, suspend services and withhold deliverables under this Agreement until WIDSETH has been paid in full for all amounts then due for services, expenses and charges. CLIENT agrees that WIDSETH shall not be responsible for any claim for delay or other consequential damages arising from suspension of services hereunder. Upon payment in full by Client and WIDSETH's resumption of services, the time for performance of WIDSETH's services shall be equitably adjusted to account for the period of suspension and other reasonable time necessary to resume performance.

ARTICLE 4. ABANDONMENT, CHANGE OF PLAN AND TERMINATION

Either Party has the right to terminate this Agreement upon seven days written notice. In addition, the CLIENT may at any time, reduce the scope of this Agreement. Such reduction in scope shall be set forth in a written notice from the CLIENT to WIDSETH. In the event of unresolved dispute over change in scope or changed conditions, this Agreement may also be terminated upon seven days written notice as provided above.

In the event of termination, and upon payment in full for all work performed and expenses incurred to the date of termination, documents that are identified as deliverables under the Letter Agreement whether finished or unfinished shall be made available by WIDSETH to the CLIENT pursuant to Article 5, and there shall be no further payment obligation of the CLIENT to WIDSETH under this Agreement except for payment of an amount for WIDSETH's anticipated profit on the value of the services not performed by WIDSETH and computed in accordance with the provisions of Article 3 and the Letter Agreement.

In the event of a reduction in scope of the Project work, WIDSETH shall be paid for the work performed and expenses incurred on the Project work thus reduced and for any completed and abandoned work, for which payment has not been made, computed in accordance with the provisions of Article 3 and the Letter Agreement.

ARTICLE 5. DISPOSITION OF PLANS, REPORTS AND OTHER DATA

All reports, plans, specifications, field data and notes and other documents, including all documents on electronic media, prepared by WIDSETH or its consultants are Instruments of Service and shall remain the property of WIDSETH or its consultants, respectively. WIDSETH and its subconsultants retain all common law, statutory and other reserved rights, including, without limitation, copyright. WIDSETH and its subconsultants maintain the right to determine if production will be made, and allowable format for production, of any electronic media or data to CLIENT or any third-party. Upon payment in full of monies due pursuant to the Agreement, WIDSETH shall make hard copies available to the CLIENT, of all documents that are identified as deliverables under the Letter Agreement. If the documents have not been finished (including, but not limited to, completion of final quality control), then WIDSETH shall have no liability for any claims expenses or damages that may arise out of items that could have been corrected during completion/quality control. Any Instruments of Service provided are not intended or represented to be suitable for reuse by the CLIENT or others on extensions of the Project or any other project. Any modification or reuse without written verification or adaptation by WIDSETH for the specific purpose intended will be at CLIENT's sole risk and without liability or legal exposure to WIDSETH. CLIENT shall indemnify, defend and hold harmless WIDSETH from any and all suits or claims of third parties arising out of use of unfinished documents, or modification or reuse of finished documents, which is not specifically verified, adapted, or authorized in writing by WIDSETH. This indemnity shall survive the termination of this Agreement.

Should WIDSETH choose to deliver to CLIENT documents in electronic form, CLIENT acknowledges that differences may exist between any electronic files delivered and the printed hard-copy. Copies of documents that may be relied upon by CLIENT are limited to the printed hard-copies that are signed and/or sealed by WIDSETH. Files in electronic form are only for convenience of CLIENT. Any conclusion or information obtained or derived from such electronic documents will be at user's sole risk. CLIENT acknowledges that the useful life of some forms of electronic media may be limited because of deterioration of the media or obsolescence of the computer hardware and/or software systems. Therefore, WIDSETH makes no representation that such media will be fully usable beyond 30 days from date of delivery to CLIENT.

ARTICLE 6. CLIENT'S ACCEPTANCE BY PURCHASE ORDER OR OTHER MEANS

In lieu of or in addition to signing the acceptance blank on the Letter Agreement, the CLIENT may accept this Agreement by permitting WIDSETH to commence work on the project or by issuing a purchase order signed by a duly authorized representative. Such purchase order shall incorporate by reference the terms and conditions of this Agreement. In the event of a conflict between the terms and conditions of this Agreement and those contained in the CLIENT's purchase order, the terms and conditions of this Agreement shall govern. Notwithstanding any purchase order provisions to the contrary, no warranties, express or implied, are made by WIDSETH.

