

AGENDA
HARMONY CITY COUNCIL
Regular Meeting

February 11, 2020
7:00 P.M.

Council Room
Community Center

1. Call To Order
2. Roll Call
3. Public Forum
4. Public Hearing-TIF and Business Subsidy
5. Consent Agenda
 - a. Minutes
 - b. Claims
 - c. Administrator Report
 - d. Financial Report
 - e. CD
 - f. Sheriff Report
 - g. Planning and Zoning
 - h. 6th St SE Right of Way
6. Reports
 - a. Dairyland Project
 - b. Ambulance
 - c. Fire
 - d. Building & Maintenance Report
 - e. EDA Board
 - f. Park Board
 - g. Library Board
 - h. Arts Board
 - i. Social Media Policy
7. Adjourn

**BACKGROUND INFORMATION
HARMONY CITY COUNCIL
REGULAR MEETING**

**February 11, 2020
7:00 P.M.**

**Council Room
Community Center**

1. Call To Order
2. Roll Call
3. Public Forum
4. Public Hearing-TIF and Business Subsidy Law
5. Consent Agenda
 - a. Minutes
 - b. Claims
 - c. Administrator Report-See report.
 - d. Financial Report-See report.
 - e. CD-Cash in CD #44186.
 - f. Sheriff Report-See December Report.
 - g. Planning and Zoning-Consider recommended approval of Industrial Park Plat-2nd Addition, Zoning of Annexed Property to Industrial, Resolution making Municipal Development District same as City Limits, and Rezoning of Joe Hahn Lot from Agriculture to R-1.
 - h. 6th St SE Right of Way-Consider accepting 6th St SE ROW.
6. Reports
 - a. Dairyland Project-Consider approval of TIF 7 Plan. Consider TIF 7 approval of Resolution 20-02. Consider approval of Dairyland Development Agreement. Consider approval of business subsidy law agreement.
 - b. Ambulance-Larry Nolan will be present to discuss replacing ambulance.
 - c. Fire-Truck committee will be present to discuss rescue truck.
 - d. Building & Maintenance Report
 - e. EDA Board-Chris Giesen will present 2019 Annual EDA Report.
 - f. Park Board
 - g. Library Board
 - h. Arts Board
 - i. Social Media Policy-Consider approval of social media policy.
7. Adjourn

A Regular meeting of the Harmony City Council was called to order by Mayor Steve Donney at 7:00 PM. Present were Mayor Donney, Councilmembers Tony Webber, Steve Sagen, Debbie Swenson and Lynn Mensink; Attorney Greg Schieber, Administrator Jerome Illg, Terry Bigalk, Corey Whalen, Hannah Wingert, Melissa VanderPlas and Eileen Schansberg.

PUBLIC FORUM:

No One appeared.

CONSENT AGENDA:

Motion by Swenson and seconded by Mensink to approve the Consent Agenda which consisted of the minutes to the December 10, 2019 Council Meeting, the Claims, Administrator's Report, Financial Report, Cashing CD #44185 in to the General Fund, purchasing 4 CDs #44300-#44303, the Sheriff's Report, Authorizing an approximate 6 month temporary interfund transfer of \$150,000 from General Fund to EDA Fund for Trail land purchase until reimbursement is received from LCCMR, Renew Harmony Spirits Micro-distillery Liquor License from 1/31/20 to 1/31/21, approve internal bank transfers for 2013B Bond payment of \$29,150 and 2014A Bond of \$24,843.75, RESOLUTION 20-01: A Resolution making Annual Appointments and RESOLUTION 20-02: A Resolution removing non-developed TIF District 6 Parcels per TIF plan.

Voting for was: Webber, Sagen, Swenson, Mensink and Donney

Voting against was: No One

Abstained from voting was: No One

Absent from voting was: No One

The Consent Agenda was approved and Resolutions 20-01 and 20-02 were adopted.

BUILDING & MAINTENANCE:

A one-month Contract with WHKS was reviewed to help with the Wastewater plant operation. Motion by Swenson and seconded by Webber to approve the contract with WHKS. All present voting yes. Motion carried. The Maintenance Staff are working with WHKS Wastewater Engineer to keep the Wastewater Plant running smoothly.

The Snow Emergency Parking is going well.

EDA REPORT:

Board was recommending continuing the Housing Incentive Program. Motion by Donney and seconded by Swenson to renew the 2020 Housing Incentive. All present voting yes. Motion carried.

Hammel Property was billed \$12,000 as per agreement as no house was built in 2019. Motion by Swenson and seconded by Mensink that if two homes are built in 2020 the \$12,000 would be refunded back. All present voting yes.

The reimbursement paperwork from LCCMR has been filed for the bike trail land extending to the Iowa Border.

Harmony Telephone Company is having a meeting with the USDA Rural Development at Harmony Fire Hall on Friday, January 17th for an important presentation and announcement.

The joint petition with Harmony Township has been approved for the Industrial Park annexation has been approved by the state.

Administrator Illg stated the city was awarded a \$74,000 DEED Grant to help with the extension of 2nd Street NE in the Industrial Park for the Dairyland Project.

LIBRARY REPORT:

Librarian Silvers purchased a small refrigerator for Story Hour treats and staff lunches.

ARTS BOARD:

Meets next week.

PARK BOARD:

Did not meet.

2020 STREET PROJECT:

Motion by Swenson and seconded by Sagen to have a SPECIAL COUNCIL MEETING on Tuesday, February 25th at 7:00 PM for approval to specifications for the 2020 Street Project to be solicited for Bids. Suggested to incorporate and add to the meeting agenda reviewing the Administrator Job description.

COLA:

Motion by Webber and seconded by Swenson to do 2 ½% COLA for employees for 2020.

INTERIM ADMINISTRATOR:

A Contract was review with Joel Dhein for a 3-month period to sit in as Interim Administrator. Dhein would fill the Administrator's position from February 5th to May 1st. Motion by Swenson and seconded by Sagen to enter into the 3-month contract with Joel Dhein. All present voting yes. Motion carried.

Motion by Swenson and seconded by Webber to move forward with advertising for a City Administrator. Discussion held on whether ¾ time or full time was needed. Also, if there could be a probationary period. All present voting yes. Motion carried

A Letter from James Haugerud was reviewed. Mayor Donney stated that the issue was resolved.

Upon no further business, Mayor Donney adjourned the meeting.

Mayor Steve Donney

Eileen Schansberg, Deputy Clerk

CITY OF HARMONY
City Council Claims for Review

Fund Descr	Department	Object of Expense	Vendor	Comments	Amount
Fund 101 General Fund					
General Fund		Checking Account-General	CENTRAL PENSION FUND	Union pension	\$280.00
General Fund		Health Insurance	I.U.O.E. LOCAL 49 FRINGE BENEF	Health ins Feb	\$3,720.00
General Fund		Union Dues	IUOE LOCAL #49	Union dues	\$140.00
General Fund		NCPERS Insurance	NCPERS GROUP LIFE INS	511800	\$48.00
General Fund		Life Insurance	USABLE LIFE	101421301G	\$54.20
General Fund	Civil Defense	Telephone	HARMONY TELEPHONE COMPANY	Sirens/DSL Phone	\$89.98
General Fund	Community Center	Cleaning Supplies	DALCO	paper towels	\$60.45
General Fund	Community Center	Electric Utilities	HARMONY PUBLIC UTILITIES	Elec-Comm Ctr	\$3,048.43
General Fund	Community Center	Gas Utilities	MINNESOTA ENERGY	monthly gas bill-Comm Ctr	\$638.02
General Fund	Community Center	General Operating Supplies	DALCO	2 front of door mats	\$2,025.64
General Fund	Community Center	General Operating Supplies	KINGSLEY MERCANTILE	hose clamps/batteries	\$20.49
General Fund	Community Center	Motor Fuels/Lubricants	KWIK TRIP,INC	gas-chevy pickup	\$48.45
General Fund	Community Center	Repair/Maint Vehicles	TORGERSON AUTO	service- '17 Chevy pickup	\$25.68
General Fund	Community Center	Sewer Utilities	HARMONY PUBLIC UTILITIES	sewer-Comm Ctr	\$49.06
General Fund	Community Center	Telephone	HARMONY TELEPHONE COMPANY	Admin Phone/DSL	\$218.58
General Fund	Community Center	Water Utilities	HARMONY PUBLIC UTILITIES	water-Comm Ctr	\$32.33
General Fund	Financial Administration	Software Service Fees	BANYON DATA SYSTEMS	Fund/payroll support	\$1,590.00
General Fund	Ice & Snow Removal	Contractual Services	BRUENING ROCK PRODUCTS, INC	snow removal 1/13-1/14-1/18/20	\$3,200.00
General Fund	Ice & Snow Removal	Contractual Services	BRUENING ROCK PRODUCTS, INC	snow removal 1/23/20	\$800.00
General Fund	Ice & Snow Removal	Motor Fuels/Lubricants	HAMMELL EQUIPMENT	DEF fluid for plow truck	\$11.94
General Fund	Ice & Snow Removal	Motor Fuels/Lubricants	KWIK TRIP,INC	gas/diesel snow removal	\$416.07
General Fund	Ice & Snow Removal	Repair/Maint Machinery/Equip	SOLBERG WELDING	snowblower shoes	\$87.39
General Fund	Legal Services	Legal Fees	FILLMORE COUNTY ATTORNEY	Electronic Ordinance Entry	\$715.00
General Fund	Legal Services	Legal Fees	FILLMORE COUNTY ATTORNEY	Legal services for court case	\$245.50
General Fund	Legal Services	Legal Fees	NETHERCUT SCHIEBER ATTORNEYS	legal services for January	\$725.00
General Fund	Personnel Administration	Employment Advertising	FILLMORE COUNTY JOURNAL	City Admin ad	\$117.62
General Fund	Personnel Administration	General Operating Supplies	ILLG, JEROME	wellness	\$50.84
General Fund	Personnel Administration	General Operating Supplies	SCHANSBERG, EILEEN	Wellness program	\$4.76
General Fund	Police Department	Equipment Parts	PRESTON AUTO PARTS	Vbelt for WW plant	\$73.47
General Fund	Police Department	Motor Fuels/Lubricants	KWIK TRIP,INC	gas-Squad	\$200.49
General Fund	Police Department	Motor Fuels/Lubricants	SEVERSON OIL CO.	gas-Squad	\$369.69
General Fund	Police Department	Repair/Maint Vehicles	TORGERSON AUTO	service Squad	\$58.57
General Fund	Police Department	Telephone	HARMONY TELEPHONE COMPANY	Police Phone	\$43.28
General Fund	Public Works Buildings	Cleaning Supplies	DALCO	paper towels	\$60.45
General Fund	Public Works Buildings	Electric Utilities	HARMONY PUBLIC UTILITIES	Elec-Shop	\$281.69
General Fund	Public Works Buildings	Gas Utilities	MINNESOTA ENERGY	monthly gas bill-unavailable Shop	\$0.00

CITY OF HARMONY
City Council Claims for Review

Fund Descr	Department	Object of Expense	Vendor	Comments	Amount
General Fund	Public Works Buildings	General Operating Supplies	KINGSLEY MERCANTILE	dustpan/flashlight/batteries	\$51.55
General Fund	Public Works Buildings	General Operating Supplies	MISSISSIPPI WELDERS SUPPLY CO	CO2 cylinders	\$53.01
General Fund	Public Works Buildings	Telephone	HARMONY TELEPHONE COMPANY	Shop DSL	\$44.95
General Fund	Public Works Buildings	Water Utilities	HARMONY PUBLIC UTILITIES	water-shop	\$20.34
General Fund	Streets	Motor Fuels/Lubricants	KWIK TRIP,INC	gas 1-ton truck	\$154.91
General Fund	Streets	Other Equipment	ELAN CITY, INC	2 Solar radar speed signs	\$6,320.00
General Fund	Visitor Center	Electric Utilities	HARMONY PUBLIC UTILITIES	Elec-Vis Ctr	\$126.68
General Fund	Visitor Center	Gas Utilities	MINNESOTA ENERGY	monthly gas bill-Vis Ctr	\$427.81
General Fund	Visitor Center	Motor Fuels/Lubricants	KWIK TRIP,INC	gas-17 chevy pickup	\$48.45
General Fund	Visitor Center	Repair/Maint Vehicles	TORGERSON AUTO	service- '17 Chevy pickup	\$25.69
General Fund	Visitor Center	Sewer Utilities	HARMONY PUBLIC UTILITIES	sewer-Vis Ctr	\$27.18
General Fund	Visitor Center	Water Utilities	HARMONY PUBLIC UTILITIES	water-Vis Ctr	\$17.92
Fund 101 General Fund					\$26,869.56
Fund 211 Library Fund					
Library Fund	Library	Media-Audio	INGRAM LIBRARY SERVICES, INC	audio books	\$40.69
Library Fund	Library	Media-Audio	INGRAM LIBRARY SERVICES, INC	audio books	\$71.98
Library Fund	Library	Media-Books	BAKER & TAYLOR	books	\$16.99
Library Fund	Library	Media-Books	BAKER & TAYLOR	books	\$35.92
Library Fund	Library	Media-Books	BAKER & TAYLOR	books	\$19.92
Library Fund	Library	Media-Books	BOOK CITY	3 childrens books	\$52.00
Library Fund	Library	Media-Video	AMAZON CAPITAL SERVICES	DVDs	\$256.64
Library Fund	Library	Media-Video	AMAZON CAPITAL SERVICES	DVDs	\$82.92
Library Fund	Library	Printed Forms	SOUTHEASTERN LIBRARIES COOP	mailers	\$23.87
Library Fund	Library	Program Supplies	SOUTHEASTERN LIBRARIES COOP	Summer Reading Kick Off	\$10.00
Library Fund	Library	Repair/Maint Office Equipment	CANON FINANCIAL SERVICES, INC	Copier Lease	\$88.00
Library Fund	Library	Repair/Maint Office Equipment	LOFFLER COMPANIES, INC	copier Maintenance Fee	\$17.87
Library Fund	Library	Software Service Fees	SOUTHEASTERN LIBRARIES COOP	Basic Services & PC Support	\$599.02
Library Fund	Library	Telephone	HARMONY TELEPHONE COMPANY	Library Phone	\$51.68
Fund 211 Library Fund					\$1,367.50
Fund 222 Fire Fund					
Fire Fund	Fire Department	Dues	VOLUNTEER FIREFIGHTER S BENEFI	2020 membership dues	\$182.00
Fire Fund	Fire Department	Equipment Parts	MOREM ELECTRIC, INC	extractor shoreline for Grass Rig	\$740.69
Fire Fund	Fire Department	Equipment Parts	WINDRIDGE IMPLEMENTS, LLC	truck parts	\$147.68
Fire Fund	Fire Department	General Operating Supplies	KINGSLEY MERCANTILE	batteries/anchors fittings	\$38.61
Fire Fund	Fire Department	General Operating Supplies	MOREM ELECTRIC, INC	batteries for Firehall	\$52.80
Fire Fund	Fire Department	Motor Fuels/Lubricants	KWIK TRIP,INC	diesel-Fire	\$22.83

CITY OF HARMONY
City Council Claims for Review

Fund Descr	Department	Object of Expense	Vendor	Comments	Amount
Fire Fund	Fire Department	Motor Fuels/Lubricants	SEVERSON OIL CO.	diesel/gas-Firetrucks	\$82.75
Fire Fund	Fire Stations and Bldgs	Electric Utilities	HARMONY PUBLIC UTILITIES	Elec-Firehall	\$314.38
Fire Fund	Fire Stations and Bldgs	Gas Utilities	MINNESOTA ENERGY	monthly gas bill-Firehall	\$448.60
Fire Fund	Fire Stations and Bldgs	Sewer Utilities	HARMONY PUBLIC UTILITIES	sewer-Firehall	\$25.68
Fire Fund	Fire Stations and Bldgs	Telephone	HARMONY TELEPHONE COMPANY	Fire Phone	\$44.14
Fire Fund	Fire Stations and Bldgs	Water Utilities	HARMONY PUBLIC UTILITIES	water-Firehall	\$16.93
Fund 222 Fire Fund					\$2,117.09
Fund 223 Ambulance Fund					
Ambulance Fund	Ambulance Service	Medical and Dental Fees	MAYO CLINIC AMBULANCE	Intercept chgs AG	\$319.18
Ambulance Fund	Ambulance Service	Medical Supplies	ASTRUP DRUG	Alcohol swabs/Benedryl	\$6.48
Ambulance Fund	Ambulance Service	Medical Supplies	ELAN FINANCIAL SERVICES	Glucagon/EPI Jr	\$545.86
Ambulance Fund	Ambulance Service	Motor Fuels/Lubricants	KWIK TRIP, INC	diesel-Amb	\$156.98
Ambulance Fund	Ambulance Service	Motor Fuels/Lubricants	SEVERSON OIL CO.	diesel-Amb	\$26.77
Ambulance Fund	Ambulance Service	Repair/Maint Vehicles	DECORAH AUTO CENTER	full service-Amb	\$133.04
Ambulance Fund	Ambulance Service	Taxes, Licenses & Permits	JOHNSON, AUBREY	National Registry reimbursed	\$20.00
Ambulance Fund	Ambulance Service	Telephone	VERIZON WIRELESS	cell service-Amb	\$47.64
Ambulance Fund	Ambulance Service	Training Fees	SCHANSBERG, EILEEN	reimbursed for AMB CPR Cards	\$65.00
Ambulance Fund	Ambulance Service	Training Fees	SE MINNESOTA EMS	Conference-Aub Johnson	\$165.00
Ambulance Fund	Ambulance Service	Training Fees	SE MINNESOTA EMS	Conference-7 EMTs	\$1,230.00
Fund 223 Ambulance Fund					\$2,715.95
Fund 251 Park Fund					
Park Fund	Parks	Electric Utilities	HARMONY PUBLIC UTILITIES	Elec-Parks	\$177.95
Fund 251 Park Fund					\$177.95
Fund 601 Water Fund					
Water Fund	Water Utility Administratio	Software Service Fees	BANYON DATA SYSTEMS	UB support	\$247.50
Water Fund	Water Utility Operation	Chemicals and Chem Products	HAWKINS WATER TREATMENT GROU	flouride	\$399.14
Water Fund	Water Utility Operation	Chemicals and Chem Products	HAWKINS WATER TREATMENT GROU	chlorine cylinder	\$5.00
Water Fund	Water Utility Operation	Electric Utilities	HARMONY PUBLIC UTILITIES	Elec-pumphouses	\$1,413.64
Water Fund	Water Utility Operation	Gas Utilities	MINNESOTA ENERGY	monthly gas bill-pumphouses	\$77.81
Water Fund	Water Utility Operation	Laboratory & Testing Fees	UTILITY CONSULTANTS, INC	Water Testing Lab Fees	\$40.00
Water Fund	Water Utility Operation	Management Fees	MINN MUNICIPAL UTILITIES ASSOC	1st Qtr safety program	\$808.33
Water Fund	Water Utility Operation	Motor Fuels/Lubricants	RUN RIGHT POWER LLC	4-stroke fuel	\$19.95
Water Fund	Water Utility Operation	Utility Maint Materials	BRUENING ROCK PRODUCTS, INC	rock for main break	\$177.88
Water Fund	Water Utility Operation	Utility Maint Materials	USA BLUEBOOK	deionized water/flouride tabs	\$100.99
Fund 601 Water Fund					\$3,290.24

CITY OF HARMONY
City Council Claims for Review

Fund Descr	Department	Object of Expense	Vendor	Comments	Amount
Fund 602 Sewer Fund					
Sewer Fund		F/A-Other Equipment	MOREM ELECTRIC, INC	Install generator at WWTP	\$10,500.00
Sewer Fund	Sewer Administration	Software Service Fees	BANYON DATA SYSTEMS	UB support	\$247.50
Sewer Fund	Sewer Operation	Building Repair Materials	KINGSLEY MERCANTILE	light bulbs	\$80.43
Sewer Fund	Sewer Operation	Chemicals and Chem Products	HAWKINS WATER TREATMENT GROU	chlorine	\$210.26
Sewer Fund	Sewer Operation	Chemicals and Chem Products	HAWKINS WATER TREATMENT GROU	chlorine cylinder	\$5.00
Sewer Fund	Sewer Operation	Cleaning Supplies	KINGSLEY MERCANTILE	freshners	\$6.58
Sewer Fund	Sewer Operation	Electric Utilities	HARMONY PUBLIC UTILITIES	Elec-WWTP/Lifts	\$1,748.43
Sewer Fund	Sewer Operation	Equipment Parts	HAMMELL EQUIPMENT	chain for WW plant	\$47.96
Sewer Fund	Sewer Operation	Gas Utilities	MINNESOTA ENERGY	monthly gas bill-WWTP	\$625.34
Sewer Fund	Sewer Operation	General Operating Supplies	BLUFF COUNTRY COMPUTER WORKS	computer keyboard	\$29.95
Sewer Fund	Sewer Operation	General Operating Supplies	DALCO	disposable gloves	\$76.31
Sewer Fund	Sewer Operation	General Operating Supplies	HARMONY FOODS	distilled water	\$5.67
Sewer Fund	Sewer Operation	General Operating Supplies	KINGSLEY MERCANTILE	plumbers tape/waste pan	\$23.57
Sewer Fund	Sewer Operation	Laboratory & Testing Fees	UTILITY CONSULTANTS, INC	Wastewater Testing Lab Fees	\$958.50
Sewer Fund	Sewer Operation	Management Fees	MINN MUNICIPAL UTILITIES ASSOC	1st Qtr safety program	\$808.33
Sewer Fund	Sewer Operation	Motor Fuels/Lubricants	RUN RIGHT POWER LLC	fuel line/4-stroke fuel	\$52.40
Sewer Fund	Sewer Operation	Repair/Maint Other Improve	ELECTRIC PUMP, INC	WWTP pump sewage pump work	\$1,297.35
Sewer Fund	Sewer Operation	Repair/Maint Other Improve	MOREM ELECTRIC, INC	south lift blown cutout	\$134.00
Sewer Fund	Sewer Operation	Sewer Utilities	HARMONY PUBLIC UTILITIES	sewer-WWTP	\$2,252.46
Sewer Fund	Sewer Operation	Small Tools and Minor Equip	KINGSLEY MERCANTILE	ear muffs/visе grip	\$39.75
Sewer Fund	Sewer Operation	Small Tools and Minor Equip	SOLBERG WELDING	WW rounds/nuts & bolts	\$94.50
Sewer Fund	Sewer Operation	Small Tools and Minor Equip	USA BLUEBOOK	sampler tool	\$338.23
Sewer Fund	Sewer Operation	Telephone	HARMONY TELEPHONE COMPANY	Lift Stations Dialer/DSL Phone	\$162.97
Sewer Fund	Sewer Operation	Utility Maint Materials	TEAM LABORATORY CHEM. CORP.	mega bugs/lift degreaser	\$2,701.50
Sewer Fund	Sewer Operation	Utility Maint Materials	USA BLUEBOOK	dipper/Dechlor tablets/DPD dispenser	\$351.07
Sewer Fund	Sewer Operation	Utility Maint Materials	USA BLUEBOOK	dechlorinization tablets	\$476.12
Sewer Fund	Sewer Operation	Water Utilities	HARMONY PUBLIC UTILITIES	water-WWTP	\$1,483.67
Fund 602 Sewer Fund					\$24,757.85
Fund 603 Solid Waste Fund					
Solid Waste Fund	Solid Waste Administration	Software Service Fees	BANYON DATA SYSTEMS	UB support	\$247.50
Fund 603 Solid Waste Fund					\$247.50
Fund 604 Electric Fund					
Electric Fund		Utility Deposits	UTILITY DEPOSIT REFUND	Deposit to close utilities S Todd	\$150.00
Electric Fund		Utility Deposits	UTILITY DEPOSIT REFUND	Deposit to Utilty bill Moger	\$150.00
Electric Fund		Utility Deposits	UTILITY DEPOSIT REFUND	Utility Refund Donna Reese	\$75.00

