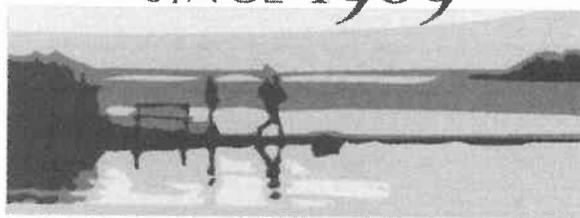


Chairman Gary Rosato
28523 E. Harris Road
Grand Rapids, MN 55744
Phone #218-244-5248

Supervisor Dennis Kortekaas 326-1882
Supervisor Jim Kelley 327-0317
Supervisor Burl Ives 259-1279
Supervisor Ken Haubrich 327-1351
Treasurer Becky Adams 259-1192
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Harris Township

SINCE 1909



NEIGHBORS, SHORES & MORE

Mission Statement:

The Harris Town Board strives to enhance the quality of life, protect the environment, and maintain economic stability for the residents of their community.

www.harristownshipmn.org

REGULAR MEETING **October 14, 2015 at 7:30pm** **AGENDA**

- 1. Pledge to the flag**, followed by the reading of the township mission statement
- 2. Consider approval of Minutes** from Regular Meeting on Sept. 9, and P&D Meeting on Sept. 23, 2015.
- 3. Business from the floor**
 - Range Water Conditioning - town hall water report
- 4. Consent Agenda**
 - 1) Consider approval of cemetery site sold to William & Kim Shannon: Section 2, Block 43, Lot 2, Site 6
- 5. Roads**
 - Consider Engagement Letter from Robert W. Baird and Co. – as underwriter of bonding process
 - Review finance plan from Baird, and consider setting public hearing date to review the 5 year road plan
 - Consider approval of Resolution #2015-010, *Resolution calling for Public Hearing on Street Reconstruction Plan and Issuance and Sale of Not to Exceed \$3,000,000 General Obligation Street Reconstruction Bonds Thereunder.*
 - Glen Hodgson, SEH Road Engineer – updates as needed
 - Other road issues/concerns/comments
- 6. Recreation**
- 7. Correspondence**
 - Board Action items:
 - Consider approval of the Engagement Letter from Wipfli LLP to conduct the 2015 township audit
 - Noteworthy items:
 - Proposed Fire Contract for 2016 with City of Grand Rapids (can call to meet with the city, if desired)
 - Collaborative Opportunities Meeting minutes from September 22, 2015 & Agenda for 10/26/15 meeting
 - Thank you email, regarding use of Crystal Park pavilion
 - MN Assoc of Township notice: No Cost New Officer Training
 - Non-action items
 - Copy of Itasca County approved land use and sewage treatment system permits
- 8. Old Business**
 - Review information regarding email accounts using the township's website server (see email and handout from Gov Office)
 - Consider setting a date for the Annual Road Meeting, with published notice
 - Consider setting a date for a work session, to review a variety of items (Rosato)

9. New Business

10. Treasurer's Report – dated October 14, 2015 (September 1-30, 2015 financials)

11. Approve payment of bills for October 2015

12. Public Input (*please limit comments to 5 minutes*)

13. Upcoming events and meetings

- Mon Oct 19 Itasca County Twp Association Meeting..... 7:00pm Itasca Co Courthouse
- Wed Oct 21 Round table with City of Grand Rapids Staff.....5:30pm GR Public Utilities
- Wed Oct 28 Planning & Development Meeting..... 7:30pm Harris Town Hall
- Tues Nov 3 ISD#318 Special Election.....polls open 7am – 8pm Harris Town Hall
- Mon Nov 9 Itasca County Twp Association Meeting..... 7:00pm Itasca Co Courthouse
- **Tues Nov 10** Regular Meeting (*a day early, due to Veterans Day on Wed.11/11/15*)..7:30pm Harris Town Hall
- **Wed. Nov 18** Planning & Development Mtg (*a week early, due to Thanksgiving*)... 7:30pm Harris Town Hall

14. Adjourn

**MINUTES from the REGULAR Meeting
Harris Township Board
Wednesday, September 9, 2015 at 7:30pm**

Draft

The Regular Meeting of the Harris Town Board was held on Wednesday, September 9, 2015. The meeting was called to order at 7:30pm, at the Harris Town Hall, with the following officers present: Supervisors Gary Rosato, Dennis Kortekaas, Jim Kelley, Ken Haubrich and Burl Ives as well as Clerk Michele Smith and Treasurer Becky Adams. *Absent: None*

Also in attendance were Glen Hodgson – SEH Road Engineer, Evon and Mylo Haarklau, Dan Butterfield, and Judy Myers.

1. Pledge to the flag, followed by the reading of the township mission statement

2. Consider approval of Minutes from the Regular Meeting on August 12, the Bonding Info Work Session on August 17, the P&D Meeting on August 26, and the Road Work Session on August 31, 2015.

A motion to approve the minutes as presented was made by Supervisor Kortekaas and seconded by Supervisor Haubrich. Discussion: Supervisor Ives brought up the speed limit reduction on Sunny Beach Road, to less than 35mph as noted in the Aug 26 P&D minutes. Chairman Rosato asked that he please bring this up under old business. Motion to approve the minutes passed by a unanimous vote.

3. Application for IRRRB Residential Redevelopment Program Grant (as tabled from 8/12/15 mtg)

- Review letter from Milo and Evon Haarklau regarding the approval of the application for the demolition of a two story house and garage located at 20643 Stony Point Road

Milo and Evon Haarklau were in the audience, and had submitted a letter addressing concerns of the board had when they reviewed their IRRRB application at a previous meeting; the letter was in the agenda packet. Chairman Rosato highlighted some key points of the letter (*see agenda packet for a copy*), and invited the board to ask questions as needed. Some responses noted were:

- Haarklaus did plan to have a survey done. However, the surveyor was behind schedule and so they were having to wait a couple weeks or more for a survey.
- The lakefront portion of the property is *not* in Harris Township, but the land with the 2 buildings on it to be demolished *is* in Harris Township.
- Itasca County had visited the site several times, and would be out there again tomorrow to review for any asbestos. The set back requirement is only 75 feet from the high water mark per Dan Swenson from Environment Services - not 150 feet as the board thought.
- The contact person at IRRRB has changed from Lori Spielman to “Lee” who formally ran program. Lee shared with Evon Haarklau that the Township is *not* on the hook for anything; they would just be a pass-through agent. Ives questioned that – as Butterfield was told by Spielman that the township would be the holder of the contract with IRRRB and with the demolition contractor. Haarklau suggested that perhaps the information had changed, as she was told the Township only pays out what the IRRRB pays them via the grant.
- The cities of Chisholm, Grand Rapids, Cohasset, and LaPrairie have all participated in this IRRRB grant program. Haarklau hadn’t talked to anyone else, but understands that many other local government units are taking advantage of the redevelopment program.
- Even though the August deadline had passed, Haarklau was told not to worry about it, and to continue on; the IRRRB would process the application as soon as they could.
- Ives asked if not having several buildings (3 or more) was an issue. No, per Dan Butterfield.

Haubrich noted that he had emailed Lori Spielman at IRRRB after the last meeting on Aug 12th, but did not receive any clarification as hoped; her reply was basically a repeat of information the board already had.

After reviewing the application checklist, Supervisor Ives made a motion to approve the IRRRB Residential Redevelopment Program Grant application as received from Dan Butterfield on behalf of Milo and Evon Haarklau for the demolition of a two story house and garage located at 20643 Stony Point Road. The motion was seconded by Supervisor Kelley and upon roll call, motion passed by a unanimous vote.

- Consider approval of Resolution #2015-008: Resolution authorizing Harris Township to make Application to and Accept Funds from, IRRRB Residential Redevelopment Grant Program

Supervisor Kelley then made a motion to approve Resolution #2015-008, authorizing Harris Township to make Application to and Accept Funds from IRRRB Residential Redevelopment Grant Program. The motion was seconded by Supervisor Ives and passed by unanimous vote.

The board suggested that Haarklau continue to communicate with Dan Butterfield regarding the application submission process, and to contact the clerk if needed.

4. Business from the floor

- None

5. Consent Agenda

- 1) Consider approval of cemetery sites purchased by Robert and Alice Hill: Sec 3, Block 11, Lot 1, Sites 1 & 2
- 2) Consider approval of cemetery site purchase by Lisa Krumrei: Sec 3, Block 29, Lot 4, Site 2

A motion was made by Supervisor Kortekaas, seconded by Supervisor Kelley, to approve both consent agenda items. Motion passed by a unanimous vote.

6. Roads

- Glen Hodgson – SEH Road Engineer (*see related memorandums in agenda packet*)
 - Consider approval of the Preliminary Survey Proposal for 2016 Road Projects

Hodgson shared a 3-page proposed agreement for professional services. The proposal covered the preliminary topographical survey work on three road projects that are planned for 2016 – on Sunny Beach Road, Isleview Road and Birch Street. He requested the board approve the proposal so that SEH could collect the necessary field data this fall 2015. If the road projects do proceed, SEH can then complete the design work this winter and have the projects ready to bid in early spring of 2016. This would allow the best possible timing for bidding the projects. The fee for service as outlined by the proposal was \$7,895.00.

A motion was made by Supervisor Ives to accept the proposal as submitted by SEH for the topographical survey work on Sunny Beach Road, Isleview Road, and Birch Street for a lump sum fee amount of \$7,895.00; the motion was seconded by Supervisor Kelley. Discussion: Has the board come to a definite decision that these three roads will be done in 2016? No, per Hodgson, which is why the SEH proposal was only for the topographical survey and not the design, etc. The information will be remain valid for whenever the roads are improved. Upon roll call, the motion passed by a unanimous vote.

- Consider adoption of the 5-Year Road Improvement Plan for 2016-2020

Hodgson passed out a three-page updated Excel spreadsheet that outlined future bituminous road improvement plans in Harris Township. The proposed 5-year road improvement plan was shown in “Part two” of the spreadsheet. The board had seen the spreadsheet before, but Hodgson had revised the plan to match the scope that the board discussed at the August 31,

draft

2015 work session. Specifically, his updated plan now showed Sunny Beach Road, Isleview Road, and Birch Street improved in 2016. The remaining four years of the 5-year plan included improvements to various roads that would cost an average of \$350,000/year. Hodgson removed some roads he'd included previously so it was a less aggressive plan.

Hodgson emphasized it was only a plan and did not create any obligations for the board, and they would be free to modify the plan at any time. In fact, he encouraged the board to review it every year and update annually.

Adopting a 5-year plan was noted to be a necessary step to continue discussions about bonding, and Hodgson recommended the board adopt the plan as presented.