ARTICLE 7. CLIENT'S RESPONSIBILITIES

A. To permit WIDSETH to perform the services required hereunder, the CLIENT shall supply, in proper time and sequence, the following at no expense to WIDSETH:

1. Provide all program, budget, or other necessary information regarding its requirements as necessary for orderly progress of the work.
2. Designate in writing, a person to act as CLIENT's representative with respect to the services to be rendered under this Agreement. Such person shall have authority to transmit instructions, receive instructions, receive information, interpret and define CLIENT's policies with respect to WIDSETH's services.
3. Furnish, as required for performance of WIDSETH's services (except to the extent provided otherwise in the Letter Agreement or any Exhibits attached hereto), data prepared by or services of others, including without limitation, core borings, probes and subsurface explorations, hydrographic and geohydrologic surveys, laboratory tests and inspections of samples, materials and equipment; appropriate professional interpretations of all of the foregoing; environmental assessment and impact statements; property, boundary easement, right-of-way, topographic and utility surveys; property descriptions; zoning, deed and other land use restriction; and other special data not covered in the Letter Agreement or any Exhibits attached hereto.
4. Provide access to, and make all provisions for WIDSETH to enter upon publicly or privately owned property as required to perform the work.
5. Act as liaison with other agencies or involved parties to carry out necessary coordination and negotiations; furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.
6. Examine all reports, sketches, drawings, specifications and other documents prepared and presented by WIDSETH, obtain advice of an attorney, insurance counselor or others as CLIENT deems necessary for such examination and render in writing, decisions pertaining thereto within a reasonable time so as not to delay the services of WIDSETH.
7. Give prompt written notice to WIDSETH whenever CLIENT observes or otherwise becomes aware of any development that affects the scope of timing of WIDSETH's services or any defect in the work of Construction Contractor(s), Consultants or WIDSETH.
8. Initiate action, where appropriate, to identify and investigate the nature and extent of asbestos and/or pollution in the Project and to abate and/or remove the same as may be required by federal, state or local statute, ordinance, code, rule, or regulation now existing or hereinafter enacted or amended. For purposes of this Agreement, "pollution" and "pollutant" shall mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, alkalis, chemicals and hazardous or toxic waste. Hazardous or toxic waste means any substance, waste pollutant or contaminant now or hereafter included within such terms under any federal, state or local statute, ordinance, code, rule or regulation now existing or hereinafter enacted or amended. Waste further includes materials to be recycled, reconditioned or reclaimed.

If WIDSETH encounters, or reasonably suspects that it has encountered, asbestos or pollution in the Project, WIDSETH shall cease activity on the Project and promptly notify the CLIENT, who shall proceed as set forth above. Unless otherwise specifically provided in the Letter Agreement, the services to be provided by WIDSETH do not include identification of asbestos or pollution, and WIDSETH has no duty to identify or attempt to identify the same within the area of the Project.

With respect to the foregoing, CLIENT acknowledges and agrees that WIDSETH is not a user, handler, generator, operator, treater, storer, transporter or disposer of asbestos or pollution which may be encountered by WIDSETH on the Project. It is further understood and agreed that services WIDSETH will undertake for CLIENT may be uninsurable obligations involving the presence or potential presence of asbestos or pollution. Therefore, CLIENT agrees, except (1) such liability as may arise out of WIDSETH's sole negligence in the performance of services under this Agreement or (2) to the extent of insurance coverage available for the claim, to hold harmless, indemnify and defend WIDSETH and WIDSETH's officers, subcontractor(s), employees and agents from and against any and all claims, lawsuits, damages, liability and costs, including, but not limited to, costs of defense, arising out of or in any way connected with the presence, discharge, release, or escape of asbestos or pollution. This indemnification is intended to apply only to existing conditions and not to conditions caused or created by WIDSETH. This indemnification shall survive the termination of this Agreement.

9. Provide such accounting, independent cost estimating and insurance counseling services as may be required for the Project, such legal services as CLIENT may require or WIDSETH may reasonably request with regard to legal issues pertaining to the Project including any that may be raised by Contractor(s), such auditing service as CLIENT may require to ascertain how or for what purpose any Contractor has used the moneys paid under the construction contract, and such inspection services as CLIENT may require to ascertain that Contractor(s) are complying with any law, rule, regulation, ordinance, code or order applicable to their furnishing and performing the work.

Section 7, Item D.

10. Provide "record" drawings and specifications for all existing physical features, structures, equipment, utilities, or facilities which are pertinent to the Project, to the extent available.
11. Provide other services, materials, or data as may be set forth in the Letter Agreement or any Exhibits attached hereto.

B. WIDSETH may use any CLIENT provided information in performing its services. WIDSETH shall be entitled to rely on the accuracy and completeness of information furnished by the CLIENT. If WIDSETH finds that any information furnished by the CLIENT is in error or is inadequate for its purpose, WIDSETH shall endeavor to notify the CLIENT. However, WIDSETH shall not be held responsible for any errors or omissions that may arise as a result of erroneous or incomplete information provided by CLIENT.