CITY OF HARMONY
City Council Claims for Review

Fund Descr	Department	Object of Expense	Vendor	Comments	Amount
Electric Fund		Utility Deposits	UTILITY DEPOSIT REFUND	deposit refund-Joshua Thomas	\$90.20
Electric Fund		Utility Deposits	UTILITY DEPOSIT REFUND	Deposit to close acct Josh Thomas	\$59.80
Electric Fund	Electric Utility Operation	Electric Power for Resale	MI ENERGY COOPERATIVE	Power for Resale	\$73,658.96
Electric Fund	Electric Utility Operation	Electric Utilities	HARMONY PUBLIC UTILITIES	Elec-Streetlights	\$1,432.91
Electric Fund	Electric Utility Operation	Electric Utilities	HARMONY PUBLIC UTILITIES	town clock-Elec	\$13.42
Electric Fund	Electric Utility Operation	Management Fees	MINN MUNICIPAL UTILITIES ASSOC	1st Qtr safety program	\$808.34
Electric Fund	Electric Utility Operation	Motor Fuels/Lubricants	KWIK TRIP,INC	gas-14 ford pickup	\$68.38
Electric Fund	Electric Utility Operation	Repair/Maint Other Improve	GOPHER STATE ONE CALL, INC	locates/no locates	\$6.75
Electric Fund	Electric Utility Operation	Repair/Maint Other Improve	GOPHER STATE ONE CALL, INC	2020 annual facility operater fee	\$50.00
Electric Fund	Electric Utility Operation	Repair/Maint Vehicles	TORGERSON AUTO	service-'14 Ford pickup	\$38.67
Electric Fund	Electric UtilityAdministratio	Deposit Interst Paid	UTILITY DEPOSIT REFUND	int on deposit D Reese	\$1.01
Electric Fund	Electric UtilityAdministratio	Dues	MINN MUNICIPAL UTILITIES ASSOC	2020 Membership dues	\$1,361.00
Electric Fund	Electric UtilityAdministratio	Software Service Fees	BANYON DATA SYSTEMS	UB support	\$247.50
Fund 604 Electric Fund					\$78,211.94
Fund 620 Economic Development Authority					
Economic Development	Economic Development	Dues	PARKS & TRAILS COUNCIL OF MN	membership 2020	\$35.00
Economic Development	Economic Development	Planning & Development Fees	FILLMORE COUNTY TREASURER	Annexation fees Ind Park	\$46.00
Economic Development	Economic Development	Telephone	HARMONY TELEPHONE COMPANY	EDA Phone	\$20.78
Fund 620 Economic Development Authority					\$101.78
					\$139,857.36

ADMINISTRATOR'S REPORT

For the Period January 14, 2020 to February 11, 2020

ADMINISTRATION

Received approval from signed USDA paperwork to proceed with projects for generator at WWTP and for motorized scissor lift. Lift has been ordered and received. Attended lift training. Generator has arrived for wastewater plant. Generator has been placed on pad. Morem's are connecting it.

Reviewed properties for ordinance violations with deputy. Mailed 25 notices. Review of properties and follow up has occurred with deputy again. Deputy will be contacting remaining ordinance violators.

Coordinated splash pad project with engineer. Plan has been developed.

Coordinated several items for Dairyland Power project. Engineering, Annexation, TIF, etc. Annexation was approved by state.

Submitted paperwork to county for cooperative speed signs. Have not heard from county yet. Ordered and received 2 other speed signs for Hwy 52. Will be installed in spring when weather and ground conditions allow.

Submitted 2020 annual budget and levy information and reports to county and state.

Preparing for 2019 audit.

Submitting other required annual reports to county, state, and federal agencies.

Administered planning and zoning meeting information for meeting on 2/4/20.

Submitted pay equity report.

Training Interim Administer Dhein.

City of Harmony
Cash Balance Report
December 2018 and December 2019

<u>Fund Description</u>	<u>December-18</u>	<u>December-19</u>
General Fund	912,172.33	520,545.06
Revolving Loan Fund	116,143.20	125,704.97
Commercial Rehab Fund	12,000.10	12,194.75
Library Fund	6,600.62	16,699.44
Fire Fund	25,629.77	24,514.85
Ambulance Fund	70,044.00	54,761.83
Park Fund	70,194.91	75,074.87
Arts Fund	4,326.84	5,140.55
GO Improvement 2010A-3rd St SW	40,299.45	46,340.59
GO Tax Abatement 2013A-Comm Cntr	7,619.94	8,270.37
GO Improvement 2013B-Heritage Grove	24,619.45	26,101.60
GO Improvement 2014A-1st Ave SW	33,496.52	41,407.21
GO Improvement 2017A-Various	103,503.14	129,321.50
Capital Projects Fund	831,803.91	859,620.91
TIF District #5-Antique Mall	11,992.98	-
TIF District #6-HECO	46.86	106.95
2017 Street and Utility Project	-	-
Water Fund	219,474.00	274,571.07
Sewer Fund	28,139.49	11,421.35
Solid Waste Fund	108.68	12,824.58
Electric Fund	753,473.01	592,975.72
Storm Water Fund	11,723.94	16,020.50
Economic Development Fund	157,519.30	60,155.33
Total	<u>3,440,932.44</u>	<u>2,913,774.00</u>

FILLMORE COUNTY SHERIFF



Office of the FILLMORE COUNTY SHERIFF

JOHN DEGEORGE Sheriff
LANCE BOYUM Chief Deputy
901 Houston St. NW
PRESTON, MN 55965-1080

Tel: 507-765-3874
Emergency Dial 911
Fax: 507-765-2703

Date: January 1, 2020
To: Harmony City Council
From: Jason Harmening, Deputy Sheriff
John DeGeorge, Fillmore County Sheriff
Re: January 2020 Monthly Council Report (December stats)

Calls for Service / Patrol Activity:

Reported Date	Title	Street Name	Badge ID
2019-12-05	Civil	1st AVE	2307
2019-12-05	Civil	1st AVE	2310
2019-12-05	Traffic	MAIN AVE	2307
2019-12-07	Alarm	HWY 52	2307
2019-12-09	Parking Complaint	1st AVE	2309
2019-12-19	Traffic		2323
2019-12-19	Driving Under the Influence	MAIN AVE	2323
2019-12-19	Driving Under the Influence	MAIN AVE	2319
2019-12-19	Traffic	2ND AVE	2319
2019-12-19	Traffic	HWY 52	2319
2019-12-20	Death	3RD AVE	2314
2019-12-20	Criminal Sexual Conduct	1ST AVE	2307
2019-12-20	Crash	HWY 52	2307
2019-12-20	Crash	HWY 52	2304
2019-12-20	Civil	MAIN AVE	2314
2019-12-22	Crash	GARDEN RD	2307

FILLMORE COUNTY SHERIFF



Office of the FILLMORE COUNTY SHERIFF

JOHN DEGEORGE Sheriff
LANCE BOYUM Chief Deputy
901 Houston St. NW
PRESTON, MN 55965-1080

Tel: 507-765-3874
Emergency Dial 911
Fax: 507-765-2703

2019-12-23	Civil	2ND AVE	2307
2019-12-23	Civil	2ND AVE	2320
2019-12-25	Mental Health	146TH ST	2320
2019-12-25	Mental Health	146TH ST	2314
2019-12-27	Civil	4TH ST	2320
2019-12-27	Civil	4TH ST	2313
2019-12-27	Civil	4TH ST	2307
2019-12-29	Suspicious Activity	MAIN AVE	2323
2019-12-30	Animal Complaint	HIGHWAY 52	2323
2019-12-31	Parking Complaint	2ND AVE	2320
2019-12-31	Parking Complaint	2ND AVE	2320
2019-12-31	Parking Complaint	1ST AVE	2320
2019-12-31	Parking Complaint	5TH ST	2320
2019-12-31	Parking Complaint	MAIN AVE	2320
2019-12-31	Parking Complaint	5TH ST	2320

MINUTES
HARMONY PLANNING & ZONING COMMISSION
Special Meeting

February 4, 2020
7:00 P.M.

Council Room
Community Center

The regular meeting was called to order by Miles Petree at 7:00 p.m.

Present: Erik Olson, Miles Petree, Jim Strozyk

Absent: Deb Swenson, Lynn Mensink

Also attending: Jerome Illg, Curt Hegg

Hahn Rezoning

A rezoning request was reviewed to rezone parcel 15.0001.050 from agriculture to R-1. The parcel should have been rezoned when the lot was built upon. Motion by Olson, seconded by Strozyk to recommend to the city council to rezone from agriculture to R-1. Motion carried.

Industrial Park

Information was reviewed to zone the industrial park land (PID 14.0072.000) that was purchased recently and annexed into the city limited to industrial. Motion by Olson, seconded by Petree to recommend zoning the parcel to industrial. Motion carried.

A preliminary and final plat was reviewed for the Industrial Park 2nd Addition. Motion by Petree, seconded by Olson to recommend approval of final plat. Motion carried.

Motion by Strozyk, seconded by Olson to recommend a resolution modifying the municipal to be consistent with the city limits, with the recently annexed property. Motion carried.

There being no further business the meeting was adjourned by Petree, seconded by Olson at 7:45 p.m.

Miles Petree, Zoning Board Member

A T T E S T

Jerome Illg, Zoning Administrator

CITY OF HARMONY

February 7, 2020

«First_Name» «Last_Name»
«Mailing_Address»
«City_», «State» «Zip»

To Whom It May Concern:

Attached is a public hearing notice in regards to a rezoning request. Your parcel of land may be within approximately 350' of this proposed rezoning. The proposed rezoning will be for rezoning from agriculture to industrial.

Please don't hesitate to contact me should you have any questions or concerns.

Sincerely,

CITY OF HARMONY

Jerome Illg
City Administrator

City of Harmony
Property Notification List
Rezoning Industrial Park Land

First Name	Last Name	Mailing Address	City	State	Zip	PID
Kiehne	Family Farms	13666 US 52	Harmony	MN	55939	14.0071.010
Matt	Anderson	32346 146th St	Harmony	MN	55939	14.0071.000
City of	Harmony	P.O. Box 488	Harmony	MN	55939	15.0573.000
City of	Harmony	P.O. Box 488	Harmony	MN	55939	15.0570.000
Poet	Ethanol Products	3939 N. Webb Rd	Wichita	KS	67226	15.0578.000
City of	Harmony	P.O. Box 488	Harmony	MN	55939	15.0546.010
City of	Harmony	P.O. Box 488	Harmony	MN	55939	15.0576.000
City of	Harmony	P.O. Box 488	Harmony	MN	55939	15.0575.000
Case	Painting and Drywa	346 5th Ave SE	Harmony	MN	55939	15.0574.000
City of	Harmony	P.O. Box 488	Harmony	MN	55939	15.0574.010
Bill	Kiehne	16454 US 52	Harmony	MN	55939	14.0072.010
City of	Harmony	P.O. Box 488	Harmony	MN	55939	14.0072.000

**CITY OF HARMONY
PUBLIC HEARING NOTICE**

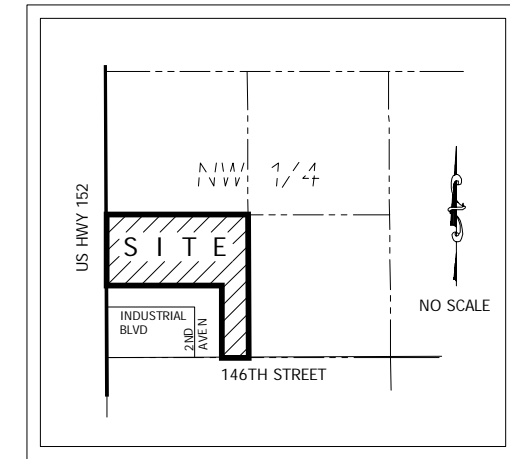
Proposed Rezoning & Plat

Notice is hereby given that a public hearing will be held by the Harmony City Council for the purpose of considering a request from the Harmony Planning & Zoning Commission to rezone portions of SW Corner of the SW $\frac{1}{4}$ of the NW $\frac{1}{4}$, Section 11, T101N, R10W, City of Harmony, Fillmore County, Minnesota from Agricultural to Industrial and approve plat. The hearing will be held at 7:00 p.m., Tuesday, February 4, 2020 in the Council Room of the Community Center. Further information is available at the city offices during normal business hours. The public is invited to comment during the hearing or provided written comments prior to the hearing.

Jerome Illg
City Administrator

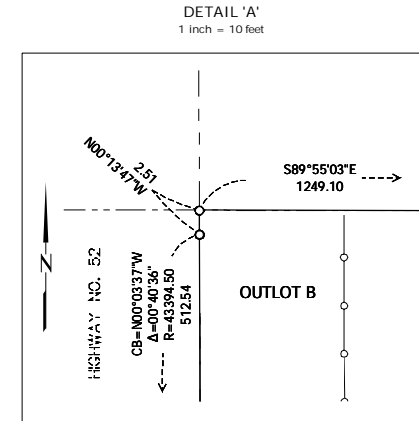
PRELIMINARY PLAT OF INDUSTRIAL PARK 2ND ADDITION

VICINITY MAP
SEC. 11, TWP. 101N, RNG. 10W
HARMONY, MN



Land Surveyor: Daniel J. Roeber
MN License No. 43133
Stantec Consulting
733 Marquette Ave S
Suite 1000
Minneapolis, MN 55402
612-712-2000

Owner/Developer: Harmony Economic Development Authority
P.O. Box 488
225 3rd Ave SW
Harmony, MN 55939



LEGAL DESCRIPTION

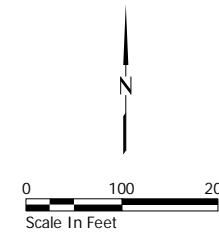
That part of the Southwest Quarter of the Northwest Quarter of Section 11, Township 101 North, Range 10 West, Fillmore County, Minnesota, described as follows: Commencing at the southwest corner of said Southwest Quarter of the Northwest Quarter; thence South 89 degrees 49 minutes 18 seconds East assumed bearing along the south line of said Southwest Quarter of the Northwest Quarter, 1119.34 feet to the southeast corner of INDUSTRIAL PARK 1ST ADDITION, according to the recorded plat thereof, said Fillmore County, and the point of beginning; thence North 01 degrees 26 minutes 15 seconds East along the east line of said INDUSTRIAL PARK 1ST ADDITION, 772.00 feet to the northeast corner of said INDUSTRIAL PARK 1ST ADDITION; thence North 88 degrees 42 minutes 05 seconds West, along the north line of said INDUSTRIAL PARK 1ST ADDITION, 1050.11 feet to the easterly right of way line of Trunk Highway No. 52, per MINNESOTA DEPARTMENT OF TRANSPORTATION RIGHT OF WAY PLAT NO. 23-22, said Fillmore County; thence northerly along said easterly right of way line, 515.05 feet to the north line of said Southwest Quarter of the Northwest Quarter; thence South 89 degrees 55 minutes 03 seconds East, along said north line of the Southwest Quarter; thence South 00 degrees 14 minutes 37 seconds West, along said east line of the Southwest Quarter of the Northwest Quarter, 1307.47 feet to said south line of the Southwest Quarter of the Northwest Quarter; thence North 89 degrees 49 minutes 18 seconds West along said south line, 204.67 feet to the point of beginning.

DRAINAGE & UTILITY EASEMENTS

SHOWN THUS:
(NOT TO SCALE)

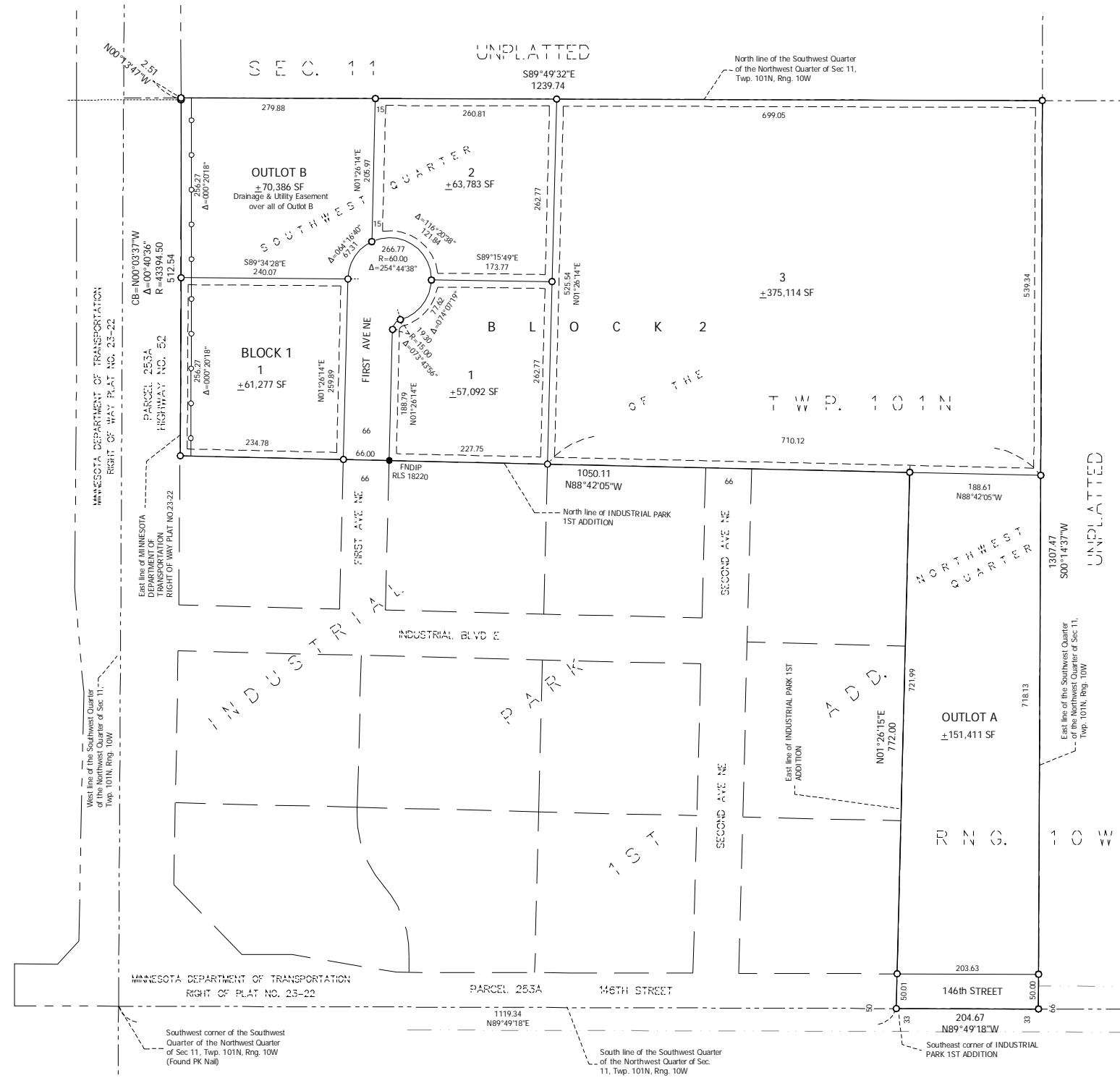


BEING 10 FEET IN WIDTH AND
ADJOINING RIGHT OF WAY AND SIDE LOT
LINES UNLESS OTHERWISE INDICATED



BEARINGS ARE BASED ON THE SOUTH LINE OF THE
SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF
SEC. 11, TWP. 101N, RNG. 10W, WHICH IS ASSUMED TO HAVE
A BEARING OF NORTH 89 DEGREES 49 MINUTES 18 SECONDS
EAST.

- DENOTES IRON MONUMENT FOUND, AS SHOWN
- DENOTES 1/2 INCH BY 14 INCH
IRON MONUMENT SET WITH PLASTIC
PLUG INSCRIBED WITH 43133
- DENOTES FILLMORE COUNTY
CAST IRON MONUMENT
- DENOTES RESTRICTED RIGHT OF WAY ACCESS



SITE DATA

TOTAL ACREAGE: ±804,398 square feet (±18.5 acres)

EXISTING ZONING: Industrial

PROPOSED ZONING: Industrial

BUILDING SETBACKS:

Industrial
Front Right-of-Way...30 feet
Side Interior...20 feet
Rear...30 feet

HORIZONTAL DATUM

Fillmore County, NAD83(2011), U.S. Survey Foot

VERTICAL DATUM

NAVD88
MNDot Monument '23095'
GSID #8528
Elevation = 1323.039, U.S. Survey Foot



DATE	REVISION

DATE	REVISION

HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION, OR SURVEY WAS PREPARED BY ME OR UNDER MY
SUPERVISION AND THAT I AM A DULY LICENSED PROFESSIONAL LAND SURVEYOR UNDER THE
LAWS OF THE STATE OF MINNESOTA.

