

AGENDA
HARMONY CITY COUNCIL
HARMONY ECONOMIC DEVELOPMENT AUTHORITY
Some members may participate by telephone or other electronic means
Regular Meeting

September 14th, 2021
7:00 P.M.

Council Room
Community Center

1. Call to Order
2. Roll Call
3. Public Forum
 - a. Kelsey Bergey
4. Consent Agenda
 - a. Minutes Regular
 - b. Claims and August Checks
 - c. CD
 - d. Broadband Grant Paperwork
 - e. CCG Engineering for DEED Grant
 - f. MNDOT Easement Right away – Resolution
 - g. Sherriff Contract - 2022
 - h. SMIF Membership
 - i. MMUA Membership
5. New Business
 - a. 2022 Preliminary Budget – Resolution
 - b. Dairyland Utility Extension Financing
6. Reports
 - a. Building & Maintenance Report
 - A. Holiday Lights
 - B. Selling city property
 - b. EDA Board
 - A. Public Hearing – TIF O’Connor
 - B. TIF Agreement – Resolution
 - C. Development Agreement
 - c. Park Board
 - d. Library Board
 - e. Arts Board
 - f. Fire Department
 - g. Sheriff Report
7. Adjourn



September 14th, 2021
7:00 P.M.

Council Room
Community Center

1. Call to Order
2. Roll Call
3. Public Forum
 - a. Kelsey Bergey – Interested in City Vacating Alley
4. Consent Agenda
 - a. Minutes Regular – August Meeting
 - b. Claims and August Checks – In packet
 - c. CD
 - d. Broadband Grant Paperwork
 - A. Start Environmental Review, Drug Free Workplace, Anti Displacement Plan, Excessive Force Provision, Section 3
 - e. CCG Engineering for DEED Grant – To create RFP
 - f. MNDOT Easement Right away
 - g. Sherriff Contract Amount- 2022
 - h. SMIF Membership
 - i. MMUA Membership
5. New Business
 - a. 2022 Preliminary Budget – Resolution – Attached
 - b. Dairyland Utility Extension Financing
 - A. Attachments are in pack for TIF and Loan Plan.
6. Reports
 - a. Building & Maintenance Report
 - A. Holiday Lights – On new light poles
 - B. Selling city property
 - b. EDA Board
 - A. Public Hearing – TIF O’Connor
 - B. TIF Agreement – Resolution
 - C. Development Agreement
 - c. Park Board
 - d. Library Board
 - e. Arts Board
 - f. Fire Department
 - g. Sheriff Report
7. Adjourn



AUGUST 10, 2021

REGULAR MEETING

HARMONY CITY COUNCIL

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 Domingo Kingsley, Steve Sagen, Jesse Grabau and Tony Webber; Attorney Corinne Haugen, Administrator Devin Swanberg, Jayne Overstreet, Chris Giesen, Brett Grabau, Terry Bigalk, Steve Lindstrom, Jerome Illg, Chelsey Clausen, Melissa VanderPlas and Eileen Schansberg.

PUBLIC FORUM:

Southern Minnesota Initiative Foundation Representative Jayne Overstreet gave a brief overview of what the Foundation includes. She thanked the Council for being a contributor.

CONSENT AGENDA:

Motion by Grabau and seconded by Webber to approve the Consent Agenda which consisted of the Minutes to the July 13, 2021 Council Meeting, the Claims & July Checks written, the Administrator's Report, Financial Report, cashing CD #44574 in to the General Fund, Contract with Rick Whitney for WWTP; approve a Liquor License to Chelsey Clausen for The BITE Restaurant, and approve the resignation of Chris Johnson effective September 12, 2021. Mayor Donney thanked Johnson for his many years of service to the City of Harmony. All present voting yes. Motion carried.

2020 STREET PROJECT:

Engineer Brett Grabau present the 7th and Final Pay Request for Generation X in the amount of \$16,825.69. Councilmen Jesse Grabau and Domingo Kingsley will do a walk thru with Administrator Swanson and Engineer Grabau looking for anything that needs to be fixed prior to closing the project. Engineer Grabau stated a Warranty Notice will be signed by Generation XX prior to payment. Motion by Donney and seconded by Kingsley to approve Pay request #7/Final contingent upon receiving the IC134 Information. All present voting yes. Motion carried.

BUILDING & MAINTENANCE:

An estimate was received to fix the leaking Visitor Center roof from WHV, Inc. for approximately \$1,000. Motion by Grabau and seconded by Sagen to fix the Visitor Center roof. All present voting yes. Motion carried.

The Public Works department requested applying for a 50/50 grant for a Confined Space Entry Tripod and a G450 Instrument Gas Sensor. Quotes were received from Utility Logic for two different Tripods and a 4 -Sensor gas meter. MMUA Safety Coordinator Mark Hottel will write a letter expressing a need for this safety equipment. Motion by Webber and seconded by Grabau to apply for this 50/50 Grant. All present voting yes. Motion carried.

Administrator Swanberg requested permission to purchase a TV not to exceed \$1,000 for the Council room to display the Council Agenda and other items replacing the screen. Swanberg stated he would also get Councilmember's name plates. Motion by Sagen and seconded by Webber to approve the purchase of a large screen TV and name plates. All present voting yes. Motion carried.

EDA REPORT:

EDA Coordinator Chris Giesen presented a recommendation from the EDA for the sale of lot 2 Block 2 in the Industrial Park to Jeffrey O'Connor. Terms are for \$65,000 with \$46,000 being paid

thru TIF and \$19,000 by O'Connor at time of closing. Motion by Donney and seconded by Sagen to approve the sale of the lot as recommended by the EDA Board. All present voting yes. Motion carried.

Discussion held on setting up a new TIF District which needs a Public Hearing. Resolution 21-13 was presented: A RESOLUTION CALLING FOR A PUBLIC HEARING ON THE ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 1-8 AND THE ADOPTION OF TAX INCREMENT FINANCING PLAN RELATING THERETO:

Voting for the Resolution was: Sagen, Webber, Kingsley, Grabau & Donney

Voting against the Resolution was: No One

Abstained from voting was: No One

Absent from voting was: No One

The motion passed and the Resolution was adopted.

Giesen explained Rehabilitation Programs available to fix Commercial Buildings, Rental Properties as well as homes. A survey is being distributed to the public for their input. Motion by Grabau and seconded by Kingsley to approve the downtown Rehab program to begin in November. All present voting yes. Motion carried.

PARK BOARD:

An ADA picnic table is being donated in memory of Todd Himlie by Kay Himlie to be placed near the Community Center.

A Park Bench is being donated by the Lion's Club in memory of Todd Himlie placed near the Community Center.

A Park Bench is being donated by Domingo & Mindy Kingsley to be placed by the Basketball Court in North Park.

SPLASH PAD:

The Splash Pad is still waiting on the State Permits. It was determined to have everything in place to build the Splash Pad in the spring with completion in early Summer.

LIBRARY BOARD:

The Library received \$1,275.92 for loaning more items out to other Libraries than we borrowed. This money went into the Library's SELCO Foundation account.

ARTS BOARD:

Programs coming up:

Eunice Biel is presenting an Arts Show at Estelle's.

A Community Sing-A-Long is coming up at Estelle's.

FIRE DEPARTMENT:

Councilman Grabau stated the Firetruck will be ready to go on August 23rd. A few firemen were willing to go get it to save the delivery fee. Motion by Webber and seconded by Kingsley to give permission to the Firemen to pick up the truck. Mayor Donney stated to be sure insurance was on the truck. Voting yes was Webber, Kingsley, Sagen and Donney. Abstained from voting was Grabau. Motion carried.

Sound panels are being installed in the Fire Hall meeting room.

SHERIFF REPORT:

The Squad SUV is in being striped. It was determined to sell the Dodge Charger thru the Enterprise Lease Company.

INCIDENTIALS:

The Chaise for the new Dodge maintenance truck has arrived but waiting on the box.

Twenty-four new streetlights have been installed. Maintenance staff recommended putting hanging Christmas decorations on the poles over wrapping with garland.

The city attorney is working on an ordinance for the new Electric Car Charging Stations about to be installed.

Mayor Steve Donney

Eileen Schansberg, Deputy Clerk

CITY OF HARMONY
City Council Claims for Review

September 14, 2021

Fund Descr	Object of Expense	Vendor	Comments	Amount
Fund 101 General Fund				
General Fund	Union Central Pension Fund	CENTRAL PENSION FUND		\$280.00
General Fund	Health Insurance	I.U.O.E. LOCAL 49 FRINGE BENEF	Union Health Ins	\$3,975.00
General Fund	Union Dues	IUOE LOCAL #49	Union Dues	\$105.00
General Fund	NCPERS Insurance	NCPERS GROUP LIFE INS	511800	\$16.00
General Fund	Life Insurance	USABLE LIFE	101421301G	\$59.65
General Fund	Dues	LEAGUE OF MINNESOTA CITIES	LMC Membership dues	\$1,303.00
General Fund	General Notices and Pub Info	FILLMORE COUNTY JOURNAL	TIF 1-8 hearing	\$162.81
General Fund	General Operating Supplies	QUILL CORPORATION	paper clips, tape, coffee	\$115.91
General Fund	Office Accessories	ELAN FINANCIAL SERVICES	cord cover and TV mount	\$41.95
General Fund	Office Equip	ELAN FINANCIAL SERVICES	TV for council chambers	\$829.99
General Fund	Repair/Maint Office Equipment	METRO SALES	Qtrly copy machine contract	\$73.31
General Fund	Worker s Comp Insurance Pre	LMCIT	WC audit pmt	\$15.95
General Fund	Worker s Comp Insurance Pre	LMCIT	WC audit pmt	\$4.09
General Fund	Telephone	HARMONY TELEPHONE COMPANY	monthly phone/internet service	\$91.26
General Fund	Cleaning Supplies	DALCO	bowl cleaner	\$26.12
General Fund	Cleaning Supplies	DALCO	return - citrus air refresher	-\$129.40
General Fund	Contractual Services	CUSTOM ALARM	fire alarm monitoring-Comm Ctr	\$94.50
General Fund	Electric Utilities	HARMONY PUBLIC UTILITIES	Community Center Electric	\$1,012.61
General Fund	Gas Utilities	MINNESOTA ENERGY	monthly gas service	\$91.56
General Fund	General Operating Supplies	DALCO	toilet paper, hand cleaner and paper towel	\$155.17
General Fund	General Operating Supplies	KINGSLEY MERCANTILE	fly swatters, rope, cover plate and hooks	\$44.83
General Fund	Motor Fuels/Lubricants	KWIK TRIP,INC	Terry truck fuel	\$53.97
General Fund	Sewer Utilities	HARMONY PUBLIC UTILITIES	Community Center Sewer	\$45.72
General Fund	Small Tools and Minor Equip	KINGSLEY MERCANTILE	hammer drill	\$229.99
General Fund	Telephone	HARMONY TELEPHONE COMPANY	monthly phone/internet service	\$211.52
General Fund	Water Utilities	HARMONY PUBLIC UTILITIES	Community Center Water	\$30.41
General Fund	Engineering Fees	STANTEC CONSULTING SERVICES, I		\$128.00
General Fund	Dues	LEAGUE OF MINNESOTA CITIES	Mayors association membership	\$30.00
General Fund	Worker s Comp Insurance Pre	LMCIT	WC audit pmt	\$3.93
General Fund	Worker s Comp Insurance Pre	LMCIT	WC audit pmt	\$6.53
General Fund	Legal Fees	NETHERCUT SCHIEBER ATTORNEYS		\$187.50
General Fund	General Operating Supplies	CULLIGAN	water and dispenser rental	\$73.40
General Fund	Motor Fuels/Lubricants	SEVERSON OIL CO.	gas-squad	\$209.32
General Fund	Telephone	HARMONY TELEPHONE COMPANY	monthly phone/internet service	\$46.67
General Fund	Electric Utilities	HARMONY PUBLIC UTILITIES	Shop electric	\$122.44
General Fund	General Operating Supplies	KINGSLEY MERCANTILE	thead tape	\$11.98

CITY OF HARMONY
City Council Claims for Review

September 14, 2021

Fund Descr	Object of Expense	Vendor	Comments	Amount
General Fund	General Operating Supplies	MISSISSIPPI WELDERS SUPPLY CO	oxygen	\$56.73
General Fund	Telephone	HARMONY TELEPHONE COMPANY	monthly phone/internet service	\$44.95
General Fund	Water Utilities	HARMONY PUBLIC UTILITIES	Shop water	\$21.50
General Fund	Worker s Comp Insurance Pre	LMCIT	WC audit pmt	\$20.27
General Fund	General Operating Supplies	KINGSLEY MERCANTILE	hose clamps and clamps	\$19.74
General Fund	Motor Fuels/Lubricants	KWIK TRIP,INC	1-ton truck fuel	\$101.84
General Fund	Street Maint Materials	BRUENING ROCK PRODUCTS, INC	3/4" road rock	\$220.72
General Fund	Street Maint Materials	BRUENING ROCK PRODUCTS, INC	3/4" road rock	\$1,144.73
General Fund	Worker s Comp Insurance Pre	LMCIT	WC audit pmt	\$32.66
General Fund	Electric Utilities	HARMONY PUBLIC UTILITIES	Visitor Center Water	\$39.16
General Fund	Electric Utilities	HARMONY PUBLIC UTILITIES	Visitor Center Elect	\$409.23
General Fund	Gas Utilities	MINNESOTA ENERGY	monthly gas service	\$103.67
General Fund	General Operating Supplies	DALCO	toilet paper, hand cleaner and paper rolls	\$167.39
General Fund	Motor Fuels/Lubricants	KWIK TRIP,INC	Terry truck fuel	\$53.97
General Fund	Water Utilities	HARMONY PUBLIC UTILITIES	Visitor Center Sewer	\$59.00
General Fund	Worker s Comp Insurance Pre	LMCIT	WC audit pmt	\$96.80
General Fund	Worker s Comp Insurance Pre	LMCIT	WC audit pmt	\$24.20
Fund 101 General Fund				\$12,377.25
Fund 211 Library Fund				
Library Fund	Media-Audio	INGRAM LIBRARY SERVICES, INC	Audio books on CD	\$65.47
Library Fund	Media-Audio	INGRAM LIBRARY SERVICES, INC	Audio books on CD	\$147.93
Library Fund	Media-Audio	INGRAM LIBRARY SERVICES, INC	Audio books on CD	\$139.69
Library Fund	Media-Audio	INGRAM LIBRARY SERVICES, INC	Audio books on CD	\$178.18
Library Fund	Media-Books	BAKER & TAYLOR	books	\$285.55
Library Fund	Media-Books	BAKER & TAYLOR	books	\$276.84
Library Fund	Media-Books	BAKER & TAYLOR	books	\$27.00
Library Fund	Media-Books	BAKER & TAYLOR	books	\$125.41
Library Fund	Media-Video	AMAZON CAPITAL SERVICES	DVD movies	\$17.96
Library Fund	Media-Video	AMAZON CAPITAL SERVICES	DVD movies	\$128.83
Library Fund	Media-Video	AMAZON CAPITAL SERVICES	DVD movies	\$29.99
Library Fund	Office Accessories	DEMCO, INC	label protectors	\$139.50
Library Fund	Office Accessories	DEMCO, INC	CD Album pages	\$172.66
Library Fund	Office Accessories	DEMCO, INC	CD Cases and Label protectors	\$628.38
Library Fund	Postage	ELAN FINANCIAL SERVICES	postage stamps	\$118.00
Library Fund	Repair/Maint Office Equipment	CANON FINANCIAL SERVICES, INC	Copier Lease	\$44.00
Library Fund	Repair/Maint Office Equipment	LOFFLER COMPANIES, INC	copier maintenance fee	\$77.55
Library Fund	Software Service Fees	SOUTHEASTERN LIBRARIES COOP	Basic Services & Tech support	\$605.72