ARTICLE 8. OPINIONS OF COST

Opinions of probable project cost, construction cost, financial evaluations, feasibility studies, economic analyses of alternate solutions and utilitarian considerations of operations and maintenance costs provided for in the Letter Agreement or any Exhibits attached hereto are to be made on the basis of WIDSETH's experience and qualifications and represent WIDSETH's judgment as an experienced design professional. It is recognized, however, that WIDSETH does not have control over the cost of labor, material, equipment or services furnished by others or over market conditions or contractors' methods of determining their prices, and that any evaluation of any facility to be constructed, or acquired, or work to be performed on the basis of WIDSETH's cost opinions must, of necessity, be speculative until completion of construction or acquisition. Accordingly, WIDSETH does not guarantee that proposals, bids or actual costs will not substantially vary from opinions, evaluations or studies submitted by WIDSETH to CLIENT hereunder.

ARTICLE 9. CONSTRUCTION PHASE SERVICES

CLIENT acknowledges that it is customary for the architect or engineer who is responsible for the preparation and furnishing of Drawings and Specifications and other construction-related documents to be employed to provide professional services during the Bidding and Construction Phases of the Project, (1) to interpret and clarify the documentation so furnished and to modify the same as circumstances revealed during bidding and construction may dictate, (2) in connection with acceptance of substitute or equal items of materials and equipment proposed by bidders and Contractor(s), (3) in connection with approval of shop drawings and sample submittals, and (4) as a result of and in response to WIDSETH's detecting in advance of performance of affected work inconsistencies or irregularities in such documentation. CLIENT agrees that if WIDSETH is not employed to provide such professional services during the Bidding (if the work is put out for bids) and the Construction Phases of the Project, WIDSETH will not be responsible for, and CLIENT shall indemnify and hold WIDSETH, its officers, consultant(s), subcontractor(s), employees and agents harmless from, all claims, damages, losses and expenses including attorneys' fees arising out of, or resulting from, any interpretation, clarification, substitution acceptance, shop drawing or sample approval or modification of such documentation issued or carried out by CLIENT or others. Nothing contained in this paragraph shall be construed to release WIDSETH, its officers, consultant(s), subcontractor(s), employees and agents from liability for failure to perform in accordance with professional standards any duty or responsibility which WIDSETH has undertaken or assumed under this Agreement.

ARTICLE 10. REVIEW OF SHOP DRAWINGS AND SUBMITTALS

WIDSETH may review and approve or take other appropriate action on the contractor's submittals or shop drawings for the limited purpose of checking for general conformance with information given and design concept expressed in the Contract Documents. Review and/or approval of submittals is not conducted for the purpose of determining accuracy and completeness of other details or for substantiating instructions for installation or performance of equipment or systems, all of which remain the exclusive responsibility of the contractor. WIDSETH's review and/or approval shall not constitute approval of safety precautions, or any construction means, methods, techniques, sequences or procedures. WIDSETH's approval of a specific item shall not indicate approval of an assembly of which the item is a component. WIDSETH's review and/or approval shall not relieve contractor for any deviations from the requirements of the contract documents nor from the responsibility for errors or omissions on items such as sizes, dimensions, quantities, colors, or locations. Contractor shall remain solely responsible for compliance with any manufacturer requirements and recommendations.

ARTICLE 11. REVIEW OF PAY APPLICATIONS

If included in the scope of services, any review or certification of any pay applications, or certificates of completion shall be based upon WIDSETH's observation of the Work and on the data comprising the contractor's application for payment, and shall indicate that to the best of WIDSETH's knowledge, information and belief, the quantity and quality of the Work is in general conformance with the Contract Documents. The issuance of a certificate for payment or substantial completion is not a representation that WIDSETH has made exhaustive or continuous inspections, reviewed construction means and methods, verified any back-up data provided by the contractor, or ascertained how or for what purpose the contractor has used money previously paid by CLIENT.

ARTICLE 12. REQUESTS FOR INFORMATION (RFI)

If included in the scope of services, WIDSETH will provide, with reasonable promptness, written responses to requests from any contractor for clarification, interpretation or information on the requirements of the Contract Documents. If Contractor's RFI's are, in WIDSETH's professional opinion, for information readily apparent from reasonable observation of field conditions or review of the Contract Documents, or are reasonably inferable therefrom, WIDSETH shall be entitled to compensation for Additional Services for WIDSETH's time in responding to such requests. CLIENT may wish to make the Contractor responsible to the CLIENT for all such charges for additional services as described in this article.