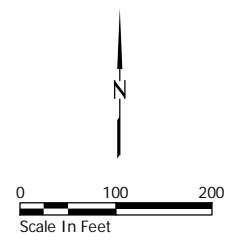
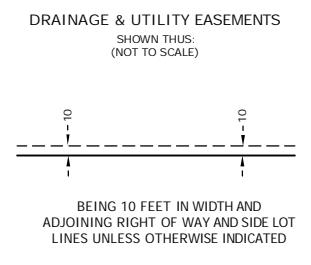
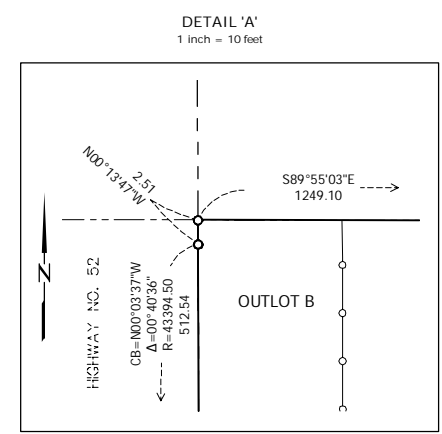
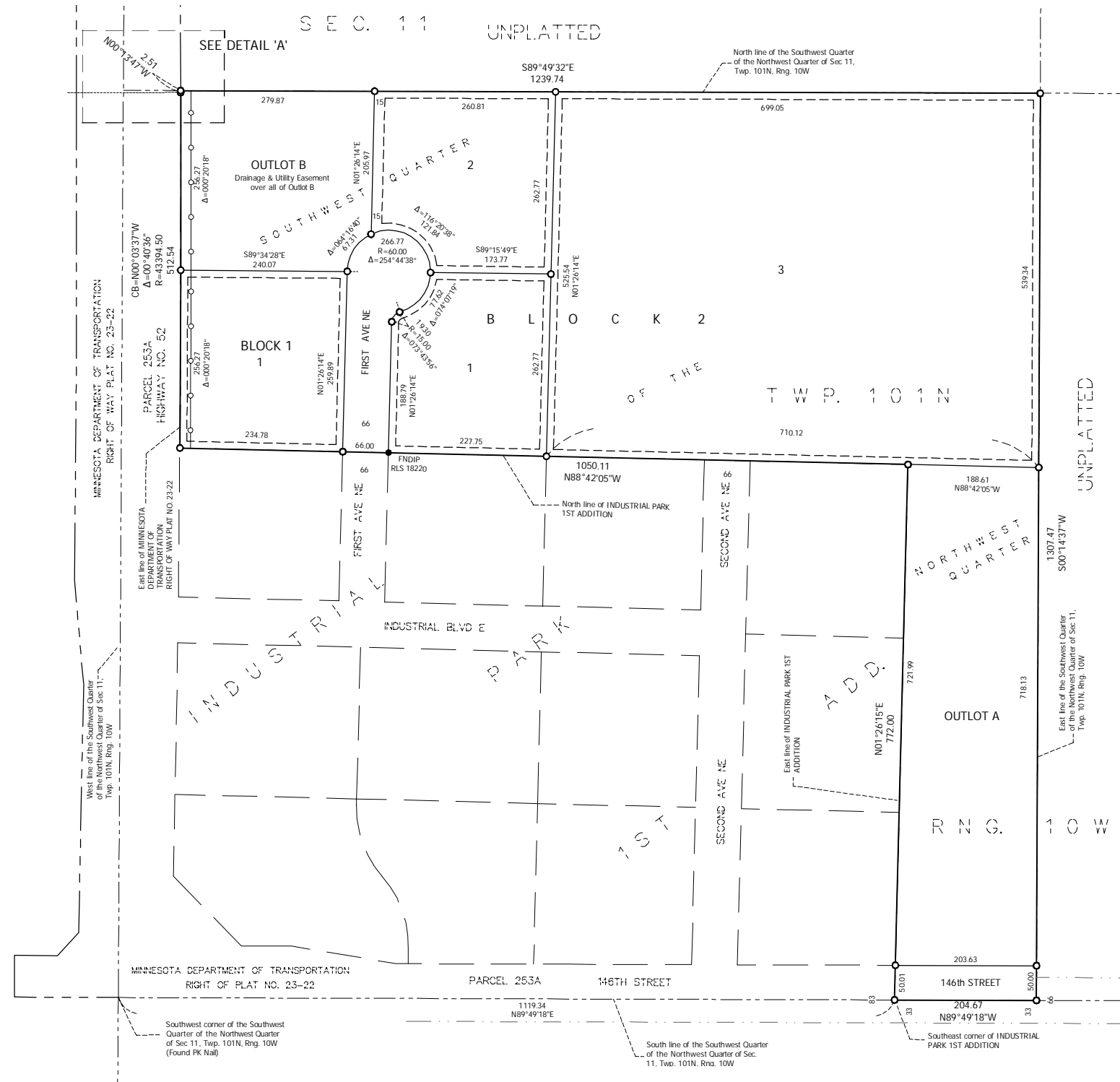
PRINT NAME: DANIEL J. ROEBER
SIGNATURE: *Daniel J. Roeber*
DATE: 01/29/2020
C. NO. 43133

PRELIMINARY PLAT
INDUSTRIAL PARK 2ND ADDITION
HARMONY ECONOMIC DEVELOPMENT AUTHORITY
HARMONY, MINNESOTA

193804911V401
PROJECT NUMBER
193804911
SHEET NUMBER
V4.01

Plot Date: 01/29/2020 - 2:08pm
Drawn: 193804911V401.dwg
User: 193804911V401.dwg
Printer: 193804911V401.dwg

INDUSTRIAL PARK 2ND ADDITION



BEARINGS ARE BASED ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SEC. 11, TWP. 101N, RNG. 10W, WHICH IS ASSUMED TO HAVE A BEARING OF NORTH 89 DEGREES 49 MINUTES 18 SECONDS EAST.

- DENOTES IRON MONUMENT FOUND, AS SHOWN
- DENOTES 1/2 INCH BY 14 INCH IRON MONUMENT SET WITH PLASTIC PLUG INSCRIBED WITH 43133
- ◎ DENOTES FILLMORE COUNTY CAST IRON MONUMENT
- DENOTES RESTRICTED RIGHT OF WAY ACCESS

KNOW ALL MEN BY THESE PRESENTS: That Economic Development Authority, City of Harmony, a Minnesota municipal corporation, owner of record of the following described property, situated in the City of Harmony, County of Fillmore, State of Minnesota, to-wit:

That part of the Southwest Quarter of the Northwest Quarter of Section 11, Township 101 North, Range 10 West, Fillmore County, Minnesota, described as follows: Commencing at the southwest corner of said Southwest Quarter of the Northwest Quarter; thence North 89 degrees 49 minutes 18 seconds West assumed bearing along the south line of said Southwest Quarter of the Northwest Quarter, 1119.34 feet to the southeast corner of INDUSTRIAL PARK 1ST ADDITION, according to the recorded plat thereof, said Fillmore County, and the point of beginning; thence North 01 degrees 26 minutes 15 seconds East along the east line of said INDUSTRIAL PARK 1ST ADDITION, 772.00 feet to the northeast corner of said INDUSTRIAL PARK 1ST ADDITION; thence North 88 degrees 42 minutes 05 seconds West, along the north line of said INDUSTRIAL PARK 1ST ADDITION, 1050.11 feet to the easterly right of way line of Trunk Highway No. 52, per MINNESOTA DEPARTMENT OF TRANSPORTATION RIGHT OF WAY PLAT NO. 23-22, said Fillmore County; thence northerly along said easterly right of way line, 515.05 feet to the north line of said Southwest Quarter of the Northwest Quarter; thence South 89 degrees 55 minutes 03 seconds East, along said north line of the Southwest Quarter of the Northwest Quarter, 1249.10 feet to the northeast corner of said Southwest Quarter of the Northwest Quarter; thence South 00 degrees 14 minutes 37 seconds West, along said east line of the Southwest Quarter of the Northwest Quarter, 1307.47 feet to said south line of the Southwest Quarter of the Northwest Quarter; thence North 89 degrees 49 minutes 18 seconds West along said south line, 204.67 feet to the point of beginning.

Has caused the same to be surveyed and platted as INDUSTRIAL PARK 2ND ADDITION, and does hereby dedicate and donate to the public for public use forever the public way and also dedicating and donating the easements as shown on this plat for drainage and utility purposes only.

In witness whereof said Economic Development Authority, City of Harmony, a Minnesota municipal corporation, has caused these presents to be signed by its proper officer this _____ day of _____, 20____.

Economic Development Authority, City of Harmony, a Minnesota municipal corporation

President

Executive Director

STATE OF MINNESOTA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____ and _____ of Economic Development Authority, City of Harmony, a Minnesota municipal corporation, on behalf of the corporation.

(Notary Signature)

(Notary Printed Name)

NOTARY PUBLIC, _____ COUNTY, MINNESOTA

MY COMMISSION EXPIRES _____

SURVEYOR

I hereby certify: that I have surveyed and platted the land described on this plat as INDUSTRIAL PARK 2ND ADDITION; that this plat is a correct representation of the boundary survey; that all mathematical data and labels are correctly designated on the plat; that all outside boundary monuments of the plat have been correctly set and that all other required monuments will be correctly set within one year of the recording of this plat; that as of the date of this certificate, all water boundaries and wet lands, as defined in Minnesota Statutes 505.01, Subd. 3, are shown and labeled on the plat; and that all public ways are shown and labeled on the plat.

Daniel J. Roeber, Licensed Land Surveyor
Minnesota License Number 43133

STATE OF MINNESOTA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by DANIEL J. ROEBER, Licensed Land Surveyor, Minnesota License Number 43133.

(Notary Signature)

(Notary Printed Name)

NOTARY PUBLIC, _____ COUNTY, MINNESOTA

MY COMMISSION EXPIRES _____

HARMONY CITY COUNCIL

We do hereby certify that on the _____ day of _____, 20____, the City Council of Harmony, Minnesota, approved this plat.

SIGNED: _____ Mayor

ATTEST: _____ Clerk

FILLMORE COUNTY AUDITOR/TREASURER

I hereby certify that the taxes on the land described hereon are paid for the year 20____ and all years prior to the year 20____ and transfer entered.

Date _____

FILLMORE COUNTY AUDITOR/TREASURER

DEPUTY AUDITOR/TREASURER

TAX PARCEL NUMBER _____

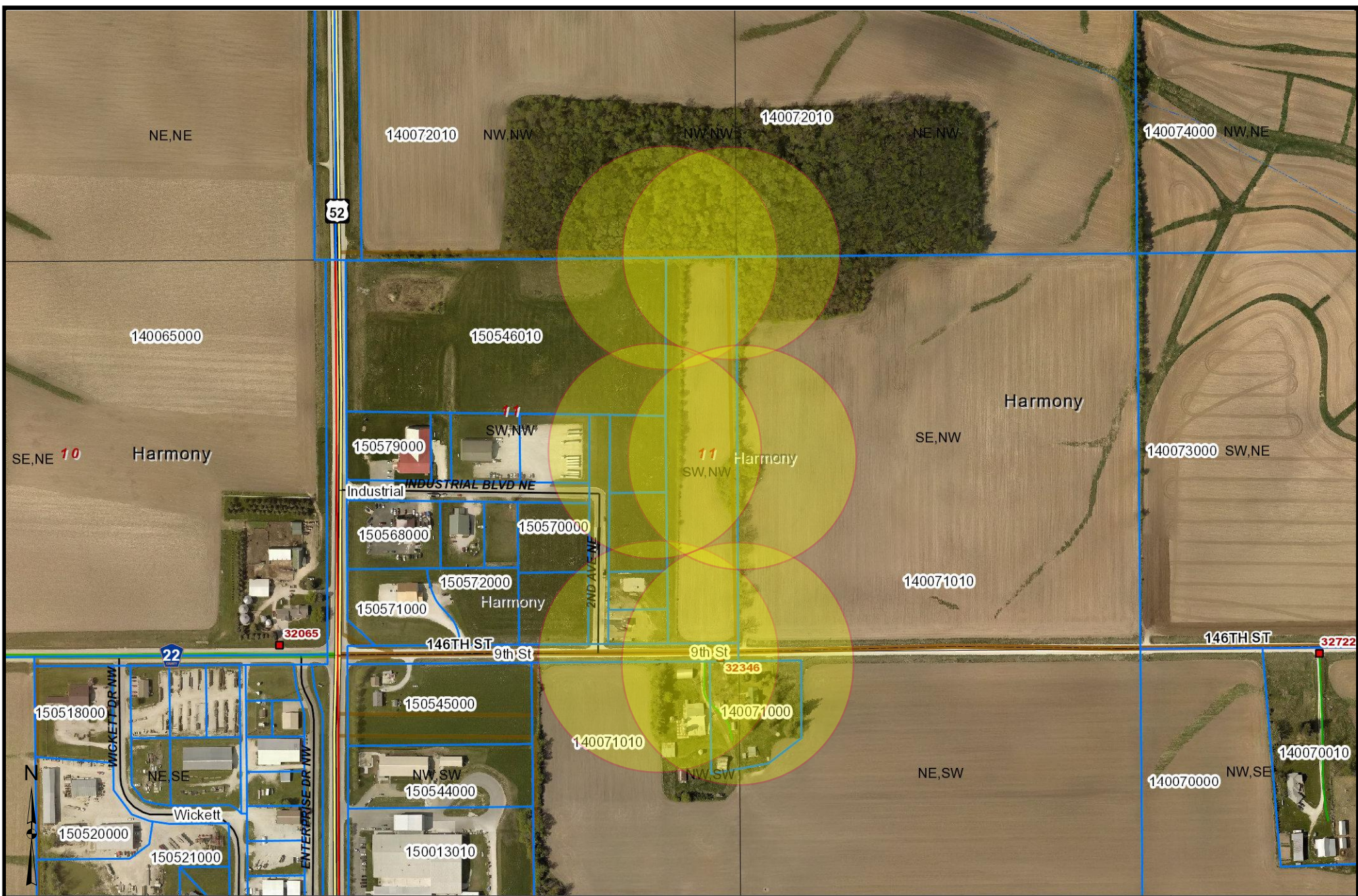
FILLMORE COUNTY RECORDER

I hereby certify that this instrument was filed for record in the Office of the County Recorder in and for Fillmore County, Minnesota on this _____ day of _____, 20____, at _____ o'clock _____ M as Document No. _____, in Plat Cabinet _____ No. _____

FILLMORE COUNTY RECORDER

DEPUTY RECORDER





These data are provided on an "AS-IS" basis, without warranty of any type, expressed or implied, including but not limited to any warranty as to their performance, merchantability, or fitness for any particular purpose.

Date: 12/20/2019

This map is not a substitute for accurate field surveys or for locating actual property lines and any adjacent features.



**CITY OF HARMONY
PUBLIC HEARING NOTICE**

Proposed Rezoning & Plat

Notice is hereby given that a public hearing will be held by the Harmony City Council for the purpose of considering a request from the Harmony Planning & Zoning Commission to rezone portions of SW Corner of the SW $\frac{1}{4}$ of the NW $\frac{1}{4}$, Section 11, T101N, R10W, City of Harmony, Fillmore County, Minnesota from Agricultural to Industrial and approve plat. The hearing will be held at 7:00 p.m., Tuesday, February 4, 2020 in the Council Room of the Community Center. Further information is available at the city offices during normal business hours. The public is invited to comment during the hearing or provided written comments prior to the hearing.

Jerome Illg
City Administrator

**EXTRACT OF MINUTES OF A MEETING OF THE
PLANNING AND ZONING COMMISSION OF
THE CITY OF HARMONY, MINNESOTA**

HELD: February 4, 2020

Pursuant to due call and notice thereof, a regular meeting of the Planning and Zoning Commission of the City of Harmony, Fillmore County, Minnesota, was duly held at City Hall on the 4th day of February, 2020, at _____ p.m. for the purpose, in part, of making a recommendation to the City Council on the modification of Development District No. 1 and the establishment of Tax Increment Financing District No. 1-7 therein, and the adoption of a modified Development Program and Tax Increment Financing Plan relating thereto.

The following Commissioners were present:

And the following were absent:

Commissioner _____ introduced the following resolution and moved its adoption;

**RESOLUTION RECOMMENDING APPROVAL
OF THE MODIFICATION OF DEVELOPMENT DISTRICT NO. 1,
THE ADOPTION OF A MODIFIED DEVELOPMENT PROGRAM THEREFOR,
THE ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 1-7 THEREIN
AND THE ADOPTION OF A TAX INCREMENT FINANCING PLAN RELATING THERETO**

WHEREAS, the Planning and Zoning Commission has reviewed the documents relating to the proposed modification of Development District No. 1 and the establishment of Tax Increment Financing District No. 1-7 therein; and

WHEREAS, the Planning and Zoning Commission has been asked to provide a recommendation to the City Council regarding the adoption of the same;

NOW THEREFORE BE IT RESOLVED by the Planning and Zoning Commission of the City of Harmony, Fillmore County, Minnesota (the "City"), as follows:

1. The proposed development of the project area as described in the modified Development Program and Tax Increment Financing Plan are generally consistent with the City's development plan and zoning ordinances, will serve to complement the City's plans for creation of development opportunities in the City, and will serve to promote the City's development objectives.

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

And the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA)
CITY OF HARMONY) SS.
COUNTY OF FILLMORE)

I, the undersigned, being the _____ of the Planning and Zoning Commission of the City of Harmony, Minnesota, DO HEREBY CERTIFY that the attached resolution is a true and correct copy of an extract of minutes of a meeting of the Planning Commission of the City of Harmony, Minnesota duly called and held, as such minutes relate to the modification of Development District No. 1 and the establishment of Tax Increment Financing District No. 1-7 therein.

WITNESSED:

Date

CITY OF HARMONY

February 7, 2020

«First_Name» «Last_Name»
«Mailing_Address»
«City_», «State» «Zip»

To Whom It May Concern:

Attached is a public hearing notice in regards to a rezoning request. Your parcel of land may be within approximately 350' of this proposed rezoning. The proposed rezoning will be for rezoning from agriculture to R-1.

Please don't hesitate to contact me should you have any questions or concerns.

Sincerely,

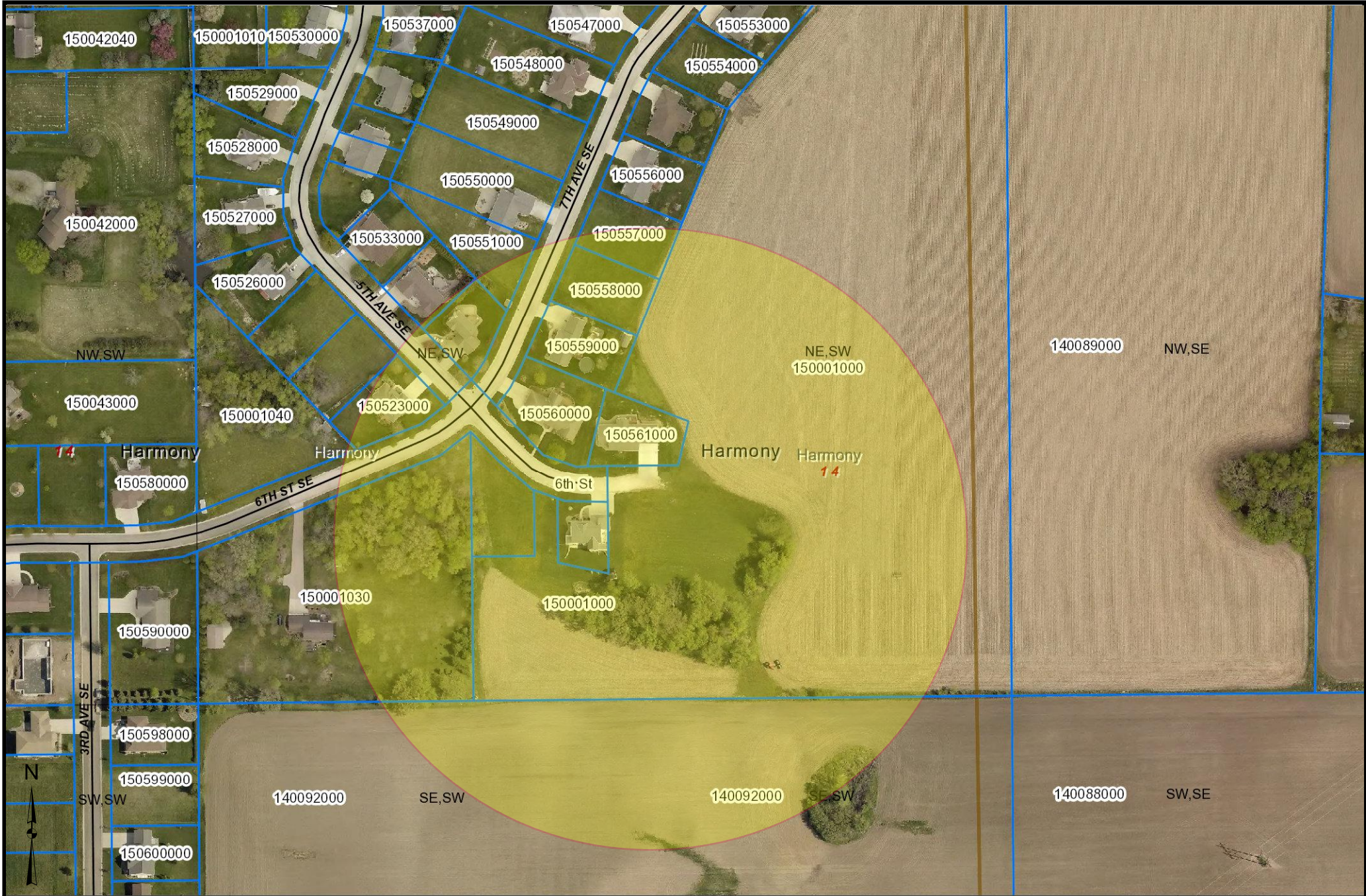
CITY OF HARMONY

Jerome Illg
City Administrator

**City of Harmony
Property Notification List
Rezoning Hahn Lot**

First Name	Last Name	Mailing Address	City	State	Zip	PID
Curt	Hegg	31683 County 44	Harmony	MN	55939	14.0092.000
Joe	Hahn	740 6th St SE	Harmony	MN	55939	15.0001.000
Steve	Schroeder	620 6th St SE	Harmony	MN	55939	15.0001.030
Cliff	Johannessen	349 5th Ave SE	Harmony	MN	55939	15.0523.000
Steve	Donney	348 5th Ave SE	Harmony	MN	55939	15.0531.000
Allan	Dahl	160 5th Ave SE	Harmony	MN	55939	15.0524.000
Trevor	Case	346 5th Ave SE	Harmony	MN	55939	15.0532.000
Carrie	Bahl	373 7th Ave SE	Harmony	MN	55939	15.0551.000
Mark	Scheevel	366 7th Ave SE	Harmony	MN	55939	15.0557.000
Joe	Hahn	740 6th St SE	Harmony	MN	55939	15.0558.000
Randy	Mayer	378 7th Ave SE	Harmony	MN	55939	15.0559.000
Jerry	Shuck	725 6th St SE	Harmony	MN	55939	15.0560.000
Dan	Dornink	735 6th St SE	Harmony	MN	55939	15.0561.000
Jessica	Hahn	720 6th St SE	Harmony	MN	55939	15.0562.000
Joe	Hahn	740 6th St SE	Harmony	MN	55939	15.0563.000

First Name	Last Name	Mailing Address	City	State	Zip	PID
Curt	Hegg	31683 County 44	Harmony	MN	55939	14.0092.000
Joe	Hahn	740 6th St SE	Harmony	MN	55939	15.0001.000
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Allan	Dahl	160 5th Ave SE	Harmony	MN	55939	15.0524.000
Trevor	Case	346 5th Ave SE	Harmony	MN	55939	15.0532.000
Carrie	Bahl	373 7th Ave SE	Harmony	MN	55939	15.0551.000
Mark	Scheevel	366 7th Ave SE	Harmony	MN	55939	15.0557.000
Joe	Hahn	740 6th St SE	Harmony	MN	55939	15.0558.000
Randy	Mayer	378 7th Ave SE	Harmony	MN	55939	15.0559.000
Jerry	Shuck	725 6th St SE	Harmony	MN	55939	15.0560.000
Dan	Dornink	735 6th St SE	Harmony	MN	55939	15.0561.000
Jessica	Hahn	720 6th St SE	Harmony	MN	55939	15.0562.000
Joe	Hahn	740 6th St SE	Harmony	MN	55939	15.0563.000



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Date: 12/20/2019

This map is not a substitute for accurate field surveys or for locating actual property lines and any adjacent features.