CITY OF HARMONY
City Council Claims for Review

September 14, 2021

Fund Descr	Object of Expense	Vendor	Comments	Amount
Library Fund	Telephone	HARMONY TELEPHONE COMPANY	monthly phone/internet service	\$49.92
Library Fund	Worker s Comp Insurance Pre	LMCIT	WC audit pmt	\$21.74
Fund 211 Library Fund				\$3,280.32
Fund 222 Fire Fund				
Fire Fund	Dues	VOLUNTEER FIREFIGHTER S BENEFIT	T. Ragan	\$14.00
Fire Fund	General Operating Supplies	FASTENAL COMPANY	stainless steel washers, nuts and screws	\$68.77
Fire Fund	General Operating Supplies	KINGSLEY MERCANTILE	screws, towels, nuts, washers, zip ties	\$95.86
Fire Fund	Miscellaneous	KINGSLEY MERCANTILE	surge protector	\$18.99
Fire Fund	Motor Fuels/Lubricants	JOHNSON, RODNEY J	fuel for truck - p/u in Nebraska	\$85.77
Fire Fund	Motor Fuels/Lubricants	SEVERSON OIL CO.	gas/diesel	\$161.52
Fire Fund	Motor Vehicles	PRESTON EQUIPMENT CO.	Can-Am - USDA grant reimbursed	\$22,700.00
Fire Fund	Other Equipment	W.S. Darley & Co.	Care fire blanket	\$2,734.25
Fire Fund	Repair/Maint Machinery/Equip	MACQUEEN EMERGENCY GROUP	Red LED flasher	\$150.42
Fire Fund	Repair/Maint Machinery/Equip	MACQUEEN EMERGENCY GROUP	freight	\$21.56
Fire Fund	Repair/Maint Vehicles	IRONSIDE TRAILER SALES & SERVICE	Grass rig - tighten steering gear nut	\$68.00
Fire Fund	Worker s Comp Insurance Pre	LMCIT	WC audit pmt	\$190.27
Fire Fund	Electric Utilities	HARMONY PUBLIC UTILITIES	Fire Electric	\$297.78
Fire Fund	Gas Utilities	MINNESOTA ENERGY	monthly gas service	\$91.81
Fire Fund	Landscaping Materials	Nolan Lumber Company	plywood, screws, caulk	\$199.75
Fire Fund	Repair/Maint Bldg/Structures	VIS PLUMBING	Water heater replacement	\$1,309.58
Fire Fund	Sewer Utilities	HARMONY PUBLIC UTILITIES	Fire Sewer	\$25.68
Fire Fund	Telephone	HARMONY TELEPHONE COMPANY	monthly phone/internet service	\$45.61
Fire Fund	Water Utilities	HARMONY PUBLIC UTILITIES	Fire Water	\$17.21
Fund 222 Fire Fund				\$28,296.83
Fund 223 Ambulance Fund				
Ambulance Fund	Ambulance Accounts Receivable	AMBULANCE REFUNDS	K. Leeseburg over pmt	\$177.74
Ambulance Fund	Ambulance Accounts Receivable	HUMANA HEALTH CARE PLANS	Pt. ID H50051533 overpmt	\$34.85
Ambulance Fund	Financial Services Fees	EXPERT BILLING, LLC	Ambulance billing	\$377.00
Ambulance Fund	Medical and Dental Fees	WINNESHIEK CO. MEMORIAL HOSPITAL	Intercept fees 08/13/21	\$248.00
Ambulance Fund	Medical Supplies	MISSISSIPPI WELDERS SUPPLY CO	oxygen	\$79.16
Ambulance Fund	Motor Fuels/Lubricants	HAMMELL EQUIPMENT	DEF fluid for amb.	\$15.92
Ambulance Fund	Motor Fuels/Lubricants	KWIK TRIP, INC	Ambulance fuel	\$232.43
Ambulance Fund	Motor Fuels/Lubricants	SEVERSON OIL CO.	diesel-Amb	\$60.14
Ambulance Fund	Repair/Maint Other Equipment	ZOLL MEDICAL CORP.	Zoll yearly maintenance	\$255.00
Ambulance Fund	Repair/Maint Vehicles	KELLY PRINTING & SIGNS	vinyl for ambulance repair	\$137.44
Ambulance Fund	Telephone	VERIZON WIRELESS	phone and hot spot	\$48.03

CITY OF HARMONY
City Council Claims for Review

September 14, 2021

Fund Descr	Object of Expense	Vendor	Comments	Amount
Ambulance Fund	Travel Expenses	ELAN FINANCIAL SERVICES	Hotel for S. Grabau - PHTLS training	\$231.80
Ambulance Fund	Travel Expenses	GRABAU, SAMANTHA	meal per diem 2 dinners/2 breakfasts- PH	\$80.00
Ambulance Fund	Travel Expenses	GRABAU, SAMANTHA	mileage (201 miles) to PHTLS Conference	\$112.67
Ambulance Fund	Worker s Comp Insurance Pre	LMCIT	WC audit pmt	\$250.05
Fund 223 Ambulance Fund				\$2,340.23
Fund 251 Park Fund				
Park Fund	Cleaning Supplies	HARMONY FOODS	toilet paper	\$10.99
Park Fund	Electric Utilities	HARMONY PUBLIC UTILITIES	Parks electric	\$239.05
Park Fund	General Operating Supplies	DALCO	toilet paper	\$40.11
Park Fund	General Operating Supplies	KINGSLEY MERCANTILE	door wedges and batteries	\$13.56
Park Fund	Motor Fuels/Lubricants	KWIK TRIP,INC	Park mower fuel	\$415.01
Park Fund	Motor Fuels/Lubricants	SEVERSON OIL CO.	gas-mowers	\$53.57
Park Fund	Other Rentals	ON SITE SANITATION	port-a-potties and hand sanitizer	\$83.00
Park Fund	Repair/Maint Bldg/Structures	MOREM ELECTRIC, INC	Repair light at north park	\$1,104.35
Park Fund	Repair/Maint Machinery/Equip	DAKOTA SUPPLY GROUP	toilet seals (4)	\$33.24
Park Fund	Repair/Maint Machinery/Equip	RUN RIGHT POWER LLC	trimmer line	\$12.95
Park Fund	Sewer Utilities	HARMONY PUBLIC UTILITIES	Parks sewer	\$121.50
Park Fund	Water Utilities	HARMONY PUBLIC UTILITIES	Parks water	\$172.92
Park Fund	Worker s Comp Insurance Pre	LMCIT	WC audit pmt	\$47.04
Fund 251 Park Fund				\$2,347.29
Fund 261 Arts Fund				
Arts Fund	Advertising	FILLMORE COUNTY JOURNAL	Community Sing ad	\$137.26
Arts Fund	Advertising	FILLMORE COUNTY JOURNAL	Eunice Biel art ad	\$185.26
Fund 261 Arts Fund				\$322.52
Fund 315 G.O. Tax Abate Refund 2013A-CC				
G.O. Tax Abate Refund	Debt Service Interest	FIRST SOUTHEAST BANK	2013A interest	\$704.00
G.O. Tax Abate Refund	Debt Service Principal	FIRST SOUTHEAST BANK	2013A principal	\$16,000.00
Fund 315 G.O. Tax Abate Refund 2013A-CC				\$16,704.00
Fund 425 Dairyland/Wickett Const.				
Dairyland/Wickett Const.	Engineering Fees	STANTEC CONSULTING SERVICES, I		\$3,013.47
Fund 425 Dairyland/Wickett Const.				\$3,013.47
Fund 601 Water Fund				
Water Fund	MN Water Testing Fee Due	MN DEPT OF HEALTH		\$1,462.00
Water Fund	Engineering Fees	STANTEC CONSULTING SERVICES, I		\$478.25

CITY OF HARMONY
City Council Claims for Review

September 14, 2021

Fund Descr	Object of Expense	Vendor	Comments	Amount
Water Fund	Postage	ELAN FINANCIAL SERVICES	Water sample testing	\$31.20
Water Fund	Worker s Comp Insurance Pre	LMCIT	WC audit pmt	\$3.99
Water Fund	Building Repair Materials	Nolan Lumber Company	building column	\$98.00
Water Fund	Chemicals and Chem Products	HAWKINS WATER TREATMENT GROU	Chlorine cylinder	\$10.00
Water Fund	Electric Utilities	HARMONY PUBLIC UTILITIES	Pumphouse electric	\$1,753.53
Water Fund	Gas Utilities	MINNESOTA ENERGY	monthly gas service	\$36.73
Water Fund	Gas Utilities	MINNESOTA ENERGY	monthly gas service	\$19.33
Water Fund	General Operating Supplies	FASTENAL COMPANY	blue spraypaint - utility marking	\$52.76
Water Fund	Laboratory & Testing Fees	UTILITY CONSULTANTS, INC	coliform testing	\$80.00
Water Fund	Repair/Maint Other Improve	MI ENERGY COOPERATIVE	City well project	\$6,356.58
Water Fund	Small Tools and Minor Equip	USA BLUEBOOK	Air/Vacuum Valve 2"	\$770.34
Water Fund	Worker s Comp Insurance Pre	LMCIT	WC audit pmt	\$74.82
Fund 601 Water Fund				\$11,227.53
Fund 602 Sewer Fund				
Sewer Fund	F/A-Sewer Improvements	QUALITY FLOW SYSTEMS, INC	2 - plug valves with actuators	\$13,000.00
Sewer Fund	Engineering Fees	STANTEC CONSULTING SERVICES, I		\$478.25
Sewer Fund	Worker s Comp Insurance Pre	LMCIT	WC audit pmt	\$3.99
Sewer Fund	Chemicals and Chem Products	HAWKINS WATER TREATMENT GROU	Chlorine cylinder	\$10.00
Sewer Fund	Chemicals and Chem Products	KINGSLEY MERCANTILE	wasp spray	\$4.49
Sewer Fund	Cleaning Supplies	HARMONY FOODS	toilet paper	\$14.99
Sewer Fund	Electric Utilities	HARMONY PUBLIC UTILITIES	WWTP electric	\$1,700.19
Sewer Fund	Equipment Parts	CONTINENTAL SAFETY EQUIPMENT,	shipping	\$15.17
Sewer Fund	Equipment Parts	CONTINENTAL SAFETY EQUIPMENT,	NIMH battery - gas detector	\$85.00
Sewer Fund	Gas Utilities	MINNESOTA ENERGY	monthly gas service	\$183.45
Sewer Fund	Laboratory & Testing Fees	UTILITY CONSULTANTS, INC	testing	\$958.50
Sewer Fund	Motor Fuels/Lubricants	SEVERSON OIL CO.	gas-1-ton	\$17.49
Sewer Fund	Repair/Maint Other Improve	SOLBERG WELDING	weld bar on 3-point hitch	\$25.16
Sewer Fund	Repair/Maint Other Improve	SOLBERG WELDING	digester cover brackets	\$42.50
Sewer Fund	Sewer Utilities	HARMONY PUBLIC UTILITIES	WWTP sewer	\$2,148.25
Sewer Fund	Small Tools and Minor Equip	KINGSLEY MERCANTILE	hose reel, rope, PVC, brass parts	\$203.40
Sewer Fund	Small Tools and Minor Equip	USA BLUEBOOK	digital stirrer	\$278.30
Sewer Fund	Telephone	HARMONY TELEPHONE COMPANY	monthly phone/internet service	\$167.77
Sewer Fund	Training Fees	ELAN FINANCIAL SERVICES	Wastewater lab book	\$323.16
Sewer Fund	Training Fees	ELAN FINANCIAL SERVICES	Wastewater prep book	\$113.99
Sewer Fund	Utility Maint Materials	USA BLUEBOOK	dechlor tablets	\$1,377.20
Sewer Fund	Water Utilities	HARMONY PUBLIC UTILITIES	WWTP water	\$1,415.31
Sewer Fund	Worker s Comp Insurance Pre	LMCIT	WC audit pmt	\$121.02

CITY OF HARMONY
City Council Claims for Review

September 14, 2021

Fund Descr	Object of Expense	Vendor	Comments	Amount
Fund 602 Sewer Fund				\$22,687.58
Fund 603 Solid Waste Fund				
Solid Waste Fund	Worker s Comp Insurance Pre	LMCIT	WC audit pmt	\$1.99
Solid Waste Fund	Worker s Comp Insurance Pre	LMCIT	WC audit pmt	\$9.80
Fund 603 Solid Waste Fund				<u>\$11.79</u>
Fund 604 Electric Fund				
Electric Fund	Electric Power for Resale	MI ENERGY COOPERATIVE	Power for Resale	\$75,593.61
Electric Fund	Electric Utilities	HARMONY PUBLIC UTILITIES	Town Clock	\$13.27
Electric Fund	Electric Utilities	HARMONY PUBLIC UTILITIES	Streetlights	\$1,192.49
Electric Fund	Miscellaneous	ENERGY REBATE	Debbie Swenson rebate - freezer	\$25.00
Electric Fund	Miscellaneous	MOREM ELECTRIC, INC	T-nuts for signs on street lights	\$561.56
Electric Fund	Motor Fuels/Lubricants	SEVERSON OIL CO.	gas-Ford pickup	\$87.49
Electric Fund	Repair/Maint Other Improve	GOPHER STATE ONE CALL, INC	Locates	\$47.25
Electric Fund	Repair/Maint Other Improve	MI ENERGY COOPERATIVE	Re-fused transformer at J. Ryan	\$467.50
Electric Fund	Repair/Maint Other Improve	MI ENERGY COOPERATIVE	Transformer re-fuse and repair	\$780.00
Electric Fund	Repair/Maint Other Improve	MOREM ELECTRIC, INC	tree on line	\$286.86
Electric Fund	Repair/Maint Other Improve	MOREM ELECTRIC, INC	repair underground at Golf Course	\$221.90
Electric Fund	Worker s Comp Insurance Pre	LMCIT	WC audit pmt	\$27.64
Electric Fund	Taxes, Licenses & Permits	MN DEPT OF COMMERCE	indirect energy assmt	\$40.84
Electric Fund	Worker s Comp Insurance Pre	LMCIT	WC audit pmt	\$1.99
Electric Fund	Worker s Comp Insurance Pre	LMCIT	WC audit pmt	\$5.98
Fund 604 Electric Fund				<u>\$79,353.38</u>
Fund 605 Storm Water Fund				
Storm Water Fund	Worker s Comp Insurance Pre	LMCIT	WC audit pmt	\$3.27
Fund 605 Storm Water Fund				<u>\$3.27</u>
Fund 620 Economic Development Authority				
Economic Development	Planning & Development Fees	FILLMORE COUNTY RECORDER	Dairyland recording fee	\$46.00
Economic Development	Telephone	HARMONY TELEPHONE COMPANY	monthly phone/internet service	\$44.37
Economic Development	Worker s Comp Insurance Pre	LMCIT	WC audit pmt	\$5.98
Economic Development	Legal Notices Publishing	NETHERCUT SCHIEBER ATTORNEYS	O'Connor agreement	\$262.50
Fund 620 Economic Development Authority				<u>\$358.85</u>
				<u>\$182,324.31</u>