ARTICLE 13. CONSTRUCTION OBSERVATION

If included in the scope of services, WIDSETH will make site visits as specified in the scope of services in order to observe the progress of the Work completed. Such site visits and observations are not intended to be an exhaustive check or detailed inspection, but rather are to allow WIDSETH to become generally familiar with the Work. WIDSETH shall keep CLIENT informed about the progress of the Work and shall advise the CLIENT about observed deficiencies in the Work. WIDSETH shall not supervise, direct or have control over any Contractor's work, nor have any responsibility for the construction means, methods, techniques, sequences or procedures selected by the Contractor nor for the Contractor's safety precautions or programs in connection with the Work. These rights and responsibilities are solely those of the Contractor. WIDSETH shall not be responsible for any acts or omissions of any Contractor and shall not be responsible for any Contractor's failure to perform the Work in accordance with the Contract Documents or any applicable laws, codes, regulations, or industry standards.

If construction observation services are not included in the scope of services, CLIENT assumes all responsibility for interpretation of the Contract Documents and for construction observation, and the CLIENT waives any claims against WIDSETH that are connected with the performance of such services.

ARTICLE 14. BETTERMENT

If, due to WIDSETH's negligence, a required item or component of the Project is omitted from the construction documents, WIDSETH 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 WIDSETH be responsible for any cost or expense that provides betterment or upgrades or enhances the value of the Project.

ARTICLE 15. CERTIFICATIONS, GUARANTEES AND WARRANTIES

WIDSETH shall not be required to sign any documents, no matter by who requested, that would result in WIDSETH having to certify, guarantee or warrant the existence of conditions whose existence WIDSETH cannot ascertain. CLIENT agrees not to make resolution of any dispute with WIDSETH or payment of any amount due to WIDSETH in any way contingent upon WIDSETH signing such certification.

ARTICLE 16. CONTINGENCY FUND

CLIENT and WIDSETH agree that certain increased costs and changes may be required because of possible omissions, ambiguities or inconsistencies in the plans and specifications prepared by WIDSETH, and therefore, that the final construction cost of the Project may exceed the bids, contract amount or estimated construction cost. CLIENT agrees to set aside a reserve in the amount of 5% of the Project construct costs as a contingency to be used, as required, to pay for any such increased costs and changes. CLIENT further agrees to make no claim by way of direct or third-party action against WIDSETH with respect to any increased costs within the contingency because of such changes or because of any claims made by any Contractor relating to such changes.

ARTICLE 17. INSURANCE

WIDSETH shall procure and maintain insurance for protection from claims against it under workers' compensation acts, claims for damages because of bodily injury including personal injury, sickness or disease or death of any and all employees or of any person other than such employees, and from claims against it for damages because of injury to or destruction of property including loss of use resulting therefrom.

Also, WIDSETH shall procure and maintain professional liability insurance for protection from claims arising out of performance of professional services caused by any negligent act, error, or omission for which WIDSETH is legally liable.

Certificates of insurance will be provided to the CLIENT upon request.

ARTICLE 18. ASSIGNMENT

Neither Party to this Agreement shall transfer, sublet or assign any rights or duties under or interest in this Agreement, including but not limited to monies that are due or monies that may be due, without the prior written consent of the other party. Subcontracting to subconsultants, normally contemplated by WIDSETH as a generally accepted business practice, shall not be considered an assignment for purposes of this Agreement.

ARTICLE 19. NO THIRD-PARTY BENEFICIARIES

Nothing contained in this Agreement shall create a contractual relationship or a cause of action by a third-party against either WIDSETH or CLIENT. WIDSETH's services pursuant to this Agreement are being performed solely for the CLIENT's benefit, and no other party or entity shall have any claim against WIDSETH because of this Agreement.

ARTICLE 20. CORPORATE PROTECTION

It is intended by the parties to this Agreement that WIDSETH's services in connection with the Project shall not subject WIDSETH's individual employees, officers or directors to any personal legal exposure for the risks associated with this Project. Therefore, and notwithstanding anything to the contrary, CLIENT agrees that as the CLIENT's sole and exclusive remedy, any claim, demand or suit shall be directed and/or asserted only against WIDSETH, a Minnesota corporation, and not against any of WIDSETH's individual employees, officers or directors.

ARTICLE 21. CONTROLLING LAW

This Agreement is to be governed by the laws of the State of Minnesota.

ARTICLE 22. ASSIGNMENT OF RISK

In recognition of the relative risks and benefits of the project to both the CLIENT and WIDSETH, the risks have been allocated such that the CLIENT agrees, to the fullest extent permitted by law, to limit the liability of WIDSETH, employees of WIDSETH and sub-consultants, to the CLIENT and to all construction contractors, subcontractors, agents and assigns on the project for any and all claims, losses, costs, damages of any nature whatsoever or claims expenses from any cause or causes, so that total aggregate liability of WIDSETH, employees of WIDSETH and sub-consultants, to all those named shall not exceed WIDSETH's total fee received for services rendered on this project. Such claims and causes include, but are not limited to negligence, professional errors or omissions, strict liability, breach of contract or warranty.