**CITY OF HARMONY
PUBLIC HEARING NOTICE**

Proposed Rezoning

Notice is hereby given that a public hearing will be held by the Harmony City Council for the purpose of considering a request from the Joe Hahn to rezone portions of NE Quarter of the NE ¼ of the SW ¼, Section 14, T101N, R10W, City of Harmony, Fillmore County, Minnesota from Agricultural to R-1. The hearing will be held at 7:00 p.m., Tuesday, February 4, 2020 in the Council Room of the Community Center. Further information is available at the city offices during normal business hours. The public is invited to comment during the hearing or provided written comments prior to the hearing.

Jerome Illg
City Administrator

11663

No delinquent taxes and transfer entered; Certificate of Real Estate Value () filed (X) not required
 Certificate of Real Estate Value No. _____
 November 27, 2019 (Date)
 Heidi Jones KY County Auditor
 By Paula Franzen Deputy

Doc #: 424568 Fees: \$ 46.00
 COUNTY RECORDER OFFICE OF FILLMORE COUNTY, MINN.
 Record/File Date: 11/27/2019 at 3:05 PM
 David Kiehne, Fillmore County Recorder
 By [Signature] Deputy

FILLMORE COUNTY DEED TAX
 No. 863 Date 11-27-19
 1.65 Dollars Paid
 Heidi Jones KY County Treasurer
 By Paula Franzen Deputy

QUIT CLAIM DEED Minnesota Uniform Conveyancing Blanks Form 10.3.1 (2011)
 Individual(s) to Individual(s)

DEED TAX DUE: \$ _____ DATE: 11-25-2019 (month/day/year)
 FOR VALUABLE CONSIDERATION, Joseph P. Hahn (husband) Susan K. Hahn (WIFE) ("Grantor"),
 hereby conveys and quitclaims to Joseph P. Hahn Susan K. Hahn ("Grantee"), real property
 in Fillmore County, Minnesota, legally described as follows:

Check here if all or part of the described real property is Registered (Torrens)

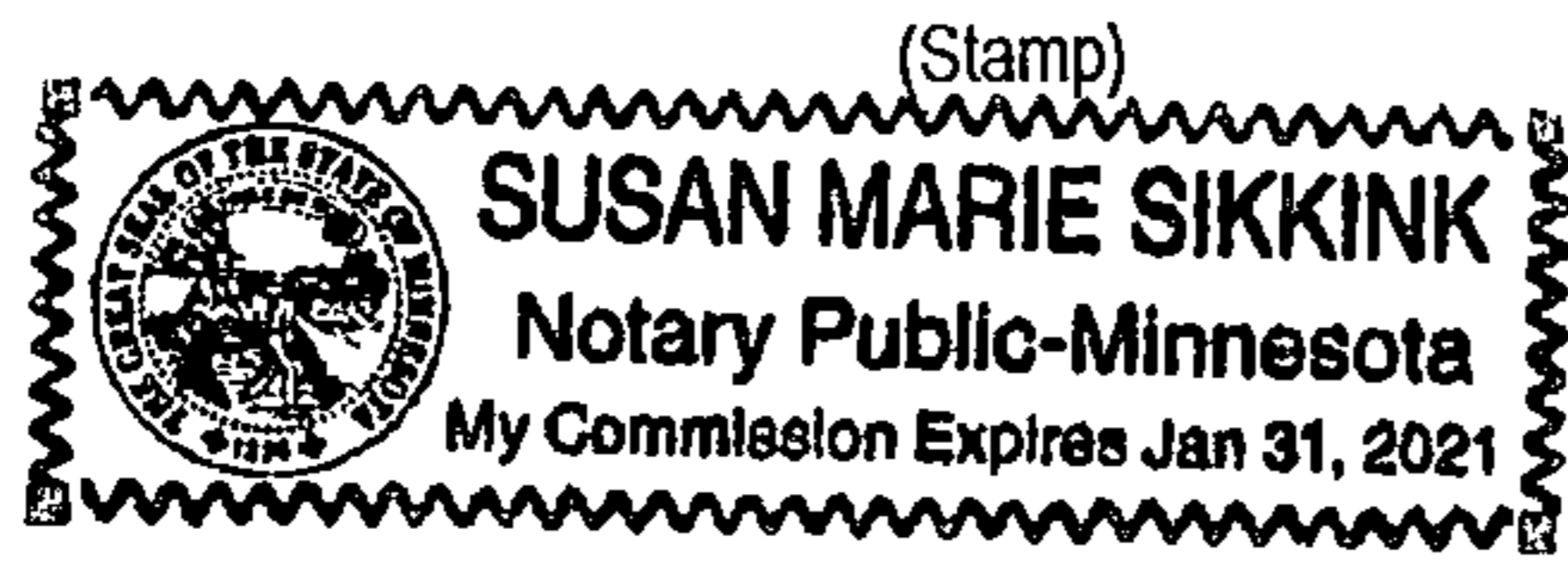
together with all hereditaments and appurtenances belonging thereto.

- Check applicable box:
- The Seller certifies that the Seller does not know of any wells on the described real property.
 - A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number: _____)
 - I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

Grantor
 [Signature] (signature)
 [Signature] (signature)

State of Minnesota, County of Fillmore

This instrument was acknowledged before me on 11-22-2019 by Joseph P. Hahn
(Husband) and Susan K. Hahn (wife)
(month/day/year)
(insert name and marital status of each Grantor)



Susan Marie Sikkink
(signature of notarial officer)
Title (and Rank): Notary
My commission expires: 1-31-2021
(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:
(insert name and address)

Joseph P. Hahn
740 6th St. SE
Harmony, MN 55939

TAX STATEMENTS FOR THE REAL PROPERTY DESCRIBED IN THIS INSTRUMENT SHOULD BE SENT TO:
(insert legal name and residential or business address of Grantee)

Joseph P. Hahn +
Susan K. Hahn
740 6th St. SE
Harmony, MN 55939

↑

LEGAL DESCRIPTION - 0.42 Acres
Joe Hahn House Lot

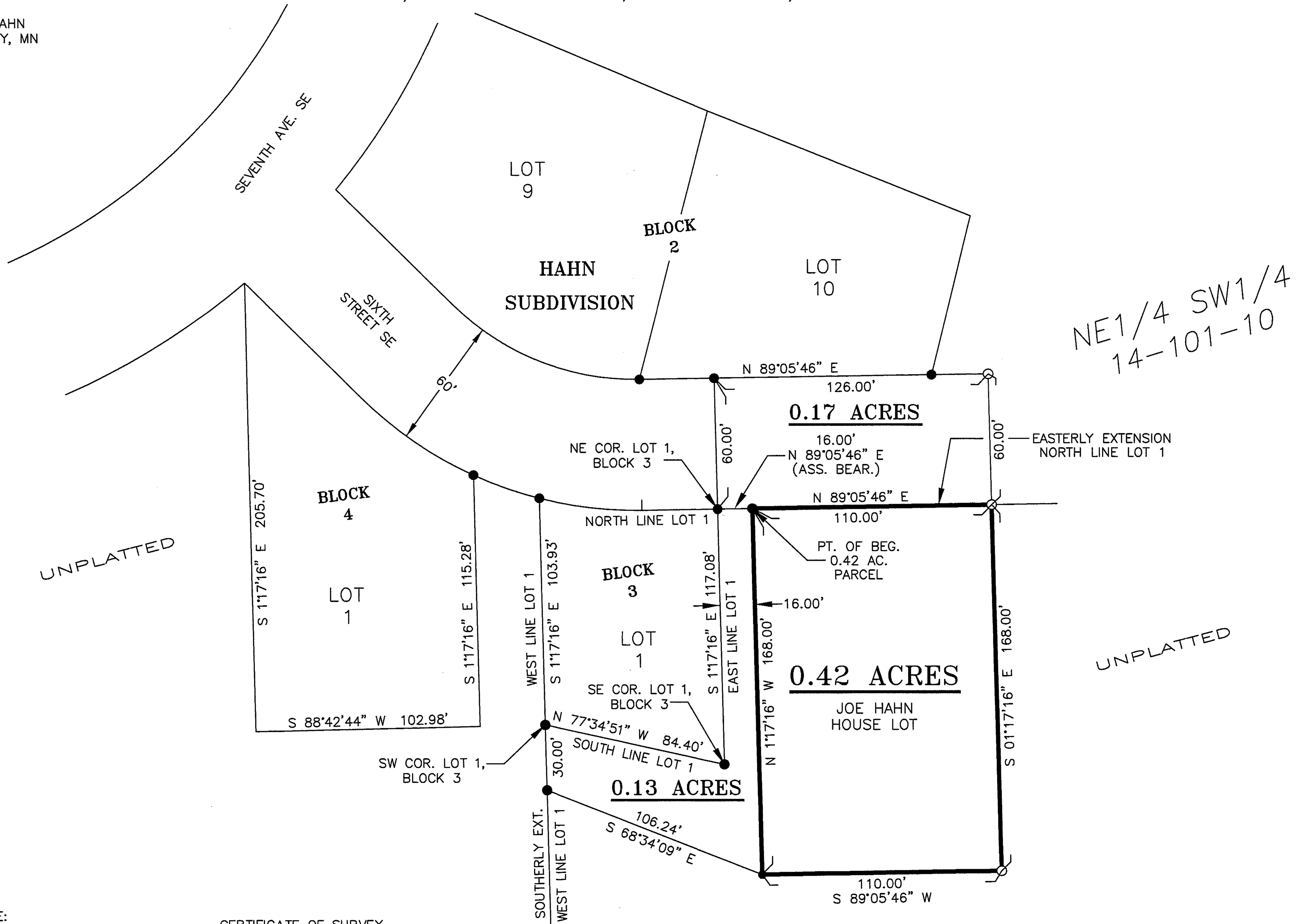
That part of the Northeast Quarter of the Southwest Quarter (NE 1/4 SW 1/4) of Section 14, Township 101 North, Range 10 West, City of Harmony, Fillmore County, Minnesota, described as follows: Commencing at the Northeast Corner of Lot 1, Block 3, Hahn Subdivision in said City of Harmony; thence North 89 degrees 05 minutes 46 seconds East (assumed bearing) along the Easterly Extension of the North line of said Lot 1, 16.00 feet to the point of beginning of the tract of land to be herein described; thence continuing North 89 degrees 05 minutes 46 seconds East along said Easterly extension, 110.00 feet; thence South 01 degree 17 minutes 16 seconds East, 168.00 feet; thence South 89 degrees 05 minutes 46 seconds West, 110.00 feet; thence North 01 degree 17 minutes 16 seconds West parallel with and 16.00 feet Easterly of the East line of said Lot 1 (when measured at right-angles to said East line), 168.00 feet to the point of beginning and containing 0.42 acres, more or less. Subject to any easements of record.

15.0001.050

CERTIFICATE OF SURVEY

PART OF THE NE1/4 SW1/4 OF SEC. 14, T101N,
R10W, CITY OF HARMONY, FILLMORE CO., MN

SURVEY REQUESTED
BY
JOE HAHN
HARMONY, MN



SCALE: 1" = 50'

○ DENOTES 1/2" CAPPED IRON PIPE SET

● DENOTES IRON FOUND

NOTE:
SEE ATTACHED
LEGAL DESCRIPTION

CERTIFICATE OF SURVEY
I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION, OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED LAND SURVEYOR UNDER THE LAWS OF THE STATE OF MINNESOTA.
JEROME R. SCHWARZ *Jerome R. Schwarz* LICENSE NO. 13810 DATE: 11-11-19 SHEET 1 OF 2

No delinquent taxes and transfer entered; Certificate of Real Estate Value () filed (X) not required
 Certificate of Real Estate Value No. 12/6/2019
 (Date) *Wendy M. Franzen*
 County Auditor
 by *Paula Franzen*
 Fillmore Co. Trans. #: Deputy

Doc #: 424657 Fees: \$ 46.00
COUNTY RECORDER OFFICE OF FILLMORE COUNTY, MINN.
Record/File Date: 12/6/2019 at 9:00 AM
David Kiehne, Fillmore County Recorder
 By *Susan Phillips* Deputy



FILLMORE COUNTY DEED TAX
 No 874 Date 12/6/2019
1.65 Dollars Paid
Wendy M. Franzen
 County Treasurer
 By *Paula Franzen* Deputy

QUIT CLAIM DEED Minnesota Uniform Conveyancing Blanks
 Individual(s) to Individual(s) Form 10.3.1 (2011)

DEED TAX DUE: \$ 1.65 DATE: December 2, 2019
(month/day/year)

FOR VALUABLE CONSIDERATION, Joseph R Hahn (husband)
(insert name and marital status of each Grantor)
Susan K. Hahn (wife) ("Grantor"),
 hereby conveys and quitclaims to City of Harmony
(insert name of each Grantee)

in Fillmore County, Minnesota, legally described as follows: ("Grantee"), real property

See attached "Exhibit A"

Check here if all or part of the described real property is Registered (Torrens)

together with all hereditaments and appurtenances belonging thereto.

Check applicable box:

- The Seller certifies that the Seller does not know of any wells on the described real property.
- A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number:)
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

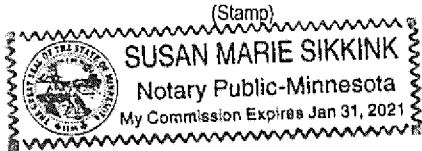
Grantor

David P. Hahn
 (signature)

Susan K. Hahn
 (signature)

State of Minnesota, County of Fillmore County

This instrument was acknowledged before me on 11-22-2019 by Joseph P Hahn
(Husband) and Susan K Hahn (wife)
(month/day/year)
(insert name and marital status of each Grantor)



Susan Marie Sikkink
(signature of notarial officer)

Title (and Rank): Notary

My commission expires: 1-31-2021
(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:
(insert name and address)

Joseph P. Hahn
740 6th St SE
Harmony, MN 55939

TAX STATEMENTS FOR THE REAL PROPERTY DESCRIBED IN THIS INSTRUMENT SHOULD BE SENT TO:
(insert legal name and residential or business address of Grantee)

City of Harmony
225 3rd Ave SW
Harmony, MN 55939

Exhibit A

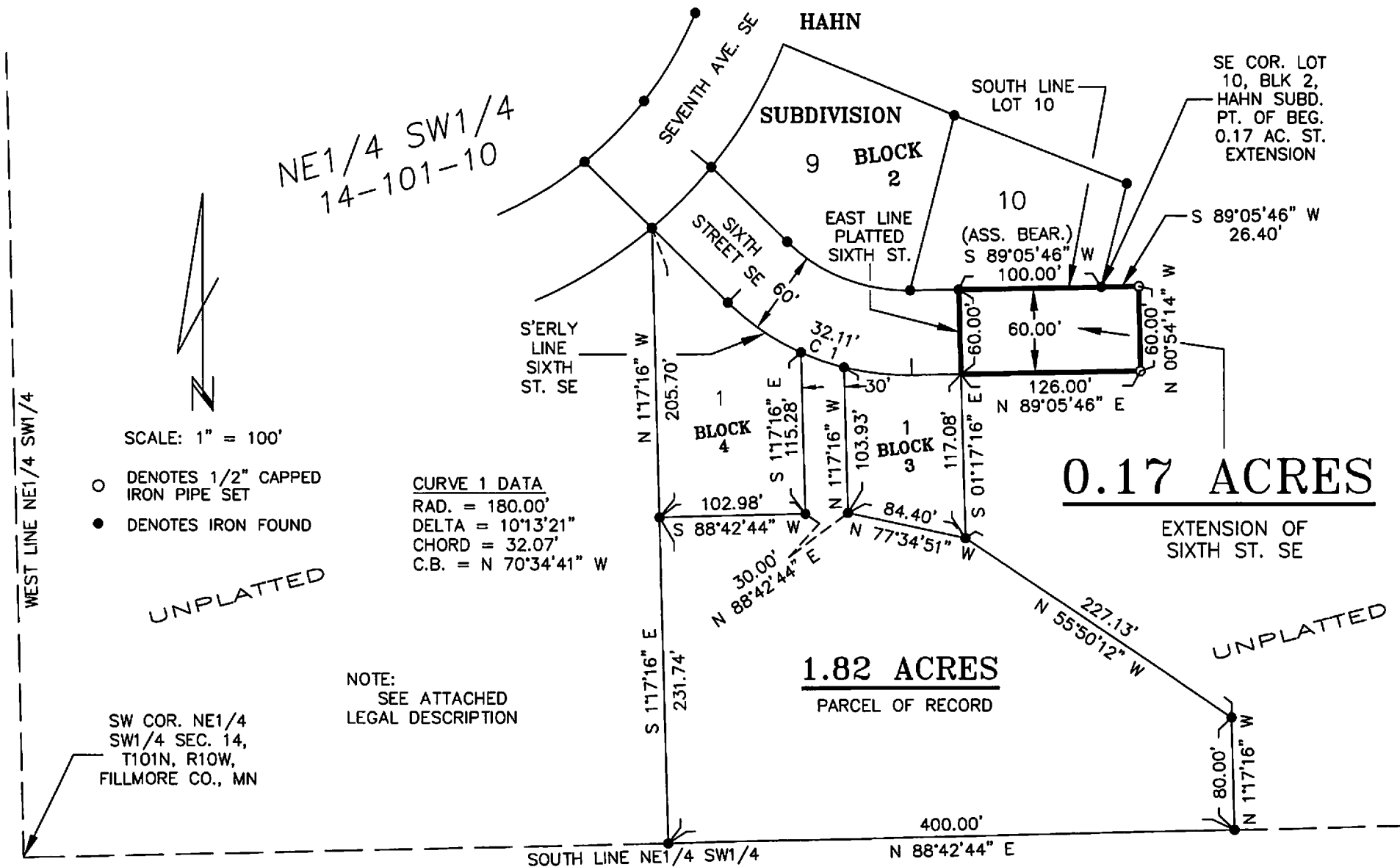
LEGAL DESCRIPTION - 0.17 Acres
Extension of Sixth Street SE

That part of the Northeast Quarter of the Southwest Quarter (NE 1/4 SW 1/4) of Section 14, Township 101 North, Range 10 West, City of Harmony, Fillmore County, Minnesota, described as follows: Beginning at the Southeast Corner of Lot 10, Block 2, Hahn Subdivision to the City of Harmony; thence South 89 degrees 05 minutes 46 seconds West (assumed bearing) along the South line of said Lot 10, 100.00 feet to the Northeasterly Corner of Sixth Street as platted in said Hahn Subdivision; thence South 01 degree 17 minutes 16 seconds East along the Easterly line of said Sixth Street, 60.00 feet to the Southeast Corner of said Sixth Street; thence North 89 degrees 05 minutes 46 seconds East parallel with and 60.00 feet Southerly of said South line of said Lot 10 (when measured at right-angles to said South line), 126.00 feet; thence North 00 degrees 54 minutes 14 seconds West, 60.00 feet; thence South 89 degrees 05 minutes 46 seconds West, 26.40 feet to the point of beginning and containing 0.17 acres, more or less. Subject to any easements of record. **Parcel ID: 15.0001.060**

SURVEY REQUESTED
BY
JOE HAHN
HARMONY, MN

CERTIFICATE OF SURVEY

PART OF THE NE1/4 SW1/4 OF SEC. 14, T101N,
R10W, CITY OF HARMONY, FILLMORE CO., MN



CERTIFICATE OF SURVEY

I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION, OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED LAND SURVEYOR UNDER THE LAWS OF THE STATE OF MINNESOTA.

JEROME R. SCHWARZ *Jerome R. Schwarz* LICENSE NO. 13810 DATE: 4-25-19 SHEET 1 OF 2

FILLMORE COUNTY CHECKLIST
TO TRANSFER LAND OR A TAX PARCEL

It is the responsibility of the Seller, the Buyer and the agent representing said parties to comply with all requirements of the Fillmore County Land Transfer Policy, as well as the following:

1. Minnesota Statutes, Chapter 507 related to Recording and Filing of Conveyances;
2. Minnesota Statutes, Chapter 115, Sections 115.03 & 115.55, relating to Water Pollution Control and Sanitary Sewer Systems;
3. Minnesota 7080-7082 Rules including Part 7080.1500 and 7082.0700 relating to Individual Subsurface Sewage Treatment Systems (“SSTS”)
4. Fillmore County Zoning Ordinances
5. Fillmore County SSTS Ordinances, including Section 803.