CITY OF HARMONY
City Council Claims for Review

September 14, 2021 Add'l

Fund Descr	Object of Expense	Vendor	Comments	Amount
Fund 101 General Fund				
General Fund	Postage	QUADIENT, INC.	postage fill for machine	\$25.00
General Fund	Property Ins	LMCIT	Insurance	\$1,049.00
General Fund	Automotive Ins	LMCIT	Insurance	\$128.00
General Fund	Property Ins	LMCIT	Insurance	\$14,990.00
General Fund	General Liability Ins	LMCIT	Insurance	\$850.00
General Fund	Property Ins	LMCIT	Insurance	\$50.00
General Fund	Automotive Ins	LMCIT	Insurance	\$911.00
General Fund	Property Ins	LMCIT	Insurance	\$136.00
General Fund	Property Ins	LMCIT	Insurance	\$878.00
General Fund	Automotive Ins	LMCIT	Insurance	\$1,258.00
General Fund	Property Ins	LMCIT	Insurance	\$2,236.00
General Fund	Property Ins	LMCIT	Insurance	\$878.00
General Fund	Automotive Ins	LMCIT	Insurance	\$449.00
General Fund	Property Ins	LMCIT	Insurance	\$878.00
General Fund	Automotive Ins	LMCIT	Insurance	\$10.00
General Fund	Errors & Omissions Ins	LMCIT	Insurance	\$288.00
General Fund	General Liability Ins	LMCIT	Insurance	\$2,116.00
General Fund	Automotive Ins	LMCIT	Insurance	\$128.00
General Fund	Property Ins	LMCIT	Insurance	\$1,264.00
Fund 101 General Fund				<u>\$28,522.00</u>
Fund 211 Library Fund				
Library Fund	Property Ins	LMCIT	Insurance	\$275.00
Fund 211 Library Fund				<u>\$275.00</u>
Fund 222 Fire Fund				
Fire Fund	Automotive Ins	LMCIT	Insurance	\$2,525.00
Fire Fund	Property Ins	LMCIT	Insurance	\$2,701.00
Fund 222 Fire Fund				<u>\$5,226.00</u>
Fund 223 Ambulance Fund				
Ambulance Fund	Automotive Ins	LMCIT	Insurance	\$473.00
Fund 223 Ambulance Fund				<u>\$473.00</u>
Fund 251 Park Fund				
Park Fund	Other Rentals	ON SITE SANITATION	porable toilet rental	\$83.00
Park Fund	Property Ins	LMCIT	Insurance	\$4,218.00

CITY OF HARMONY
City Council Claims for Review

September 14, 2021 Add'l

Fund Descr	Object of Expense	Vendor	Comments	Amount
Fund 251 Park Fund				\$4,301.00
Fund 601 Water Fund				
Water Fund	Automotive Ins	LMCIT	Insurance	\$107.00
Water Fund	General Liability Ins	LMCIT	Insurance	\$2,116.00
Water Fund	Property Ins	LMCIT	Insurance	\$2,437.00
Water Fund	Property Ins	LMCIT	Insurance	\$655.00
Water Fund	Software Service Fees	ITRON, INC	software support for Itron reader/program	\$494.42
Fund 601 Water Fund				\$5,809.42
Fund 602 Sewer Fund				
Sewer Fund	Automotive Ins	LMCIT	Insurance	\$158.00
Sewer Fund	General Liability Ins	LMCIT	Insurance	\$1,373.00
Sewer Fund	Property Ins	LMCIT	Insurance	\$3,659.00
Sewer Fund	Property Ins	LMCIT	Insurance	\$655.00
Sewer Fund	Software Service Fees	ITRON, INC	software support for Itron reader/program	\$494.42
Sewer Fund	Utility Maint Materials	USA BLUEBOOK	de-clor tablets	\$1,376.77
Fund 602 Sewer Fund				\$7,716.19
Fund 604 Electric Fund				
Electric Fund	Electric Poles,Towers,Fixtures	MOREM ELECTRIC, INC	24 streetlights installed	\$14,335.45
Electric Fund	Repair/Maint Other Improve	MOREM ELECTRIC, INC	North lift-bad control power supply/South I	\$140.00
Electric Fund	Automotive Ins	LMCIT	Insurance	\$371.00
Electric Fund	General Liability Ins	LMCIT	Insurance	\$2,115.00
Electric Fund	Property Ins	LMCIT	Insurance	\$6,813.00
Electric Fund	Property Ins	LMCIT	Insurance	\$655.00
Electric Fund	Software Service Fees	ITRON, INC	software support for Itron reader/program	\$494.44
Fund 604 Electric Fund				\$24,923.89
Fund 605 Storm Water Fund				
Storm Water Fund	Property Ins	LMCIT	Insurance	\$151.00
Storm Water Fund	Property Ins	LMCIT	Insurance	\$653.00
Fund 605 Storm Water Fund				\$804.00
				\$78,050.50

CITY OF HARMONY

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***Check Summary Register©**

August 2021

Name	Check Date	Check Amt	
10101 1st Southeast Bank-G			
66877 Adamson Motors	8/5/2021	\$49,506.50	1-Ton Truck
66879 Harmony Public Utilities	8/11/2021	\$150.00	Deposit refund to Acct-Dalas Emery
66880 1 SOURCE	8/11/2021	\$287.19	office supplies-copy paper, correction tape
66881 AMAZON CAPITAL SERVICES	8/11/2021	\$199.54	Dvds
66882 BAKER & TAYLOR	8/11/2021	\$370.50	books
66883 Randy Barnes	8/11/2021	\$450.00	power rake rental
66884 REAGAN BIEBER	8/11/2021	\$300.00	Community Sing Event Music
66885 CANON FINANCIAL SERVICES, I	8/11/2021	\$44.00	copier lease
66886 CENTRAL PENSION FUND	8/11/2021	\$241.00	Union pension contributions
66887 CLAREY'S SAFETY EQUIPMENT,	8/11/2021	\$435.00	Fireman boots-B Brunsvold
66888 CULLIGAN	8/11/2021	\$78.15	Wellness program
66889 DALCO	8/11/2021	\$443.32	Shop paper toweling
66890 DAVID DROWN ASSOCIATES, IN	8/11/2021	\$1,500.00	Consulting services for 2020 Tif Report
66891 DAVIS CONSTRUCTION, LLC	8/11/2021	\$1,625.00	loader work at Tree Dump
66892 DECORAH AUTO CENTER	8/11/2021	\$131.79	Full service-Ambulance
66893 CARDMEMBER SERVICES	8/11/2021	\$1,906.30	water samples mailed
66894 ELECTRIC PUMP, INC	8/11/2021	\$600.00	Lift station inspections
66895 EMERGENCY MEDICAL PRODUC	8/11/2021	\$473.56	bandaids/cold packs/EKG paper
66896 ESTELLES EATERY	8/11/2021	\$350.00	Room Rental/Food-Arts Board Event
66897 EXPERT BILLING	8/11/2021	\$319.00	Billing services for July
66898 FILLMORE CENTRAL SCHOOL	8/11/2021	\$45.00	School Yearbook
66899 FILLMORE COUNTY JOURNAL	8/11/2021	\$116.94	2020 annual TIF report notice
66900 FILLMORE COUNTY SHERIFF	8/11/2021	\$22,080.80	2nd Qtr Sheriff Contract
66901 FILLMORE COUNTY TREASURE	8/11/2021	\$50.00	Utility permit for CO 22-Dairyland Pjt
66902 FOX POINT	8/11/2021	\$107.04	childrens books
66903 GOPHER STATE ONE CALL, INC	8/11/2021	\$16.20	locates/no locates
66904 GRABAU, SAMANTHA	8/11/2021	\$60.48	mileage for Amb Directors Meeting-LaCrosse
66905 HAMMELL EQUIPMENT	8/11/2021	\$217.30	replace hose on boom cylinder
66906 HARMONY FOODS	8/11/2021	\$33.14	zip lock bags
66907 HARMONY PUBLIC UTILITIES	8/11/2021	\$10,245.23	Elec-Town Clock
66908 HARMONY TELEPHONE COMPA	8/11/2021	\$702.07	monthly phone/internet service Comm Ctr
66909 HAWKINS, Inc.	8/11/2021	\$5.00	chlorine cylinder
66910 KAY HIMLIE	8/11/2021	\$94.10	summer craft supplies
66911 Hjelmeland, Jack	8/11/2021	\$150.00	maintaining bike trail property south
66912 I.U.O.E. LOCAL 49 FRINGE BENE	8/11/2021	\$3,975.00	Union Health Insurance
66913 INGRAM LIBRARY SERVICES, IN	8/11/2021	\$27.00	audio books
66914 IRONSIDE TRAILER SALES	8/11/2021	\$182.98	oil change service-Squad
66915 IUOE LOCAL #49	8/11/2021	\$105.00	Union dues
66916 KELLY, JERRY	8/11/2021	\$2,989.83	Electronic Fireworks controls
66917 KINGSLEY MERCANTILE	8/11/2021	\$175.06	wasp spray/Hose adapter/bit
66918 KWIK TRIP, INC	8/11/2021	\$610.05	Amb-Diesel
66919 LOFFLER Companies, Inc	8/11/2021	\$33.42	copier maintenance fee
66920 METRO Sales	8/11/2021	\$81.71	copier maintenance agreement
66921 MIENERGY COOPERATIVE	8/11/2021	\$79,584.74	Power for Resale
66922 MINNESOTA ENERGY	8/11/2021	\$393.74	monthly gas service WWTP
66923 MISSISSIPPI WELDERS SUPPLY	8/11/2021	\$168.79	oxygen/CO2 cylinders
66924 MN DEPT OF HEALTH	8/11/2021	\$150.00	water extension plan
66925 Minnesota Pollution	8/11/2021	\$310.00	sanitary sewer extension permit app
66926 MOREM ELECTRIC, INC	8/11/2021	\$73.63	power outage alley 1st Ave SW
66927 NCPERS Group Life Ins.	8/11/2021	\$16.00	511800
66928 Nethercut Schieber Attorneys,	8/11/2021	\$870.00	legal services for July-Minnowa
66929 OHLIN SALES, INC	8/11/2021	\$128.68	Pager batteries
66930 ON SITE SANITATION	8/11/2021	\$83.00	portable toilet rental
66931 Platte River Fireworks, LLC	8/11/2021	\$1,585.00	Fireworks racks w/tubes

CITY OF HARMONY

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*Check Summary Register©

August 2021

Name	Check Date	Check Amt	
66932	PRESTON AUTO PARTS	8/11/2021	\$312.92 brake cylinder
66933	PRESTON EQUIPMENT CO.	8/11/2021	\$189.98 cordless hand saw pruner
66934	QUILL CORPORATION	8/11/2021	\$181.35 copy paper/paper towels
66935	RUN RIGHT POWER LLC	8/11/2021	\$84.29 heat shrink terminal
66936	SERVICE MASTER OF ROCHEST	8/11/2021	\$1,499.41 sewage cleanup 125 5th Ave SE
66937	SEVERSON OIL CO.	8/11/2021	\$929.49 Gas-Squad
66938	SOUTHEAST SERVICE CO-OP	8/11/2021	\$250.00 2021-22 membership
66939	SOUTHEASTERN LIBRARIES CO	8/11/2021	\$1,111.72 Basic services & Tech Support
66940	SUPERIOR CHEMICAL CORP	8/11/2021	\$106.67 bathroom antibacterial screens
66941	TEAM LABORATORY CHEM. CO	8/11/2021	\$4,509.50 lift station degreaser/copper sulfate granular
66942	USA BlueBook	8/11/2021	\$2,222.91 chlorine
66943	USABLE LIFE	8/11/2021	\$59.65 101421301G
66944	Verizon Wireless	8/11/2021	\$48.38 monthly cell service
66945	VOLUNTEER FIREFIGHTER'S	8/11/2021	\$11.00 new vol fireman B Brunsvold
66946	GENERATION X CONSTRUCTIO	8/11/2021	\$16,825.69 Pay request #7 & final
Total Checks			\$213,220.74

**Certification for
a Drug-Free Workplace**

U.S. Department of Housing
and Urban Development

City of Harmony

Applicant Name

Infrastructure for Fiber Internet

Program/Activity Receiving Federal Grant Funding

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees ---

(1) The dangers of drug abuse in the workplace;

(2) The Applicant's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will ---

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted ---

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a. thru f.

2. Sites for Work Performance. The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)

Check here if there are workplaces on file that are not identified on the attached sheets.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.

(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

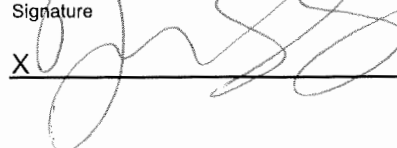
Name of Authorized Official

Kevin Swenberg

Title

City Administrator

Signature

X 

Date

9/10/21

Residential Anti-displacement and Relocation Assistance Plan

under Section 104(d) of the Housing and Community Development Act of 1974, as Amended

The City of Harmony anticipates participating in the Minnesota Small Cities Development Program. Through this participation, will occur preservation of worker rate housing. The consequence of the proposed activities is that the potential for displacement exists, although it is not anticipated. The purpose of the Residential Anti-displacement and Relocation Assistance Plan is to describe the steps the City of Harmony shall take to mitigate the adverse effects of displacement on low and moderate-income persons.

- I.** The City of Harmony will replace all occupied and vacant occupiable low/moderate-income dwelling units demolished or converted to use other than as low/moderate-income housing in connection with an activity assisted with funds provided under the Housing and Community Development Act of 1974, as amended, as described in 24 CFR, Part 570.606 and 24 CFR, Part 42. All replacement housing will be provided within three years after the commencement of the demolition or conversion. Before entering into a contract committing the City of Harmony to provide funds for an activity that will directly result in such demolition or conversion, the City of Harmony will make public and submit to the Minnesota Department of Employment and Economic Development the following information in writing:
 - II.** The City of Harmony will provide relocation assistance, as described in 24 CFR, Part 570.488(c)(2), to any lower-income person displaced by the demolition of any dwelling unit or the conversion of a low/moderate-income dwelling unit to another use in connection with an assisted activity.
- III.** Consistent with the goals and objectives of activities assisted under the Act, the City of Harmony will take the following steps to minimize the displacement of persons from their homes:
 1. Where feasible, give priority to rehabilitation of housing, as opposed to demolition, to avoid displacement.
 2. Target only those properties deemed essential to the need or success of the project.
- IV.** Definitions for the purposes of this plan are as follows:

A “**low/moderate-income dwelling unit**” is a unit with a market rent, including utility costs, that does not exceed the applicable fair market rent for existing housing and moderate rehabilitation, as established under the HUD Section 8 existing housing program. A “vacant occupiable dwelling unit” is a vacant unit that is in standard condition; or in substandard but suitable for rehabilitation condition; or in dilapidated condition and occupied less than three months from the date of the grantee agreement.

An “**Occupiable Dwelling Unit**” is a unit that is in standard condition or has been raised to a standard condition from a substandard condition, suitable for rehabilitation.

A “**Standard Condition**” dwelling unit is a unit which meets HUD Section 8 Housing Quality Standards (HQS) with no major defects in the structure and only minor maintenance is required. Such a dwelling will have the following characteristics: reliable roofs, sound foundations; adequate and stable floors, walls and ceilings; surfaces and woodwork that are not seriously damaged nor have paint deterioration; sound windows and doors; adequate heating, plumbing, and electrical systems adequate insulation; and adequate water and sewer systems, and not overcrowded (defined as more than one person per room).