ARTICLE 23. NON-DISCRIMINATION

WIDSETH will comply with the provisions of applicable federal, state and local statutes, ordinances and regulations pertaining to human rights and non-discrimination.

ARTICLE 24. SEVERABILITY

Any provision or portion thereof in this Agreement which is held to be void or unenforceable under any law shall be deemed stricken and all remaining provisions shall continue to be valid and binding between CLIENT and WIDSETH. All limits of liability and indemnities contained in the Agreement shall survive the completion or termination of the Agreement.

ARTICLE 25. 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.**



CITY COUNCIL MEETING

AGENDA ITEM

Prepared By: <i>Allie Polsfuss, City Administrator & Anthony Moberg, Planning and Zoning Administrator</i>	Meeting Date: <i>10/05/2026</i>	Item Name: Short Term Rental Process
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BACKGROUND

At its March 2, 2026, meeting, the City Council discussed the current short-term rental licensing process and a proposal to revise the application and process to require a life and safety inspection before a license is issued.

The City Council approved a revised short-term rental license application and life and safety inspection, which will take effect January 1, 2027.

Council also directed staff to notify current short-term rental license holders in the fall of 2026 about the new licensing process, including the inspection requirement and associated fee, to allow license holders time to prepare for the upcoming changes.

OVERVIEW

Short Term Rental License Application (Attachment A)

- Number of legal bedrooms
- Size of bedrooms
- Maximum number of guests allowed
- Site and floor plan drawn to scale

Inspection (Attachment B)

- Includes life and safety items as proposed by staff and approved Council.

Process

- Applicant complete application and submit payment
- City review submission and verify application is complete
- City authorize scheduling of inspection
- Applicant schedules inspection
- Once inspection is approved, City issue license

Enforcement

During the Council meeting in March, enforcement was discussed.

Operating without a license. If a property is reported and determined to be operating without a required STR license, the City may issue a Short Term Rental License violation per the fee schedule if compliance is not achieve.

Violations of other ordinance provisions. For violations of operational standards or other provisions, enforcement would follow the procedures outlined in City Code 115.005.

1. Issuing administrative citation
2. Suspension or revocation of license
3. Additional legal remedies as necessary.

SHORT-TERM RENTAL LICENSE APPLICATION

For the license term January 1 2027 – December 31, 2027



City of
Breezy Point
Minnesota

City of Breezy Point
8319 County Road 11
Breezy Point, MN 56472
amoberg@cityofbreezypointmn.us
218-562-4441

FOR OFFICE USE ONLY

Date Inspection Approved: _____ Initial: _____

License fee

____ Annual License Fee (\$500)

Payment method: _____ Check _____ Credit

card Received: _____ Application

_____ Septic Compliance

_____ Plans as required

_____ Proof of Insurance

_____ Off Street Parking Plan

Date processed: _____ Initial: _____

License # _____

SITE INFORMATION

Site property address: _____

Year built _____

PROPERTY OWNER INFORMATION

Property owner's name(s): _____

(Required)

Property owner's address: _____

(Street address)

(City)

(State)

(Zip code)

Phone number(s) _____ (Home/Public) _____ (Cell) _____

Email address(es) _____

PROPERTY MANAGER/AGENT INFORMATION (if applicable)

Management company: _____ Agent: _____

(Street address)

(City)

(State)

(Zip

code) (Company phone #)

(Agent phone #)

(Email address)

TENANT INQUIRIES, COMPLAINTS, AND CITY MAILINGS TO BE SENT TO: _____ Owner _____ Agent →

PROPERTY INFORMATION

1. Number of legal bedrooms:
2. Number of bedrooms to be offered to guests:
3. Size of bedrooms: #1_____ #2_____ #3_____ #4_____ #5_____ #6_____
Additional:_____
4. Maximum number of guests allowed per ordinance:
5. Are the designated parking areas in a garage or improved surface: Yes No
6. Have any exterior home alterations been done, or planned, to accommodate the Short-Term Rental
Yes No If yes, please explain
7. Website the listing will be found on:

EMERGENCY CONTACT INFORMATION

Emergency Contact Phone Number:

Emergency Contact Email Address:

REQUIRED ATTACHMENTS

For your application to be complete, you must submit the following:

1. Site plan, drawn to scale, showing parking and driveways, all structures, and outdoor recreational areas that guests will be allowed to use, including, not but limited to, deck/patio, grill, recreational fire, or sauna.
2. Floor plans, drawn to scale, of the home identifying which rooms will be used as transient guest bedrooms
3. \$500.00 payment for license application
4. Is the Short Term Rental connected to the City of Breezy Point Municipal Sanitary Sewer System
Yes No
5. If the Short-Term Rental is not connected to the City of Breezy Point Sewer System, attach a copy of a valid certification of installation within the past 5 years or copy of compliance inspection performed in the last three years.
6. Proof of insurance showing coverage for STR units such as landlord insurance or equivalent.