A motion was made by Supervisor Haubrich, seconded by Supervisor Ives, to adopt the 5-year road plan as presented by Glen Hodgson, SEH road engineer. The motion passed by a unanimous vote.

○ Consider next steps for Continuation of Bonding Discussion and Process

With a 5-year road plan adopted, the next step for the board in the bonding process is to “prepare a general obligation street reconstruction finance plan illustrating the estimated terms and costs of the proposed obligation” (as quoted from the materials presented by Paul Donna of Baird).

A motion was made by Supervisor Kortekaas, seconded by Supervisor Ives, to continue with the bonding process and authorized Glen Hodgson of SEH and Treasurer Becky Adams, to meet with Mr. Donna to discuss a financing plan that could be presented to the board at a later meeting. The motion passed by a unanimous vote.

○ Update on Underwood Road (west) Project

Hodgson and Dan Shannon prepared a punch list of work items for the contractor to complete before the project on Underwood Road-west can be finalized. They directed the contractor *not* to remove the silt fence and erosion control logs until next spring. Therefore a final payment on the contract will not be completed until 2016, and SEH will continue to hold 2% retainage until next spring.

● Other road issues/concerns/comments

- A resident of Harbor Heights Road contacted Supervisor Ives as he has a small wash out problem due to heavy rain. Glen Hodgson from SEH agreed to go look at the area and contact the township maintenance crew as needed. The home is located towards the end, #20206 (Bob Olson). Ives shared a photo of the area he'd taken on his mobile phone earlier that day.

7. Recreation

- None

8. Correspondence

● Board Action items:

- None

● Noteworthy items:

- Collaborative Opportunities Meeting minutes from August 19, 2015 (Ives and Haubrich both attended)

● Non-action items

- Certificate of Insurance for Swartz and Son, Inc.
○ Copy of Itasca County approved variance application from Paul Venne/Howard Carp – for property on Sunny Beach Addition Road

9. Old Business

- Consider setting a date for road side clean of the town board's Adopt a Highway portion of River Road

draft

The board set up the following date and time for roadside clean up on their 2 mile stretch of River Road, between Wendigo Road and the Grand Rapids city limits: **Friday, Sept 11th, 6pm. Meet at cemetery.** The clerk will post a quorum notice.

- Speed limit on Sunny Beach Road

Supervisor Ives recapped that a year ago or so, the board learned that MN state statute doesn't allow the board to set the speed limit on a township road below 35mph. If they want it lower, they need MnDOT's approval. Ives felt there were some areas of Sunny Beach Road that should be less than 35 mph. Glen Hodgson suggested the Duluth branch of MnDOT be contacted, and to talk to the District Traffic Engineer. Supervisor Ives agreed to do make that call.

- Wide-crack fill (NuvoGap)

Supervisor Haubrich commented that the wide-crackfilling via NuvoGap didn't meet the board's expectations and asked if Hodgson had met with contractor yet. He had not – but did plan to meet with them and discuss the crackfilling results and review the roads done. Haubrich suggested that the board consider specifying and sharing expectations with contractors in the future, before work is done. Supervisor Ives wondered if another layer of NuvoGap could be put on over that layer that was put down this year – if needed. Hodgson agreed to ask the contractor that question. Overall, Hodgson and the board agreed that the NuvoGap crack fill improved ridability of the roads, but that they all expected a better result.

- Consider date and time for Grand Rapids & Harris Township Roundtable:

Clerk Smith shared that she'd received a request from Julie Kennedy, Grand Rapids city engineer, to meet for a round table on **Wednesday, Oct 21, 2015 from 5:30-7:00pm at the Grand Rapids Public Works / Public Utilities Service Center.** This date worked for all supervisors and the clerk. Smith will let Kennedy know that the meeting date and time has been confirmed.

- Northwest Gas: Is the township interested in having pipe run to the Harris Town hall for natural gas?

Mike Gorham contacted Clerk Smith to ask if the Town Board was interested in having Natural Gas line run to the Town Hall, as they are currently laying line along Airport Road. The board agreed that yes they would like it run to the hall. It's free to have it done now, but will come with a cost per foot to have it installed in the future.

The board asked if the Township Service Center should also have gas line run to it. Supervisor Rosato agreed to check on that and let the clerk know. He recalled the house was heated by electric slab heat, but wasn't sure what type of heat was in the maintenance garage.

- LaPlant Landing crack sealing

It was reported that the crack sealing at LaPlant landing had been pulled out, and left hanging all over. When it's warm outside, the crack fill can be peeled out like rope. No action was taken, but was just brought to the board's attention as an FYI.

10. New Business

- Consider approval of Resolution #2015-009, Adopting the Levy Collectable in 2016

After reviewing, a motion was made by Supervisor Kortekaas to approve #2015-009, Adopting the Levy Collectable in 2016 as presented; the motion was seconded by Supervisor Kelly and passed by a unanimous vote.

A recap of the resolution is as follows:

THEREFORE, BE IT RESOLVED, to adopt the following levies, collectable in 2016:

General Fund Operations	\$140,000
Historical Society (\$1/pp of 2010 census)	\$ 3,253
Itasca Co. Agricultural Assoc. (Fair Board)	\$ 1,000
Road and Bridge Fund	\$490,000
Equipment Fund	\$ - 0 -

draft

Cemetery Fund	\$ - 0 -
Recreation Fund	\$ 25,000
Building & Grounds Fund	\$ 60,000
Fire Fund	\$ 75,000
Capital Improvement Fund	\$140,000
Total levy collectible in 2016	<u>\$934,253</u>

11. Treasurer's Report – dated September 9, 2015 (August 1-31, 2015 financials)

Treasurer Adams reported that there was nothing out of the ordinary on this month's report. She recapped the September report as follows:

- Balance Aug 1, 2015: \$1,447,737.03
- Receipts: \$ 7,302.84
- Disbursements: \$ (82,952.46)
- Balance Aug 31, 2015: \$1,372,087.41

A motion was made by Supervisor Kortekaas, seconded by Supervisor Haubrich, to approve the September 9th 2015 Treasurer's Report of August 2015 financials. Motion carried by a unanimous vote.

12. Approve payment of bills for September 2015

Treasurer Adams noted the bill list included a payment to Hawkinson in the amount of \$150,782 for major construction, and to Bargaen for the second half of crack filling.

Adams requested that an additional payment be included to Pokegama Electric for \$157.00 for an outstanding bill from December that was just received tonight. The \$415 bill amount on the bill list for Pokegama Electric, plus the outstanding bill for \$157.00, meant a revised total of \$ 572.00. Adams will verify that this bill had not been paid previously.

The total of the revised bill list was noted to be \$197,940.93.

A motion was then made by Supervisor Kelley, seconded by Supervisor Haubrich, to pay the bills as per the attached document titled "September 2015 Bill Listing to Board" as revised for \$197,940.93. Upon roll call, motion passed by a unanimous vote

13. Public Input (please limit comments to 5 minutes)

- None

14. Upcoming events and meetings

- | | | |
|----------------|--|--------------------------------|
| • Fri. Sept 11 | Road clean up | 6:00pm Meet at Harris Cemetery |
| • Mon Sept 14 | Itasca County Twp Association Meeting..... | 7:00pm Itasca Co Courthouse |
| • Wed Sept 23 | Planning & Development Meeting..... | 7:30pm Harris Town Hall |
| • Mon Oct 12 | Itasca County Twp Association Meeting..... | 7:00pm Itasca Co Courthouse |
| • Wed Oct 14 | Regular Meeting..... | 7:30pm Harris Town Hall |

15. Adjourn

With no other business to become before the board, a motion was made at 8:45pm by Supervisor Kelley to adjourn tonight's meeting; upon a second by Supervisor Haubrich, the motion passed and the meeting adjourned.

draft

Respectfully submitted,

Michele Smith, Clerk of Harris Township

September 2015 Bill Listing to Board

	Description	Amount
Gary Rosato	Mtgs, wages, labor, less withholding	693.56
Dennis Kortekaas	Mtgs, wages, labor, less withholding	527.72
Burl Ives	Mtgs, wages, labor, less withholding	349.40
Jim Kelley	Mtgs, wages, labor, less withholding	527.72
Ken Haubrich	Mtgs, wages, labor, less withholding	557.93
Michele Smith	Mtgs, wages, labor, less withholding	1,041.56
Becky Adams	Mtgs, wages, labor, less withholding	502.68
Bonnie Key	Cleaning labor, showing, less withholding	305.63
Dan Key	Labor less withholdings	2,119.62
Derrick Marttila	Labor less withholdings	2,220.64
PERA	ONLINE pmt:: Payroll withholding	1,316.11
Andersen, Earl F.	signs: caution children	191.97
Bergen, Inc.	crack sealing - norberg Drive, mishawaka shores trails east and west	19,776.00
Braun Intertec	sunny beach road and isleview road-eval and pavement coring	2,012.50
Burggrafs ACE Hardware	fuel line	9.24
Century Link	ONLINE pmt:: August phone service	285.61
Davis Oil	August invoices	672.60
Diamond Mowers	boom flail, roller plate, bolt, hex nut	271.99
Grand Rapids Public Utilities	Utilities; lights and town hall	185.69
Hawkinson Construction	Underwood Road Project, Alicia Place: repair and stump removal	150,782.65
Herald Review	subscription renewal - 1 year	65.00
Home Depot	ONLINE pmt:: paint, klz, brush	58.42
Itasca Cty Recorder	cemetery deed: corrective deed Swenson	46.00
Lake Country Power	ONLINE pmt:: energy bill - service center, wendigo, crystal, cemetery	438.84
L and M	invoices for August	254.50
MediaCom	PHONE PAY:: Aug phone and internet service - town hall	101.44
Minute Man Press	copies for meetings	48.14
Northland Portables	July, Aug, portables: wendigo park, crystal park, cemetery, boat landings	984.00
Pokegama Electric	replaced security light at crystal park	-415.00
Range Water	water cooler Sept	10.00
Rapid Printing	Newsletter-August	1,071.00
Schwartz and Sons Excavating	August grading	1,260.00
S E H	Engineering Services - misc. services	5,595.34
Stokes Printing	comp book, ink, binder clips,	140.13
Verizon	cell phone bills - Aug 12	121.21
Waste Management	September- 3 yd rel on call	132.80
Commissioner of Revenue	Payroll withholding :: electronic payment	413.00
EFTPS	Payroll withholding :: electronic payment	2,278.29

Total \$ 197,783.93

Approval to pay :: September 9, 2015, Checks numbered 16865 through 168

572.00
\$ 197,940.93

en Haubrich Burl Ives Jim Kelley Dennis Kortekaas Gary Rosato

**MINUTES from the P&D Meeting
Harris Township Board
Wednesday, September 23, 2015 at 7:30pm**

Draft

The regularly scheduled Planning & Development Meeting of the Harris Town Board was held on Wednesday, September 23, 2015. The meeting was called to order at 7:30pm by Chairman Rosato at the Harris Town Hall, with the following officers present: Supervisors Gary Rosato, Jim Kelley, Ken Haubrich, and Burl Ives, as well as Clerk Michele Smith and Treasurer Becky Adams. *Absent: Supervisor Dennis Kortekaas.*

Also in attendance: Glen Hodgson, SEH road engineer, Dr. Bruce Thomas and Rochelle VanDenHeuvel from ISD #318, Pam Rajala, Judy Myers, Dan Butterfield, Cyndy Martin, and a few other guests.