A “**Substandard Condition**” dwelling unit is a unit if it does not meet HUD Section 8 Housing Quality Standards (HQS) which includes lacking the following: complete plumbing, complete kitchen facilities, efficient and environmentally sound sewage removal and water supply, and heating source. In addition, the dwelling may be overcrowded defined as more than one person per room).

A “**Substandard but Suitable for Rehabilitation Condition**” dwelling unit, at a minimum, is a dwelling unit that does not meet Housing Quality Standards (HQS) with some of the same features as a “substandard condition” dwelling unit. This unit is likely to have deferred maintenance and may have some structural damage such as a leaking roof, deteriorated interior surfaces, and inadequate insulation.

A “**substandard but suitable**” dwelling unit, however, has basic infrastructure (including systems for clean water and adequate waste disposal) that allows for economically and physically feasible improvements and upon completion of rehabilitation meets the definition of a “Standard” dwelling unit.

Mayor

Date

City Administrator

Date

Prohibition of Excessive Force Policy

The City of Harmony prohibits the use excessive force by law enforcement agencies within its jurisdiction against individuals engaged in nonviolent civil rights demonstrations.

The City of Harmont also will enforce applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstration within its jurisdiction.

Mayor

City Administrator

Excessive Force Provision - 1990 HUD Appropriations Act

The excessive force provision was required initially by section 519 of the 1990 HUD Appropriations Act (Public Law 101-140). Under the 1990 Appropriations Act, no funds appropriated in the Act for the CDBG program could be awarded to any municipality that failed to adopt and enforce "a policy prohibiting the use of excessive force by law enforcement agencies within the jurisdiction of the municipality against any individuals engaged in nonviolent civil rights demonstrations." This provision did not amend the certifications required under Title I of the Housing and Urban Development Act of 1974, but applied only to the 1990 HUD appropriations for community development programs. HUD implemented this provision by requiring CDBG grantees to submit to HUD a certification that such a policy had been adopted and was being enforced.

Subsequently, section 906 of the National Affordable Housing Act (NAHA) of 1990 amended Title I of the Housing and Community Development Act of 1974 by adding a new certification entitled Protection of Individuals Engaging in Non-violent Civil Rights Demonstrations. The language imposed by the 1990 Appropriations Act was retained and additional language was added requiring units of government receiving CDBG funds to adopt and enforce "a policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstrations within jurisdictions." The Department interprets the law to mean that any unit of government receiving CDBG funds

must adopt and enforce such a policy. Only the County signs the grant agreement and certifications which are sent to HUD. In order for units of government participating in the urban county consortium to show compliance with the statute, the provision is incorporated into the Cooperation Agreement between the County and participating unit of government. Since the adoption and enforcement of an excessive force policy is required by statute, the Department does not have the authority to waive this requirement.

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/rulesandregs/memoranda/baileyg93

SECTION 3

Section 3 Requirements

All grantees must have a written plan in place to indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons (<80% of AMI), particularly those who are recipients of government assistance for housing.

These efforts could include:

1. Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contracts with the community organizations and public or private agencies operating within the metropolitan area (or non-metropolitan county) in which the Section 3 covered program or project is located, or similar methods.
2. Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
3. Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
4. Others

Grantees must have a written Section 3 plan in place prior to starting projects. DEED requires that Grantees have all potential contractors complete the Section 3 Business Certification Form. The plan and Certification Forms will be checked at grant monitoring. If a contractor is working on more than one project, they do not have to complete the form multiple times. If a business is on the community's Section 3 list, they do not need to provide further documentation.

-Sample Section 3 Plan-

Frostbite Falls Section 3

The City of Frostbite Falls, in conjunction with Small Cities Development Program Grant #CDAP-09-1234-O-FY10, has the following plan to direct employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low-and very low-income persons, particularly those who are recipients of government assistance for housing.

Section 3 is a HUD requirement that is intended to ensure that when employment or contracting opportunities are available on HUD funded projects, preference is given to low- and very low-income persons or businesses. Being a Section 3 Business is not required, however preference is given to those businesses.

Frostbite Falls will attempt to recruit low-income residents through at least one of the following: local advertising media, signs prominently displayed at the project site, contracts with the community organizations and public or private agencies operating within Frostbite County in which the Section 3 covered program or project is located, or participate in the one of the HUD program or other program which promotes the training or employment of Section 3 residents, or will participate in a HUD program or other program which promotes the award of contracts to businesses which meet the definition of Section 3.

Frostbite Falls will require all contractors to complete and submit the Section 3 Business Certification Form prior to awarding contracts. Frostbite Falls will keep a list of Section 3 businesses. While being a Section 3 business is not required for the program, Frostbite Falls will give preference to qualified, competitive Section 3 businesses.

Section 3 and Women or Minority-Owned Business Certification Form

Section 3 is a HUD requirement that is intended to ensure that when employment or contracting opportunities are available on HUD funded projects, effort is given to make the opportunities available to persons or businesses earning less than 80% of area median income (AMI) as provided by local administrator. Hiring a woman, minority-owned, or Section 3 Business is NOT required. However HUD assigns yearly goals to DEED for participation from these businesses.

Name of Business _____ Owner(s) of Business _____
 Type of Business _____ Address of Business _____
 City _____ County _____ State ___ Zip Code _____ Telephone _____

Please answer the following questions:

1. Is your business owned by a person(s) with an annual income below 80% of area median income(AMI)? (local administrators should attach income chart)
 Note: If there is more than one owner, at least 51% ownership must be by a person(s) below that income level.
 Yes Go to Question 2.
 No Go to Question 3.
2. What is the 80% AMI or less income owners(s) name(s)? _____ . Skip questions 4&5, provide signature, and answer additional required questions.
3. Are 30% of full-time employees earning below 80% area median income?
 Yes Skip Question 4 and provide signature and answer additional required questions.
 No Go to Question 4.
4. Can you provide documented evidence that if your business does sub-contracting, that more than 25% of the dollar value of all contracts will go to those businesses that are at or below 80% of the area median income?
 Yes Sign and date this form and answer additional required questions.
 No Sign and date form.

If you answered no to all these questions, you are not a Section 3 Business. You do not have to be a Section 3 Business in order to work on HUD projects.

5. Is your business 51% or more minority or women owned?
 Yes
 No

Business Owner Signature _____ Date _____

If you certify that you are a Section 3 Business, complete the following questions

1. Number of New Hires _____
2. Percentage of New Hires with income below 80% of area median income _____
3. Percentage of New Hire hours completed by persons earning income below 80% of area median income _____
4. Percentage of total staff hours completed by Section 3 Employees and Trainees _____
5. Number of Section 3 Trainees _____
6. In any, what trades do the Section 3 new hires/employees work?
 Examples: Professionals, technicians, office/clerical, construction. If construction, please indicate specific trade(s). _____

It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

**CITY OF HARMONY
CITY COUNCIL**

**AGENDA ITEM
COVER SHEET**

Originating Staff: Administrator	Meeting Date: 9/14/2021	Agenda Item No. 4e
Agenda Section: Consent	Item: Engineering	
BACKGROUND: Broadband Grand		
ATTACHMENTS:		
COUNCIL ACTION REQUESTED: Motion: To allow Finely Engineering to do the environmental review for the grant. Contract with CCG engineering to write the RFP for the Broadband grants		

EXHIBIT D

Resolution 21-14
CITY OF HARMONY
RESOLUTION

IT IS RESOLVED that the City of Harmony enter into Limited Use Permit No. 2309-0036 with the State of Minnesota, Department of Transportation for the following purposes:

To provide for maintenance and use by the City of Harmony upon, along and adjacent to Trunk Highway No. 52 and the limits of which are defined in said Limited Use Permit.

IT IS FURTHER RESOLVED by the _____ of the City of Harmony,
(Title)
Minnesota that the Mayor and the City Council are authorized to execute the Limited Use Permit.

CERTIFICATION

I certify that the above Resolution is an accurate copy of the Resolution adopted by the City Council of the City of Harmony, Minnesota at an authorized meeting held on the _____ day of _____, 2021, as shown by the minutes of the meeting in my possession.

Subscribed and sworn to before me this _____ day of _____, 2021

Notary Public _____

My Commission Expires _____

NOTARY STAMP

(Signature)

(Type or Print Name)

(Title)

(Date)

(Signature)

(Type or Print Name)

(Title)

(Date)

C.S. 2309 (T.H. 52)
LUP # 2309-0036

Harmony Sign

EXHIBIT D

Resolution 21-15
CITY OF HARMONY
RESOLUTION

IT IS RESOLVED that the City of Harmony enter into Limited Use Permit No. 2316-0040 with the State of Minnesota, Department of Transportation for the following purposes:

To provide for maintenance and use by the City of Harmony upon, along and adjacent to Trunk Highway No. 139 and the limits of which are defined in said Limited Use Permit.

IT IS FURTHER RESOLVED by the _____ of the City of Harmony,
(Title)
Minnesota that the Mayor and the City Council are authorized to execute the Limited Use Permit.

CERTIFICATION

I certify that the above Resolution is an accurate copy of the Resolution adopted by the City Council of the City of Harmony, Minnesota at an authorized meeting held on the _____ day of _____, 2021, as shown by the minutes of the meeting in my possession.

Subscribed and sworn to before me this _____ day of _____, 2021

Notary Public _____

My Commission Expires _____

NOTARY STAMP

(Signature)

(Type or Print Name)

(Title)

(Date)

(Signature)

(Type or Print Name)

(Title)

(Date)

C.S. 2316 (T.H. 139)
LUP # 2316-0040

History Signs

Harmony 2022 Contract Budget		
Police State Aid	(20,526.00)	
Tzd 20.600 Safe Roads	(250.00)	
Police Service Contract - Harmony	(110,725.00)	
Gross Salaries		\$67,367.33
Differential Pay	1,960.00	\$653.33
Overtime Salaries	4,000.00	\$1,333.33
Parttime Deputies	10,000.00	\$3,333.33
On Call	240.00	\$80.00
On Call Holiday	240.00	\$80.00
Holiday Pay	14,000.00	\$4,666.67
Life Insurance		\$9.67
P.E.R.A. - Employer		\$11,924.00
Social Security-Employer		\$2,333.33
Medicare-Employer		\$977.00
Uniform Allowance		\$600.00
Co.Health Contribution		\$8,321.67
Employee Electronic Device Reimbursement	1,500.00	\$500.00
Other Travel Expense-Meals	0.00	\$0.00
Peace Officer Training Expense	1,500.00	\$500.00
Squad Car Technology	1,300.00	\$433.33
Squad Operational Cost	12,610.00	\$12,610.00
	Total	\$115,723.00

**CITY OF HARMONY
CITY COUNCIL**

**AGENDA ITEM
COVER SHEET**

Originating Staff: Administrator	Meeting Date: 9/14/2021	Agenda Item No. 4h
Agenda Section: Consent	Item: SMIF Membership	
BACKGROUND: Join SMIF		
ATTACHMENTS:		
COUNCIL ACTION REQUESTED: Motion: To Join SMIF in 2021 and 2002.		



*To unify, support, and serve
as a common voice for municipal utilities*

August 16, 2021

MEMORANDUM

To: Safety Management Participants
From: Mike Willetts, Director of Job Training and Safety
Subject: 2021-22 Safety Management Program Contract

It is time to renew your safety management program contract. If we held a regional group meeting earlier this year, please note that the budgets have not changed since then, unless to make specific corrections. For those where we did not hold a group meeting this year, please note that the budgets have been created with the goal of having minimal price increases while covering MMUA's costs in providing your service. The contract amendments will cover October 1, 2021 through September 30, 2022, to coincide with MMUA's fiscal year.

Two copies of your contract amendment are enclosed. Please sign both contracts keeping one for your records and mailing the other to the address shown below. **Please do not send payment at this time.** You will be billed October 1. Mail your signed contract to:

Larry Pederson, Director of Finance
Minnesota Municipal Utilities Association
3131 Fernbrook Lane North, Suite 200
Plymouth, MN 55447-5337

If you have any concerns with the new contract, please contact me or Larry as follows:

Mike Willetts: phone 763-746-0705 or e-mail mwilletts@mmua.org
Larry Pederson: phone 763-746-0704 or e-mail lpederson@mmua.org

Thank you for being part of MMUA's safety management groups. With this program and your support we have proven that working together as a group we can develop a safety program that is affordable and at the same time works.

Minnesota Municipal Utilities Association
AMENDMENT TO SERVICES AGREEMENT

Safety Management Program

Contract Date: July 23, 2021

Contract Number: 67-2022

The services agreement entered into between Minnesota Municipal Utilities Association (MMUA) and City of Harmony (Harmony), dated July 31, 2020, contract number 67-2021, is amended as follows:

PART II, Section 1.

1. DURATION: This Agreement shall remain in force from October 1, 2021 until September 30, 2022 (the "expiration date").

PART III, Section 1.


1. COMPENSATION: For the services covered by this Agreement, Harmony shall pay MMUA an annual fee of ten thousand two hundred dollars and 00 cents (\$10,200.00) for the 2021-22 annual period. Such compensation shall be due and payable according to the selected payment terms below.

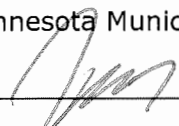
Payment terms for the fee agreed to above shall be based on one of the following options (select one):

- Annual Payment (\$10,200.00)
- Quarterly Payments (\$2,550.00 each)

For any term of less than twelve full calendar months, the fee shall be a portion of the annual fee, pro-rated based on the number of calendar months or partial calendar months in which the services were provided as a percentage of twelve (12).

The parties hereby accept the terms of the Agreement as modified.

City of Harmony
By 
Title City Administrator
Date 8/24/21
Purchase Order # _____

Minnesota Municipal Utilities Association
By 
Title Chief Executive Officer
Date July 23, 2021

Minnesota Municipal Utilities Association
Safety Management Program
Southeast Group Fee Calculation (Mark Hottel)
 October 1, 2021 - September 30, 2022

City	# of days	Population	2021-22 Annual Charge	2021-22 Quarterly Charge	2020-21 Annual Charge	Difference	Total 2021-22 with JTS
Blooming Prairie	2	1,992	\$16,650.00	\$4,162.50	\$16,300.00	\$350.00	\$17,850.00
Dodge Center	2	2,764	\$16,050.00	\$4,012.50	\$15,700.00	\$350.00	\$16,050.00
Eyota	1	1,973	\$9,950.00	\$2,487.50	\$9,600.00	\$350.00	\$9,950.00
Harmony	1	1,026	\$10,200.00	\$2,550.00	\$9,850.00	\$350.00	\$10,200.00
Kasson	2	6,504	\$20,600.00	\$5,150.00	\$20,250.00	\$350.00	\$23,000.00
Kenyon	1	1,836	\$12,050.00	\$3,012.50	\$11,700.00	\$350.00	\$13,850.00
Lake City	1	5,179	\$16,700.00	\$4,175.00	\$16,350.00	\$350.00	\$19,700.00
Lanesboro	0.3	764	\$5,900.00	\$1,475.00	\$5,775.00	\$125.00	\$5,900.00
Mabel	0.3	771	\$5,900.00	\$1,475.00	\$5,775.00	\$125.00	\$5,900.00
Preston	2	1,329	\$16,950.00	\$4,237.50	\$16,600.00	\$350.00	\$18,750.00
Saint Charles	2	3,838	\$18,050.00	\$4,512.50	\$17,700.00	\$350.00	\$18,050.00
Spring Valley	2	2,505	\$15,650.00	\$3,912.50	\$15,300.00	\$350.00	\$17,450.00
Zumbrota	1	3,463	\$12,050.00	\$3,012.50	\$11,700.00	\$350.00	\$12,050.00
Totals:	17.6		\$176,700.00	\$44,175.00	\$172,600.00	\$4,100.00	\$186,700.00

Annual JTS (Electric)
\$600.00 per lineman

		2021-22	2020-21
Blooming Prairie	2	\$1,200.00	\$1,200.00
Kasson	4	\$2,400.00	\$2,400.00
Kenyon	3	\$1,800.00	\$1,800.00
Lake City	5	\$3,000.00	\$3,000.00
Preston	3	\$1,800.00	\$1,800.00
Saint Charles	0	\$0.00	\$0.00
Spring Valley	3	\$1,800.00	\$1,800.00
Totals:	20	\$12,000.00	\$12,000.00

Please notify Larry Pederson of changes to your city.
 Call 763-746-0704; fax 763-551-0459 or e-mail to lpederson@mmua.org.