Fillmore County assumes no liability for errors or omissions in any of the documents submitted as part of the land transfer or split of tax parcel or real estate.

This check list is an aid to splitting a tax parcel or transferring real estate. You must provide the deed, fees, and all required documents to insure timely processing and recording. If the required documents are not provided, there will be delays in processing. The deed and check list will be recorded as one document.

Required Documents and Information for Land Transfers:

A. Auditor/Treasurer (507-765-3811) and Recorder (507-765-3852)
Requirements:

Current Property Owner’s name and forwarding address: Joe & Susan Hahn, 740 6th St E, Harmony, MN 55939

Buyer’s name and mailing address: The City of Harmony, PO Box 488, Harmony, MN 55939

eCRV Number on Deed: N/A

Well Certificate or appropriate acknowledgement of well status: YES

Proper acknowledgement of signatures: YES

“Drafted by” and mailing address for tax statements: YES

Before the Auditor can transfer any real estate or property, all delinquent real estate taxes on the parcels being transferred must be paid in full. (MN Statute Section 272.12) If the land transfer involves a real estate split, all current and delinquent taxes must be paid prior to the Auditor’s transfer of the property. (MN Statute Section 272.121)

Is this a split of a tax parcel? YES X _____ (Complete Sections 1-3)

NO _____ (Complete sections 2 & 3)

Section 1. Additional Requirements for land transfers involving a tax parcel or real estate split:

Current year taxes paid in full: Yes X No

Fillmore County requires a survey for all tax parcel splits:

Parcel Number to be split: 15.0001.000 Acres to be Split:

Has a survey been completed: Yes

The survey will be recorded as a Certificate of Survey

A copy of the survey is attached to the deed X

B. Zoning/Land Use (507-765-3325) Requirements:

Section 2. Required for all land transfers:

A Fillmore County SSTS Land Compliance Form must be submitted with all deeds and/or documents of conveyance.

Completed SSTS Land Compliance Form Submitted: Yes

The buyer and seller must obtain a separate land use permit from the zoning office if they wish to build a dwelling or other structure and must comply with all zoning laws and ordinances.

C. Assessor (507-765-3868):

Section 3. Is the parcel enrolled in Green Acres? No

Has the Fillmore County Assessor been contacted to determine if a payback of deferred Green Acres tax will be due? No

Signed by Seller/Agent: _____

Date document and attachments received by Fillmore County: _____

Approved Auditor/Treasurer: _____

Approved Zoning/Land Use: _____

Approved Assessor: _____

Approved Recorder: _____

Reason denied: _____

Fillmore County Zoning Office
 101 Fillmore Street, PO Box 655
 Preston, Mn 55965
 Phone: 507-765-3325
 Email: cadkins@co.fillmore.mn.us

SSTS – Land Transfer Compliance

The Fillmore County Subsurface Sewage Treatment System (SSTS) Ordinance (Section 803) requires that all owners of SSTS complete and file a Compliance Inspection for the existing SSTS prior to the transfer of property. All necessary documentation shall accompany this form as determined by the County.

The owner shall fill out all property information and determine which categories apply to the SSTS and property. The necessary documentation including the Compliance inspection report must be submitted to the buyer prior to the closing date. This form including the Zoning Office signature must be presented at the time of property transfer to the Fillmore County Recorder's Office.

Property Information:

Parcel ID Number:	15.0001.000		
Property Address:	NA		
Seller Name:	Joe & Susan Hahn	Buyer Name:	City of Harmony
Seller Address:	740 6 th St, Harmony, MN 55939	Buyer Address:	PO Box 488, Harmony, MN 55939
Seller Phone:		Buyer Phone:	
Seller Email:		Buyer Email:	

EXEMPTIONS/Inspection not required:

A Compliance Inspection is not required (check all conditions that apply):

The affected tract of land is without buildings or contains no dwellings or other buildings with plumbing fixtures.

The transfer does not require the filing of a Certificate of Real Estate Value, as described in Minnesota Statutes, Section 272.115, subdivision.

The transfer is involuntary as a tax forfeiture.

Any dwellings or other buildings that are connected exclusively to a municipal wastewater treatment system; any dwellings or other buildings that are located within the jurisdiction of a County approved agreement requiring exclusive connection to the wastewater treatment system of any municipality; or, any dwellings or other buildings that are connected exclusively to an approved wastewater treatment facility other than an individual sewage treatment system.

THE REMAINDER OF THE FORM MUST BE COMPLETED IF NONE OF THE EXEMPTIONS APPLY TO THE PROPERTY

Compliance Status:

A Compliance Inspection has been completed and the Compliance Inspection Form has been submitted to the property owner and the Fillmore County Zoning Office.

The SSTS has been determined to be in compliance with the Minnesota Rules 7080-7083 and the Fillmore County SSTS Ordinance as determined by the submitted Compliance Inspection Form.

The SSTS is not in compliance with Minnesota Rules 7080-7083 and the Fillmore County SSTS Ordinance. The Compliance Inspection form indicates that the SSTS is an imminent Threat to Public Health and Safety and/or Failing to protect ground water.

A Compliance Inspection cannot be completed due to the time of year. Between November 15th and April 15th the soil may be frozen. Compliance inspections cannot occur during that time period. It is the responsibility of the buyer and seller of the property to complete and submit the Compliance Inspection prior to June 1st following the date of property transfer. An escrow agreement is required – see below.

An escrow account will be established by the Buyer or Seller in the amount of \$_____ and held by _____. Said escrow shall name Fillmore County as the agent for purposes of determining if said funds may be release. The amount for the escrow shall be as determined based on Fillmore County SSTS Ordinance.

Seller Signature: _____ Date: _____

Buyer Signature: _____ Date: _____

If Completed by a third party (realtor, attorney, title company, auction company) complete the following:

Printed Name: Greg Schieber Phone/Email: 507-886-6131
Address: 32 Main Avenue North, Harmony, MN 55939

The completed Compliance Inspection Form must be attached to this form unless it cannot be completed due to time of year.

Office Use Only:

This certificate form has been reviewed and approved by the Fillmore County Zoning Office:

Signature: _____ Date: _____

**EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE CITY
OF HARMONY, MINNESOTA**

HELD: February 11, 2020

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Harmony, Fillmore County, Minnesota, was duly called and held on the 11th day of February 2020, at 7:00 p.m.

The following members of the Council were present:

and the following were absent

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION APPROVING THE MODIFICATION OF MUNICIPAL DEVELOPMENT DISTRICT NO. 1,
MODIFICATON OF THE DEVELOPMENT PROGRAM RELATING THERETO;
THE ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 1-7 WITHIN MUNCIPAL
DEVELOPMENT DISTRICT NO 1
AND ADOPTION OF THE TAX INCREMENT FINANCING PLAN RELATING THERETO

WHEREAS:

A. It has been proposed that the City of Harmony, Minnesota (the "City"), modify Municipal Development District No. 1 and a Development Program relating thereto and create Tax Increment Financing District No. 1-7 within Municipal Development District No. 1 and adopt a tax increment financing plan with respect thereto, under the provisions of Minnesota Statutes, Sections 469.124 to 469.134 and 469.174 to 469.1794 (collectively, the "Act"); and

B. The City of Harmony has investigated the facts and has caused to be prepared a modification of the development program for Development District No. 1 and a tax increment financing plan for Tax Increment Financing District No. 1-7; and

C. The City has performed all actions required by law to be performed prior to the modification of Development District No. 1, modification of the Development Program relating thereto, creation of Tax Increment Financing District No. 1-7 within Municipal Development District No. 1 and the adoption of the tax increment financing plan relating thereto, including, but not limited to, notification of Fillmore County and Fillmore Central Public Schools (ISD #2198) having taxing jurisdiction over the property to be included in Tax Increment Financing District No. 1-7, and the holding of a public hearing upon published and required notice as required by law.

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

1. Municipal Development District No. 1 and Tax Increment Financing District No. 1-7 within Municipal Development District No. 1. The City, also acting as the Planning Commission, hereby approves the modification of Municipal Development District No. 1 and of the Development Plan relating thereto, and the establishment of Tax Increment Financing District No. 1-7 within Municipal Development District No. 1, the boundaries of which are fixed and determined as described in the Tax Increment Financing Plan.

2. Tax Increment Financing Plan. The Tax Increment Financing Plan is adopted as the tax increment financing plan for Tax Increment Financing District No. 1-7, and the City Council makes the following findings;

- (a) Tax Increment Financing District No. 1-7 is an economic development district as defined in Minnesota Statutes, Section 469.174, Subd. 12.

The reasons and facts supporting this finding are that the proposed development meets all of the criteria listed in Sections 12, 17, and 18 of the TIF Plan.

- (b) The proposed development in the opinion of the City Council, would not occur solely through private investment within the reasonably foreseeable future & that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan.

The reasons and supporting facts for this finding are that the Developer submitted a document stating that without the use of tax increment financing, the Project could not proceed at the City site.

The City has further determined that no other development is expected to occur that would create a greater market value than that proposed, adjusting for present value of tax increment assistance. Any other development of the TIF District would have to create a market value increase of more than \$4,587,637 in order to exceed the value increase expected under the current proposal, after subtracting the present value of the tax increment for 9 years. The City reasonably believes that the expected increase in market value without TIF assistance is limited to appreciation in existing real estate value, estimated to be approximately \$24,134 over the life of the TIF District.

A comparative analysis of estimated market values both with and without establishment of the TIF District and the use of tax increments has been performed. Such analysis indicates that:

1. the increase in estimated market value of the proposed development is \$5,280,600; and
2. the present value of expected tax increments collected over the maximum duration of the TIF District is \$692,963; and
3. the expected increased estimated market value of the site without the use of tax increment is \$24,134; and
4. even if some development other than the proposed development were to occur, the Authority finds that no alternative would occur that would produce a market value increase greater than \$4,587,637 (the amount in number 1 less the amount in number 2).

- (c) The Tax Increment Financing Plan for Tax Increment Financing District No. 1-7 conforms to the general plan for development or redevelopment of the City of Harmony as a whole.

The reasons and facts supporting this finding are that the development proposal is consistent with the City's zoning ordinances and comprehensive plans for the area and serves to promote the City's development objectives.

- (d) The Tax Increment Financing Plan will afford maximum opportunity, consistent with the sound needs of the City of Harmony as a whole, for the development of the Project Area by private enterprise.

The reasons and facts supporting this finding are that the assistance provided in this TIF

Plan will assist in the construction and/or expansion of manufacturing & warehousing/distribution facilities.

3. Public Purpose. The adoption of the modified Development District and Tax Increment Financing Plan conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the City which is already built up to provide employment opportunities to improve the tax base, and to improve the general economy of the State and thereby serves a public purpose.
4. Interfund Loan. The City has determined that it may pay for certain costs (the "Qualified Costs") identified in the Tax Increment Financing Plan which costs may be financed on a temporary basis from the City's general fund or any other fund from which such advances may be legally made (the "Fund"). Under Minnesota Statutes, Section 469.178, Subd. 7, the City is authorized to advance or loan money from the Fund in order to finance the Qualified Costs. The City intends to reimburse itself for the payment of the Qualified Costs, plus interest thereon, from the tax increments derived from the TIF District in accordance with the following terms (which terms are referred to collectively as the "Interfund Loan"):
 - (a) The City shall repay to the Fund from which Qualified Costs are initially paid, the principal amount of \$716,812 (or, if less, the amount actually paid from such fund) together with interest at 5.00% per annum (which is not more than the greater of (i) the rate specified under Minnesota Statutes, Section 270C.40, or (ii) the rate specified under Minnesota Statutes, Section 549.09) from the date of the payment.
 - (b) Principal and Interest on the Interfund Loan ("Payments") shall be paid semi-annually on each February 1 and August 1 commencing with the first February 1 or August 1 occurring after the date the tax increments from the TIF District are available and not otherwise pledged to and including the earlier of (a) the date the principal and accrued interest of the Interfund Loan is paid in full, or (b) the date of the last receipt of tax increment from the TIF District ("Payment Dates") which Payments will be made in the amount and only to the extent of available tax increments. Payments shall be applied first to accrued interest, and then to unpaid principal.
 - (c) Payments on the Interfund Loan are payable solely from the tax increment generated in the preceding six (6) months with respect to the TIF District and remitted to the City by Morrison County, all in accordance with Minnesota Statutes, Sections 469.174 to 469.1794, as amended. Payments on this Interfund Loan are subordinate to any outstanding or future bonds, notes, or contracts secured in whole or in part with tax increment and are on parity with any other outstanding or future interfund loans secured in whole or in part with tax increments.
 - (d) The principal sum and all accrued interest payable under this Interfund Loan are pre-payable in whole or in part at any time by the City without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Interfund Loan.
 - (e) The Interfund Loan is evidence of an internal borrowing by the City in accordance with Minnesota Statutes, Section 469.178, Subd. 7, and is a limited obligation payable solely from tax increment pledged to the payment hereof under this resolution. The Interfund Loan and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the city. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on the Interfund Loan or other costs incident hereto except out of tax increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on the Interfund Loan or other costs incident

hereto. The City shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the termination of the TIF District.

- (f) The City may amend the terms of the Interfund Loan at any time by resolution of the City Council, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law.
- 5. Certification. The Auditor of Fillmore County is requested to certify the original net tax capacity of Tax Increment Financing District No. 1-7 as described in the Tax Increment Financing Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased in accordance with the Act; and the City Administrator is authorized and directed to forthwith transmit this request to the County Auditor in such form and content as the Auditor may specify, together with a list of all properties within Tax Increment District No. 1-7 for which building permits have been issued during the 18 months immediately preceding the adoption of this Resolution.
- 6. Filing. The City Administrator is further authorized and directed to file a copy of the amended Development Program and the Tax Increment Financing Plan with the Commissioner of Revenue and Office of the State Auditor.

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

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA
COUNTY OF FILLMORE
CITY OF HARMONY

I, the undersigned, being the duly qualified and acting Administrator of the City of Harmony, 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 said City, duly called and held on the date therein indicated, insofar as such minutes relate to the modification of Municipal Development District No. 1 and the establishment of Tax Increment Financing District No. 1-7 within Municipal Development District No. 1 in the City.

WITNESS my hand this 11th day of February 2020.

City Administrator

DRAFT

City of Harmony, Minnesota (Fillmore County)

Modification of Development Program for
Municipal Development District No. 1

&

Tax Increment Financing Plan for
**Economic Development
Tax Increment Financing District No. 1 – 7**
(Dairyland Power Project)

Public Hearing: February 11, 2020



DDA

David Drown Associates, Inc.
Public Finance Advisors

Minneapolis Office:
5029 Upton Avenue South
Minneapolis, MN 55410
612-920-3320 (phone); 612-605-2375 (fax)
www.daviddrown.com

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Modified Development Program for Municipal Development District No. 1

Amended Sections Only

Introduction

On June 1, 1985, the City of Harmony (the “City”) adopted the original Development Program for Municipal Development District No. 1 (“MDD #1”). The boundaries of MDD #1 are currently coterminous with the City’s corporate limits. However, the City recently annexed a parcel of land (PIN 14.0072.000). The City has determined it is in the public interest to expand the boundaries of MDD #1 to include this newly annexed land to further allow the pursuit of the objectives listed in Section F of the Development Program. While all of the listed objectives will be pursued, the catalyst for this modification is to provide assistance for industrial development to improve the financial base of the City and State and to provide new employment opportunities.

Sections of the Development Program are amended as follows:

Section C Property Description

The property within the City that constitutes Municipal Development District No. 1 is hereby expanded to include all property within the City’s corporate limits (Fillmore County) as may be amended from time to time.

The City reserves the right to adjust the boundaries of the Development District in the future.

Tax Increment Financing Plan for Tax Increment Financing District No. 1-7

Section 1 Definitions

The terms defined in this section have the meanings given herein, unless the context in which they are used indicates a different meaning:

"City" means the City of Harmony, Minnesota.

"City Council" means the City Council of the City of Harmony, Minnesota.

"County" means Fillmore County, Minnesota.

"County Board" means the Board of Commissioners of Fillmore County.

"Developer" means Dairyland Power Cooperative, successors and assigns, and any other Developer within the boundaries of the Tax Increment Financing District No. 1-7.

"Development District" means Municipal Development District No. 1 in the City.

"Development Program" means the Development Program for the Development District.

"Project" means the construction of manufacturing / industrial / distribution facilities, associated site improvements and any required associated public improvements necessary to serve said facilities within Tax Increment Financing District No. 1-7.

"Project Area" means the geographic area of the Development District.

"School District" means Independent School District No. 2198 (Fillmore Central Public Schools), Fillmore County, Minnesota.

"State" means the State of Minnesota.

"TIF Act" means Minnesota Statutes, Sections 469.174 through 469.1794, both inclusive.

"TIF District" means Tax Increment Financing District No. 1-7.

"TIF Plan" means the tax increment financing plan for the TIF District (this document).

Section 2 Statement of Need and Public Purpose

See Section A of the Development Program for Development District No. 1 which is on file at the City Administrator's office at City Hall in Harmony.

Section 3 Statutory Authorization

The City is empowered under the provisions of the TIF Act to establish a tax increment financing district within its corporate boundaries, subject to the requirements set forth in the TIF Act.

Section 4 Statement of Objectives

The objectives of this tax increment financing plan are consistent with the objectives outlined in Section F of the Development Program.

Section 5 Development Activities for which the City has Designated a Developer

The Developer of the initial phase intends to construct a warehousing facility (by year end 2022) with an estimated taxable value of over \$2 million on approximately 8.5 acres of land located in the City's industrial park. However, the cost of land acquisition coupled with needed public improvements to 2nd Avenue and significant site improvements makes the project infeasible according to the company. As such, the Developer has requested tax increment financing assistance to write down these costs.

The City intends to reimburse the Developer for land acquisition costs via a TIF District interfund loan. The City further intends to use tax increment financing to cover, at least in part, the costs of required public infrastructure within and adjacent to the TIF District.

Additional parcels included in the TIF District will be made ready for future development. Any assistance to those future projects has yet to be finalized.

Section 6 Property to be Included in the TIF District

The TIF District will be comprised of eight tax parcels (listed below). Additional details can be found on Exhibit 2.

- 140072000*
- 150546010
- 150569010
- 150570000
- 150572000
- 150573000
- 150575000
- 150576000

** This parcel was recently annexed into the City’s municipal boundaries and will be assigned a new Tax Parcel No. (or numbers). The entirety of this parcel is included in the TIF District.*

The boundaries of the TIF District shall include all street rights-of-way and utility or drainage easements located upon or adjacent to the land described above.

Section 7 Estimated Sources and Uses of Funds (Public Costs)

The estimated costs of the proposed development in the TIF District which are eligible for reimbursement with tax increments of the TIF District and the projected sources of revenue available to fund these costs are summarized below.

Estimated Project/Financing Costs to be paid or financed with increment:

<u>Project / Capital Costs:</u>	
Land Acquisition	120,000
Site Improvement/Prep	167,421
Utilities	167,000
Other Public Improvements	167,000
	\$621,421
<u>Finance Costs:</u>	
Bond & Note Interest Expense	\$237,099
 <u>Administrative Costs</u>	
Administration funded with TIF	\$95,391
Total Uses of Funds	\$953,911

Estimated Tax Increment Revenues

Tax Increments	953,911
Investment Interest	0
Sales/Lease Proceeds	0
Market Value Homestead Credit	0
Total Sources of Funds	\$953,911

Maximum Amount of Bonds Authorized**\$716,812**

The City reserves the right to adjust the amount of Capital and Administrative line items listed above or to incorporate additional eligible items, so long as the total Capital and Administrative costs are not increased (\$716,812). Increasing financing costs, principal or interest, will require a public hearing and formal TIF Plan modification process pursuant to Section 469.175 Subd. 4 of the TIF Act. The City also reserves the right to fund any of the identified costs with any other legally available revenues, but anticipates that such costs will be primarily financed with tax increments. Therefore, the total estimated costs to be financed with tax increments, including capital costs, administrative costs and financing costs (interest) is \$953,911.

Section 8 Estimated Impact on Other Taxing Jurisdictions

Exhibit 4 shows the estimated impact on other taxing jurisdictions if the projected Retained Captured Net Tax Capacity of the TIF District were hypothetically available to the other jurisdictions. The City believes that there will be no adverse impact on other taxing jurisdictions during the life of the TIF District, since the proposed development would not have occurred without the establishment of the TIF District and the provision of public assistance. A positive impact on other taxing jurisdictions will occur when the TIF District is decertified and the development therein becomes part of the general tax base.

Section 9 Fiscal and economic implications

Section 469.175 Subdivision 2(b) of the TIF Act requires a specific description of the fiscal and economic implications of the proposed TIF District. Please refer to Exhibit 4 for an estimate of the captured tax increments by jurisdiction. The probable impact of the TIF District on City-provided services such as police and fire protection, and the impact of any general obligation tax increment bonds attributable to the TIF District upon the City's ability to issue other debt for general fund purposes are deemed minimal due to the fact that the Project is located nearby already-developed areas of the City and are already being served currently by these services. Due to this, it is the City's opinion that there will be no adverse impact on the City's current budget.

The City intends to assist the Developers using a variety of methods. Interfund loans and/or bonds will be used to fund land acquisition and public improvement costs associated with the initial development in the TIF District. Future projects may also be assisted in this manner, or with pay-as-you-go contracts. The type of assistance contemplated in this TIF Plan does not apply to the City's legal debt limit and is expected to be repaid solely with tax increments generated by the Project. As such, this TIF District is not expected to have an adverse impact on the City's current bond credit rating or capacity to borrow for future projects. In fact, new development typically is a positive influence on a City's credit rating.

Section 10 Property to be acquired in the TIF District / Requirement for Agreements

The City does not intend to directly acquire any parcels using tax increments. The City intends only to use tax increments to reimburse developers for such costs in addition to site improvement and public infrastructure expenses incurred by developers in the TIF District.

Section 11 Estimated Amount of Bonded Indebtedness

The City reserves the right to fund all Project costs permitted by law using internal funding, general obligation bonds, pay-as-you-go financing or any other financing mechanism authorized by law if deemed necessary. The maximum principal amount of bonds to be funded with tax increment revenue from the TIF District is \$716,813.