1. Pledge to the flag, followed by the reading of the township mission statement.

2. Business from the Floor

- Community information: Dr. Bruce Thomas - ISD #318 referendum for funding the school board's facilities plan
Dr. Bruce Thomas, ISD #318 interim superintendent, spoke to the board and audience about the school board's plan to build two new kindergarten through 5th grade elementary schools, and the referendum coming up on November 3rd to fund the project. Some of the items noted were:
 - Overall, enrollment has increased over the past ten years; there are currently 4,000 students registered with ISD #318.
 - In elementary schools, enrollment has increased by 26%. All-day, every day kindergarten impacted the number of students in the buildings and so the 5th grade was moved to the middle school. But now the middle school is too full. 6 temporary classrooms were added to the elementary schools.
 - If the current enrollment issue was due to just "a bubble", the school board wouldn't be concerned. However, this has been talked about 4 ½ years since the decision to build was made, to determine *what* to build. There was a lot of public input received. They looked at the bricks and mortar, as well as the instructional needs with updated technology.
 - In 1955, ISD #318 didn't have special education programs; now they have 650 kids with special needs. Also, in 1955, the school district didn't have early childhood programming like they do now.
 - Class sizes are high – in the elementary schools and in the high school. But the school board can't do anything about that without additional space. And the space issues are significant.
 - The proposed plan by the School Board includes building two new K-5 schools in two locations – one to the east of Pokegama Avenue, and one to the west.
 - The cost to move from 4 elementary schools to 2 elementary schools is \$80 million dollars.
 - If delayed a year, the construction projected cost will increase another 8%; plus, interest rates will likely be higher – so would cost and estimated \$4 million dollars *more* to wait on the plan.
 - The board plans to repurpose the 4 existing elementary schools – for early childhood education sites or city parks.
 - The audience and board were encouraged to review all the information on the ISD #318 website regarding the building plan, and the referendum.

Chairman then opened up the floor for questions from both the board and audience members. After all questions were answered, the board thanked Dr. Thomas for presenting at tonight's meeting.

3. Consent Agenda

- None

4. Roads

- Glen Hodgson, SEH Road Engineer – project updates
 - As requested by Supervisor Ives, Hodgson provided a "bituminous road evaluation spreadsheet" with the condition rating columns showing. An electronic version was also available – if requested from Hodgson.

Upon a question, it was clarified that the formula for the 'priority index' is *condition x volume = priority index*. The lower the number, the higher the priority.

- Harbor Heights: The erosion issue of the resident on Harbor Heights Road, who contacted the board earlier this month, was reviewed by Hodgson and the township's maintenance crew. They had the short section re-graded and recycled aggregate pavement was installed by the maintenance crew.
 - Lakeview Drive: Last spring, the Board contracted with Itasca Utilities to do some additional ditching. Because some of the seeding did not "take" as well as expected, the Hodgson requested that Itasca Utilities seed the back slope of the ditch again. That work was completed by the contractor.
 - Crack sealant at LaPlant landing that had been removed by a patron; Hodgson looked at it and commented that while he'd never seen anything like that before, 90% of the crack filling was still intact.
 - Underwood Road: The punch list for Underwood Road-west was completed for this year; Hodgson will review the road in the spring.
 - Bonding call: Treasurer Adams and Hodgson will have a conference call tomorrow (9/24) with Paul Donna from Baird regarding financing the road improvement plan for 2016. They will report back at the Regular Meeting on October 14th.
- Other road issues/concerns
 - N/A

5. Recreation

- Crystal Park volleyball court is overgrown with weeds. Rosato commented that it had been recommended that they rent a rototiller to address the problem, which would help the court be ready for spring.
- Mowing and trimming of the parks will continue as long as needed, based on the weather.

6. Town Hall Report dated 9-8-15

The Town Hall Report as prepared by the Town Hall Caretaker was reviewed by the board. There were 16 cleaning hours reported, 8 total rentals, and a total of \$125 collected during the month.

There was a note on the report regarding the concrete platform off of the southern exit, near the back of the board room area. Ms. Key noted that the steps are cracking on the platform. After looking at the platform and steps, Rosato suggested the board also review them as he didn't think there was a safety issue.

Supervisor Rosato commented that he had met with Bonnie Key to go through her list of concerns and requests for the town hall that she previously shared with the board. Rosato added that he is still trying to determine a plan and timeline for the items. Some things the township maintenance crew will take care of as time allows. He is waiting to hear back from a water testing person regarding the water at the town hall, to get rid of the smell and stains from the water. And Rosato agreed to call a floor refinisher to get that project scheduled.

7. Maintenance Report for July 6 – August 7, 2015

The board reviewed the Maintenance Report as prepared by the maintenance crew. Supervisor Ives asked for clarification regarding the hours by categories page, and some of the G/L accounts and related funds – specifically about Wendigo / Crystal park items being under Buildings and Grounds rather than Recreation.

Treasurer Adams had talked with maintenance crew, as there are things in the Recreation Fund for Wendigo and Crystal parks, but there are also some items for Wendigo and Crystal parks in the Building & Grounds Fund. The crew recommended moving *all* items regarding the Crystal and Wendigo parks to the Recreation Fund. Adams agreed it made sense, but wanted to bring it to board for approval.

The board approved Treasurer Adams change the fund of several general ledger lines, whereby any line items that had to do with Crystal Park or Wendigo Park should be in the "Recreation Fund" (only) – rather than some items in Recreation and some in Buildings & Grounds.

8. Old Business

draft

- Consider proposal(s) for conversion to natural gas at Harris Town Hall and Harris Service Center
Supervisor Haubrich requested proposals from three contractors for the conversion to natural gas at the town hall and service center. He received two as follows (the third said he was too busy):
 1. Northern Air Plumbing and Heating: \$2,479 – and included a new water heater
 2. Aspire Heating: \$1,216 – and included conversion of the existing hot water heater to natural gas

The board discussed that they could keep the propane water heater for now, and use up the current propane – and then look into replacing it at a later date.

Supervisor Ives made a motion to accept the natural gas conversion proposal from Aspire Heating and Control Inc. as presented, for the Harris Town Hall and Service Center in the amount of \$1,216.00. It was noted that the proposal includes an inspection of the facilities furnaces. The motion was seconded by Supervisor Kelley, and passed by a unanimous vote.

- Township Email Addresses

Supervisor Ives talked about the Collaborative Opportunities meeting he and Supervisor Haubrich attended, where an Information Technology (IT) person spoke to the group. Ives asked about the board getting email addresses that would be separate from their personal emails – and where the email addresses would include the township names, such as “B.Ives@harristownship.org”. Clerk Smith agreed to check with the township website provider, GovOffice, and report back to the board what they can offer. Treasurer Adams also suggested setting up free Gmail accounts where the “@gmail.com” would be the same for everyone, but that each person could create their own user name, but using a consistent ‘format’ for everyone on the board.

Ives went on to talk about the IT survey (which the clerk completed), which asked about the IT needs of the township including software programs, hardware, and security. Ives added that there is a consultant in the area that may be able to help the township with our needs – including backing up of data. However it was not known how much this consultant charged for the services she provided.

- IRRRB demolition project update:

Dan Butterfield, the township’s representative for the IRRRB residential redevelopment program, gave an update on the Stony Point landowners’ application for help with the costs of a demolition project of the house and garage that were on the property they recently purchased. Overall, the application packet was completed, signed by the board chair, and returned to IRRRB.

Per Butterfield, the application was approved but IRRRB, but the awarded amount was not yet known. And the board was still waiting for the contract from IRRRB, and guidance on the next steps in the process. Butterfield reminded the board that there will be more paperwork after the demolition is completed as well, including after photos, but said overall that the process has went fine.

- Annual Road Meeting:

Supervisor Rosato suggested having the “Annual Road Meeting” yet this fall, before the first snow fall. This meeting is usually held in the spring or summer, after annual road reviews. It had been delayed this year, however, due to busyness of the board. Rosato recapped that a notice is typically put in the newspaper for the road meeting, and the public is encouraged to come and share any concerns, requests, or issues about their roads that they’d like the Board to consider for repairs. Rosato asked if this was a ‘mandated’ meeting, but no one was sure.

9. New Business

- None

10. Public Input

- Judy Myers asked how the “Adopt-a-Highway” roadside clean up went. The board commented that it went well; they hauled 11-12 bags of garbage out of the ditches along the 2 mile stretch of River Road which was adopted by the board in honor of the two township maintenance crew workers who were killed on the job

draft

in September of 2004. All five supervisors participated in the cleanup which took place from apx 5pm – 7:30pm on 9/18/15.

11. Upcoming meetings/events

- Mon Oct 12 Itasca County Twp Association Meeting 7:00pm Court house
- Wed Oct 14 Regular Meeting 7:30pm Harris Town Hall
- Wed Oct 21 Round table with City of Grand Rapids Staff 5:30pm GR Public Works-Serv Ctr
- Wed Oct 28 Planning & Development Meeting 7:30pm Harris Town Hall
- Tues Nov 3 Special Election by ISD #318.....polls open 7am – 8pm Harris Town Hall

12. Adjourn

With no other business to come before the board, a motion was made at 8:48 p.m. by Supervisor Ives, seconded by Supervisor Kelley, to adjourn the meeting. Motion passed.

Respectfully submitted,

Michele Smith – Harris Township Clerk

draft

Fwd: Engagement Letter - Baird + Co.

From: **Becky Adams** (beckymadams@gmail.com)
Sent: Sat 10/03/15 9:06 AM
To: Michele Smith (michelesmithclerk@msn.com); Gary Rosato (garyrosato@icloud.com)
1 attachment
Harris Township Engagement Letter UW.pdf (92.5 KB)

FYI - this is the letter for our using Baird. It doesn't mean we have to issue Drotts it's just to let them start the work to look into it. I will sign it based on the boards recommendation to move forward with Baird.