Minnesota Municipal Utilities Association
AMENDMENT TO SERVICES AGREEMENT

Safety Management Program

Contract Date: July 23, 2021

Contract Number: 67-2022

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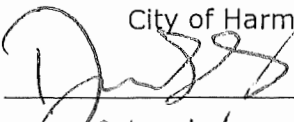
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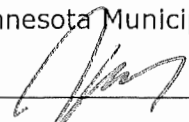
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 Quarterly Payments (\$2,550.00 each)

For any term of less than twelve full calendar months, the fee shall be a portion of the annual fee, pro-rated based on the number of calendar months or partial calendar months in which the services were provided as a percentage of twelve (12).

The parties hereby accept the terms of the Agreement as modified.

City of Harmony
By 
Title City Administrator
Date 8/24/21
Purchase Order # _____

Minnesota Municipal Utilities Association
By 
Title Chief Executive Officer
Date July 23, 2021

Resolution 21-16

**A RESOLUTION CERTIFYING THE PROPOSED PROPERTY TAX LEVY TO THE
COUNTY AUDITOR IN 2021 FOR TAXES PAYABLE IN 2022**

BE IT RESOLVED, by the council of the City of Harmony, Fillmore County, Minnesota that the following sums, be and hereby are, proposed to be levied upon the taxable property in the City of Harmony, County of Fillmore, State of Minnesota, in the year 2021, for taxes payable in 2022, for the following purposes:

LEVY PURPOSE	LEVY
General Fund	282,500
Library Fund	101,225
Fire Fund	45,000
Parks Fund	85,000
Arts Funds	6,000
Economic Development Authority Fund	110,000
General Obligation Improvement Bonds, Series 2021C/2017A-Various Streets	80,435
General Obligation Tax Abatement Bonds, Series 2013A-Community Center/General Tax Levy	17,910
2020A Street Bond	71,000
Total Tax Capacity Levies	804,070

The foregoing resolution was introduced and moved for adoption by Council Member _____ and seconded by Council Member _____.

Voting for the Resolution:
Voting Against the Resolution:
Abstained from Voting:
Absent:

Motion carried and resolution adopted this 14th day of September 2021.

Steve Donney, Mayor

ATTEST:

Devin Swanberg, Administrator



August 23, 2021

RECOMMENDATIONS

VIA EMAIL

City of Harmony
 Steve Donney, Mayor
 Devin Swanberg, City Administrator
 Chris Giesen, Economic Development Director
 225 3rd Avenue SW
 PO Box 488
 Harmony, MN 55939

RE: TAXABLE General Obligation Tax Increment Financing Bonds, Series 2021A & 2021B

Honorable Mayor Donney, Members of the City Council, Mr. Swanberg, and Mr. Giesen:

This letter outlines our recommendations for the structure and sale of TAXABLE General Obligation TIF Bonds associated with Dairyland Power project (2021A Mi Energy Note & 2021B bank placement).

Project Recap

As Council may recall, the Dairyland Power project required the extension of public utilities to the site. The company requested TIF assistance due to these extraneous costs. However, TIF must be spent WITHIN the boundaries of the TIF District (for the most part, anyways). As such, the City offered a "cost swap". The company would cut the City a check for the cost of the infrastructure and in turn the City would pay a like amount to reimburse the company for site improvement expenses. The agreed upon amount of the cost-swap is \$315,000.

Mr. Giesen was able to secure a 0% loan for some of this amount (\$84,082.50) through Mi Energy. This improves the cash flow of the project immensely. The City will need supplemental financing to fully fund the agreed-upon \$315,000 and related issuance expenses. Following is a breakdown of my recommended sizing of these notes:

Mi Energy Note (2021A)		Supplemental Note (2021B)		TOTALS	
80,082.50	Funds for Contract	234,917.50	Funds for Contract	315,000.00	Funds for Contract
4,000.00	Issuance Expenses	5,550.00	Issuance Expenses	9,550.00	Issuance Expenses
-	Capitalized Interest	5,866.25	Capitalized Interest	5,866.25	Capitalized Interest
-	Rounding	666.25	Rounding	666.25	Rounding
84,082.50	Size of Note	247,000.00	Size of Note	331,082.50	TOTAL DEBT

Sales Process

Mr. Giesen is coordinating the sale of the Mi Energy Note along with the City's bond counsel (Taft Law). I am advising the City place the supplemental note with a bank utilizing MN Rural Water Association's Micro Loan Program (city staff previously solicited First Southeast Bank to act as purchaser). Due to the small size of this borrowing, controlling issuance costs is paramount to making the deal work efficiently. And there is no cheaper alternative than the MN Rural Water Association's Micro Loan Program. While a public offering might yield a lower interest rate, the added issuance costs make that fact moot.

I believe these recommendations are suitable and advise that the City Council approve the attached application at its earliest convenience. I look forward to discussing this with you at your meeting on September 14th. Thank you.

Yours truly,

A handwritten signature in black ink, appearing to read 'MB', written in a cursive style.

Mike Bubany, Associate
David Drown Associates, Inc.

Enc.

City of Harmony, Minnesota
 PRELIMINARY / QUICK SUMMARY OF FINANCING PLAN FOR DAIRYLAND PROJECT 2021

315,000.00	Amount to Cost Swap with Dairyland
4,000.00	Mi Energy Issuance Costs (Taft)
500.00	Modification of TIF Plan
5,050.00	Supplemental Financing Issuance Costs
5,866.25	Capitalized Interest
666.25	Rounding
331,082.50	TOTAL USES

84,082.50	Mi Energy Note
247,000.00	Supplemental Financing
331,082.50	TOTAL SOURCES

Mi Energy Note					SUPPLEMENTAL FINANCING					TOTAL PMTS	Collection Year	Tax Increment	Interfund Loan	TIF FUND
PMT DATE	PRIN	RATE	INT	P&I	PMT DATE	PRIN	RATE	INT	P&I					
11/3/2021	<i>assumed dated date</i>				11/1/2021	<i>assumed dated date</i>							Cap Int & Rounding >>	6,533
11/1/2022	8,408.25	0.00%	-	8,408.25	2/1/2023	-	1.90%	5,866	5,866	14,275	2022	-	7,742	-
11/1/2023	8,408.25	0.00%	-	8,408.25	2/1/2024	25,000	1.90%	4,693	29,693	38,101	2023	47,000	(7,742)	1,157
11/1/2024	8,408.25	0.00%	-	8,408.25	2/1/2025	26,000	1.90%	4,218	30,218	38,626	2024	47,000	-	9,531
11/1/2025	8,408.25	0.00%	-	8,408.25	2/1/2026	26,000	1.90%	3,724	29,724	38,132	2025	47,000	-	18,398
11/1/2026	8,408.25	0.00%	-	8,408.25	2/1/2027	27,000	1.90%	3,230	30,230	38,638	2026	47,000	-	26,760
11/1/2027	8,408.25	0.00%	-	8,408.25	2/1/2028	27,000	1.90%	2,717	29,717	38,125	2027	47,000	-	35,635
11/1/2028	8,408.25	0.00%	-	8,408.25	2/1/2029	28,000	1.90%	2,204	30,204	38,612	2028	47,000	-	44,023
11/1/2029	8,408.25	0.00%	-	8,408.25	2/1/2030	29,000	1.90%	1,672	30,672	39,080	2029	47,000	-	51,942
11/1/2030	8,408.25	0.00%	-	8,408.25	2/1/2031	29,000	1.90%	1,121	30,121	38,529	2030	47,000	-	60,413
11/1/2031	8,408.25	0.00%	-	8,408.25	2/1/2032	30,000	1.90%	570	30,570	38,978	2031	47,000	-	68,435
	84,082.50		-	84,082.50		247,000		30,015	277,015	361,098		423,000	-	68,435

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	93,100	1,397
Completed Project Value	2,000,000	39,250
Increase Upon Full Development	1,906,900	37,854

Tax Rate Assumptions:

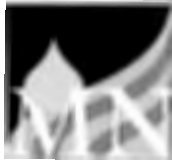
	2019/2020 Tax Rate	Applicable Tax Rate*	"Share" of Tax Increment
City	96.923%	96.923%	318,017
County	32.151%	32.151%	105,492
School	10.734%	6.312%	20,709
Other	0.000%	0.000%	-
State	38.846%	0.000%	-
	178.65%	135.386%	444,217

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
2021	1,397	1,397	-	-	-	-	-
2022	1,397	1,397	-	-	-	135.39%	-
2023	1,397	37,854	36,457	-	36,457	135.39%	49,357
2024	1,397	37,854	36,457	-	36,457	135.39%	49,357
2025	1,397	37,854	36,457	-	36,457	135.39%	49,357
2026	1,397	37,854	36,457	-	36,457	135.39%	49,357
2027	1,397	37,854	36,457	-	36,457	135.39%	49,357
2028	1,397	37,854	36,457	-	36,457	135.39%	49,357
2029	1,397	37,854	36,457	-	36,457	135.39%	49,357
2030	1,397	37,854	36,457	-	36,457	135.39%	49,357
2031	1,397	37,854	36,457	-	36,457	135.39%	49,357
							444,217

Adjustments

3.05% Admin. Retainage	0.36% State Auditor's Deduction	Other additions & (subtractions)	TOTAL NET REVENUES
-	-	-	-
1,500	178	-	47,680
1,500	178	-	47,680
1,500	178	-	47,680
1,500	178	-	47,680
1,500	178	-	47,680
1,500	178	-	47,680
1,500	178	-	47,680
1,500	178	-	47,680
1,500	178	-	47,680
1,500	178	-	47,680
13,500	1,599	-	429,118



Minnesota Rural Water Association Loan Application Form v.5.7.2019

RURAL WATER ASSOCIATION

PROGRAM CRITERIA

	<u>Micro-Loan</u>	<u>Midi-Loan</u>	<u>Mega-Loan</u>
Loan Amount	up to \$250,000	up to \$1,000,000	up to \$3,000,000
Repayment Term	up to 7 years	up to 15 years	up to 20 years
Security	General Obligation	General Obligation	General Obligation
Borrower Population	200 persons	400 (200 if not declining)	600 Persons
Borrower Debt Levels	< \$5,000 per capita <10% debt/market value	< \$5,000 per capita <10% debt/market value	< \$5,000 per capita <10% debt/market value

Additional Terms for Mega-Loans:
Maximum Average Life of 12 years
General Fund unassigned balance at least 35% of current year expenditures

PROGRAM FEES (all inclusive*)

<u>Loan Amount</u>	<u>Micro-Loan</u>	<u>Midi-Loan</u>	<u>Mega-Loan</u>
Under \$50,000	\$3,350	-	-
\$50,001 to \$100,000	\$4,550	-	-
\$101,001 to \$250,000	\$5,050	\$9,290	-
\$250,001 - \$500,000	-	12,690	-
\$500,001 - 750,000	-	14,840	-
\$750,001 - \$1 million	-	16,590	-
\$500,000 - \$1 million	-	-	17,575
\$1 million - \$2 million	-	-	21,475
\$2 million - \$3 million	-	-	24,475

* Additional fees may apply if applicant elects to use non-program lenders / bond counsels or for special exemptions. Loans may be subject to annual pay agent fees. All loans may be subject to additional fees if special statutory authority process is required. Contact David Drown Associates for exact fees at 612-920-3320, ext. 102.

APPLICATION INFORMATION

(or simply apply on-line at www.daviddrown.com or www.mrwa.com)

TYPE OF LOAN: Micro-Loan X Midi-Loan _____ Mega-Loan _____

PROJECT: Please provide a brief description of the project:

Provide funds to Dairyland Power project (PRIVATE ACTIVITY - TAXABLE RATES)

Project cost: 315,000 Requested Repayment term: Match TIF Dist years
 Loan Amount Request: 247,000 (incl. issuance) Date Funds are Needed: 11/1/2021
 BORROWER: City of Harmony Primary Contact: Devin Swanberg
 Phone Number: 507 886 8122 Contact email: cityoffice@harmony.mn.us
 Mailing Address: 225 3rd Ave SW 55939
 Office Hours: 8 - 4 30 Federal Tax ID Number: _____

APPROVAL: When will Council/Board meet to approve final loan documents? (allow 1 week to process)

Date: 10/12/2021 Time: 7 pm

Documents for agenda packets are needed by: 10/7/2012

Regular Council/Board meetings are held (day of the week/time): 2nd Tues 7 PM

OFFICIALS

<u>Name</u>	<u>Office</u>	<u>Year Term Began</u>	<u>Year Term Ends</u>
Steve Donney	Mayor/ Chair		2022
Steve Sagen	Member		2022
Tony Webber	Member		2022
Jesse Grabau	Member		2024
Domingo Kingsley	Member		2024
	Clerk/Treasurer		
Devin Swanberg	Administrator	appointed	

REQUIRED ATTACHMENTS

- Electronic copy of the borrower's most recent audited financial statement (3 years for Mega.)*
- Provide a payment schedule for any debt obligations not shown in last audit. (None: _____)*
- Provide a list of any capital projects/debt to be issued during the next 12 months. (None: _____)*
- Mega borrowers will be required to provide additional information – we will advise what is needed.*

CLOSING: Transfer of funds is normally accomplished by cashier or certified check mailed to the borrower on the date of closing. Midi- and Mega-Loan borrowers (not Micro-Loan) have the *option* of receiving funds by wire if wiring instructions are provided below (or attached):

Wiring Instructions: _____

CERTIFICATIONS

- The Borrower is applying for a Micro-, Midi- or Mega-Loan. The final loan terms will be outlined in a resolution to be approved by the governing board at a future date.
- The Program Fees (outlined above) will be added to the requested loan amount and paid automatically at closing. Payment of the program fee is contingent upon Loan closing. Payment of the rating fee, if required, is the Borrower's responsibility if Loan is not closed.
- For all Loans, David Drown Associates, Inc. will be retained as your financial advisor. MSRB rules require municipal advisors to act in the Borrower's best interest. The Borrower does hereby certify it has read and accepted the terms outlined in the attached Standard Agreement and Engagement Letter.
- Fryberger, Buchanan, Smith & Frederick, P.A serves as the Program's standard bond counsel.
 - We wish to use the Program's bond counsel and hereby certify we have read and accepted the terms outlined in the Standard Bond Counsel Services Agreement. (document on file at www.MRWA.com).
 - We wish to use another bond counsel firm or lender (additional fees will apply).
Name of firm and/or lender: Taft Law for bond counsel, First Southeast as purchaser
- When required, Northland Trust Services will be retained as the paying agent, registrar, transfer and fiscal agent for the Loan. The Borrower hereby certifies it has read and accept the terms outlined in the Standard Trust Services Agreement (document on file at www.MRWA.com).
- The Borrower does hereby certify that the project financed by the Loan will be owned, occupied, used and operated entirely/exclusively by the Borrower. No part of the project will be leased to, occupied by, or provide a special benefit to a non-governmental entity (*attach a note describing any exceptions*).
- The Borrower further certifies that there is no litigation threatened or pending that would question the Borrower's right to issue debt or impair the Borrower's ability to make payments on debt outstanding or contemplated (*attach a note describing any exceptions*).
- The Borrower has never defaulted in the payment of any indebtedness (*attach a note if exceptions*).