Internal Loans, including a negative balance in the TIF fund, must be authorized by resolution of the entity advancing the loan before money is transferred, advanced or spent. The resolution must include the terms and conditions for repayment of the loan to include, at a minimum, the principal amount of the loan, the interest rate and the maximum term. The interest rate to be charged on internal loans shall not exceed the greater of the rates specified under Minnesota Statutes, Section 270C.40 or 549.09 as of the date this TIF Plan is approved, which is currently 5%.

Section 12 Designation of TIF District as an Economic Development District

Economic development districts are a type of tax increment financing district which consists of any project which the City finds to be in the public interest because:

1. it will discourage commerce, industry, or manufacturing from moving their operations to another state or municipality;
2. it will result in increased employment in the state; or
3. it will result in preservation and enhancement of the tax base of the state.

The TIF District qualifies as an economic development district in that the proposed development described in this TIF Plan (see Sections 5 and 17) will increase the local tax base and expand employment opportunities within the City. Without establishment of the TIF District, the proposed development would not occur within the City. This finding is supported by documentation submitted by the Developer stating that but for the use of tax increment financing the Project would not proceed.

Section 13 Original Net Tax Capacity

The County Auditor will certify the original net tax capacity of the TIF District, which will be the total net tax capacity of all property in the TIF District as certified by the State Commissioner of Revenue. For districts certified between January 1 and June 30, inclusive, this value is based on the previous assessment year. For districts certified between July 1 and December 31, inclusive, this value is based on the current assessment year.

The City intends to file the request for certification after July 1, 2020. As such, the original tax capacity will be the net tax capacity as of January 2, 2020 (assessed value for taxes payable 2021).

The market value of all property within the TIF District as of January 2, 2020 for taxes payable in 2021 is estimated at \$219,400. At this value, the original net tax capacity of the TIF District would be \$3,291 (see Exhibit 2).

Each year the County Auditor will certify the amount that the original net tax capacity has increased or decreased as a result of:

1. changes in the tax-exempt status of property;
2. reductions or enlargements of the geographic area of the TIF District;
3. changes due to stipulation agreements or abatements; or
4. changes in classification rates.

Section 14 Original Local Tax Rate

The County Auditor shall also certify the original local tax rate of the TIF District. This rate shall be the sum of all local tax rates that apply to property in the TIF District at the time of certification. This rate shall be for the same taxes payable year as the original net tax capacity.

In future years, the amount of tax increment generated by the TIF District will be calculated using the lesser of (a) the sum of the current local tax rates at that time or (b) the original local tax rate of the TIF District.

As noted in Section 13, the City intends to file the TIF District for certification after July 1, 2020; therefore, the original local tax rate will be the rate that applies for taxes payable in 2021, which is unknown at this time. The proposed rates associated with taxes payable in 2020 are included for estimation purposes only:

<u>Taxing Jurisdiction</u>	<u>2019/2020 Local Tax Rate</u>
City of Harmony	96.603%
Fillmore County	31.783%
Independent School District No. 2198*	6.229%
Other	0.000%
Total	134.615%

The projected original local tax rate does not include the State property tax rate on commercial, industrial and seasonal recreation property, which is estimated to be 38.846% for 2020. The State property tax is *not* captured as tax increment.

** Section 469.177 Subd. 1a of the TIF Act was amended in 2013 redefining the portion of the local school district tax capacity rate which will be used in calculating tax increments. Specifically, this amendment now excludes that portion of the school rate attributable to the general education levy under Minnesota Statutes, Section 126C.13. The rate shown is only an estimate of the applicable rate.*

Section 15 Projected Retained Captured Net Tax Capacity and Tax Increment

Each year the County Auditor will determine the current net tax capacity of all property in the TIF District. To the extent that this total exceeds the original net tax capacity, the difference shall be known as the captured net tax capacity of the TIF District. It is the City’s intention to retain 100% of the captured net tax capacity of the TIF District.

Exhibits 3a and 3b estimate the total amount of retained net captured tax capacity, gross tax increments, adjustments, and the net tax increment revenues which will be available annually and cumulatively over the life of the TIF District.

Section 16 Statutory Duration of the TIF District

Economic development districts may remain in existence for eight years from the date of receipt of the first tax increment. This produces nine (9) annual collections of tax increments. Modifications of this TIF Plan (see Section 28) may not extend these limitations unless the City elects under certain circumstances to extend the duration of TIF District in order to recover eligible pollution cleanup costs incurred by the City (see Section 469.176, Subd. 1g of the TIF Act for details).

The City intends to request certification of this TIF District after July 1st, 2020. As such, the City expects 2022 to be the first year of collection of tax increment revenues. The City expects this TIF District to remain in existence the maximum duration allowed by law. Therefore, the expected date of required decertification is December 31st, 2030.

Section 17 Use of Tax Increments – Economic Development Districts

Pursuant to Section 469.176 Subd. 4 of the TIF Act, tax increments from an economic development district typically must be used solely to provide improvements, loans, subsidies, grants, interest rate subsidies, or other assistance in which at least 85% of the square footage of the facilities to be constructed are used for any of the following purposes:

1. manufacturing, production, or processing of tangible personal property;
2. warehousing, storage and distribution of tangible personal property, excluding retail sales;
3. research and development related to the activities listed in (1) or (2) above;
4. telemarketing if that activity is the exclusive use of the property;
5. tourism facilities as defined in Section 469.174, Subdivision 22 of the TIF Act; or

6. space necessary for and related to the activities listed in (1) through (5) above.

This TIF District satisfies the requirements for an economic development TIF District. See Section 5.

Section 18 Use of Tax Increments – General

Each year County Treasurer shall deduct an estimated 0.36% of the annual tax increment generated by the TIF District and pay such amount to the State general fund. Such amounts will be appropriated to the State auditor for the cost of financial reporting and auditing of tax increment financing information throughout the State. Exhibit 3 shows the projected deduction for this purpose over the anticipated life of the TIF District.

The City has determined that it will use 100% of the remaining tax increment generated by the TIF District for any of the following purposes:

1. Pay for the estimated public costs of the TIF District (including administrative expenses, see Section 7) and City administrative costs associated with the TIF District (see Section 29);
2. pay principal and interest on tax increment bonds, notes or other financial obligations issued to finance the public costs of the TIF District;
3. accumulate a reserve securing the payment of tax increment bonds or other bonds issued to finance the public costs of the TIF District;
4. pay all or a portion of the County road costs as may be required by the County Board under Section 469.175, Subdivision 1a of the TIF Act; or
5. return excess tax increments to the County Auditor for redistribution to the City, County and School District in proportion to their local tax capacity rates.

Tax increments from property located in one county must be expended for the direct and primary benefit of a project located within that county, unless the county board involved waives this requirement. Tax increments shall not be used to circumvent levy limitations.

Tax increment may not be used to finance the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the State or Federal government. Further, tax increments may not be used to finance: a commons area used as a public park; facilities used for social or recreational purposes (whether public or private); or publicly-owned facilities used for conference purposes; provided that tax increment may be used for a privately owned conference facility, and for parking structures whether public or privately owned and whether or not they are ancillary to one of the otherwise prohibited uses described above.

If there exists any type of agreement or arrangement providing for the developer, or other beneficiary of assistance, to repay all or a portion of the assistance that was paid or financed with tax increments, such payments shall be subject to all of the restrictions imposed on the use of tax increments. Assistance includes sales of property at less than the cost of acquisition or fair market value, grants, ground or other leases at less than fair market rent, interest rate subsidies, utility service connections, roads, or other similar assistance that would otherwise be paid for by the developer or beneficiary.

Section 19 “Green Acres”

The TIF District may not include parcels that qualified as “green acres” in any of the five (5) years preceding the request for certification, unless 85% of development in the district is restricted to qualified facilities which pay at least 90% of employee’s wages equal to or greater than 160% of the federal minimum wage.

None of the parcels located within the TIF District was enrolled in the Green Acres program (see Minnesota Statutes, Section. 273.111) within the five years prior to the anticipated certification request date.

Section 20 4-Year Knock-Down Rule

If after four years from certification of the TIF District no demolition, rehabilitation, renovation, or qualified improvement of an adjacent street has commenced on a parcel located within the TIF District, then that parcel shall be excluded from the TIF District and the original net tax capacity shall be adjusted accordingly. Qualified improvements of a street are limited to construction or opening of a new street, relocation of a street, or substantial reconstruction or rebuilding of an existing street. The City must submit to the County Auditor, by February 1 of the fifth year, evidence that the required activity has taken place for each parcel in the TIF District.

If a parcel is excluded from the TIF District and the City or owner of the parcel subsequently commences any of the above activities, the City shall certify to the County Auditor that such activity has commenced and the parcel shall once again be included in the TIF District. The County Auditor shall certify the net tax capacity of the parcel, as most recently certified by the Commissioner of Revenue, and add such amount to the original net tax capacity of the TIF District.

Section 21 Tax Increment Pooling – 5-year Rule

At least 80% of the tax increments from the TIF District must be expended on activities within the district or to pay for bonds used to finance the estimated public costs of the TIF District. No more than 20% of the tax increments may be spent on costs outside of the TIF District, but within the boundaries of the Project Area. All administrative expenses are considered to have been spent outside of the TIF District. Tax increments are considered to have been spent within the TIF District if such amounts are:

1. actually paid to a third party for activities performed within the TIF District within five years after certification of the district;
2. used to make payments or reimbursements to a third party under binding contracts for activities performed within the TIF District, which were entered into within five years after certification of the district; or
3. used to pay bonds that were issued and sold to a third party, the proceeds of which are reasonably expected on the date of issuance to be spent within the later of the five-year period or a reasonable temporary period or are deposited in a reasonably required reserve or replacement fund.

Beginning with the sixth year following certification of the TIF District, at least 80% of the tax increments must be used to pay outstanding bonds or make contractual payments obligated within the first five years. When outstanding bonds have been defeased and sufficient money has been set aside to pay for such contractual obligations, the TIF District must be decertified.

The City does not anticipate the need to pool tax increment revenues between this TIF District and other existing or future TIF districts within Development District No. 1.

Section 22 Excess Tax Increment

On December 31st of each year, the City must determine the amount of excess increments for the TIF District. See Section 469.176 subdivision 2 of the TIF Act for a complete definition. Excess increments may only be used to:

1. prepay any outstanding tax increment bonds;
2. discharge the pledge of tax increments on any outstanding bonds.
3. pay amounts into an escrow account dedicated to the payment of any outstanding bonds; or
4. return excess tax increments to the County Auditor for redistribution to the City, County and School District in proportion to their local tax capacity rates. The County Auditor must report to the Commissioner

of Education the amount of any excess tax increment redistributed to the School District within 30 days of such redistribution.

Allocation of excess increments must be completed by September 30th in the year following the year in which excess increments were generated.

Section 23 Limitation on Administrative Expenses

Administrative expenses are defined as all costs of the City other than:

1. amounts paid for the purchase of land;
2. amounts paid for materials and services, including architectural and engineering services directly connected with the proposed development within the TIF District;
3. relocation benefits paid to, or services provided for, persons or businesses located within the TIF District; or
4. amounts used to pay interest on, fund a reserve for, or sell at a discount, tax increment bonds.
5. amounts used to make payments on other financial obligations used to finance costs outlines above.

Administrative expenses include amounts paid for services provided by bond counsel, fiscal consultants, planning or economic development consultants, and actual costs incurred by the City in administering the TIF District. For TIF Districts with certification request dates after July 31, 2001 tax increments may be used to pay administrative expenses of the TIF District up to the lesser of (a) 10% of the total tax increment expenditures authorized by the TIF plan or (b) 10% of the total tax increments received by the TIF District. However, tax increments used to pay County expenses pursuant to Section 469.176, Subd. 3(d) of the TIF Act are not subject to these percentage limits.

The City intends to retain the full 10% of tax increment collected allowed by law to pay its expenses related to administering the TIF District. See Exhibit 3.

Section 24 Prior Planned Improvements

The City shall accompany its request for certification to the County Auditor with a listing of all properties within the TIF District for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan. The County Auditor shall increase the original net tax capacity of the TIF District by the net tax capacity of each improvement for which a building permit was issued.

The City has issued no building permits for properties within the TIF District during the past 18 months.

Section 25 Development Agreements

If more than 10% of the acreage of a project (which contains an economic development TIF district) is to be acquired by the City with proceeds from tax increment bonds then, prior to such acquisition, the City must enter into an agreement for the development of the property. Such agreement must provide recourse for the City should the development not be completed.

The City does not intend to acquire any land within the TIF District with tax increments. See Section 10.

Section 26 Business Subsidy Laws

Minnesota Statutes, Section 116J.994 requires a City or authority providing financial assistance of between \$25,000-150,000 or a business subsidy worth \$150,000 or more to complete an approval process as described below. Housing projects and many redevelopment projects are exempt from the requirements.

For financial assistance of \$25,000-149,999, the City must complete the following:

1. Adopt criteria for awarding business subsidies following a public hearing.
2. Complete a Financial Assistance / Business Subsidy Report annually.
3. For a business subsidy of \$150,000 or more, the City must conduct a public hearing on the subsidy after providing at least 10 days' published notice in the official newspaper of the City.
4. Enter into a subsidy agreement which must include the following information and requirements:
 - a. A description of the subsidy.
 - b. A statement of the public purpose and goals of the subsidy.
 - c. Wage and job creation goals (or job retention goals, if job loss is imminent and demonstrable) to be achieved within 2 years of receiving the subsidy;
 - d. A description of the recipient's financial obligation if the goals are not met. The recipient must pay back the assistance with interest if goals are not met, although pro-ration to reflect partial fulfillment of goals is permitted.
 - e. A statement of why the subsidy is needed.
 - f. A commitment from the recipient to continue operations at the site for at least 5 years;
 - g. The name and address of the parent company of the recipient;
 - h. A list of all other financial assistance to the project; and
 - i. A requirement for the recipient to provide the City and the Department of Employment and Economic Development with annual information regarding goals for two years after receiving the subsidy or until the goals are achieved. The reports must be filed by March 1 for the prior year.

The amount of assistance contemplated in this plan is expected to exceed \$150,000. As such, a business subsidy public hearing is required and will be held on February 11, 2020.

Section 27 Assessment Agreements

The City may, upon entering into a development agreement, also enter into an assessment agreement with the Developer or any other person, which establishes a minimum market value of the land and improvements for each year during the life of the TIF District.

The assessment agreement shall be presented to the County or City Assessor who shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land, and so long as the minimum market value contained in the assessment agreement appears to be a reasonable estimate, shall certify the assessment agreement as reasonable. The assessment agreement shall be filed for record in the office of the County Recorder of each county where the property is located. Any modification or premature termination of this agreement must first be approved by the City, and if the project is valued below the minimum market value, also approved by the County and School District.

Section 28 Modifications of the Tax Increment Financing Plan

Any reduction or enlargement in the geographic area of the Project Area or the TIF District; increase in the amount of bonded indebtedness to be incurred; increase in the amount of capitalized interest; increase in that portion of

the captured net tax capacity to be retained by the City; increase in the total estimated capital and administrative costs; or designation of additional property to be acquired by the City shall be approved only after satisfying all the necessary requirements for approval of the original TIF Plan. This paragraph does not apply if:

1. the only modification is elimination of parcels from the Project Area or the TIF District; and
2. the current net tax capacity of the parcels eliminated equals or exceeds the original net tax capacity of those parcels, or the City agrees that the TIF District's original net tax Capacity will be reduced by no more than the current net tax capacity of the parcels eliminated.

The City must notify the County Auditor of any modification that reduces or enlarges the geographic area of the Project Area or the TIF District. The geographic area of the TIF District may be reduced but not enlarged after five years following the date of certification.

Section 29 Administration of the Tax Increment Financing Plan

After adoption of the TIF Plan, the City shall submit a copy of such plan to the State Auditor's Office. The City shall also request that the County Auditor certify the original net tax capacity and net tax capacity rate of the TIF District. To assist the County Auditor in this process, the City shall submit copies of the TIF Plan, the resolution establishing the TIF District and adopting the TIF Plan, and a listing of any prior planned improvements. The City shall also send the County Assessor any assessment agreement establishing the minimum market value of land and improvements in the TIF District, and shall request that the County Assessor review and certify this assessment agreement as reasonable.

The County shall distribute to the City the tax increment as it becomes available. The amount of tax increment in any year represents the applicable property taxes generated by the retained captured net tax capacity of the TIF District. The amount of tax increment may change due to development anticipated by the TIF Plan, other development, inflation of property values, or changes in property classification rates or formulas.

In administering and implementing the TIF Plan, the following actions should occur on an annual basis:

1. Prior to July 1, the City shall notify the County Assessor of any new development that has occurred in the TIF District during the past year to ensure that the new value will be recorded in a timely manner.
2. If the County Auditor receives the request for certification of a new TIF District, or for modification of an existing TIF District, before July 1, the request shall be recognized in determining local tax rates for the current and subsequent levy years. Requests received on or after July 1 shall be used to determine local tax rates in subsequent years.

Each year the County Auditor shall certify the amount of the original net tax capacity of the TIF District. The amount certified shall reflect any changes that occur as a result of the following:

1. the value of property that changes from tax-exempt to taxable shall be added to the original net tax capacity of the TIF District. The reverse shall also apply;
2. the original net tax capacity may be modified by any approved enlargement or reduction of the TIF District;
3. if laws governing the classification of real property cause changes to the percentage of Estimated Market Value to be applied for property tax purposes, then the resulting increase or decrease in net tax capacity shall be applied proportionately to the original net tax capacity and the retained captured net tax capacity of the TIF District.

The County Auditor shall notify the City of all changes made to the original net tax capacity of the TIF District.

Section 30 Financial Reporting and Disclosure Requirements

The City is responsible for information and financial reporting on the activities of the TIF District. These responsibilities include:

1. Prepare and Publish an Annual Statement. No later than August 1 of each year, the City must prepare and publish an annual statement which includes at least the following information:
 - (a) tax increment received and expended in that year
 - (b) original net tax capacity
 - (c) captured net tax capacity
 - (d) amount of outstanding bonded indebtedness
 - (e) increments paid to other government bodies
 - (f) administrative costs
 - (g) increments paid directly or indirectly outside of the TIF District
 - (h) if a fiscal disparities contribution is computed under Section 469.177, Subd. 3(a) of the TIF Act, the increase in property tax imposed on other properties in the municipality as a result of the fiscal disparities contribution in the manner prescribed by the commissioner of revenue.

A copy of the annual statement must also be provided to the State Auditor, county board and county auditor, school board, and the municipality.

2. Prepare an Annual Report. (Section 469.175, Subds. 5 and 6 of the TIF Act) The State Auditor enforces the provisions of the TIF Act and has full responsibility for financial and compliance auditing of the City's use of tax increment financing. The State Auditor's office provides detailed tax increment reporting forms for use in complying with annual reporting requirements. On or before August 1 of each year, the City must prepare a status and financial report for the TIF District and submit it to the state auditor, the County board, the County auditor, and the School board.
3. Prepare a Minnesota Business Assistance Form. (Minnesota Statutes, Section 116J.994) By April 1, the City must submit a report to the Department of Employment and Economic Development:
 - a. "Financial Assistance" Report for assistance greater than \$25,000 but less than \$150,000.
 - b. A "JOBZ Business Subsidy Form" or "Non-JOBZ Business Subsidy" for assistance of \$150,000 or greater to report on wage and job goals and progress made in achieving them. A reporting form is provided by the Department and must be submitted for each business which has received tax increment assistance.

Section 31 Findings and Need for Tax Increment Financing

In establishing the TIF District, the City makes the following findings:

1. The TIF District qualifies as an economic development district;

The TIF District qualifies as an economic development district in that the proposed development described in this TIF Plan (see Section 5) meets all of the criteria listed in Sections 12, 17 and 18 above.
2. The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future, and the increased market value of the site that could reasonably be expected to occur without the use of tax increment would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan;

The above finding is based on documentation submitted by the Developer stating that without the use of tax increment financing, the Project could not proceed at the City site.

The City has further determined that no other development is expected to occur that would create a greater market value than that proposed, adjusting for the present value of tax increment assistance. Any other development of the TIF District would have to create a market value increase of more than \$4,587,637 in order to exceed the value increase expected under the current proposal, after subtracting the present value of the tax increment for 9 years (See Market Value Analysis, Exhibit 5). The City reasonably believes that the expected increase in market value without TIF assistance is limited to appreciation in existing real estate value, estimated to be approximately \$24,134 over the life of the TIF District.

To summarize the basis for the City's findings, the City makes the following determinations:

- a. *The City's estimate of the amount by which the market value of the site will increase without the use of tax increment financing is \$24,134 (for the reasons described above).*
 - b. *If the proposed development to be assisted with tax increment occurs in the TIF District, the total increase in market value would be approximately \$5,280,600. The increase in market value would be due primarily to new construction within the TIF District. (See Exhibit 3)*
 - c. *The present value of tax increments from the TIF District for the maximum duration of the district permitted by the TIF Plan is estimated to \$692,963 (See Exhibit 5)*
 - d. *Even if some development other than the proposed development were to occur, the City Council finds that no alternative would occur that would produce a market value increase greater than \$4,587,637 (the amount in clause b less the amount in clause c) without tax increment assistance.*
3. The TIF Plan conforms to the general plan for development or redevelopment of the City as a whole.

The reasons and facts supporting this finding are that the development proposal is consistent with the City's zoning ordinances and comprehensive plans for the area and serves to promote the City's development objectives.