SIGNATURES

By signing above, I acknowledge that I am responsible for all fees incurred by the City as a result of professional services provided by the City Engineer, City Attorney, and other contracted agencies in reviewing my application. Additionally, I acknowledge that all well testing requirements per Section 115.003(G) of the City Code have been satisfied.

Date _____

Date



City of Breezy Point

Short Term Rental Inspection

Section 8, Item A.

Fire Safety	
☐ Smoke alarms must be installed inside each bedroom and outside each separate sleeping area in the immediate vicinity of the bedrooms on every level ☐ Carbon monoxide alarms are required within 10 feet of sleeping areas	
Interior	
General Areas	☐ Walls and ceilings are in good repair and free from holes or water damage ☐ Floors are in good repair and structurally sound ☐ Handrails and guardrails are securely attached and unobstructed ☐ Continuous guardrails installed on open sides of landings and stairways 30 inches or more above grade ☐ Windows are easily operable ☐ No broken or cracked window glass
Bedrooms/Sleeping Areas	☐ Proper egress provided and/or door opens directly to the exterior as required ☐ Minimum floor space of 70 square feet ☐ Minimum room width of 7 feet ☐ Adequate lighting and ventilation ☐ No gas-powered appliances located within or shared with the bedroom
Kitchen	☐ Sink properly connected to sanitary sewer system ☐ Hot (minimum 120°F) and cold running water available ☐ The homes physical Address must be permanently posted anywhere in the kitchen for emergency services. (fridge, picture frame, cabinets.)
Bathroom	☐ Tub and/or shower properly installed, maintained, and in good condition ☐ Washbasin properly installed, maintained, and in good condition ☐ Toilet properly installed, secured, fully functioning, and all components intact ☐ Proper ventilation provided (operable window or mechanical vent) ☐ Hot and cold running water supplied to all fixtures
Electrical/Mechanical	☐ Cover plates installed on all outlets, switches, and junction boxes ☐ Electrical wiring intact and properly maintained ☐ Heating appliances properly installed ☐ Permanent heating source provided (temporary heaters not used as primary heat source) ☐ Fuel-burning appliances connected to an approved chimney, flue, or vent



City of Breezy Point

Short Term Rental Inspection

Section 8, Item A.

Exterior	
Exterior	☐ Roof is structurally sound and free of leaks ☐ Porch and/or deck in good repair and structurally sound ☐ Deck guardrails capable of withstanding 200 lb force ☐ Guardrails installed where deck or porch is over 30 inches above grade ☐ Soffit and fascia in good condition ☐ Siding is weather-tight and intact ☐ House numbers clearly visible from the public way



8319 County Road 11
Breezy Point, MN 56472

www.breezypointmn.gov

218-562-4441

SHORT-TERM RENTAL LICENSE

License Number: _____ License Period: _____
Property Owner: _____
Authorized Agent (if different): _____
Property Address: _____ Parcel ID: _____
24-hour contact: _____ Phone: _____

LICENSED USE

This property is licensed as a Short-Term Rental Unit pursuant to Chapter 115 of the Breezy Point City Code.

Bedrooms Approved: _____
Maximum Occupancy: _____
Maximum Off-Street Parking: _____
Wastewater: ☐ SSTS ☐ Municipal Sewer
Special Conditions:
1. _____
2. _____
3. _____

Additional Terms & Conditions

1. This license is valid only for the property identified herein.
2. The licensee shall not advertise more bedrooms or occupants than approved on this license.
3. Quiet hours are 10:00 p.m. to 7:00 a.m.
4. The Owner or Authorized Agent shall maintain 24-hour contact availability while rented.
5. This license is not transferable unless otherwise approved by the City.
6. This license shall be prominently posted within the rental unit.
7. Violation of Chapter 115 may result in suspension, revocation, or non-renewal.

APPROVAL

Anthony Moberg, Planning and Zoning Administrator
Date: _____

City of Breezy Point

Cash, Cash Equivalents & Investments | As of August 31, 2026

TOTAL ALL FUNDS
\$8,092,558

Section 8, Item B.