----- Forwarded message -----

From: **Donna, Paul** <PDonna@rwbaird.com>
Date: Wednesday, September 30, 2015
Subject: Engagement Letter
To: Becky Adams <beckymadams@gmail.com>
Cc: "Morrow, Katie" <KMorrow@rwbaird.com>

Hi Becky, attached please find our standard engagement letter outlining our scope of services and disclosing our role as underwriter. Please understand execution of this letter in no way obligates the township to issue debt. It basically satisfies all regulatory rules regarding disclosure of our role in the transaction. We will be assisting the township from start to finish with the financing including providing the capital. Please review and call me with any questions. If this letter is satisfactory, please sign and email back to me at your earliest convenience.

Additionally, I need to speak with you about the preliminary finance plan. Let me know when a good time to call would be.

Thanks,

Paul

September 25, 2015

Mr. Gary Rosato, Chair, Board of Supervisors
Ms. Becky Adams, Treasurer, Harris Township
20876 Wendigo Park Road
Grand Rapids, MN 55744

Gary and Becky:

On behalf of Robert W. Baird & Co. Incorporated (“we” or “Baird”), we wish to thank you for the opportunity to serve as managing underwriter for Harris Township, MN (“you” or the “Issuer”) on its proposed offering and issuance of \$3,000,000¹ General Obligation Street Reconstruction Bonds, Series 2016 (the “Securities”). This letter will confirm the terms of our engagement; however, it is anticipated that this letter will be replaced and superseded by a bond purchase agreement to be entered into by the parties (the “Purchase Agreement”) if and when the Securities are priced following successful completion of the offering process. The Purchase Agreement will set forth the terms and conditions on which Baird will purchase or place the Securities and will contain provisions that are consistent with those stated in this letter.

1. Services to be Provided by Baird. Baird is hereby engaged to serve as managing underwriter of the proposed offering and issuance of the Securities, and in such capacity Baird agrees to provide the following services:

- Review and evaluate the proposed terms of the offering and the Securities
- Develop a marketing plan for the offering, including identification of potential purchasers of the Securities
- Assist in the preparation of the preliminary official statement and final official statement and other offering documents
- Contact potential purchasers of the Securities and provide them with copies of the offering materials and related information
- Respond to inquiries from potential purchasers and, if requested, coordinate their due diligence calls and meetings
- If the Securities are to be rated, assist in the preparation of information and materials to be provided to securities rating agency or agencies and in the development of strategies for meetings with the rating agency or agencies to obtain a rating for the Securities
- If the Securities are to carry bond insurance, assist in the preparation of information and materials to be provided to bond insurance companies and in the development of strategies for meetings/calls with the bond insurance companies
- Inform the Issuer of the marketing and offering process
- Negotiate the pricing, including the interest rate, and other terms of the Securities
- Obtain CUSIP number(s) for the Securities and arrange for their DTC book-entry eligibility
- Submit documents and other information about the offering to the MSRB’s EMMA website
- Plan and arrange for the closing and settlement of the issuance and the delivery of the Securities
- Such other usual and customary underwriting services as may be requested by the Issuer

¹ Preliminary, subject to change

2. Disclosures Concerning Baird's Role as Underwriter as Required by MSRB Rules G-23 and G-17: At the Issuer's request, Baird may provide incidental financial advisory services, including advice as to the structure, timing, terms and other matters concerning the issuance of the Securities. Please note that Baird would be providing such advisory services in its capacity as underwriter and not as a municipal advisor or financial advisor to the Issuer. As underwriter, Baird's primary role is to purchase, or arrange for the placement of, the Securities in an arm's length commercial transaction between the Issuer and Baird. Baird has financial and other interests that differ from those of the Issuer. Municipal Securities Rulemaking Board Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors. However, unlike a municipal advisor or financial advisor, Baird as an underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests. As part of its services, Baird will review the official statement applicable to the proposed offering in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the proposed offering.

As underwriter, Baird will not be required to purchase the Securities except pursuant to the terms of the Purchase Agreement, which will not be signed until successful completion of the pre-sale offering period and satisfaction of various conditions. This letter does not obligate Baird to purchase any of the Securities. If all of the conditions to its obligation to purchase any securities have been satisfied, Baird as underwriter has a duty to purchase securities from the Issuer at a fair and reasonable price but must balance that duty with its duty to sell those securities to investors at prices that are fair and reasonable.

3. Fees and Expenses; Conflicts of Interest. Baird's proposed underwriting fee/spread will be determined by mutual agreement of the Issuer and Baird and will be reflected in the Purchase Agreement. The underwriting fee/spread will represent the difference between the price that Baird pays for the Securities and the public offering price stated on the cover of the final official statement. The underwriting fee/spread will be contingent upon the closing of the proposed offering and the amount of the fee/spread will be based on the principal or par amount of the Securities. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest because the underwriter may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary. Other firms that provide services in connection with the proposed offering may also have fees that are contingent on the closing of the offering.

The Issuer shall be responsible for paying or reimbursing Baird for all other costs of issuance, including without limitation, CUSIP, DTC, IPREO (electronic book-running/sales order system), a day loan charge (currently at the rate of 1% per annum on the par amount), printing and mailing/distribution charges, bond counsel, disclosure counsel, underwriter's counsel and ratings agency fees and expenses, and all other expenses incident to the performance of the Issuer's obligations under the proposed offering.

Baird is a full service securities firm and as such Baird and its affiliates may from time to time provide advisory, brokerage, consulting and other services and products to municipalities, other institutions, and individuals including the Issuer, certain Issuer officials or employees, and potential purchasers of the Securities for which Baird may receive customary compensation; however, such services are not related to the proposed offering. Baird may also be engaged from time to time by the Issuer to manage investments for the Issuer (including the proceeds from the proposed offering) through a separate contract that sets forth the fees to be paid to Baird. Baird may compensate its associates for any referrals they have made that resulted in the Issuer's selection of Baird to serve as underwriter on the proposed offering of the Securities. Baird manages various mutual funds, and from time to time those funds may own bonds and other securities issued by the Issuer (including the Securities). Additionally, clients of Baird may from time to time purchase, hold and sell bonds and other securities issued by the Issuer (including the Securities).

In the ordinary course of fixed income trading business, Baird may purchase, sell, or hold a broad array of investments and may actively trade securities and other financial instruments, including the Securities and other municipal bonds, for its own account and for the accounts of customers, with respect to which Baird may receive a mark-up or mark-down, commission or other remuneration. Such investment and trading activities may involve or relate to the offering or other assets, securities and/or instruments of the Issuer and/or persons and entities with relationships with the Issuer. Spouses and other family members of Baird associates may be employed by the Issuer.

Baird has not identified any additional potential or actual material conflicts that require disclosure. If potential or actual conflicts arise in the future, we will provide you with supplemental disclosures about them.

4. Term and Termination. The term of this engagement shall extend from the date of this letter to the closing of the offering of the Securities. Notwithstanding the forgoing, either party may terminate Baird's engagement at any time without liability of penalty upon at least 30 days' prior written notice to the other party. If Baird's engagement is terminated by the Issuer, the Issuer agrees to reimburse Baird for its out-of-pocket expenses incurred until the date of termination.

5. Indemnification; Limitation of Liability. The Issuer agrees that neither Baird nor its employees, officers, agents or affiliates shall have any liability to the Issuer for the services provided hereunder except to the extent it is judicially determined that Baird engaged in gross negligence or willful misconduct. In addition, to the extent permitted by applicable law, the Issuer shall indemnify, defend and hold Baird and its employees, officers, agents and affiliates harmless from and against any losses, claims, damages and liabilities that arise from or otherwise relate to this Agreement, actions taken or omitted in connection herewith, or the transactions and other matters contemplated hereby, except to the extent such losses, claims, damages or liabilities are judicially determined to be the result of Baird's gross negligence or willful misconduct.

6. Miscellaneous. This letter shall be governed and construed in accordance with the laws of the State of Minnesota. This Agreement may not be amended or modified except by means of a written instrument executed by both parties hereto. This Agreement may not be assigned by either party without the prior written consent of the other party. The Issuer acknowledges that Baird may, at its option and expense and after announcement of the offering, place announcements and advertisements or otherwise publicize a description of the offering and Baird's role in it on Baird's website and/or other marketing material and in such financial and other newspapers and journals as it may choose, stating that Baird has acted as underwriter for the offering. The Issuer also agrees that Baird may use the Issuer's name and logo or official seal for these purposes.

7. Disclosures of Material Financial Characteristics and Material Financial Risks.

Accompanying this letter is a disclosure document describing the material financial characteristics and material financial risks of the Securities as required by MSRB Rule G-17.

If there is any aspect of this Agreement that requires further clarification, please do not hesitate to contact us. In addition, please consult your own financial and/or municipal, legal, accounting, tax and other advisors as you deem appropriate. We understand that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the proposed offering. If our understanding is not correct, please let us know.

Please evidence your receipt and agreement to the foregoing by signing and returning this letter.

Again, we thank you for the opportunity to assist you with your proposed financing and the confidence you have placed in us.

Sincerely,

ROBERT W. BAIRD & CO. INCORPORATED

By: 
Paul Donna, Managing Director

Accepted this ___ day of _____, 2015

HARRIS TOWNSHIP, MN

By: _____

Title: _____

Disclosures of Material Financial Characteristics and Financial Risks of Proposed Offering of Fixed Rate Bonds

Robert W. Baird & Co. Incorporated (“Baird”) has been engaged as underwriter for the proposed offering by you (or the “Issuer”) of fixed rate bonds, notes, certificates of participation or other debt securities (“Fixed Rate Bonds”), to be sold on a negotiated basis. The following is a general description of the financial characteristics and security structures of Fixed Rate Bonds, as well as a general description of certain financial risks that you should consider before deciding whether to issue Fixed Rate Bonds.

This document is being provided to an official of the Issuer who has the authority to bind the Issuer by contract with Baird, who does not have a conflict of interest with respect to the offering.

If the Fixed Rate Bonds proposed to be issued are “conduit revenue bonds,” you will be a party to the bond purchase agreement and certain other legal documents to be entered into in connection with the issuance, but the material financial risks described below will be borne by the borrower or obligor, as set forth in those legal documents.

Financial Characteristics

Maturity and Interest. Fixed Rate Bonds are interest-bearing debt securities issued by state and local governments, political subdivisions and agencies or authorities, such as the Issuer. Maturity dates for Fixed Rate Bonds will be fixed at the time of issuance and may include serial maturities (specified principal amounts are payable on the same date in each year until final maturity) or one or more term maturities (specified principal amounts are payable on each term maturity date) or a combination of serial and term maturities. Maturity dates, including the final maturity date, are subject to negotiation and will be reflected in the official statement. At each maturity, the scheduled principal or par amount of the Fixed Rate Bonds will have to be repaid.