4. The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of the Project Area by private enterprise.

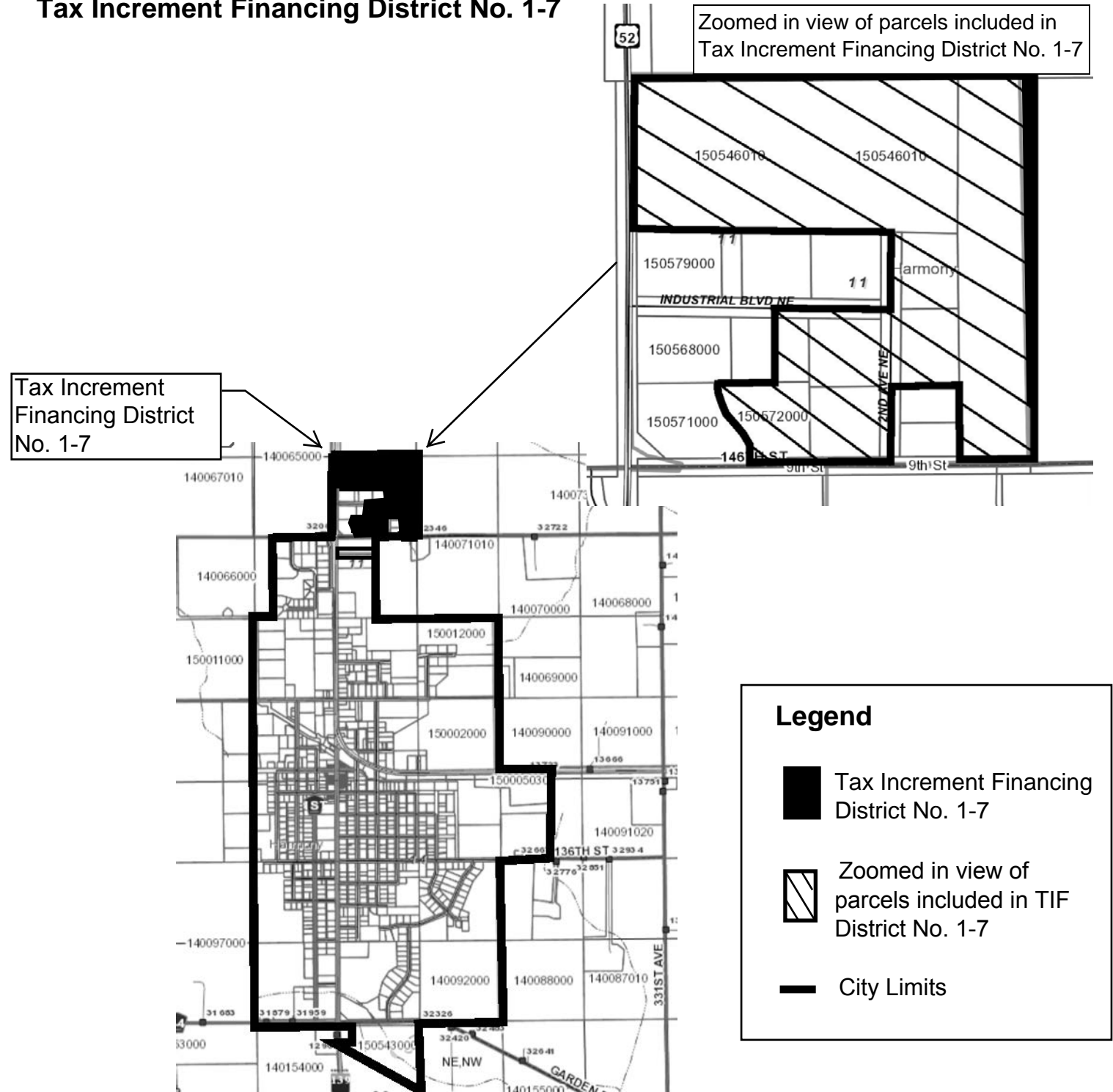
The reasons and facts supporting this finding are that the assistance provided in this TIF Plan will assist in the construction and/or expansion of manufacturing & warehousing / distribution facilities.

Exhibits

Map of Tax Increment Financing District and Project Area Exhibit 1
Parcels and Valuations Exhibit 2
Tax Increment Projections.....Exhibits 3a & 3b
Statement of Fiscal and Economic Impacts Exhibit 4
Market Value Analysis Exhibit 5

City of Harmony, Minnesota

Tax Increment Financing District No. 1-7



The modified boundaries of Municipal Development District No. 1 are coterminous with City Limits

City of Harmony, Minnesota

Economic Development Tax Increment Financing District No. 1-7 Dairyland Power Project

PARCELS AND VALUATIONS

#	PIN #	<i>Valuations (Pay 2020)</i>			Est. T.C.
		Land	Building	Total M.V.	
1	140072000*	55,200	-	55,200	828
2	150546010	41,600	-	41,600	624
3	150569010	15,100	-	15,100	227
4	150570000	20,600	-	20,600	309
5	150572000	21,000	-	21,000	315
6	150573000	21,200	-	21,200	318
7	150575000	22,400	-	22,400	336
8	150576000	22,300	-	22,300	335
		219,400	-	219,400	3,291

* This parcel has been annexed into the City and will be assigned a new parcel number(s). The entirety of this parcel will be included in the TIF District.

NOTE: The remaining parcels were formerly part of TIF District No. 1-6. Those parcels were decertified from that District and will now be included in TIF District No. 1-7 in their entireties.

City of Harmony, Minnesota

Economic Development Tax Increment Financing District No. 1-7

Dairyland Power Project

TIF PROJECTIONS (Phase 1: Dairyland Power Project Only)

Valuations & Projected Increases

	Market	Tax Capacity
Original Values	219,400	3,291
Completed Project Value	2,550,000	50,250
Increase Upon Full Development	2,330,600	46,959

NOTE: Assumed 24% complete 2020
 Assumed 75% complete 2021
 Assumed 100% complete 2022

Tax Rate Assumptions:

	2019/2020 Tax Rate	Applicable Tax Rate*	"Share" of Tax Increment
City	96.603%	96.603%	71.76%
County	31.783%	31.783%	23.61%
School	10.594%	6.229%	4.63%
Other	0.000%	0.000%	0.00%
State	38.846%	0.000%	0.00%
	177.83%	134.615%	100.00%

Projected Tax Increment

Payable Year	Original Tax Capacity	Projected Tax Capacity*	Net Captured Tax Capacity	Less Fiscal Disparities	Retained Net Captured Tax Capacity	Projected Tax Rate	Gross Tax Increment
2020	3,291	3,291	-	-	-	-	-
2021	3,291	3,291	-	-	-	134.62%	-
2022	3,291	12,563	9,272	-	9,272	134.62%	12,481
2023	3,291	37,688	34,397	-	34,397	134.62%	46,303
2024	3,291	50,250	46,959	-	46,959	134.62%	63,214
2025	3,291	50,250	46,959	-	46,959	134.62%	63,214
2026	3,291	50,250	46,959	-	46,959	134.62%	63,214
2027	3,291	50,250	46,959	-	46,959	134.62%	63,214
2028	3,291	50,250	46,959	-	46,959	134.62%	63,214
2029	3,291	50,250	46,959	-	46,959	134.62%	63,214
2030	3,291	50,250	46,959	-	46,959	134.62%	63,214
							501,281

Adjustments

10.00% Admin. Retainage	0.36% State Auditor's Deduction	Other additions & (subtractions)	TOTAL NET REVENUES
-	-	-	-
1,244	45	-	11,192
4,614	167	-	41,523
6,299	228	-	56,688
6,299	228	-	56,688
6,299	228	-	56,688
6,299	228	-	56,688
6,299	228	-	56,688
6,299	228	-	56,688
6,299	228	-	56,688
6,299	228	-	56,688
49,948	1,805	-	449,529

Present Value @ 5% **329,373**

* State property taxes are not collected as tax increments and therefore are not calculated in the projections. Rates shown are estimates only and subject to change. See Section 14. Applicable School tax rate is an estimate of the rate with general revenue items removed from the levy.

City of Harmony, Minnesota

Economic Development Tax Increment Financing District No. 1-7

Dairyland Power Project

TIF PROJECTIONS (Full Development)

Valuations & Projected Increases

	Market	Tax Capacity
Original Values	219,400	3,291
Completed Project Value	5,500,000	98,650
Increase Upon Full Development	5,280,600	95,359

Tax Rate Assumptions:

	2019/2020 Tax Rate	Applicable Tax Rate*	"Share" of Tax Increment
City	96.603%	96.603%	71.76%
County	31.783%	31.783%	23.61%
School	10.594%	6.229%	4.63%
Other	0.000%	0.000%	0.00%
State	38.846%	0.000%	0.00%
	177.83%	134.615%	100.00%

Projected Tax Increment

Payable Year	Original Tax Capacity	Projected Tax Capacity*	Net Captured Tax Capacity	Less Fiscal Disparities	Retained Net Captured Tax Capacity	Projected Tax Rate	Gross Tax Increment
2020	3,291	3,291	-	-	-	-	-
2021	3,291	3,291	-	-	-	134.62%	-
2022	3,291	12,563	9,272	-	9,272	134.62%	12,481
2023	3,291	37,688	34,397	-	34,397	134.62%	46,303
2024	3,291	98,650	95,359	-	95,359	134.62%	128,368
2025	3,291	98,650	95,359	-	95,359	134.62%	128,368
2026	3,291	98,650	95,359	-	95,359	134.62%	128,368
2027	3,291	98,650	95,359	-	95,359	134.62%	128,368
2028	3,291	98,650	95,359	-	95,359	134.62%	128,368
2029	3,291	98,650	95,359	-	95,359	134.62%	128,368
2030	3,291	98,650	95,359	-	95,359	134.62%	128,368
							957,358

Adjustments

10.00% Admin. Retainage	0.36% State Auditor's Deduction	Other additions & (subtractions)	TOTAL NET REVENUES
-	-	-	-
1,244	45	-	11,192
4,614	167	-	41,523
12,791	462	-	115,115
12,791	462	-	115,115
12,791	462	-	115,115
12,791	462	-	115,115
12,791	462	-	115,115
12,791	462	-	115,115
12,791	462	-	115,115
12,791	462	-	115,115
95,391	3,446	-	858,520

Present Value @ 5% **621,421**

* State property taxes are not collected as tax increments and therefore are not calculated in the projections. Rates shown are estimates only and subject to change. See Section 14. Applicable School tax rate is an estimate of the rate with general revenue items removed from the levy.

City of Harmony, Minnesota
Economic Development Tax Increment Financing District No. 1-7
Dairyland Power Project

STATEMENT OF FISCAL AND ECONOMIC IMPACTS

FULL DEVELOPMENT

Taxing Jurisdiction	Without TIF District		With TIF District					
	2020 Taxable Net Tax Capacity ⁽¹⁾	2019/2020 Local Tax Rate	2020 Taxable Net Tax Capacity ⁽¹⁾	Projected Captured Net Tax Capacity	Hypothetical Tax Generated By TIF	New Taxable Net Tax Capacity	Hypothetical Adjusted Local Tax Rate	Hypothetical Decrease in Tax Rate
City of Harmony, Minnesota	771,755	96.603%	771,755	95,359	92,120	867,114	85.979%	10.624%
Fillmore County	35,389,974	31.783%	35,389,974	95,359	30,308	35,485,333	31.698%	0.085%
ISD #2198	8,802,445	10.594%	8,802,445	95,359	10,102	8,897,804	10.480%	0.114%
Other ⁽²⁾	--	--	--	95,359	--	--	--	--
Totals		<u>138.980%</u>			<u>132,530</u>		<u>128.157%</u>	<u>10.823%</u>

Statement #1: If all of the projected captured net tax capacity of the project were hypothetically immediately available to each taxing jurisdiction if TIF were not used, the tax capacities of each jurisdiction would be increased by the amounts shown above, and the local tax rates of each jurisdiction would be decreased by the amounts shown.

Statement #2: As the projected captured tax capacity of the project would not be available without the use of TIF, the tax capacities and tax rates of each jurisdiction will not be affected.

Statement #3: The estimated amount of tax increment (gross increment less State Auditor's deduction) generated over the life of the TIF District is estimated to be \$953,911.

Statement #4: A description of the probable impact of the TIF District on City services as a result of the creation of this TIF District would include the following: The City will be collecting an estimated \$684,549 in city property tax revenue from the proposed project area and applying it to project related expenses rather than general services such as police, fire, and other services not paid by user fees.

Statement #5: The estimated amount of increment attributed to the school districts' tax levies and captured as a result of the creation of this TIF District is \$44,141 for School District 2198.

Statement #6: The estimated amount of increment attributed to the county tax levy and captured as a result of the creation of this TIF district is \$225,221.

Statement #7: The final Original Net Tax Capacity and Local Tax Rate of the TIF District will be based upon data for taxes payable 2020 as the Authority intends to request certification of the TIF District after July 1, 2020.

⁽¹⁾ Taxable net tax capacity = total net tax capacity less value captured in TIF Districts and powerline value.

⁽²⁾ The impacts upon other taxing jurisdictions not included since they represent a small percentage of the total tax rate.

City of Harmony, Minnesota

Economic Development Tax Increment Financing District No. 1-7 Dairyland Power Project

MARKET VALUE ANALYSIS

Increased Market Value of Site	5,280,600
Less Present Value of TIF Revenues	<u>692,963</u>
	4,587,637
Reasonably expected increase w/out TIF*	<u>24,134</u>
Net Value Increase	4,563,503

Present Value Calculation

Calculation Date	12/31/2020
Present Value Factor	5.00%

#	Year	Gross Tax Increment	Present Value
0	2020	-	-
1	2021	-	-
2	2022	12,481	11,320
3	2023	46,303	39,998
4	2024	128,368	105,608
5	2025	128,368	100,579
6	2026	128,368	95,790
7	2027	128,368	91,229
8	2028	128,368	86,884
9	2029	128,368	82,747
10	2030	128,368	78,807
		<u>957,358</u>	<u>692,963</u>

* Without the use of TIF, increase in market value is assumed to be inflationary only on existing parcels, calculated at 1% per year.

**DEVELOPMENT AGREEMENT
TAX INCREMENT FINANCING
DAIRYLAND POWER COOPERATIVE DEVELOPMENT PROJECT**

This Agreement dated this 11th day of February, 2020, By and Between the City of Harmony ("City"), a municipal corporation and Dairyland Power Cooperative, a Wisconsin non-stock cooperative association ("Developer") regarding the development of the property legally described in the attached Exhibit A.

WHEREAS, Developer proposes to develop the property legally described in Exhibit A under the sole ownership of Developer, utilizing tax increment financing assistance from City; and

WHEREAS, City, pursuant to Minnesota Statutes, Sections 469.174 to 469.1794 (the "TIF Act") has adopted a program to encourage redevelopment and job growth; and

WHEREAS, on February 11, 2020, the City Council of the City of Harmony adopted a resolution approving the establishment of Tax Increment Financing District No. 7, within Municipal Development District No. 1, to allow for the redevelopment of the site; and

WHEREAS, said resolution approved the Tax Increment Financing Plan relating thereto.

NOW THEREFORE BE IT AGREED by the above parties as follows:

Section 1. Definitions.

1. The following definitions shall apply in this Agreement, unless a different meaning clearly appears from the context:
 - a. "Agreement" means this Agreement, as may be modified from time to time, amended, or supplemented.
 - b. "Authority" means the City Council of the City of Harmony.
 - c. "City" means the City of Harmony.
 - d. "County" means Fillmore County, Minnesota.
 - e. "Developer" means Dairyland Power Cooperative, or its permitted successors and assigns.
 - f. "Development Property" means the real property described in Exhibit A of this Agreement.
 - g. "Events of Default" means an action by the Developers listed in Section 5 of this Agreement, which is not cured within the time period permitted in this Agreement.
 - h. "Project Area" means the geographic area of the City's Development District No. 1.

- i. "State" means the State of Minnesota.
- j. "Tax Increment" means that portion of the real property taxes which is paid with respect to the Development Property and remitted to the City by Fillmore County as tax increment pursuant to the Tax Increment Act or Minnesota State Statutes, Section 469.174 to 469.1794, as amended.
- k. "Tax Increment District" or "TIF District" means the City's Tax Increment District No. 7.
- l. "Tax Increment Plan" or "TIF Plan" means the Tax Increment Financing Plan for Tax Increment District No. 7, as adopted February 11, 2020 and as amended.
- m. "Tax Official" means any County assessor; County auditor; County or State board of equalization, the commissioner of the Department of Revenue of the State or any State or federal district court, the tax court of the State or the State Supreme Court.

Section 2. Representations and Warranties.

- 1. City represents and warrants that:
 - a. City is a statutory City organized under the laws of the State.
 - b. The activities of City are for the purpose of encouraging development of the project area, which is currently underutilized, and for promoting economic development and job opportunities.
 - c. The Tax Increment District is an economic development district.
 - d. City, to the best of its knowledge, represents and agrees that no member, official, or employee of City shall have any personal interest, direct or indirect, in the Agreement, nor shall such member, official or employee participate in decision making relating to the Agreement which affects his/her personal interests. No member shall be personally liable to Developer, or successors, in the event of any default or breach by City for any amount, which may become due to Developer or its successor or on any obligations under the terms of this Agreement.
- 2. Developer represents and warrants that:
 - a. Developer is in good standing under the laws of the State of Minnesota, and is not in violation of any laws of the State of Minnesota, is duly authorized to transact business within the State, has power to enter into this Agreement and has duly authorized the execution, delivery and performance of this Agreement.
 - b. Developer has not received notice or communication that the activities of Developer or City with respect to the development will be in violation of any environmental law or regulation.
 - c. The proposed development by Developer would not occur but for the tax increment financing assistance being provided by City.

Section 3. Agreements.

1. City agrees to the following:
 - a. The City Economic Development Authority shall sell approximately 8.5 acres in the industrial park, survey to govern, for the sum of \$120,000.00, with a closing date for purchase to be on or before May 31, 2020. The deed shall have a possibility or right of reverter that shall specify the land would revert back to the City Economic Development Authority should developer fail to construct the building specified in Section 3(2)(a) by the required deadline.
 - b. The City shall reimburse Developer \$119,999.00 on the date of closing.
 - c. The City shall, at City's sole expense, extend the following to the South property line of the Development Property: 2nd Ave NE (complete with asphalt overlay), water, and sewer. The City shall, at City's sole expense, extend electrical service to the building meter.
 - d. The City shall, at City's sole expense, improve the existing storm water retention pond in the industrial park to provide adequate storm water retention for the Development Property, unless Federal or State regulations require Developer to construct storm water retention facilities on the Development Property, in which case Developer shall be responsible for such improvement to the Development Property.
 - e. The City shall prohibit and enforce the prohibition of the continuous parking of semi tractors and trailers on streets within the Industrial Park.
 - f. The City shall establish a tax increment financing district (TIF) for the benefit of the project.
 - g. City shall cover all costs associated with establishing the TIF District and this Development Agreement.
 - h. The City shall approve a business subsidy agreement between the City EDA and Developer.
 - i. The City shall annex the Development Property into the City, where relevant, and properly plat and zone the property Industrial.
 - j. The City shall make every effort to move forward with approvals and their obligations recited herein in a timely fashion.
2. Developer agrees to the following:
 - a. Developer shall build the proposed facility of approximately 23,000 square feet with the work to commence no later than December 31, 2020 and for work to be substantially completed by December 31, 2022.
 - b. After substantial completion of improvements, the Development Property shall have a taxable value of at least \$2,000,000.00. Developer shall not challenge this minimum assessed taxable value of the Development Property with the State, County, or Tax Official until after this Agreement expires.

- c. Developer shall extend water, sewer, and gas from the South property line of the Development Property to the building site at Developer's sole cost.
- d. Developer shall abide by the Minnesota Business Subsidy Law and enter into a Business Subsidy Agreement with the City.
- e. Developer shall apply for utility services with the City, once applicable, and pay the traditional application and utility connection fees as applicable. Those fees are presently as follows: Zoning Permit, \$200; Water Connection, \$300; Sewer Connection, \$500; and Electric Connection, \$500.
- f. Developer shall apply for any other applicable permits required to comply with local and State law with jurisdictions other than the City, at its own expense.
- g. To take no action that would disqualify the Project from the Tax Increment Plan, whether intentional or unintentional.

Section 4. Prohibitions Against Assignment and Transfer; Indemnification.

- 1. Developer represents and agrees that the execution of this Agreement is for the purpose of development of the property and not for speculative land holding.
- 2. In the event Developer transfers or assigns any interest in the Development property or any portion thereof prior to expiration of this Agreement, Developer shall immediately reimburse City the full estimated fair market value of the business subsidy as identified in the Business Subsidy Agreement.
- 3. Indemnification: City and the governing body members, officers, agents and employees thereof shall not be liable for any damage or injury to persons or property of Developer or its agents or employees or any other person who may be on the Development Property. All agreement of City herein are agreements of City and not of any governing body member, officer, agent or employee of City in their individual capacity.

Section 5. Events of Default.

- 1. The following shall be considered "Events of Default" under this Agreement:
 - a. Failure to pay real estate taxes or assessments on the Development property or any part thereof within 90 days after the date due;
 - b. Developer challenging the assessed taxable value of the Development Property.
 - c. Filing of bankruptcy or admittance in writing by the Developer or his inability to pay real estate taxes as they become due.
 - d. Sale, transfer, or assignment of the Development Property by the Developer without prior written consent of City.
 - e. Failure of Developer to meet one or more of Developer's obligations under Section 3(2).

- f. Default under the Business Subsidy Agreement being required by Section 3(2)(d) the terms of which are incorporated herein by reference.
2. The obligation of Developer to pay real estate taxes shall be absolute and unconditional irrespective of any defense or right of setoff, recoupment, or counterclaim that Developer might have against City or any other governmental body or person. In the event of a claim by City under this section, City shall be entitled to recover costs, disbursements and attorney fees reasonably incurred.
3. In the event of default, City shall provide Developer with at least thirty (30) days written notice of the default and shall not take any action against Developer unless the default has not been corrected within the thirty-day notice period.
4. Failure of Developer to cure any default within the time period allotted shall require Developer to repay to the City the fair market value of the subsidy described in the Business Subsidy Agreement, with a pro-rata credit against such repayment for any partial achievement of the requirements in this Development Agreement or the Business Subsidy Agreement.

Section 6. Notices/Recording.

1. Any communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or personally delivered and:
 - a. In the case of Developer, is addressed to or delivered to: Dairyland Power Cooperative, c/o ^, President, ^;
 - b. In the case of City, is addressed to or delivered to: City of Harmony, c/o City Administrator, PO Box 488, Harmony, MN 55939; or at such other addresses with respect to each party, from time to time, is designated in writing.
2. City shall record this Agreement and any amendments with the Fillmore County Recorder. City shall pay for all costs for recording. The terms and provisions shall be deemed covenants running with the Development Property and shall be binding upon future owners/successors.

Section 7. Maturity.

This agreement shall terminate January 31, 2030.

(signature page to follow)

IN WITNESS OF THE ABOVE, the parties have caused the Agreement to be executed on the date and year written above.