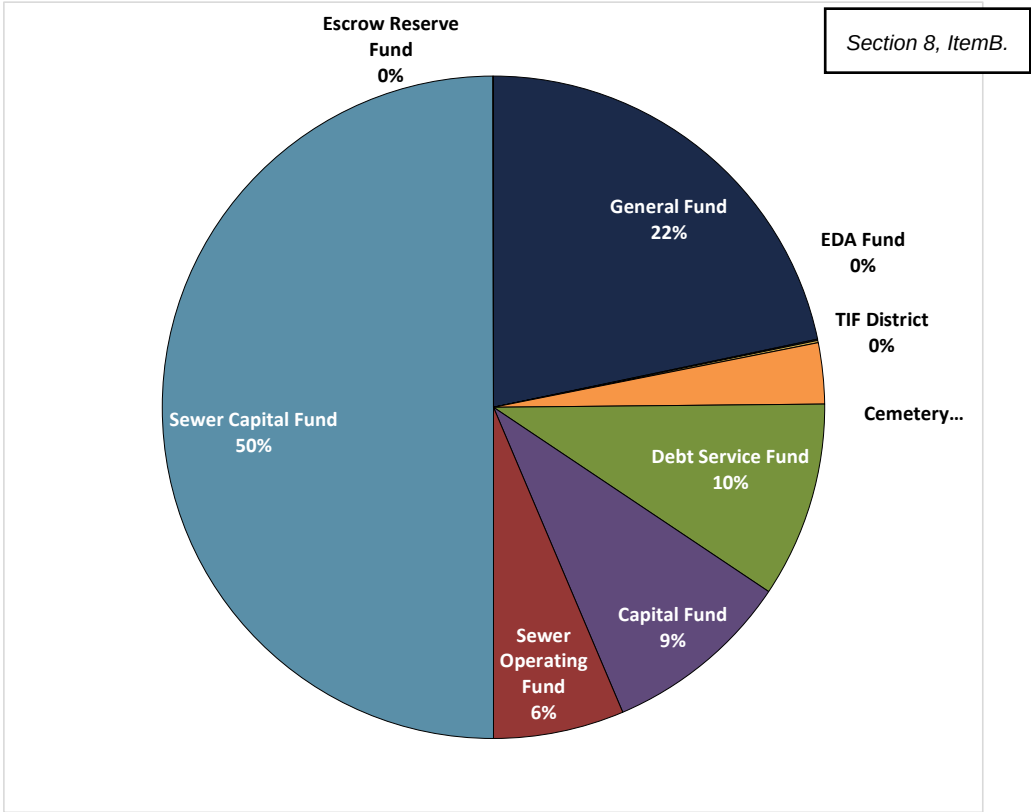
Institution	Type	Description	Market Value (\$)	Maturity Date	30-Day
Pine River Checking	Cash		\$ 1,496,956.33	—	—
Financial Northeastern (FNC)	Money Market	Dreyfus Treasury	\$ 18,955.48	—	3.54%
	CD	Western Alliance Bank	\$ 244,975.50	10/30/2026	4.05%
	CD	Milestone Bank	\$ 244,853.00	04/30/2027	3.95%
	CD	Austin Telco Fed Cr	\$ 194,969.04	02/28/2028	3.82%
	CD	First National Bank America East	\$ 241,895.85	04/30/2029	3.89%
PMA 4M Fund	Money Market		\$ 1,859,120.46	—	3.61%
Multi-Bank Securities (MBS)	Money Market	Federated Hermes Govt Reserves	\$ 6,872.40	—	2.70%
	CD	Goldman Sachs Bk USA	\$ 149,223.00	2/10/2028	3.81%
	CD	City Nat'l Bank	\$ 149,379.00	2/14/2028	3.86%
	CD	BMW Bank North America	\$ 139,333.60	6/12/2029	4.22%
	CD	First Guaranty Bank Hammond	\$ 239,088.15	11/14/2030	4.15%
Northland Securities	Money Market	Federated Hermes Trus Trsy II	\$ 137,899.08	—	2.82%
	CD	Barclay's Bank Del Retail	\$ 242,599.00	02/23/2027	1.96%
	CD	Popular Bank NY	\$ 244,887.30	04/30/2027	3.95%
	CD	Austin Telco Fed Cr	\$ 243,711.30	02/28/2028	3.82%
	CD	Morgan Stanley Bank	\$ 243,378.10	04/30/2029	4.12%
	CD	UBS Bank USA	\$ 241,800.30	04/30/2030	4.10%
	CD	Sallie Mae Bank	\$ 238,882.35	01/22/2031	3.94%
Wells Fargo	Money Market	AllSpring Government Money Market	\$ 85,186.93	—	3.33%
	CD	Enerbank USA	\$ 218,505.06	09/25/2026	0.65%
	CD	Beal Bank USA	\$ 242,621.05	02/17/2027	1.86%
	CD	Toyota Finl Savings Bk	\$ 244,159.65	05/01/2028	4.01%
	CD	Morgan Stanley PVT Bk	\$ 243,378.10	04/30/2029	4.12%
	CD	American Express Nat'l Bk	\$ 242,167.80	04/30/2030	4.14%
	CD	Celtic Bank	\$ 237,760.25	02/27/2031	3.86%
TOTAL ALL FUNDS			\$ 8,092,558.08		