Fixed Rate Bonds will pay fixed rates of interest typically semi-annually on scheduled payment dates, although some Fixed Rate Bonds may accrue interest to be paid at maturity. Such bonds are often referred to as capital appreciation or zero-coupon bonds. The interest rates to be paid on Fixed Rate Bonds may differ for each series or maturity date. The specific interest rates will be determined based on market conditions and investor demand and reflected in the official statement for the Fixed Rate Bonds. Fixed Rate Bonds with longer maturity dates will generally have interest rates that are greater than securities with shorter maturity dates.

Redemption. Fixed Rate Bonds may be subject to optional redemption, which allows the Issuer, at its option, to redeem some or all of the Fixed Rate Bonds on a date prior to scheduled maturity, such as in connection with the issuance of refunding bonds to take advantage of lower interest rates. Fixed Rate Bonds may be subject to optional redemption only after the passage of a specified period of time from the date of issuance, and upon payment of the redemption price set forth in the official statement for the Fixed Rate Bonds, which typically is equal to the par

amount of the Fixed Rate Bonds being redeemed (plus accrued interest) but may include a redemption premium. The Issuer will be required to send out a notice of optional redemption to the holders of Fixed Rate Bonds, usually a certain period of time prior to the redemption date. Fixed Rate Bonds with term maturity dates also may be subject to mandatory sinking fund redemption, which requires the Issuer to redeem specified principal amounts of the Fixed Rate Bonds annually in advance of the term maturity date. The mandatory sinking fund redemption price is 100% of the principal amount of the Fixed Rate Bonds to be redeemed. Fixed Rate Bonds may also be subject to extraordinary or mandatory redemption upon the occurrence of certain events, authorizing or requiring you to redeem the Fixed Income Bonds at their par amount (plus accrued interest).

Credit Enhancements. Fixed Rate Bonds may feature credit enhancements, such as an insurance policy provided by a municipal bond insurance company that guarantees the payment of principal of an interest on the bonds when due in the event of default. Other credit enhancements could include a letter of credit provided by a financial institution, or financial support from a state agency.

Tax Status. If Fixed Rate Bonds are intended to be tax-exempt, counsel will provide an opinion that interest on the Fixed Rate Bonds will be excluded from gross income for federal income tax purposes. Certain Fixed Rate Bonds may also be exempt from state personal income tax.

Some Fixed Rate Bonds (or a portion of those being issued) may be taxable, meaning that interest on the Fixed Rate Bonds will be included in gross income for federal income tax purposes.

Security

Payment of principal of and interest on a municipal security, including Fixed Rate Bonds, may be backed by various types of pledges and forms of security, some of which are described below. The security for Fixed Rate Bonds will vary, depending on whether they are general obligation bonds, revenue bonds, conduit bonds or other types.

General Obligation Bonds

“General obligation bonds” are debt securities to which your full faith and credit is pledged to pay principal and interest. If you have taxing power, generally you will pledge to use your ad valorem (property) taxing power to pay principal and interest. Ad valorem taxes necessary to pay debt service on general obligation bonds may not be subject to state constitutional property tax millage limits (an unlimited tax general obligation bond). The term “limited” tax is used when such limits exist. General obligation bonds constitute a debt and, depending on applicable state law, may require that you obtain approval by voters prior to issuance. In the event of default in required payments of interest or principal, the holders of general obligation bonds have certain rights under state law to compel you to impose a tax levy.

Revenue Bonds

“Revenue bonds” are debt securities that are payable only from a specific source or sources of revenues that are generated from a particular enterprise or service you offer, such as water, electricity, sewer, health care, housing, transportation, toll roads and bridges, parking, parks and recreation fees, and stadiums and entertainment facilities. Revenue bonds are not a pledge of

your full faith and credit and you are obligated to pay principal and interest on your revenue bonds only from the revenue source(s) specifically pledged to the bonds. Revenue bonds do not permit the bondholders to compel you to impose a tax levy for payment of debt service. Pledged revenues may be derived from operation of the financed project or system, grants, license or user fees, or excise or other specified taxes. Generally, subject to state law or local charter requirements, you are not required to obtain voter approval prior to issuance of revenue bonds. If the specified source(s) of revenue become inadequate, a default in payment of principal or interest may occur. Various types of pledges of revenue may be used to secure interest and principal payments on revenue bonds. The nature of these pledges may differ widely based on state law, the type of issuer, the type of revenue stream and other factors. Some revenue bonds may be backed by your full faith and credit or moral obligation. A moral obligation is a non-binding covenant by you to make a budget recommendation to your legislative body to appropriate moneys needed to make up any revenue shortfall in order to meet debt service obligations on the revenue bonds, but the legislative body is not legally obligated to make such appropriation.

Certain revenue bonds may be structured as certificates of participation, which are instruments evidencing a pro rata share in a specified pledged revenue stream, usually lease payments that are typically subject to annual appropriation. With certificates of participation, the lesser or party receiving payments assigns those payments to a trustee that distributes them to the certificate holders. Certificates of participation do not constitute general obligation indebtedness of the issuer or municipality and are not backed by a municipality's full faith and credit or taxing power. Certificates of participation are payable solely from specific revenue sources.

Tax Increment or Tax Allocation Bonds

"Tax increment" or "tax allocation" bonds are a form of revenue bonds that are payable from the incremental increase in taxes realized from any appreciation in property values resulting from capital improvements benefitting the properties located in a particular location such as a tax incremental district. They are commonly used to redevelop, add infrastructure or otherwise improve a blighted, neglected or under-utilized area to encourage development in that area. Tax increment bonds may also be payable from increased sales taxes generated in a designated district. The proceeds of an issuance of tax increment or tax allocation bonds are typically applied to pay the costs of infrastructure and other capital improvements in the designated district. The incremental taxes or other revenues may not be sufficient to meet debt service obligations on the tax increment or tax allocation bonds. Some tax increment or tax allocation bonds may also be backed by an issuer's full faith and credit or moral obligation.

Conduit Bonds

Conduit revenue bonds may be issued by a governmental issuer acting as conduit for the benefit of a private sector entity or a 501(c)(3) organization (the "borrower" or "obligor"). Industrial revenue bonds are a form of conduit revenue bonds. Conduit revenue bonds commonly are issued for not-for-profit hospitals, health care facilities, educational institutions, single and multi-family housing, airports, industrial or economic development projects, corporations, and student loan programs, among other borrowers or obligors. Principal and interest on conduit revenue bonds normally are paid exclusively from revenues pledged by the borrower or obligor. Unless otherwise specified under the terms of the bonds, you are not required to make payments of principal or interest if the borrower or obligor defaults.

Charter School Bonds

Fixed Rate Bonds issued for the benefit of charter schools are a form of conduit revenue bonds. They are issued by a government entity acting as a conduit for the benefit of a charter school. The charter school is the borrower or obligor for the bonds. Principal and interest on charter school bonds normally are paid exclusively from revenues pledged by the charter school. Unless otherwise specified under the terms of the bonds, you are not required to make payments on principal or interest if the charter school defaults.

Financial and Other Covenants

Issuers of Fixed Rate Bonds (and/or obligors) may be required to agree to certain financial and other covenants (such as debt service coverage ratios) that are designed to protect bond holders. Covenants are a form of additional security. The failure to continue to meet covenants may trigger an event of default or other adverse consequences to you and/or the obligor giving bond holders certain rights and remedies.

The description above regarding "Security" is only a brief summary of certain possible security provisions for the Fixed Rate Bonds and is not intended as legal advice. You should consult with your bond counsel for further information regarding the security for the Bonds.

Financial Risk Considerations

Certain risks may arise in connection with your issuance of Fixed Rate Bonds, including some or all of the following (generally, the borrower or obligor, rather than you, will bear these risks for conduit revenue bonds):

Issuer Default Risk

You (or the obligor) may be in default if the funds pledged to secure Fixed Rate Bonds are not sufficient to pay debt service on the bonds when due. The consequences of a default may be serious for you (and/or the obligor) and, depending on applicable state law and the terms of the authorizing documents, the holders of the bonds may be able to exercise a range of available remedies against you (or the obligor). For example, if Fixed Rate Bonds are secured by a general obligation pledge, you may be ordered by a court to raise taxes. Other budgetary adjustments also may be necessary to enable you to provide sufficient funds to pay debt service on the bonds. If the Fixed Rate Bonds are revenue bonds, you (or the obligor) may be required to take steps to increase the available revenues that are pledged as security for the bonds. A default may negatively impact your (or the obligor's) credit ratings and may effectively limit your (or the obligor's) ability to publicly offer bonds or other securities at market interest rate levels. Further, if you (or the obligor) are unable to provide sufficient funds to remedy the default, subject to applicable state law and the terms of the authorizing documents, you (or the obligor) may find it necessary to consider available alternatives under state law, including (for some issuers) state-mandated receivership or bankruptcy. A default also may occur if you (or the obligor) are unable to comply with covenants or other provisions agreed to in connection with the issuance of the Fixed Rate Bonds.

This description is only a brief summary of issues relating to defaults and is not intended as legal advice. You should consult with your bond counsel for further information regarding defaults and remedies.

Redemption Risk

Your (or the obligor's) ability to redeem Fixed Rate Bonds prior to maturity may be limited, depending on the terms of any optional redemption provisions. In the event that interest rates decline, you (or the obligor) may be unable to take advantage of the lower interest rates to reduce debt service. In addition, if Fixed Rate Bonds are subject to extraordinary or mandatory redemption, you (or the obligor) may be required to redeem the bonds at times that are disadvantageous.

Refinancing Risk

If your (or the obligor's) financing plan contemplates refinancing some or all of the Fixed Rate Bonds at maturity (for example, if there are term maturities or if a shorter final maturity is chosen than might otherwise be permitted under the applicable federal tax rules), market conditions or changes in law may limit or prevent you (or the obligor) from refinancing those bonds when required. Further, limitations in the federal tax rules on advance refunding of bonds (an advance refunding of bonds occurs when tax-exempt bonds are refunded more than 90 days prior to the date on which those bonds may be retired) may restrict your (or the obligor's) ability to refund the Fixed Rate Bonds to take advantage of lower interest rates.

Reinvestment Risk

You (or the obligor) may have proceeds of the Fixed Rate Bonds to invest prior to the time that you (or the obligor) are able to spend those proceeds for the authorized purpose. Depending on market conditions, you (or the obligor) may not be able to invest those proceeds at or near the rate of interest that you (or the obligor) are paying on the bonds, which is referred to as "negative arbitrage".