By our signatures below, the Borrower certifies that all the above information is true and accurate.

Authorized Official

Date

Please submit complete application to either of the following addresses. Allow at least one week for processing.

Lori Blair
Minnesota Rural Water Association
217 12th Avenue SE
Elbow Lake, MN 56531
Phone (218) 685-5197 | Fax (218) 685-5272
mrwa@mrwa.com

David Drown, President
David Drown Associates, Inc.
5029 Upton Avenue South
Minneapolis, MN 55410
Phone (612) 920-3320 | Fax (612)-605-2375
david@daviddrown.com

STANDARD AGREEMENT & ENGAGEMENT LETTER FOR MUNICIPAL ADVISORY SERVICES

David Drown Associates, Inc. ("Municipal Advisor") has been selected to serve as the Municipal Advisor for Issuers participating in the Micro, Midi and Mega Loan programs (the "Program"). By submitting a signed Minnesota Rural Water Association Loan Application Form (the "Application") for a Program Loan and by approving a Resolution providing for the sale of Bonds through the Program, you are designating David Drown Associates, Inc. to serve as the Municipal Advisor for the loan. This document is our written arrangement on the role the Municipal Advisor will serve and responsibilities the Municipal Advisor will assume in connection with the issuance of general obligation bonds by the Issuer (the "Loan") as described in the Application completed by the Issuer and also the fees the Municipal Advisor will charge.

Section 1: Municipal Advisor Role. The Municipal Advisor is engaged as a recognized independent expert whose primary responsibility is to give objective fiscal advice on the structure and issuance of the Loan under state and federal securities law. We will provide some, or all, of the following services to determine suitability of the Loan for the applicant:

- a. Evaluate legal options/alternatives for issuance of debt taking into account borrower's objectives, revenue availability and other factors.
- b. Prepare preliminary financing schedules and options for review and consideration by the Borrower.
- c. Evaluate the suitability of Program loans to meet borrower's objectives and advise the borrower of other suitable alternatives.
- d. Upon receipt of a completed Application, the Municipal Advisor will prepare final payment and cashflow schedules and related offering documents.
- e. For certain Mega loans, prepare application materials and assist the borrower in securing a bond rating.
- f. Secure a binding commitment for the sale/placement of the loan with pre-screened program lenders and/or other underwriters or lenders as necessary.
- g. Work with bond counsel to prepare a Resolution and other documents necessary to finalize and close the loan.
- h. Provide assistance in coordinating closing and transfer of funds.
- i. Draft a closing letter summarizing the transaction and providing guidance in accounting for loan proceeds and budgeting for future payments.

Section 2: Engagement Letter & Disclosure of Conflicts of Interest. Rules established by the Municipal Securities Rulemaking Board ("MSRB") and the Securities Exchange Commission ("SEC") requires the registered Municipal Advisor tasked with administering the various low cost loan programs offered via MN Rural Water Association ("MRWA"), to provide a written description of its advisory relationship and to make certain other disclosures in regards to potential conflicts of interest. The applicant recognizes that by submitting the attached application that it has requested and approved David Drown Associates, Inc. ("DDA") to act as Municipal Advisor to the community on this particular engagement. This means that DDA is to be held to the very highest standard of loyalty and care with an *explicit fiduciary duty* to act in your community's best interests. This means several important things:

- DDA has a duty to exercise due care in performing municipal advisory activities.
- DDA has a duty of loyalty, requiring us to act in your best interest without regard to our own financial or other interests.
- DDA must have the knowledge and expertise needed to provide you with informed advice.
- DDA has a duty understand you and your specific situation and to follow your directions, so our advice is suitable for you.
- DDA is required to make reasonably inquiries and investigations as to the facts supporting our recommendations and work products.
- DDA has a duty to discuss with you material risks, benefits, and alternatives considered that might serve your interests better.

Disclosure of Conflicts of Interest: A municipal advisor may not undertake an engagement without disclosing in writing how *potential* conflicts of interest will be managed and mitigated. There are several potential conflicts of interest that may apply to our engagement with you:

Compensation Conflicts of Interest.

- Fixed Fees or "Lump Sum". This form of compensation represents a potential conflict of interest because if the transaction requires more work than originally contemplated, the financial advisor may suffer a loss. Thus, the advisor may recommend less time-consuming alternatives or fail to do a full analysis of alternatives.
- Fee Based upon Principal Amount. This form of compensation presents a conflict of interest because the advisor may have an incentive to advise the client to increase the size of the securities issue for the purpose of increasing the advisor's compensation.
- Contingent Fee. This form of compensation presents a potential conflict of interest because the advisor may have an incentive to recommend unnecessary financings or financings that are disadvantageous to the client. When facts or circumstances arise that could cause the financing to be delayed or fail to close, an advisor may have an incentive to discourage a full consideration of such facts and circumstances.

Our plan to mitigate conflicts of interest regarding compensation is to assure the program standard fee schedule reasonably reflects the expected costs of standard services.

MN Rural Water Association Conflicts of Interest. David Drown Associates, Inc. serves as the financial advisor for MRWA's MEGA, MIDI, MICRO and Interim Funding Programs. In that capacity, we process loan requests and serve as municipal advisor to borrowers seeking to utilize these funding programs. This relationship with MRWA represents a potential conflict of interest in that we have an incentive to recommend the use of these funding programs and to exclude due consideration of other options or alternatives. We have mitigated this conflict of interest by agreement with MRWA that we will not process loans where other financing mechanisms are clearly superior, and we maintain internal procedures that explicitly include a review of other funding options before acting upon a loan request.

Section 3: Term of Engagement. Upon closing and delivery of closing, our responsibilities as Municipal Advisor will be concluded with respect to this financing and we do not undertake (unless separately engaged) to provide continuing advice to you or any other party.

Section 4: Fees & Expenses. The Municipal Advisor's fees will be incorporated into and paid from the Program Fee shown on the Application Form. Our fee shall be contingent upon successful sale and closing of a Loan (see disclosure of conflicts of interest above). In the event we are asked to provide additional services outside the scope of Program activities, we will notify you of these services and costs in advance.

CERTIFICATION OF ENGAGEMENT

By submitting a signed application, the applicant hereby certifies that David Drown Associates, Inc. is hereby engaged to serve as our community's Municipal Advisor associated with the attached loan application. It is further certified that DDA has fully and completely disclosed all potential conflicts of interest and the plans to mitigate such conflicts. We understand that DDA will investigate our financial position to determine the suitability of the loan programs for our project. We understand and accept any findings that determine the loan programs may be unsuitable for our community or if more beneficial financing alternatives may be suggested.

Draft

**City of Harmony, Minnesota
(Fillmore County)**

Tax Increment Financing Plan for
Economic Development
Tax Increment Financing District No. 1 – 8
(Twin City Trimmers LLC / Commercial Park Project)

Public Hearing: September 14, 2021



DDA

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Tax Increment Financing Plan for Tax Increment Financing District No. 1-8

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 Twin City Trimmers LLC, its successors and assigns, and any other Developer within the boundaries of the Tax Increment Financing District No. 1-8.

"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 independently owned commercial facilities equal to or less than 15,000 square feet in size and associated site and public improvements necessary to serve said facilities within or directly adjacent to Tax Increment Financing District No. 1-8.

"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. 1-8.

"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

Twin City Trimmers LLC (the "Developer") is a carpentry services company currently located in a different community that desires to purchase a bare lot within the commercial park and construct a new facility for their operations. The Developer has requested tax increment financing to write down the cost of the land and has stated that the project could not proceed without that assistance.

In addition, the City (and EDA) is currently pursuing multiple other leads for additional commercial projects within the park. The City intends to utilize the resulting tax increments from those projects to reimburse future

Developers for site improvements and/or fund public improvements within the development.

All projects expected within the TIF District will be independently owned commercial facilities equal to or less than 15,000 square feet in size.

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.

150546010
150569010
150570000
150572000
150573000
150575000
150576000
150619000

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:

<u>Project / Capital Costs:</u>	
Land Acquisition	50,000
Public Improvements	197,234
Site Improvements	<u>50,000</u>
	\$297,234
<u>Finance Costs:</u>	
Bond & Note Interest Expense	\$87,394
 <u>Administrative Costs</u>	
Administration funded with TIF	<u>\$42,736</u>
Total Uses of Funds	\$427,364

Estimated Tax Increment Revenues

Tax Increments	\$427,364
Investment Interest	0
Sales/Lease Proceeds	0
Market Value Homestead Credit	<u>0</u>
Total Sources of Funds	\$427,364

Maximum Amount of Bonds Authorized \$339,970

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 (\$339,970). 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 \$427,364.

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, for the most part, 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 interfund loans and/or bonds to assist with the costs of land acquisition, site, and public improvement expenses associated with development in the TIF District. 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 and public improvement 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 \$339,970.

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 4%.

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, 2022 and before June 30, 2023. As such, the original tax capacity will be the net tax capacity as of January 2, 2022 (assessed value for taxes payable 2023). As such, the initial values described below are inserted for estimation purposes only and are subject to change.

The market value of all property within the TIF District as of January 2, 2020 for taxes payable in 2021 is estimated at \$216,200. At this value, the original net tax capacity of the TIF District would be \$3,243 (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, 2022 but before June 30, 2023; therefore, the original local tax rate will be the rate that applies for taxes payable in 2023, which is unknown at this time. The proposed rates associated with taxes payable in 2021 are included for estimation purposes only:

<u>Taxing Jurisdiction</u>	<u>2020/2021 Local Tax Rate</u>
City of Harmony	105.895%
Fillmore County	32.614%
Independent School District No. 2198*	7.242%
Other	0.000%
Total	145.751%

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 35.978% for 2021. 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.

Exhibit 3 estimates 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, 2022 but before June 30th, 2023. As such, the City expects 2024 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, 2032.

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.

However, if the City has a population of 5,000 or less and is located ten miles or more from a City having a population of 10,000 or more (a "Small City"), tax increments may also be used to provide assistance in any form for up to 15,000 square feet of a separately-owned commercial facility, but only to assist the facility directly or pay administrative expenses. Such is the case for this Project.

This TIF District satisfies the requirements for a small city commercial 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 employees’ wages equal to or greater than 160% of the federal minimum wage.

No land located within this TIF District was enrolled in the Green Acres program (see M.S. 273.111) within five years of 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.

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, and additionally:

3. 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 not expected to exceed \$150,000 for any of the contemplated projects. As such, no business subsidy public hearing is required.

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.

The City will require a minimum assessment valuation of \$2 million for the Project.

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, and the municipality.

2. Prepare an Annual Report. (469.175 Subds. 5 and 6) 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 and/or the County 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 governing body of the municipality, if the municipality is not also the City.
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 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 TIF 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 a "small city exception" 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.

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 \$1,853,540 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). Due to the number of years the property has existed in its current state, 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 \$23,782 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 \$23,782 (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 \$2,183,800. 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 \$330,260 (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 \$1,853,540 (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 found by the City Council to be 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 independently owned commercial facilities equal to or less than 15,000 square feet in size.

Exhibits

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

City of Harmony, Minnesota

Economic Development Tax Increment Financing District No. 1-8

Twin City Trimmers LLC / Commercial Park Projects

PARCELS AND VALUATIONS

#	PIN #	<i>Valuations (Pay 2021)</i>			Est. T.C.
		Land	Building	Total M.V.	
1	150546010	41,600	-	41,600	624
2	150569010	15,100	-	15,100	227
3	150570000	20,600	-	20,600	309
4	150572000	21,000	-	21,000	315
5	150573000	21,200	-	21,200	318
6	150575000	22,400	-	22,400	336
7	150576000	22,300	-	22,300	335
8	150619000	52,000	-	52,000	780
		216,200	-	216,200	3,243

* Values shown are estimates only and subject to change. See Section 14.

City of Harmony, Minnesota

Economic Development Tax Increment Financing District No. 1-8

Twin City Trimmers LLC / Commercial Park Projects

TIF PROJECTIONS (Phase 1: Twin City Trimmers LLC Project Only)

Valuations & Projected Increases

	Market	Tax Capacity
Original Values	216,200	3,243
Completed Project Value	477,100	8,461
Increase Upon Full Development	260,900	5,218

Tax Rate Assumptions:

	2020/2021 Tax Rate	Applicable Tax Rate*	"Share" of Tax Increment
City	105.895%	105.895%	49,730
County	32.614%	32.614%	15,316
School	12.374%	7.242%	3,401
Other	0.000%	0.000%	-
State	35.978%	0.000%	-
	186.86%	145.751%	68,448

Projected Tax Increment

0% << Inflation

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
2022	3,243	3,243	-	-	-	-	-
2023	3,243	3,243	-	-	-	145.75%	-
2024	3,243	8,461	5,218	-	5,218	145.75%	7,605
2025	3,243	8,461	5,218	-	5,218	145.75%	7,605
2026	3,243	8,461	5,218	-	5,218	145.75%	7,605
2027	3,243	8,461	5,218	-	5,218	145.75%	7,605
2028	3,243	8,461	5,218	-	5,218	145.75%	7,605
2029	3,243	8,461	5,218	-	5,218	145.75%	7,605
2030	3,243	8,461	5,218	-	5,218	145.75%	7,605
2031	3,243	8,461	5,218	-	5,218	145.75%	7,605
2032	3,243	8,461	5,218	-	5,218	145.75%	7,605
							68,448

Adjustments

10.00% Admin. Retainage	0.36% State Auditor's Deduction	Other additions & (subtractions)	TOTAL NET REVENUES
-	-	-	-
758	27	-	6,820
758	27	-	6,820
758	27	-	6,820
758	27	-	6,820
758	27	-	6,820
758	27	-	6,820
758	27	-	6,820
758	27	-	6,820
758	27	-	6,820
758	27	-	6,820
6,820	246	-	61,381

Present Value @ 4% **48,760**

* 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. 1-8

Twin City Trimmers LLC / Commercial Park Projects

TIF PROJECTIONS (Phase 2: Full Development of Commercial Park)

Valuations & Projected Increases

	Market	Tax Capacity
Original Values	216,200	3,243
Phase 2 Full Development	2,400,000	42,000
Increase Upon Full Development	2,183,800	38,757

Tax Rate Assumptions:

	2020/2021 Tax Rate	Applicable Tax Rate*	"Share" of Tax Increment
City	105.895%	105.895%	311,621
County	32.614%	32.614%	95,975
School	12.374%	7.242%	21,312
Other	0.000%	0.000%	-
State	35.978%	0.000%	-
	186.86%	145.751%	428,908

Projected Tax Increment

0% << Inflation

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
2022	3,243	3,243	-	-	-	-	-
2023	3,243	3,243	-	-	-	145.75%	-
2024	3,243	8,461	5,218	-	5,218	145.75%	7,605
2025	3,243	21,000	17,757	-	17,757	145.75%	25,881
2026	3,243	42,000	38,757	-	38,757	145.75%	56,489
2027	3,243	42,000	38,757	-	38,757	145.75%	56,489
2028	3,243	42,000	38,757	-	38,757	145.75%	56,489
2029	3,243	42,000	38,757	-	38,757	145.75%	56,489
2030	3,243	42,000	38,757	-	38,757	145.75%	56,489
2031	3,243	42,000	38,757	-	38,757	145.75%	56,489
2032	3,243	42,000	38,757	-	38,757	145.75%	56,489
							428,908

Adjustments

10.00% Admin. Retainage	0.36% State Auditor's Deduction	Other additions & (subtractions)	TOTAL NET REVENUES
-	-	-	-
758	27	-	6,820
2,579	93	-	23,209
5,629	203	-	50,657
5,629	203	-	50,657
5,629	203	-	50,657
5,629	203	-	50,657
5,629	203	-	50,657
5,629	203	-	50,657
5,629	203	-	50,657
5,629	203	-	50,657
42,736	1,544	-	384,628

Present Value @ 4%

297,234

* 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. 1-8
Twin City Trimmers LLC / Commercial Park Projects

STATEMENT OF FISCAL AND ECONOMIC IMPACTS

FULL DEVELOPMENT

Taxing Jurisdiction	Without TIF District		With TIF District					
	2021 Taxable Net Tax Capacity ⁽¹⁾	2020/2021 Local Tax Rate	2021 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	783,972	105.895%	783,972	38,757	41,042	822,729	100.907%	4.988%
Fillmore County	34,590,175	32.614%	34,590,175	38,757	12,640	34,628,932	32.577%	0.037%
ISD #2198	8,588,775	12.374%	8,588,775	38,757	4,796	8,627,532	12.318%	0.056%
Other ⁽²⁾	0	—	—	38,757	—	—	—	—
Totals		150.883%			58,478		145.802%	5.081%

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 generated over the life of the TIF District is estimated to be \$427,364.