City of Breezy Point

Fund Balances | As of August 31, 2026

Fund Name	Balance (\$)	% of Total
General Fund	\$1,748,984.68	21.75%
EDA Fund	\$4,936.37	0.06%
TIF District	-\$7,863.79	-0.10%
Cemetery Fund	\$240,263.78	2.99%
Debt Service Fund	\$768,365.81	9.55%
Capital Fund	\$743,795.86	9.25%
Sewer Operating Fund	\$513,743.39	6.39%
Sewer Capital Fund	\$4,028,139.55	50.09%
Escrow Reserve Fund	\$1,588.75	0.02%
TOTAL	\$8,041,954.40	100.00%

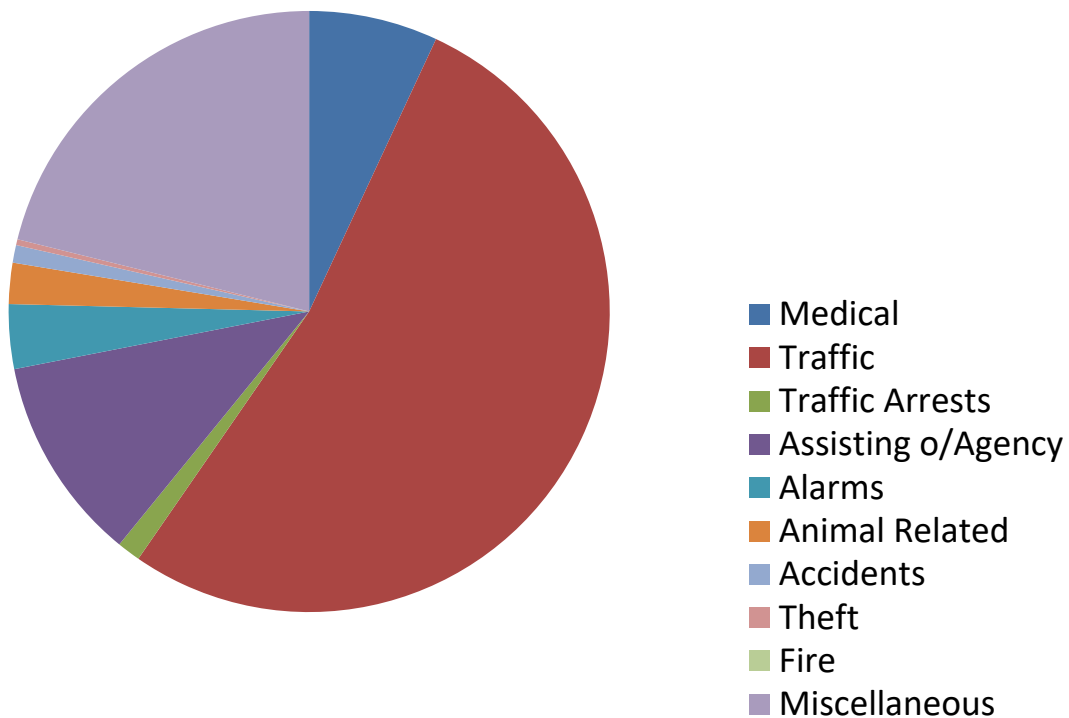
* Differences in fund balances compared to Cash, Cash Equivalents & Investments chart are due to issued checks that are outstanding and deposits in transit.



Breezy Point Police Department Offense Summary

Section 8, Item C.

September 1-30, 2026		2025
Medical	22	19
Traffic	167	131
Traffic Arrests	4	4
Assisting o/Agency	35	24
Alarms	11	6
Animal Related	7	4
Accidents	3	1
Theft	1	2
Fire	0	1
Miscellaneous	67	76
Total	317	268



Miscellaneous: (2) Civil Problem, (3) Driving Complaint, (3) Gun Permits, (5) Motorist Assist, (4) Parking Complaint, (9) Public Assist, (11) Suspicious Activity/Person/Vehicle, (3) Trespass, (6) Welfare Check, Etc.