Tax Compliance Risk (applicable if the Fixed Rate Bonds are tax-exempt bonds)

The issuance of tax-exempt bonds is subject to a number of requirements under the United States Internal Revenue Code, as enforced by the Internal Revenue Service (IRS), and, if applicable, state tax laws. You (and the obligor) must take certain steps and make certain representations prior to the issuance of tax-exempt bonds. You (and the obligor) also must covenant to take certain additional actions after issuance of the tax-exempt bonds. A breach of the representations or a failure to comply with certain tax-related covenants may cause the interest on the Fixed Rate Bonds to become taxable retroactively to the date of issuance of the bonds, which may result in an increase in the interest rate that you (or the obligor) pay on the bonds or the mandatory redemption of the bonds. The IRS also may audit you (or the obligor) or the Fixed Rate Bonds or your (or the obligor's) other bonds, in some cases on a random basis and in other cases targeted to specific types of bond issues or tax concerns. If the Fixed Rate Bonds are declared taxable, or if you (or the obligor) are subject to audit, the market price of the Fixed Rate Bonds and/or your (or the obligor's) other bonds may be adversely affected. Further, your (or the obligor's) ability to issue other tax-exempt bonds also may be limited.

This description of tax compliance risks is not intended as legal advice and you should consult with your bond counsel regarding tax implications of issuing Fixed Rate Bonds.

Continuing Disclosure Risk.

In connection with the issuance of Fixed Rate Bonds, you (and/or the obligor) may be subject to

continuing disclosures which require dissemination of annual financial and operating information and notices of material events. Compliance with these continuing disclosure requirements is important and facilitates an orderly secondary market. Failure to comply with continuing disclosure requirements may affect the liquidity and marketability of the Fixed Rate Bonds, as well as your (and/or the obligor's) other outstanding securities. Because instances of material non-compliance with previous continuing disclosure requirements must be disclosed in an official statement, failure to comply with continuing disclosure requirements may also make it more difficult or expensive for you (or the obligor) to market and sell future bonds.

Harris Township, Minnesota
SUMMARY OF HYPOTHETICAL FINANCING ILLUSTRATIONS
 As of October 6, 2015

	HYPOTHETICAL ILLUSTRATIONS			
	10 YEAR AMORTIZATION		15 YEAR AMORTIZATION	
	Illustration 1	Illustration 2	Illustration 3	Illustration 4
ASSUMED DATED DATE	1/5/2016	1/5/2016	1/5/2016	1/5/2016
AMORTIZATION (YEARS)	2017-2026	2017-2026	2017-2031	2017-2031
ASSUMED BORROWING PAR AMOUNT	\$2,500,000	\$3,000,000	\$2,500,000	\$3,000,000
POTENTIAL CAPITALIZED INTEREST (12/1/16)	\$43,548	\$52,312	\$52,769	\$63,367
POTENTIAL COSTS OF ISSUANCE	\$57,300	\$66,300	\$57,300	\$66,300
POTENTIAL AMOUNT AVAILABLE FOR PROJECTS	\$2,399,152	\$2,881,388	\$2,389,931	\$2,870,333
POTENTIAL TIC %	2.43%	2.43%	2.84%	2.98%
POTENTIAL TOTAL INTEREST COST*	\$307,264	\$369,607	\$562,053	\$675,662
POTENTIAL TOTAL DEBT SERVICE*	\$2,807,264	\$3,369,607	\$3,062,053	\$3,675,662
POTENTIAL FIRST YEAR DEBT SERVICE	\$283,090	\$337,768	\$203,272	\$244,976
POTENTIAL FIRST YEAR TAX IMPACT ON \$100,000 RESIDENTIAL HOME**	\$61.43	\$73.30	\$44.11	\$53.16

* Net of Potential Capitalized Interest

** Potential Tax Impact does not reflect Taconite Production Tax Credit.

Note: These illustrations represent a mathematical calculation of potential debt service, assuming hypothetical rates based on current rates for non-rated municipal general obligation bonds as of September 30, 2015. Interest and costs of issuance are only estimates for illustrative purposes and are based on Baird's experience with comparable transactions. Actual interest and costs of issuance will vary. If actual rates are higher than assumed, the interest cost will be higher. These illustrations provide information and is not intended to be a recommendation, proposal or otherwise considered advice.

Harris Township, Minnesota
SUMMARY OF HYPOTHETICAL COSTS OF ISSUANCE
 As of October 6, 2015

	HYPOTHETICAL EXPENSES			
	10 YEAR AMORTIZATION		15 YEAR AMORTIZATION	
	Illustration 1	Illustration 2	Illustration 3	Illustration 4
ASSUMED BORROWING PAR AMOUNT	\$2,500,000	\$3,000,000	\$2,500,000	\$3,000,000
UNDERWRITER'S DISCOUNT	\$45,000	\$54,000	\$45,000	\$54,000
BOND COUNSEL	\$8,000	\$8,000	\$8,000	\$8,000
PRICING OPINION	\$2,000	\$2,000	\$2,000	\$2,000
PAYING AGENT	\$800	\$800	\$800	\$800
CONTINGENCY	\$1,500	\$1,500	\$1,500	\$1,500
POTENTIAL TOTAL COSTS OF ISSUANCE	\$57,300	\$66,300	\$57,300	\$66,300

Note: Costs of issuance are only estimates for illustrative purposes and are based on Baird's experience with comparable transactions. Actual costs of issuance will vary. These illustrations provide information and is not intended to be a recommendation, proposal or otherwise considered advice.

Harris Township, Minnesota
*Tentative Financing Timetable**
G.O. Street Reconstruction Bonds, Series 2016
As of October 1, 2015

October							November							December						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	6	7			1	2	3	4	5
4	5	6	7	8	9	10	8	9	10	11	12	13	14	6	7	8	9	10	11	12
11	12	13	14	15	16	17	15	16	17	18	19	20	21	13	14	15	16	17	18	19
18	19	20	21	22	23	24	22	23	24	25	26	27	28	20	21	22	23	24	25	26
25	26	27	28	29	30	31	29	30						27	28	29	30	31		

- Board Meeting to review finance plan and consider setting
public hearing date
Wednesday, October 14, 2015
- Public hearing notice received by Newspaper
Thursday, October 15, 2015
- Publication of public hearing date
Sunday, October 18, 2015.....
- Public hearing and Board to consider resolution(s)
Wednesday, October 28, 2015
- Draft of Preliminary Official Statement completed
Week of November 23, 2015.....
- 30 day petition period expires
Friday, November 27, 2015.....
- Premarketing of the bonds
Week of November 30, 2015.....
- Price the bonds
Monday - Wednesday,
December 7 - 9, 2015
- Board Meeting to consider the Bond Purchase Agreement
Wednesday, December 9, 2015.....
- Settlement and funding of the bonds
Early January 2016

Harris Township, Minnesota

Working Group

The logo for Baird, consisting of the word "BAIRD" in white, uppercase, sans-serif font, set against a blue parallelogram background.

Issuer/Borrower – Harris Township

Ms. Becky Adams, Treasurer, Harris Township
18206 US Highway #169
Grand Rapids, MN 55744
Phone: (218) 259-1192
E-mail: beckymadams@gmail.com

Ms. Michele Smith, Clerk, Harris Township
30037 Harris Town Road
Grand Rapids, MN 55744
Phone: (218) 327-9930
E-mail: michelesmithclerk@msn.com

Underwriter - Robert W. Baird & Co.

Mr. Paul Donna, Managing Director
777 East Wisconsin Avenue
Milwaukee, WI 53202-5391
Phone: (651) 426-8533
E-mail: pdonna@rwbaird.com

Mr. Matt Rantapaa, Support Banker
777 East Wisconsin Avenue
Milwaukee, WI 53202-5391
Phone: (612) 499-6680
E-mail: mrantapaa@rwbaird.com

Official Newspaper – Grand Rapids Herald Review

Ms. Paola Cortes, Administrative Assistant
Phone: (218) 326-6623
E-mail: pcortes@grandrapidsheraldreview.net

Bond Counsel – Faegre Baker Daniels

Ms. Stefanie Galey, Partner
2200 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402
Phone: (612) 766-7661
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Paying Agent – TBD

Pricing Opinion - TBD

IMPORTANT DISCLOSURES

Robert W. Baird & Co. Incorporated ("Baird") is not recommending that you take or not take any action. Baird is not acting as financial advisor or municipal advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to you with respect to the information contained herein and/or accompanying materials (collectively, the "Materials"). Baird is acting for its own interests. You should discuss the Materials with any and all internal or external advisors and experts that you deem appropriate before acting on the Materials.

Baird seeks to serve as underwriter in connection with a possible issuance of municipal securities you may be considering and not as financial advisor or municipal advisor. Baird is providing the Materials for discussion purposes only, in anticipation of being engaged to serve as underwriter (or placement agent).

The role of an underwriter includes the following: Municipal Securities Rulemaking Board Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors. An underwriter's primary role is to purchase the proposed securities to be issued with a view to distribution in an arm's length commercial transaction with the issuer. An underwriter has financial and other interests that differ from those of the issuer. An underwriter may provide advice to the issuer concerning the structure, timing, terms, and other similar matters for an issuance of municipal securities. Any such advice, however, would be provided in the context of serving as an underwriter and not as municipal advisor, financial advisor or fiduciary. Unlike a municipal advisor, an underwriter does not have a fiduciary duty to the issuer under the federal securities laws and is therefore not required by federal law to act in the best interests of the issuer without regard to its own financial or other interests. An underwriter has a duty to purchase securities from the issuer at a fair and reasonable price but must balance that duty with its duty to sell those securities to investors at prices that are fair and reasonable. An underwriter will review the official statement (if any) applicable to the proposed issuance in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the proposed issuance.

The Materials do not include any proposals, recommendations or suggestions that you take or refrain from taking any action with regard to an issuance of municipal securities and are not intended to be and should not be construed as "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934 or Rule 15Ba1-1 thereunder. The Materials are intended to provide information of a factual, objective or educational nature, as well as general information about Baird (including its Public Finance unit) and its experience, qualifications and capabilities.

Any information or estimates contained in the Materials are based on publicly available data, including information about recent transactions believed to be comparable, and Baird's experience, and are subject to change without notice. Baird has not independently verified the accuracy of such data. Interested parties are advised to contact Baird for more information.

If you have any questions or concerns about the above disclosures, please contact Baird Public Finance.

IRS Circular 230 Disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that the Materials do not constitute tax advice and shall not be used for the purpose of (i) avoiding tax penalties or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

Extract of Minutes of Meeting
of the Board of Supervisors of
Harris Township, Minnesota

Pursuant to due call and notice thereof a regular meeting of the Board of Supervisors of Harris Township, Minnesota, was held on Wednesday, October 14, 2015, commencing at 7:30 p.m.