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 \$311,621 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 \$21,312 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 \$95,975.

Statement #7: The final Original Net Tax Capacity and Local Tax Rate of the TIF District will be based upon data for taxes payable 2023 as the

⁽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. 1-8 Twin City Trimmers LLC / Commercial Park Projects

MARKET VALUE ANALYSIS

Increased Market Value of Site	2,183,800
Less Present Value of TIF Revenues	<u>330,260</u>
	1,853,540
Reasonably expected increase w/out TIF*	<u>23,782</u>
Net Value Increase	1,829,758

Present Value Calculation

Calculation Date	12/31/2022
Present Value Factor	4.00%

#	Year	Gross Tax Increment	Present Value
0	2022	-	-
1	2023	-	-
2	2024	7,578	7,006
3	2025	25,788	22,925
4	2026	56,285	48,113
5	2027	56,285	46,263
6	2028	56,285	44,483
7	2029	56,285	42,772
8	2030	56,285	41,127
9	2031	56,285	39,545
10	2032	56,285	38,024
		<u>427,364</u>	<u>330,260</u>

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

Resolution 21-17

**EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE CITY
OF HARMONY, MINNESOTA HELD: September 14, 2021**

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 14th day of September 2021, 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 ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 1-8
WITHIN MUNICIPAL 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") create Tax Increment Financing District No. 1-8 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 tax increment financing plan for Tax Increment Financing District No. 1-8; and

C. The City has performed all actions required by law to be performed prior to the creation of Tax Increment Financing District No. 1-8 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. 1-8, 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. Tax Increment Financing District No. 1-8 within Municipal Development District No. 1. The City hereby approves the establishment of Tax Increment Financing District No. 1-8 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. 1-8, and the City Council makes the following findings;

- (a) Tax Increment Financing District No. 1-8 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.

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 \$1,853,540 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 of the TIF Plan). Due to the number of years the property has existed in its current state, 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 \$23,782 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 \$2,183,800; and
2. the present value of expected tax increments collected over the maximum duration of the TIF District is \$330,260; and
3. the expected increased estimated market value of the site without the use of tax increment is \$23,782; 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 \$1,853,540 (the amount in number 1 less the amount in number 2).

- (c) The Tax Increment Financing Plan for Tax Increment Financing District No. 1-8 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 found by the City Council to be 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 independently owned commercial facilities equal to or less than 15,000 square feet in size.

3. Public Purpose. The adoption of the 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 \$339,970 (or, if less, the amount actually paid from such fund) together with interest at 4.00% 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. 1-8 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. 1-8 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 establishment of Tax Increment Financing District No. 1-8 within Municipal Development District No. 1 in the City.

WITNESS my hand this 14th day of September 2021.

Devin Swanberg, City Administrator

**DEVELOPMENT AGREEMENT
TAX INCREMENT FINANCING
O'CONNOR – INDUSTRIAL PARK PROJECT**

This Agreement dated this ____ day of September 2021, By and Between the ECONOMIC DEVELOPMENT AUTHORITY, CITY OF HARMONY (the "EDA"), a municipal corporation and JEFFREY O'CONNOR, known as the "Developer" of the property legally described below.

WHEREAS, the Developer proposes to purchase from the EDA **Lot 2, Block 2, Industrial Park First Addition to the City of Harmony**, located in the County of Fillmore, State of Minnesota; and

WHEREAS, the property is currently under the sole ownership of the EDA; and

WHEREAS, The Developer has requested tax increment financing assistance from the EDA to be used to buy down the Developer's land cost; and

WHEREAS, the EDA, pursuant to Minnesota Statutes, Sections 469.124 to 469.134 and Sections 469.174 to 469.179 (the "TIF Act") has adopted a program to encourage development and job growth; and

WHEREAS, on September 14, 2021, the City Council of the City of Harmony adopted a resolution approving the establishment of Tax Increment Financing District No. 1-8, within Municipal Development District No. 1, to allow for the development of the site; and

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

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

Section 1 **Definitions:** 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 of Harmony.

- C. "Benefit Date" means September 23, 2021.
- D. "City" means the City of Harmony.
- E. "County" means Fillmore County.
- F. "Developer" means Jeffrey O'Connor, or their permitted successors and assigns.
- G. "Development Property" means the real property described above.
- H. "Events of Default" means an action by the Developer listed in Section 5.0 of this Agreement, which is not cured within the time period permitted in this Agreement.
- I. "Maturity Date" means the date that is earlier to occur of (a) the date the Termination Payment is paid to the Authority, or (b) the date that all TIF payments have been paid in full.
- J. "Project Area" means the geographic area within Municipal Development District No. 1.
- K. "Public Improvements" means the construction and/or installation of public streets, water, or sewer.
- L. "Site Improvements" or "Site Improvement Costs" mean the preparation of the project area including but not limited to demolition, excavating, grading, utility improvements, and/or parking lot improvements.
- M. "State" means the State of Minnesota.
- N. "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, Sections 469.124 to 469.134 and Sections 469.174 to 469.179, as amended.
- O. "Tax Increment District" or "TIF District" means the City's Tax Increment District No. 1-8.
- P. "Tax Increment Plan" or "TIF Plan" means the Tax Increment Financing Plan for Tax Increment District No. 1-8, as adopted September 14, 2021, and as amended.
- Q. "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.
- R. "Unavoidable Delays" means delays beyond the reasonable control of the Developer or City.

Section 2 Representations and Warranties:

2.1 The EDA represents and warrants that:

- A. The EDA is a municipal corporation organized under the laws of the State.
- B. The activities of the EDA are for the purpose of encouraging redevelopment 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 tax increment financing district," which was created and adopted pursuant to the Tax Increment Act.
- D. The EDA, to the best of its knowledge, represents and agrees that no member, official or employee of the EDA 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 the Developer, or successors, in the event of any default or breach by the EDA for any amount, which may become due to the Developer or successor or on any obligations under the terms of this Agreement.

2.2 The Developer represents and warrants that:

- A. The 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. The Developer has not received notice or communication that the activities of the Developer or EDA with respect to the development will be in violation of any environmental law or regulation.
- C. The proposed development by the Developer would not occur but for the tax increment financing assistance being provided by the EDA.

Section 3 Agreements

3.1 The EDA agrees to the following:

- A. The EDA shall sell the property described above to the developer for \$65,000.00 and shall accept partial payment therefore by receipt of the tax increments generated by the property development up to \$46,000.00 as those payments are made to the City in future years and the balance of \$19,000.00 being payable by Developer in cash on the date of closing.
- B. The EDA shall pay for all current tax assessments against the real estate in the amount of \$0.00.

3.2 The Developer agrees to the following:

- A. The Developer shall proceed with construction of a commercial/industrial building according to the specifications in the building plans attached as Exhibit A. Developer agrees to construct the building in substantial conformity to the plans as presented, as a minimum baseline. Developer may make changes to the plans that increase the prospective value of the building or real estate. The building construction shall be completed by December 31, 2022.
- B. The Developer shall provide the EDA supplementary data required including proof of title to the land, copies of paid invoices or other evidence that the Developer has incurred the redevelopment expenses and any other documents required to complete annual tax increment financing reports to the Department of Revenue, Department of Trade and Economic Development, and State Auditor's Office.
- C. The value of assistance is less than \$150,000. The assistance given in this Agreement is not considered a business subsidy under Minnesota Statutes, 116J.993 to 116J.995 (the "Business Subsidy Act").
- D. The Developer agrees that the Development Property shall not be used for the storage, treatment or disposal of any environmentally hazardous waste or materials in violation of, or non-compliant with any applicable laws or regulations.
- E. The Developer agrees to cause business operations to continue on the Development Property for at least five (5) years after the Benefit Date.
- F. There are no other state or local government agencies providing financial assistance for the Project other than the EDA.
- G. There is no parent corporation of the Developer.
- H. The Developer certifies that they are in compliance with federal immigration laws governing the rights of individuals to work in the United States.
- I. During the term of this Agreement, 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 government body or person.
- J. During the term of this Agreement, Developer shall not object to or challenge the Fillmore County Assessor's estimated market value assigned to the premises.

Section 4 Prohibitions Against Assignment and Transfer; Indemnification.

- 4.1 The 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.
- 4.2 In the event the Developer, upon transfer or assignment of the Development property or any portion thereof, seeks to be released from its obligations under this Development Agreement as to the portions of the Development Property that is transferred or assigned, the EDA shall be entitled to require, as conditions to the release that:

- A. Any proposed transferee shall have the qualifications and financial responsibility necessary and adequate to fulfill obligations undertaken in this Agreement by the Developer as to the portion of the Development Property to be transferred.
- B. Any proposed transferee, by written recordable form, satisfactory to the EDA, shall have expressly assumed all the obligations of the Developer under this agreement. In the absence of written agreement, no such transfer or approval by the EDA shall be deemed to relieve the Developer, or any other party from its obligations.
- C. Any and all documents involved in the transfer of any interest in this Agreement shall be in a form reasonably satisfactory to the EDA.

EDA is not required to release Developer from its obligations under this Agreement if EDA is not satisfied the conditions above have been adequately met.

- 4.3 Indemnification: The EDA and the governing body members, officers, agents, and employees thereof shall not be liable for any damage or injury to persons or property of the Developer or its agents or employees or any other person who may be on the Development Property. All agreements of the EDA herein are agreements of the EDA and not of any governing body member, officer, agent, or employee of the EDA in the individual capacity.

Section 5 Events of Default:

- 5.1 The following shall be considered "Events of Default" under this Agreement.

- A. Failure by the Developer to meet conditions or obligations within this Agreement or Developer's obligations in the Purchase Agreement between EDA and Developer dated 07/23/21, incorporated herein by reference.
- B. Failure to pay real estate taxes or assessments on the Development property or any part thereof within 90 days after the date due.
- C. Filing of bankruptcy or admittance in writing by the Developer or his inability to pay debts as they become due.
- D. Sale, transfer, or assignment of the Development Property by the Developer prior to maturity, without prior written approval of the EDA

- 5.2 Remedies of Default: Upon default, the EDA may:

- A. Suspend its obligations under this Agreement until it is assured the Default is cured.
- B. Cancel or terminate this Agreement.
- C. Take whatever action, including legal suit, which is deemed necessary to recover from Developer the costs of EDA creating the TIF district in reliance of Developer

executing this Agreement. Such TIF setup costs are estimated to be up to \$7,500.00. Developer shall be responsible for the actual TIF setup costs, whether higher or lower than the estimate, plus any attorney fees and costs of collection.

- D. Take whatever action necessary, including legal suit, to recover the lost TIF proceeds from Developer should Developer fail to pay the real estate taxes during any period this Agreement is in effect.
 - D. Exercise the Right of Reverter in the Warranty Deed transferring the real estate from EDA to Developer, providing that the real estate title shall revert back to Seller in the event Developer does not complete construction of the contemplated building by December 31, 2022.
 - E. These rights are non-exclusive and may be exercised concurrently.
- 5.3 The Developer shall be considered to be in default upon failure to cure the event of default within 30 days of receipt of written notice from the EDA, or in the event, due to its nature, is not curable within 30 days.

Section 6 Notices/Recording: 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:

6.1 In the case of the Developer, is addressed to or delivered to the Developer at:

JEFFREY O'CONNOR
1147 JOHN & MARY DRIVE
CHATFIELD, MN 55923

6.2 In the case of the EDA, is addressed to or delivered to:

EDA, CITY OF HARMONY
ATTN: CITY ADMINISTRATOR
PO BOX 488
HARMONY, MN 55939-0488;

Or at such other addresses with respect to each party, from time to time, is designated in writing.

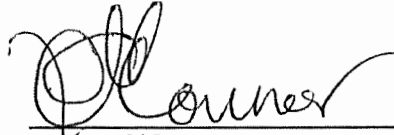
6.3 The EDA shall record this Agreement and any amendments with the Fillmore County Recorder. The Developer shall pay for all costs for recording. The terms and provisions shall be deemed covenants running with the Development Property and shall be binding upon future owners/successors.

Section 7 Maturity: This agreement shall automatically terminate on 12/31/33.

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

City of Harmony EDA:

Developer:



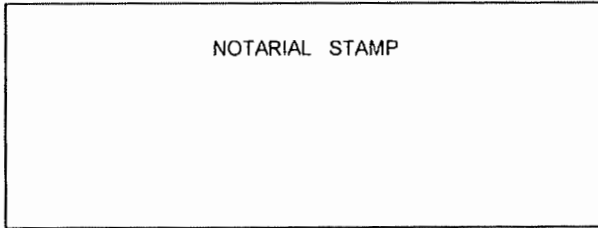
By: Kerry Kingsley
Its: President

Jeffrey O'Connor

By: Devin Swanberg
Its: Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF FILLMORE)

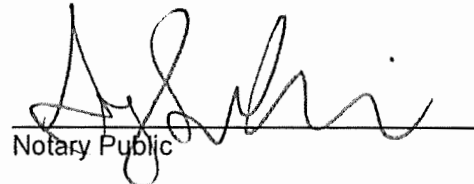
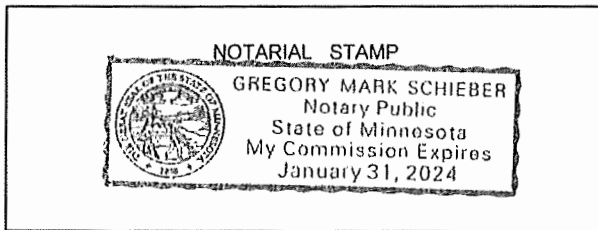
On this _____ day of September 2021, before me a Notary Public within and for said County, personally appeared Kerry Kingsley and Devin Swanberg, to me personally known, who being by me duly sworn, did say they were the President and Executive Director of the EDA of Harmony, respectively, as named in the foregoing instrument, and that the seal affixed to said instrument was signed and sealed on behalf of said entity by authority of the EDA and they acknowledged said instrument to be their free act and deed on behalf of the EDA.