City:
City of Harmony:

By: Steve Donney
Its: Mayor

By: Jerome Illg
Its: City Administrator

Developer:
Dairyland Power Cooperative

By: _____
Its: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF FILLMORE)

On this ____ day of _____, 2020, before me a Notary Public within and for said County, personally appeared Steve Donney and Jerome Illg, to me personally known, who being by me duly sworn, did say they were the Mayor and City Administrator of the City of Harmony, as named in the foregoing instrument, and that the seal affixed to said instrument was signed and sealed on behalf of said entity by authority of the City and they acknowledged said instrument to be the free act and deed of the City.

NOTARIAL STAMP

Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)

On this ____ day of _____, 2020, before me a Notary Public within and for said County, personally appeared ^, to me personally known, who being by me duly sworn, did say he is the President of Dairyland Power Cooperative, the Developer of the property listed in Exhibit A, as named in the foregoing instrument, and that he acknowledges said instrument as the free act and deed of the Developer.

NOTARIAL STAMP

Notary Public

Exhibit A

^

Business Subsidy Agreement

This Business Subsidy Agreement (the "Agreement") is dated as of February 11, 2020 and is between the City of Harmony, Minnesota (the "City"), a Minnesota municipal corporation, and Dairyland Power Cooperative (the "Business"), a Wisconsin non-stock cooperative association.

The City and the Business recognize and agree that the City assistance to the Business under the terms of a Development Agreement dated February 11, 2020, between said parties is a "business subsidy" under Minnesota Statutes, Sections 116J.993 through 116J.995, as amended (the "Subsidy Law"), and is subject to the provisions thereof, including without limitation reporting requirements and a commitment by the Business to remain in operations within the City.

A description of the subsidy is that the City Economic Development Authority is selling the Business approximately 8.5 acres of real property for a net sum of \$1 and the installation of public infrastructure to serve the Business' project site at the City's expense.

Accordingly, it is agreed:

The estimated fair market value of the subsidy is \$288,164.00.

The public purposes of the subsidy are to promote the highest and best use of land consistent with the City's comprehensive plan, further development of the economic base of the community, job creation and retention, and to increase the City's tax base.

For purposes of Section 116J.994, Subdivision 3, of the Subsidy Law, the goals of the subsidy are to construct a warehousing facility of approximately 23,000 square feet and create 4 full time equivalent jobs at an average cash wage of \$44.92 per hour within two years of the "Benefit Date" of the subsidy, as defined in the Subsidy Law, which is hereby determined to be the date the facility opens for business.

For purposes of the Subsidy Law, the subsidy is considered to be the value of real estate (\$119,999) and public infrastructure (\$168,165) provided at the City's expense to the Business. The City shall reimburse itself for such expenditures, to the extent possible, through the establishment of an economic development tax increment financing district and the Greater Minnesota Business Development Public Infrastructure grant program. The City and the Business agree that a material default by the Business under this Agreement shall be a default under the Development Agreement to the same extent as though expressly stated therein and shall entitle the City to exercise any and all remedies the City may have upon such default under the terms of the Development Agreement, including without limitation applicable financial remedies/obligations.

In addition, as required by Section 116J.994, Subdivision 6, if the Business is in default under this Agreement, subject to any remedial provisions of the Subsidy Law as may be applicable, the Business shall be obligated to repay all of the assistance plus interest at the implicit price deflator, as defined under Minnesota Statutes, Section 275.70, Subdivision 2, with (in order to avoid over-repayment) pro-rata credit against such repayment liability for any partial achievement of the goals set herein. The subsidy is needed in order to induce the Business to

locate its operations in the City and retain existing jobs. The Business covenants that it will continue to operate their facility in the City until at least the expiration of the Development Agreement, which expires January 31, 2030, or five years from the Benefit Date, whichever is longer.

The Business represents that it has no parent corporations.

The City represents that the following are all of the State of Minnesota and "local government agency" grants to the Facility:

City of Harmony	\$288,164
Grantor	Value (\$)

The Business represents that it is not in default on the date hereof on any subsidy agreement entered into under the Subsidy Law.

The Business shall complete and file with the City by March 1st of each year, until the subsidy goals are met. The Subsidy Law provides that if the Business does not make such reports, when due, the City must mail the Business a warning within one week of the required filing date, and if, after 14 days after the postmark date of that warning, the Business continues to fail to report, then the Business is required to and shall pay the City a penalty of \$100 for each subsequent day until the report is filed, up to a maximum of \$1,000. The Business shall file these reports with the City, in care of its Economic Development Authority, (1) on March 1 of each year, beginning with the March 1 immediately following the Benefit Date, and (2) within 30 days after the "Compliance Date," hereby defined to be the date which is two years after the Benefit Date. Each March 1 report shall report on the prior calendar year, and each other report shall report on the period since the last reporting period.

This Agreement is intended to be the "subsidy agreement" required by Section 116J.994, Subdivision 3, of the Subsidy Law. In the event that any provision of this Agreement is inconsistent or in conflict with any provision of the Subsidy Law, and in the event that any provision of the Subsidy Law provides additional requirements, the provisions of the Subsidy Law shall apply and govern. In addition, the Business agrees to provide the City with any additional information which may be required in order for the City to comply with its reporting requirements, as they may exist or be amended from time to time, under the Subsidy Law.

Nothing in this Agreement is intended to limit the terms of the Development Agreement. To the extent that provisions herein are more extensive or restrictive than any related term in the Development Agreement and to the extent said terms herein are required by the Subsidy Law, the provisions hereof shall govern.

IN WITNESS WHEREOF, the City of Harmony and Dairyland Power Cooperative have duly executed this Agreement by their duly authorized representatives.

CITY OF HARMONY

By: _____
Mayor Date

Attest: _____
City Administrator Date

DAIRYLAND POWER COOPERATIVE

By: _____
<<<Title>>> Date

Harmony Economic Development Authority

2019 Annual Activity Report (12 months ending December 31, 2019)

The Harmony EDA regularly meets the first Thursday of each month at 7:30 AM at the Community Center. Special meetings are held to accommodate special requests or projects where deadlines were in conflict with the regular meeting schedule. Special meetings were held this year to facilitate the annual joint city, school, and EDA workshop and a prospective industrial park expansion project.

Meeting frequency:

	Meeting Frequency	
	Regular	Special
2019	12	2
2018	12	1
2017	12	1

Meeting attendance record:

Member	Meeting Dates															Absences		
	1/10	2/7	3/12	3/14	4/4	5/2	6/6	6/27	8/1	8/29	9/5	10/3	11/7	12/5	2019	2018	2017	
C. Skaalen	x	x	x	x	-	x	x	-	x	x	x	x	x	x	2	2	1	
S. Donney	x	x	x	x	x	x	x	x	x	x	x	x	x	x	-	1	-	
A. Batstone	x	x	-	-	x	x	x	x	x	-	-	x	x	-	5	2	4	
K. Kingsley	x	-	x	x	x	-	x	x	x	x	x	x	x	x	2	1	-	
S. Sagen	-	-	x	x	x	x	x	x	x	x	x	x	x	x	2	-	-	

Project Highlights:

Dairyland Power Cooperative Expansion Project

- Assisted with site selection for prospective facility relocation and expansion project.
- Purchased 8.2 acres of land adjacent to the industrial park to accommodate the prospective project and additional industrial growth. Requested annexation of this property to the City of Harmony.
- Approved a purchase agreement selling 8.5 acres to Dairyland Power Cooperative for \$1 for a prospective 23,000 square foot maintenance and operations facility. When completed, the facility is estimated to retain 4 FTE jobs and create about \$2.3 million in new tax base.
- Approved extending 2nd Ave NE and improving the storm water retention pond in conjunction with this project.
- Approved a memorandum of understanding outlining the material terms of a to-be agreed upon development agreement detailing the City and EDA involvement in the project, including land acquisition and public infrastructure improvements.
- Applied for \$74,537 Minnesota Department of Employment and Economic Development (MN DEED) Business Development Public Infrastructure (BDPI) grant to assist with about half of the cost of needed public infrastructure for the project.
- **Awarded \$84,082 loan** at a fixed 0% interest with a 10 year term from MiEnergy Cooperative to finance approximately half of the needed public infrastructure for the project. This award saves city taxpayers about \$14,000 in interest expenses.

State Trail Extension Project

- Continued to work with local trail volunteers, project stakeholders, and Minnesota Department of Natural Resources (MN DNR) on amending the existing Harmony-Preston Valley Trail master plan to feature the new, to-be constructed Harmony Stateline Trail segment.
- Coordinated with city attorney, MN DNR, and the Legislative Citizen Commission on Minnesota Resources (LCCMR) to administer \$235,000 grant that was awarded in 2018 for trail corridor acquisition.

Experience Harmony II

- Received word from Harmony Telephone Company that fiber optic internet would be installed to serve the entire community within 1-2 years.
- Contemplated hosting a solar energy workshop.
- Partnered with the Harmony Area Chamber of Commerce to create a community focused video advertisement, creating a digital marketing campaign to attract (primarily) new residents and employees.
- Recommended to the city council that a “Trash and Treasure” day be established.
- Recommended to the city council that recycling receptacles be purchased and placed in public areas such as city buildings, parks, and Main Street.
- Contemplated current and possible public transportation options available for community residents.
- Contemplated installation of electric vehicle charging stations.

Coordinated Joint Community Workshop

- Meeting held between City Council, Fillmore Central School Board, and EDA
- Discussed several issues, projects, and long-term goals resulting in opportunities to collaborate.
- Received word on and discussed major renovation projects scheduled for the High School and football field, which were also completed in 2019.

Commercial Rehab Program

- Listening to business inquiries, created a new streamlined version of the existing revolving loan fund to provide a source of financing for specific commercial rehabilitation needs of existing businesses.

New Home Construction Rebate Program

- **Awarded 2 rebates** totaling **\$11,750** creating **\$317,200** in new home value.
- Received an inquiry about the program from the chairwoman of the U.S. House Committee on Financial Services and continued to receive national attention.

Revolving Loan Fund

- **Approved \$25,000 loan** to Shannon and Emily Onsager to assist with acquisition and opening of a recently closed Main Street restaurant.
- **Approved \$25,000 loan** to Aaron and Amy Bishop to assist with renovations and acquisition of a long vacant Main Street building.
- Managed loan portfolio and repayments; \$60,242 in repayments during 2019.
- Completed annual reporting requirements.

Other Grant Awards

- **Awarded \$46,000** United States Department of Agriculture (USDA) “Community Facilities” grant to assist the public works department in purchasing an emergency backup generator for the city’s wastewater treatment plant and other public works equipment.
- **Awarded \$1,766** grant from the Harmony Area Community Foundation to assist the city place recycling receptacles on Main Street.
- Applied for \$10,000 grant from the Arlin Falck Foundation to assist the city install new playground equipment at the community center.
- Applied for \$2,200 grant from Fillmore County Public Health for a traffic calming speed radar sign.

General Business Assistance/Other

- **Met with 50 individual current and/or prospective businesses** in regards to projects, issues, programs, business planning, financial packaging and other general assistance.
- Renewed option to purchase contract for three lots in the industrial park with the Harmony Veterinary Clinic.
- Hosted a stop on the Community and Economic Development Associates (CEDA) annual “Regional Development” bus tour, which brought about 65 investors, real estate agents, developers, engineers, architects, and similar development-minded individuals to tour Harmony and development opportunities.
- Supported the function and location of the Harmony Visitor’s Center.

Required Reporting

- Annual Minnesota Investment Fund report to DEED (revolving loan fund).
- Annual Redevelopment Grant report to DEED (downtown parking lot grant) - final report!

Annual Program Review

- Annual review of Business Subsidy Policy and active program guidelines to ensure effectiveness and ease of use. Active programs during 2019 were the revolving loan fund and new home construction rebate.

Revolving Loan Fund Summary:

<u>Active Loan Portfolio</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Number of Loans:	17	15	15
New Loans:	2	1	0
Total Principal Amount:	\$415,810	\$365,810	\$382,110
Total Balance Due:	\$241,662	\$241,484	\$294,729
Average Loan Amount:	\$24,459	\$24,387	\$25,474
Cash on Hand Available to Lend:	\$98,935	\$90,453.30	\$27,381.40

Loan Portfolio since Inception (1989, Harmony Enterprises Grant)

Total Loans Made:	66
Total Principal Amount:	\$1,096,532
Total Repayments:	\$1,066,372
Total Write Offs:	\$41,478
Total Interest Received:	\$279,796
Average Loan Amount:	\$16,614

New Construction Estimated Market Value (actual yr. built):

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
911,000	464,500	219,100	150,500	198,800	427,600	363,500	1,407,900	194,700	630,700	1,076,300

Fillmore County Property Tax Valuation Comparison (spring 2019):

City	House Rate House		Chang	Prime Lot Sq Ft	Lot Value		Change	Levy		Levy 2019P	Change %
	2019P	2020P			2019P	2020P		2018P	2019P		
Mabel	\$42.00	\$47.00	\$5.00	10000	\$1.35	\$1.35	\$0.00	181.055	183.697	2.642	
Rushford Vill.	\$65.00	\$65.00	\$0.00	10000	\$1.75	\$1.75	\$0.00	102.381	96.514	(5.867)	
Rushford City	\$68.00	\$81.00	\$13.00	10000	\$2.25	\$2.25	\$0.00	152.255	146.528	(5.727)	
Peterson	\$57.00	\$57.00	\$0.00	14000	\$1.00	\$1.00	\$0.00	175.639	148.407	(27.232)	
Canton	\$49.50	\$49.50	\$0.00	10000	\$1.05	\$1.05	\$0.00	143.312	134.244	(9.068)	
Whalan	\$63.75	\$63.75	\$0.00	12000	\$1.50	\$1.50	\$0.00	78.627	90.153	11.526	
Harmony	\$54.00	\$62.00	\$8.00	10000	\$1.50	\$1.50	\$0.00	136.866	139.876	3.010	
Preston	\$54.00	\$61.00	\$7.00	10000	\$1.65	\$1.65	\$0.00	164.813	167.515	2.702	
Lanesboro	\$78.00	\$92.00	\$14.00	14000	\$2.10	\$2.10	\$0.00	140.689	164.894	24.205	
Fountain	\$70.50	\$81.00	\$10.50	14000	\$1.40	\$1.40	\$0.00	111.909	110.416	(1.493)	
Chatfield	\$83.00	\$99.00	\$16.00	10000	\$2.50	\$2.50	\$0.00	160.548	172.839	12.291	
Wykoff	\$50.00	\$62.50	\$12.50	10000	\$1.50	\$1.50	\$0.00	145.612	138.657	(6.955)	
Ostrander	\$45.00	\$45.00	\$0.00	10000	\$1.10	\$1.10	\$0.00	169.863	192.453	22.590	
Spring Valley	\$65.00	\$77.00	\$12.00	10000	\$1.75	\$1.75	\$0.00	161.609	162.22	0.611	

Economic Development Authority's Financial Impact on Harmony:

(Excluding loan repayments & fund interest earnings)

	2019	2018	2017
Total Grants Received:	\$47,766	\$1,772,260	\$11,000
Total Loans Made:	\$50,000	\$7,700	\$0
Total Short Term Project Revenue Leveraged:	\$11,750	\$48,750	\$132,000
Total Long Term Project Revenue Leveraged:	\$84,082	\$0	\$0
Total New Dollars Leveraged for Harmony:	\$193,598	\$1,828,710	\$143,000
Total City Levy:	\$745,550	\$652,200	\$590,000
Total EDA Budget:	\$105,000	\$100,000	\$119,118

City of Canton, Minnesota

Social Media Policy

Purpose

Social networking in government serves two primary functions: to communicate and deliver messages directly to citizens and to encourage citizen involvement, interaction, and feedback. Information which is distributed via social networking must be accurate, consistent, and timely and meet the information needs of the City's customers. Since social media is used for social networking, this policy seeks to ensure proper use of the City of Canton's social media sites by its representatives.

The City of Canton wishes to establish a positive and informative social media presence. City representatives have the responsibility to use the City's social media resources in an efficient, effective, ethical and lawful manner pursuant to all existing City and departmental policies. This policy also provides guidelines and standards for city representatives regarding the use of social media for communication with residents, colleagues and all other followers.

Policy

The City of Canton will determine, at its discretion, how its web-based social media resources will be designed, implemented and managed as part of its overall communication and information sharing strategy. City social media sites may be modified or removed by the City at any time and without notice, as described in this document.

City of Canton social media accounts are considered a City asset and administrator access to these accounts must be securely administered in accordance with the City's Computer Use policy. The City reserves the right to shut down any of its social media sites or accounts for any reason without notice.

All social media web sites created and utilized during the course and scope of an employee's performance of his/her job duties will be identified as belonging to the City of Canton, including a link to the City's official web site.

Scope

This policy applies to any existing or proposed social media web sites sponsored, established, registered or authorized by the City of Canton. This policy also covers the private use of the City's social media accounts by all City representatives, including its employees and agents, Council members, appointed board or commission members and all public safety volunteers to the extent it affects the City. Questions regarding the scope of this policy should be directed to the City Clerk.

Definition

Social media are internet and mobile-based applications, websites and functions, other than email, for sharing and discussing information, where users can post photos, video, comments and links to other information to create content on any imaginable topic. This may be referred to as "user-generated content" or "consumer-generated media."

Social media includes, but is not limited to:

- Social networking sites such as Facebook, LinkedIn, Twitter, Nextdoor, and online dating services/mobile apps
- Blogs
- Social news sites such as Reddit and BuzzFeed
- Video and photo sharing sites such as YouTube, Instagram, SnapChat, and Flickr
- Wikis, or shared encyclopedias such as Wikipedia
- An ever-emerging list of new web-based platforms generally regarded as social media or having many of the same functions as those listed above

As used in this policy, "employees and agents" means all City representatives, including its employees and other agents of the city, such as independent contractors or Council members.

Rules of Use

City employees and agents with administrator access are responsible for managing social media websites. Facilities or departments wishing to have a new social media presence must initially submit a request to [*the City Administrator/Manager/Council/ or other designee*] in order to ensure social media accounts are kept to a sustainable number and policies are followed. All approved sites will be clearly marked as the City of Canton site. No one may establish social media accounts or websites on behalf of the City unless authorized in accordance with this policy.

Administration of all social media web sites must comply with applicable laws, regulations, and policies as well as proper business etiquette.

City social media accounts accessed and utilized during the course and scope of an employee's performance of his/her job duties may not be used for private or personal purposes or for the purpose of expressing private or personal views on personal, political or policy issues or to express personal views or concerns pertaining to City employment relations matters.

No social media website may be used by the City or any City employee or agent to disclose private or confidential information. No social media web site should be used to disclose sensitive information; if there is any question as to whether information is private, confidential or sensitive, contact the City Clerk.

When using social media sites as a representative of the City, employees and agents will act in a professional manner. Examples include but are not limited to:

- Adhere to all City personnel and Computer Use policies
- Use only appropriate language

Be aware that content will not only reflect on the writer but also on the City of Canton as a whole, including elected officials and other city employees and agents. Make sure information is accurate and free of grammatical errors.

- Not providing private or confidential information, including names, or using such material as part of any content added to a site.
- Not negatively commenting on community partners or their services, or using such material as part of any content added to a site.
- Not providing information related to pending decisions that would compromise negotiations.
- Be aware that all content added to a site is subject to open records/right to know laws and discovery in legal cases.
- Always keep in mind the appropriateness of content.
- Comply with any existing code of ethical behavior established by the City.

Where moderation of comments is an available option, comments from the public will be moderated by City staff, with administrative rights, before posting. Where moderation prior to posting is not an option, sites will be regularly monitored by City staff.

City of Canton's staff with administrative rights will not edit any posted comments. However, comments posted by members of the public will be removed if they are abusive, obscene, defamatory, in violation of the copyright, trademark right or other intellectual property right of any third party, or otherwise inappropriate or incorrect. The following are examples of content that may be removed by City staff before or shortly after being published:

- Potentially libelous comments
- Obscene or racist comments
- Personal attacks, insults, or threatening language
- Plagiarized material
- Private, personal information published without consent
- Comments totally unrelated to the topic of the forum
- Commercial promotions or spam
- Hyperlinks to material that is not directly related to the discussion

Personal Social Media Use

The City of Canton respects employees and agents' rights to post and maintain personal websites, blogs and social media pages and to use and enjoy social media on their own personal devices during non-work hours. The City requires employees and agents to act in a prudent manner with regard to website and internet postings that reference the City of Canton its personnel, its operation or its property. Employees, agents, and others affiliated with the City may not use a city brand, logo or other city identifiers on their personal sites, nor post information that purports to be the position of the City without prior authorization.

City employees and agents are discouraged from identifying themselves as city employees when responding to or commenting on blogs with personal opinions or views. If an employee chooses to identify him or herself as a City of Canton employee, and posts a statement on a matter related to City business, a disclaimer similar to the following must be used:

"These are my own opinions and do not represent those of the City."

Occasional access to personal social media websites during work hours is permitted, but employees and agents must adhere to the guidelines outlined in the City's Computer Use policy and the City's Respectful Workplace policy. Employees and agents should also review the Data Ownership section of this policy (below).

There may be times when personal use of social media (even if it is off-duty or using the employee's own equipment) may spill over into the workplace and become the basis for employee coaching or discipline. Examples of situations where this might occur include:

- Friendships, dating or romance between co-workers
- Cyber-bullying, stalking or harassment
- Release of confidential or private data; if there are questions about what constitute confidential or private data, contact the City Clerk.
- Unlawful activities
- Misuse of city-owned social media
- Inappropriate use of the city's name, logo or the employee's position or title
- Using city-owned equipment or city-time for extensive personal social media use

Each situation will be evaluated on a case-by-case basis because the laws in this area are complex. If you have any questions about what types of activities might result in discipline, please discuss the type of usage with the City Clerk

Data Ownership

All social media communications or messages composed, sent, or received on city equipment in an official capacity are the property of the City and will be subject to the Minnesota Government Data Practices Act. This law classifies certain information as available to the public upon request. The City of Canton also maintains the sole property rights to any image, video or audio captured while a City employee is representing the City in any capacity.

The City retains the right to monitor employee's social media use on city equipment and will exercise its right as necessary. Users should have no expectation of privacy. Social media is not a secure means of communication.

Policy Violations

Violations of the Policy will subject the employee to disciplinary action up to and including discharge from employment.