The following members of the Board were present:

and the following were absent:

The following resolution was presented by Chairman Rosato, and Supervisor _____ moved its adoption:

**Harris Township
RESOLUTION NO. 2015-010**

**RESOLUTION CALLING FOR PUBLIC HEARING ON
STREET RECONSTRUCTION PLAN AND ISSUANCE AND SALE
OF NOT TO EXCEED \$3,000,000 GENERAL OBLIGATION
STREET RECONSTRUCTION BONDS THEREUNDER**

BE IT RESOLVED By the Board of Supervisors of Harris Township, Minnesota (Municipality) as follows:

1. Pursuant to authority granted by Minnesota Statutes, Section 475.58, subdivision 3b (the "Act"), the Municipality is authorized to adopt a street reconstruction plan and to issue its general obligation bonds to finance street reconstructions thereunder.
2. It has been proposed that the Municipality issue its general obligation street reconstruction bonds in an amount presently estimated not to exceed \$3,000,000 for the purpose of financing various street reconstruction projects.
3. There has been presented to this Board a draft of a street reconstruction plan identifying various street reconstructions projects to be undertaken by the Municipality.
4. As required by the Act, the Board will hold a public hearing on the street reconstruction plan, and the issuance of bonds thereunder, to be held on

_____, at which hearing all persons who appear shall be given an opportunity to express their views with respect to said proposal.

5. The Clerk is authorized to cause publication of notice of the hearing and the intent to issue bonds in the form attached as Exhibit A hereto, in the official newspaper of the Municipality, not less than 10 nor more than 28 days prior to the date of the hearing, as required by law.

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

and the following voted against:

whereupon the resolution was declared duly passed and adopted this day, October 14, 2015.

Gary Rosato, Chairman

Attest:

Michele R. Smith, Clerk

EXHIBIT A

NOTICE OF PUBLIC HEARING ON STREET RECONSTRUCTION PLAN
AND INTENT TO ISSUE GENERAL OBLIGATION
STREET RECONSTRUCTION BONDS THEREUNDER

NOTICE IS HEREBY GIVEN that the Board of Supervisors of Harris Township (the "Municipality") will meet at ____ p.m. on _____, 2015, at Harris Town Hall, 21998 Airport Road, Grand Rapids, MN, to conduct a public hearing on the Municipality's street reconstruction plan (the "Plan") and the Municipality's intention to issue its general obligation street reconstruction bonds (the "Bonds") in an amount presently estimated not to exceed \$3,000,000, to finance the cost of a portion of the street reconstruction projects identified in the Plan. The Bonds will be issued pursuant to authority granted by Minnesota Statutes, Section 475.58, subdivision 3b.

A copy of the proposed Plan is on file in the office of the Treasurer.

All interested persons may appear at the public hearing and present their views orally or in writing.

Dated: Date of Publication

BY ORDER OF THE BOARD OF
SUPERVISORS OF HARRIS
TOWNSHIP

September 2, 2015

Town Board
Town of Harris
876 Wendigo Park Road
Grand Rapids, MN 55744

We are pleased to serve as your independent auditors for the Town of Harris for the year ended December 31, 2015. The purpose of this Engagement Letter (this "Letter") is to review certain details of our engagement.

Audit Services

We will audit the financial statements and the related notes to the financial statements of the governmental activities and general fund of the Town of Harris. The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States. Our audit will be conducted in accordance with auditing standards generally accepted in the United States (GAAS) and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Town of Harris's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Town of Harris's RSI in accordance with auditing standards generally accepted in the United States. These limited procedures will consist of inquiries of management regarding the methods

of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of Employer's Share of Net Pension Liability
3. Schedule of Employer's Contributions

We have also been engaged to report on supplementary information that accompanies Town of Harris's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States and will provide an opinion on it in relation to the financial statements as a whole:

1. Combining and Individual Fund Financial Statements and Schedules

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Because of the inherent limitations of an audit combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there exists an unavoidable risk that some material misstatements may exist and not be detected even though our audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of law or government regulations that do not have a direct and material effect on the financial statements. However, we will inform Town of Harris management and you of any material errors that come to our attention and any fraud, material or not, that comes to our attention. We will also inform Town of Harris's management and you of any other illegal acts that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements, and to design the nature, timing, and extent of further audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and you internal control related matters that are required to be communicated under professional standards.

We cannot perform management functions or make management decisions on behalf of your Town of Harris. However, we may provide advice and recommendations to assist management in performing its functions and fulfilling its responsibilities. We may advise management about appropriate accounting principles and their application and may assist in the preparation of the Town of Harris's financial statements, but the responsibility for the financial statements remains with management.

Management Responsibilities

Management is responsible for the financial statements and underlying financial records and for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States. Management is also responsible for making all financial records and related information available to us, for the accuracy and completeness of that information, and for providing us with (a) access to all information of which it is aware that is relevant to the preparation and fair presentation of the financial statements, (b) additional information that we may request for the purpose of the audit, and (c) unrestricted access to persons within the Town of Harris from whom we determine it necessary to obtain audit evidence.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud and for informing us about all known or suspected fraud affecting the Town of Harris involving (a) management, (b) employees who have significant roles in internal control, and (c) others

where the fraud could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Town of Harris received in communications from employees, former employees, regulators, or others. In addition, management is responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

As part of the audit, we may prepare a draft of your financial statements and related notes. You will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

Assistance to be supplied by your personnel, including the preparation of schedules and analysis of accounts, will be discussed with Becky Adams. Timely completion of this work will facilitate the completion of our engagement.

As required by GAAS, at the close of the audit we will request from management certain written confirmation concerning oral and written representations made to us in connection with the audit in order to indicate and document the continuing appropriateness of such representations and reduce the possibility of misunderstanding.

If the Town of Harris intends to reproduce or publish these financial statements, or any portion thereof whether in paper or electronic form, and make reference to our firm name in connection therewith, management agrees to provide us with proofs in sufficient time for our review and written approval before printing. If in our professional judgment the circumstances require, we may withhold our approval. The Town of Harris agrees to compensate Wipfli for the time associated with such review.

Annual Forms and Reports

Our engagement will include the preparation of 2015 Minnesota State Reporting Form. The full and timely completion of requested client assistance and provision of any adjusting entries known by you are critical in meeting the prescribed due dates for these forms. Penalties may be imposed if the filing deadlines are not met. If during the course of our engagement we become aware of additional state filing requirements, we will prepare those filings. Preparation of any additional filings and reports and accounting assistance as directed by management are not part of the fees for this engagement and will be billed at our standard hourly rates.

You are responsible for making all management decisions and performing all management functions and for designating an individual with suitable skill, knowledge, and/or experience, preferably within senior management, to oversee these services. You are responsible for evaluating the adequacy and results of

the services performed and accepting responsibility for the results. You are also responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

Other

Our fees will be billed as work progresses, and progress billings may be submitted. Based upon our discussions with representatives of Town of Harris, the fee for this engagement will be \$6,600. In addition, expenses are billed for reimbursement as incurred. Circumstances encountered during the conduct of the engagement that warrant additional procedures or expense could cause us to be unable to complete the engagement at the fee quoted. We will notify you of any such circumstances as they are assessed. We expect payment of our billings within 30 days after submission. Interest at the lessor of 1% per month or the maximum rate permitted by law, except where prohibited by law, will be charged on the portion of your balance that is over 30 days.

This engagement includes only those services specifically described in this Letter; any additional services not specified herein will be agreed to in a separate letter. This engagement is separate and discrete from our engagement to audit any prior or future years, and any such engagements are or will be covered by a separate engagement letter. In the event you request us to, or we are required to, respond to a subpoena, court order, government regulatory inquiries, or other legal process against Town of Harris or its management for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this or any prior engagements, you agree to compensate us for all time we expend in connection with such response, at our regular rates, and to reimburse us for all related out-of-pocket costs that we incur.

The working papers prepared in conjunction with our audit are our property and constitute confidential information. They will be retained by us in accordance with our policies and procedures. All of the Town of Harris's original records will be returned to management at the end of this engagement. Our working papers and files are not a substitute for the original records the Town of Harris should retain. We understand that we are authorized to respond directly to inquiries from the cognizant agencies including requests to review audit workpapers. Access to the requested workpapers will be provided to the cognizant agencies under the supervision of Wipfli LLP's audit personnel and at a location designated by our firm. We will notify you of any such inquiries or requests and of our reply thereto.

Deborah J. Medlin will be your audit engagement partner.

Professional and certain regulatory standards require us to be independent, in both fact and appearance. Any discussions that you have with Wipfli personnel regarding employment could pose a threat to our independence. Therefore, we request that you inform us immediately prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

In order for us to remain independent, professional and regulatory standards require us to maintain certain respective roles and relationships with you with respect to any nonattest services we may be asked to perform. Prior to performing such services in conjunction with our audit, management must acknowledge its acceptance of certain responsibilities.

Whenever possible, each provision of this Letter shall be interpreted in such a manner as to be effective and valid under applicable laws, regulations, or published interpretations, but if any provision is deemed prohibited, invalid, or otherwise unenforceable, such provision shall be ineffective only to the extent of such prohibition, invalidity, or unenforceability and such revised provision shall be made a part of this Letter. Further, the provisions of the foregoing sentence shall not invalidate the remainder of this Letter. This Letter shall be construed and governed in accordance with laws of the state in which the Wipfli office issuing this Letter is located, as determined by the address indicated on this Letter, and proper jurisdiction and venue for any matter hereunder shall be the state or federal courts of that state.

A If the above terms are acceptable to you and the services outlined are in accordance with your requirements, please return a signed copy of this Letter to us.

We look forward to our continued association with you and your staff and appreciate the opportunity to serve you. Please do not hesitate to call us if you have any questions about the work we are to perform or any other aspect of the services we can provide.

Sincerely,
Wipfli LLP

Wipfli LLP

ACCEPTED: TOWN OF HARRIS

By: _____

(Print Name and Title)

Date: _____



DJM/yy
September 2, 2015
Duluth, MN



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

FINANCE DEPARTMENT

420 NORTH POKEGAMA AVENUE, GRAND RAPIDS, MINNESOTA 55744-2662

October 1, 2015

Harris Township
Michele Smith, Clerk
30037 Harris Town Rd
Grand Rapids MN 55744

Dear Ms. Smith,

Attached please find a spreadsheet indicating the proposed fire contract amounts for 2016. This contract amount is based on the Fire Department's proposed 2016 budget. This budget will not be formally adopted until December, 2015; consequently, this is the best estimate we have at this time.