Notary Public

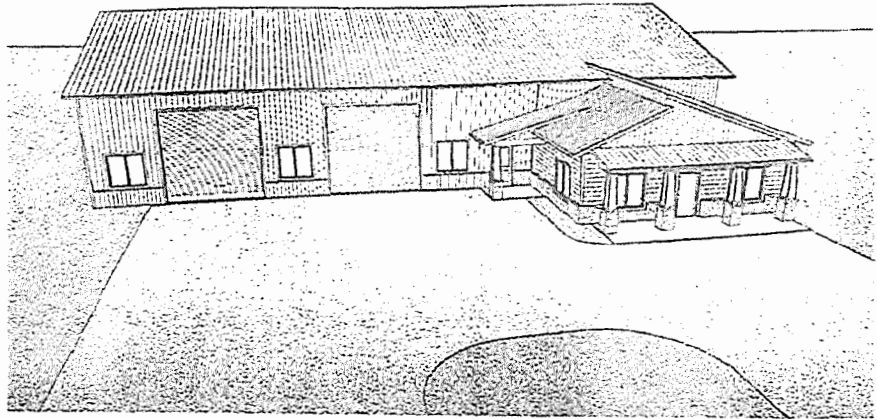
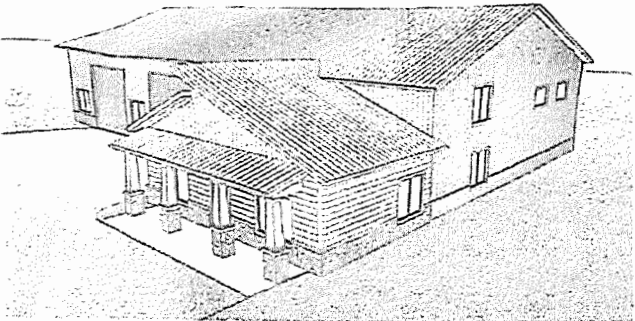
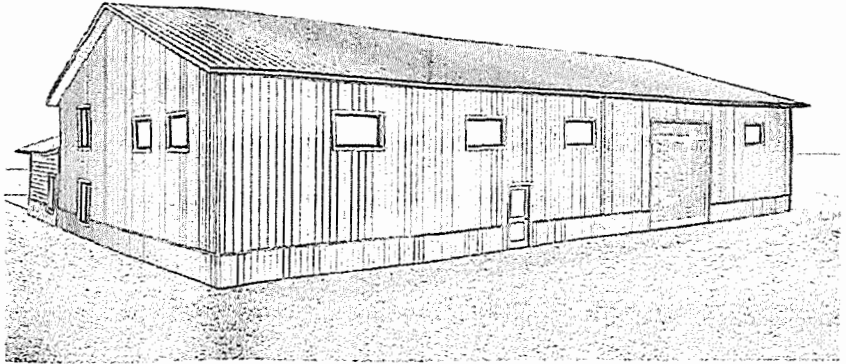
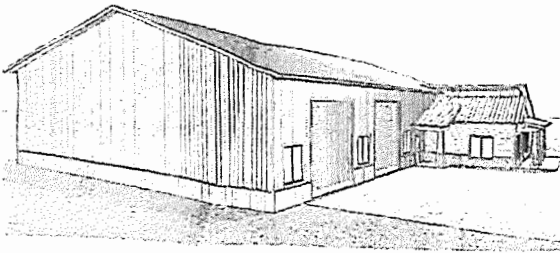
STATE OF MINNESOTA)
) ss.
COUNTY OF FILLMORE)

On this 10th day of September 2021, before me a Notary Public within and for said County, personally appeared Jeffrey O'Connor, to me personally known, who being by me duly sworn, did say they are the Developer of the property described herein, as named in the foregoing instrument, and that the instrument was signed of their free act and deed.

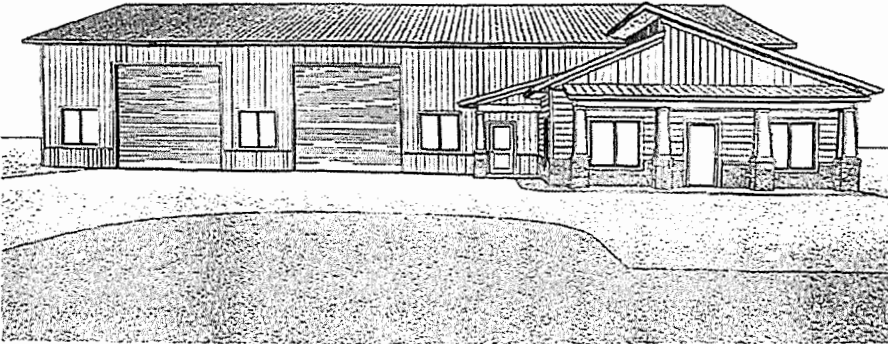
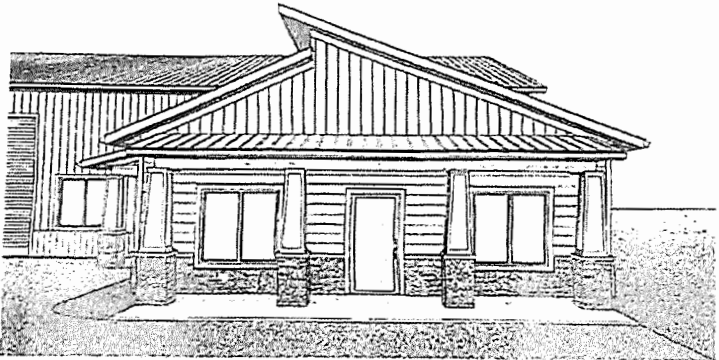
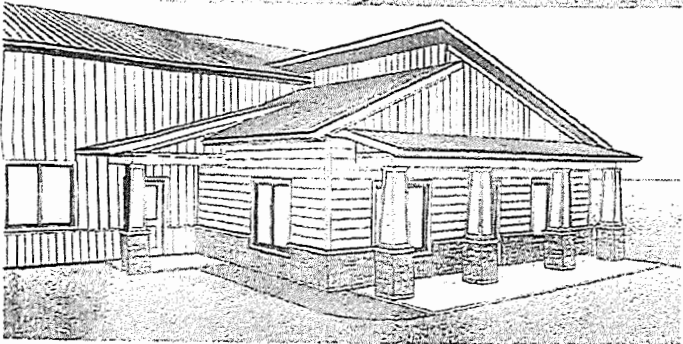


Notary Public

Exhibit A



PRELIMINARY DESIGN DRAWING
NOT INTENDED FOR CONSTRUCTION



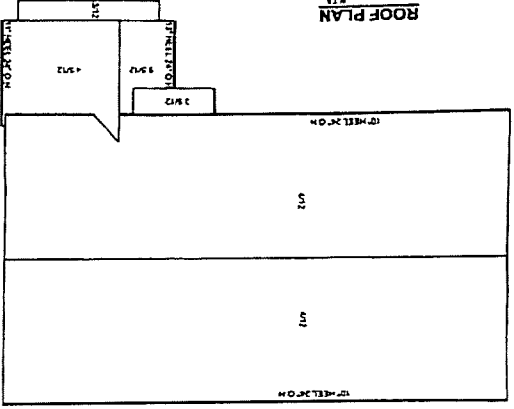
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SCALE: 1/8" = 1'-0"
DATE: 10/15/11
DRAWN BY: JLD
CHECKED BY: JLD
PROJECT: NEW CITY TRIMMERS BUILDINGS
SHEET: 01

New Building For
Twin City Trimmers
January 2012

MIDWEST
CRATING & DESIGN
INC.
1111 Commerce Center Drive
St. Charles, MO 63304
www.midwestcrating.com

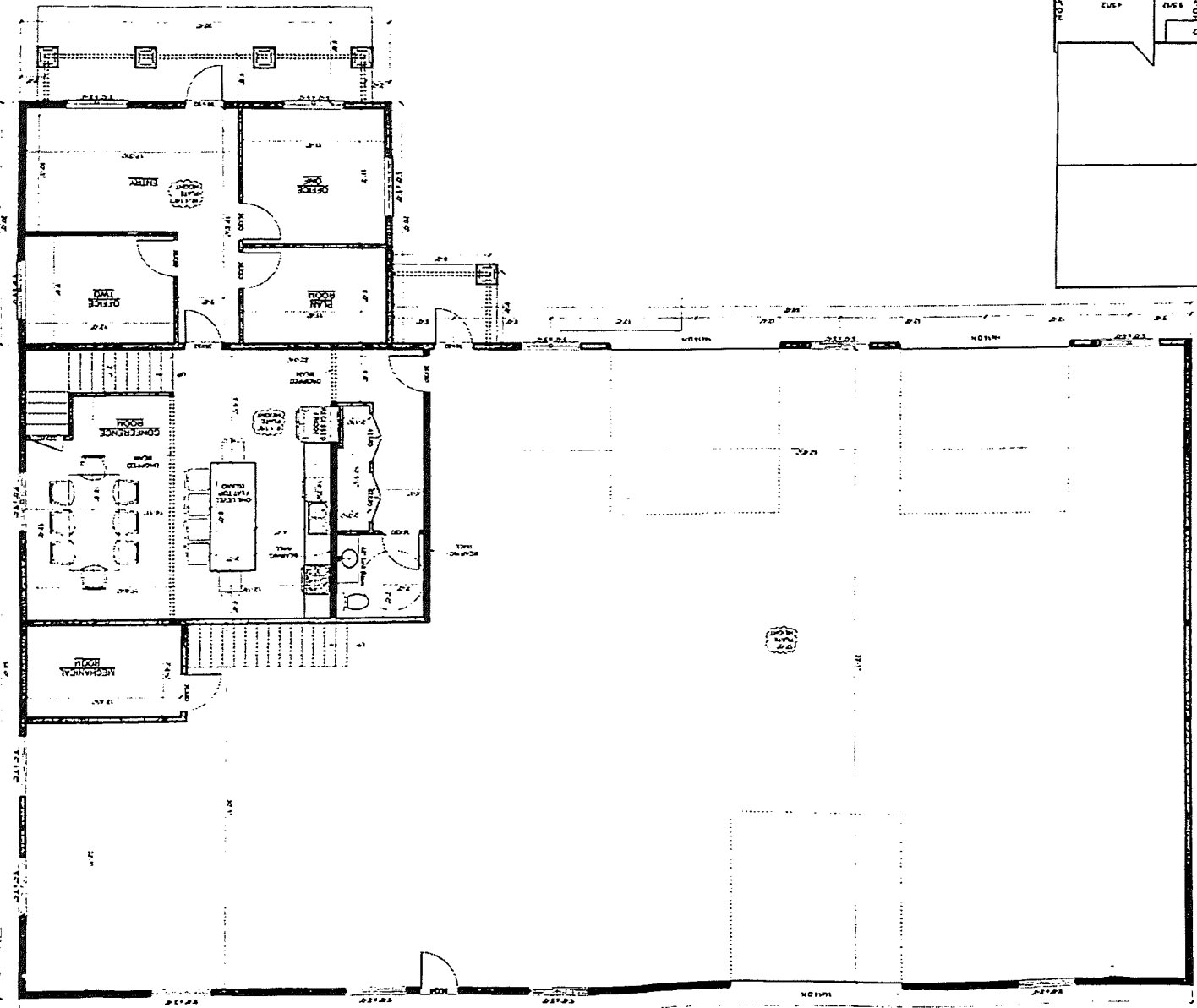
AI



ROOF PLAN
NO. 12

PRELIMINARY DESIGN DRAWING
NOT TO BE USED FOR CONSTRUCTION

MAIN LEVEL PLAN
10'-1 1/8" PLATE HEIGHT ENTRY
17' PLATE HEIGHT SHOP



MIDWEST
DRAWING & DESIGN
1100 Commercial Center
St. Louis, MO 63102
TEL: 314-433-1100

New Building For
Twin City Trimmers

DATE: 11/84
SCALE: 1/8" = 1'-0"
PROJECT: NEW BUILDING
SHEET NO.: 12 OF 12
DRAWN BY: [Name]

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A2

Harmony EDA Minutes

September 2, 2021
7:30 AM

Community Center
Council Room

Present: Kerry Kingsley, Steve Donney, Steve Sagen, and Greg Schieber

Also Present: Melissa Vander Plas, Devin Swanberg, and Chris Giesen

The regular meeting was called to order at 7:32 AM by Kerry Kingsley.

Minutes

The board reviewed the minutes of the August 5, 2021 meeting. Motion by Donney, second by Sagen to approve the minutes as presented. Motion carried unanimously.

Financial Reports & Claims

The board reviewed the loan portfolio and home rebate ledger. One past due loan was discussed. There were no claims for payment.

Review Development Agreement for Jeffery O'Connor Project

The board reviewed an outline of material terms for a to-be-drafted development agreement between the city and Mr. Jeffery O'Connor for his proposed project in the industrial park. The board reviewed the terms, namely to utilize TIF to buy down \$46,000 of the total \$65,000 purchase price. The board noted that the proposed development agreement would be approved by the city council but followed the terms of sale approved at the last board meeting. Motion by Sagen, second by Schieber to recommend that the city council approve a development agreement with the material terms as outlined. Motion carried unanimously.

Experience Harmony Goals

The board discussed possible updates to various Experience Harmony goals at length. It was noted that many good things are happening right now and in motion so attention should be paid to ensuring those effort's success, but that forward progress and momentum should be maintained. Giesen happily reported that the new 2020 Census information was received and Harmony grew from 1,020 to 1,043; about 2.25% increase. Harmony was also only one of three cities in Fillmore County to increase its population over the ten year period – the other two being Chatfield and Rushford. The board agreed that brainstorming should occur regarding needed business services or other amenities. The board generally discussed the need for a brewery, pie shop, auto parts store, and dentist. Additional discussion was held regarding how to attract and support those types of businesses. It was decided to continue the discussion and add business attraction with the specific business types discussed to the Experience Harmony II goals.

Sagen gave a brief update on the electric vehicle charging stations. The city is waiting to receive the charging units but is otherwise ready for installation.

The board also discussed reviving a discussion on holding events to explain opportunities related to utilizing solar power options in the community and local ordinances related to those activities, but no action was taken.

Chamber of Commerce Report

Melissa Vander Plas was present to give the chamber report. The chamber is pushing to develop its social media presence including recently having started an Instagram account. Visitor numbers are also back to pre-Covid rates. The chamber is also preparing for fall and winter events such as Haunted Harmony, the annual craft show, and small business Saturday.

Vander Plas also submitted the chamber's formal letter of request for its 2022 funding allotment of \$27,000 which was included in the proposed EDA budget and approved at the August meeting.

Prospects/Community Update

Giesen gave a report on additional prospects considering projects in the community. He also gave a brief update on the small cities block grant application survey effort; so far a good response has been collected.

There was no other business.

Hearing no objections, Kingsley adjourned the meeting. The meeting adjourned at 9:56 AM.

The next regular meeting is scheduled for October 7, 2021 at 7:30 AM at the Community Center.