You will see that the overall Fire Department 2016 proposed budget increased by \$19,238 (3.9%) from the 2015 adopted budget. If your fire contract amount increased or decreased significantly from 2015, either your market value changed or the number of fire calls increased or decreased significantly.

* If the townships would like to meet with the City, please contact me at 326-7615, and I will set up a meeting.

If you have any questions regarding the Fire Department budget, please feel free to call me.

Sincerely,

A handwritten signature in black ink that reads "Barbara Baird". The signature is written in a cursive style.

Barbara A. Baird
Finance Director

2014

CITY OF GRAND RAPIDS FIRE CONTRACTS BASED ON PERCENTAGE OF MARKET VALUE, ADOPTED BUDGET AND NUMBER OF CALLS

Fire Department Proposed 2016 operations budget is \$493,464

	Percentage of Area Served	EMV * percent area served 2015 Market Value	Percent of Total	Contract based on 1/2 of 2016 Budget		2014 # OF FIRE CALLS	Per Call \$ 1,787.91	Total Contract Amount	Half Payment
				\$	Budget				
City of Grand Rapids	100%	739,940,100	42.60%	105,115	162,700	91	267,815	133,907	
Town of Arbo	45%	38,893,725	2.24%	5,525	8,940	5	14,465	7,232	
Town of Blackberry	100%	56,801,600	3.27%	8,069	5,364	3	13,433	6,716	
* Town of Harris	100%	371,887,600	21.41%	52,830	26,819	15	79,649	39,824	
City of LaPrairie	100%	47,704,900	2.75%	6,777	10,727	6	17,504	8,752	
Town of Splithand	90%	24,173,280	1.39%	3,434	7,152	4	10,586	5,293	
Town of Trout Lake	22%	25,268,496	1.45%	3,590	-	0	3,590	1,795	
Town of Wabana	100%	118,206,100	6.81%	16,792	16,091	9	32,883	16,442	
Unorg. 54-26	100%	220,217,900	12.68%	31,284	7,152	4	38,436	19,218	
Unorg. 58-26	67%	32,358,454	1.86%	4,597	-	0	4,597	2,298	
Unorg. 57-26	40%	61,375,440	3.53%	8,719	1,788	1	10,507	5,253	
		1,736,827,595	100.00%	246,732	246,732	138	493,464		

Budget = operations \$493,464
(1/2 of this amount is \$246,732)

\$246,732/138 fire calls = \$1,787.91 per fire call

Total Fire Department expenditure budget of \$656,867 less S/M/N Fire Premium of \$125,000 and Fire Inspector of \$38,403 = \$493,464.

* 2015 contract: \$75,249 (see attached)

\$5,000 from 2015



January 12, 2015

Harris Township
Michele Smith, Clerk
30037 Harris Town Road
Grand Rapids MN 55744

FYI
= 2015

Dear Ms. Smith,

Attached please find a spreadsheet entitled: Fire Contracts Based on Percentage of Market Value, Adopted Budget and Number of Calls, which is a spreadsheet detailing the 2015 fire contract amount for your township.

Harris Township contract amount for 2015 is \$75,249.00. Please see the attached invoice.

If you have any questions please call me at 326-7615.

Sincerely,

Barbara Baird
Finance Director

Attachments

CITY OF GRAND RAPIDS FIRE CONTRACTS BASED ON PERCENTAGE OF MARKET VALUE, ADOPTED BUDGET AND NUMBER OF CALLS

Fire Department Proposed 2015 operations budget is \$474,226

	EMV * percent area served 2014	Market Value	Percent of Total	Contract based on 1/2 of 2015 Budget	2013 # OF FIRE CALLS	\$ Per Call	Total Contract Amount	Half Payment
City of Grand Rapids	100%	726,482,500	42.08%	99,782	130	177,153	276,935	138,468
Town of Arbo	45%	39,976,245	2.32%	5,491	2	2,725	8,216	4,108
Town of Blackberry	100%	59,096,500	3.42%	8,117	5	6,814	14,930	7,465
Town of Harris	100%	369,278,700	21.39%	50,720	18	24,529	75,249	37,624
City of LaPrairie	100%	48,228,800	2.79%	6,624	6	8,176	14,800	7,400
Town of Splithand	90%	23,565,960	1.37%	3,237	3	4,088	7,325	3,662
Town of Trout Lake	22%	25,217,170	1.46%	3,464	1	1,363	4,826	2,413
Town of Wabana	100%	118,045,200	6.84%	16,213	2	2,725	18,939	9,469
Unorg. 54-26	100%	221,783,700	12.85%	30,462	5	6,814	37,275	18,638
Unorg. 58-26	67%	32,961,588	1.91%	4,527	1	1,363	5,890	2,945
Unorg. 57-26	40%	61,715,680	3.57%	8,477	1	1,363	9,839	4,920
		1,726,352,043	100.00%	237,113	174	237,113	474,226	

Budget = operations \$474,226
(1/2 of this amount is \$237,113)

\$237,113/174 fire calls = \$1,362.71
per fire call

Total Fire Department expenditure budget of \$633,420 less St/MN Fire Premium of \$125,000 and Fire Inspector of \$34,194 = \$474,226.

2015

MINUTES from the September 22, 2015

COLLABORATIVE OPPORTUNITIES TEAM MEETING

Collaboration to improve efficiency, maintain service levels and save money while preserving our individual community identities.

The next meeting will be Oct. 26 or 27 at LaPrairie City Hall.

Present: Mike Fall (LaPrairie), Burl Ives (Harris), Ed Zabinski (Grand Rapids), Tarry Edington (Arbo), Ken Haubrich (Harris), Peggy Smith (Coleraine), Kathy Kooda (Computer Enterprise), Bud Sage (Wabana) and Mary Jo Wimmer, facilitator.

Colaborative Wins/Open Market

LaPrairie: Has negotiated sewer and water systems with the Public Utilities Commission. They will provide all locates, maintenance and billing. LaPrairie staff will participate in safety training through Grand Rapids.

Arbo: – is again needing a maintenance worker.

Coleraine – is still looking for a new site for the Fire Dept. and working on joining Police Depts with Bovey.

IT Services – Kathy Kooda from Computer Enterprise gave a presentation about what her business can do to help LGU's with their IT. She made several recommendations as follows:

- Have a city or township email rather than a personal one.
- Have a technology usage plan as part of HR
- Don't allow people to use personal computers for business

Kathy will create a list of questions for LGUs to repond to with regard to IT. She will submit a proposal with cost included. Each LGU will be able to opt in for the service or not. Participating LGU's will receive an on-site visit from Kathy to go over their survey results and questions.

Individual Contacts to Increase our Team

Assignments as follows:

Taconite/Lloyd Cogswell – Peggy

Mark Klennert, Blackberry township/ – Burl

Future Funding:

Requests for funding for collaborative training and for facilitation of this group have been submitted to the Blandin Foundation. The Blandin Foundation will fund \$2,500 toward the facilitation costs of the group for 2015. Each participating LGU is asked to contribute \$100 annually. Mary Jo is willing to accept that total for her work this year.

The Foundation offered \$1500 for the collaboration training proposal. \$6000 was requested.

Health Insurance –

Mary Jo will put together a matrix of questions for each LGU to respond to regarding health insurance. We will review at our Oct. meeting. Deer River will be invited as well as Lynn DeGrio.

Meeting locations are as follows:

- October – La Prairie
- November – Grand Rapids City Hall

Topics of Discussion for the October meeting

- IT follow-up
- Health Insurance
- The Grand Rapids Voice

*Mary Jo Wimmer
Mary Jo Wimmer Consulting
mjwimmer80@gmail.com*

	Offered	% split	Cost to LGU	Cost to: employee / family / indiv			Who is covered	Deductible
Arbo Twsp.	Pro-Care	LGU 100%	841/mon.	0			One retiree	75 for emergency, 4.50/prescrip
Grand Rapids	BCBS and 49ers	BCBS 90%, 49-100%	BCBS \$407/mon 49-\$1060	\$45 0	\$906/mo 0	\$226 0	FT 30 hrs or more/week	BCBS 2,500 single and 5,000 family. 49ers \$250 single, \$500 family
Bovey	Pro-care, BCBS	80/20	12,277	917	\$1922	\$930	Public works, police, retirees	\$2500 major medical
Calumet	BCBS Pro-care	80/20	1500/mon				2 FT	Copay of \$20, minimal
Harris	BCBS and Dental-Security Life	LGU 100%	1059/mon.	0	n/a	?	2 FT maintenance	\$300/person. Out of pocket max. is \$3500
Colerain	Health/dental	100%	HSA 200/mon Teamster. AFSCME 10% single, 20% fam., No HSA	900/yr Teamster 11,000 /yr AFSCME			FT union	AFS – 0 Teamster - HSA
Other options considered: Arrowhead Procure, Health Partners, Medica, Preferred One, Health Savings Plan, Police and Retirees								

This proposal is between White Wolf Computing Solutions DBA Computer Enterprises (CE) and each LGU willingly deciding to participate. All information gathered during the interview process is confidential. Each LGU will appoint a contact person to conduct the interview and site survey. All documentation and recommendations given by CE will be communicated direct to that LGU contact person.

Objective:

To document the following for each LGU* participating:

- All computer equipment owned by the LGU. This would be all equipment relating to internet connection(s), computers, all mobile devices, etc.
- Methods used for communication and where this information is ultimately stored
- As part of the computer equipment process, documenting all software used, and versions
- User(s) that are accessing the LGU data, and how
- Are there any policies in place with regards to technology
- A basic physical drawing of the LGU network will be made, along with recommendations listed in order of importance

Each LGU will be given a number of questions to review prior to their scheduled interview time. Interview time is estimated to last one hour, and will be conducted on site so a site survey can be completed.

Pricing:

Pricing for each LGU will be based on the following structure:

- Interview & site survey: \$75.00/LGU
- Provide LGU results & recommendation(s): \$75.00/LGU

*The City of Grand Rapids and Grand Rapids Public Utilities (PUC), is currently excluded from this proposal. This proposal is targeted to the township offices, the City of Coleraine, Bovey and LaPrarie at this time. The reason larger entities like the City of Grand Rapids & PUC are excluded is the fact they have IT staff, and any collaborations sought, or lead by a smaller LGU can be coordinated with their IT Staff.

A timeline will be developed, based on participation, and communicated to the group.

Accepted by:

Printed Name

Title

Signature

Date

-AGENDA -
COLLABORATIVE OPPORTUNITIES
MEETING
Oct. 26, 2015
LaPrairie City Hall
15 Park Drive LaPrairie
11:00 – 1:00

Collaboration to improve efficiency, maintain service levels and save money while preserving our individual community identities.

Staff and elected officials of local municipalities, townships and Itasca County are invited to these monthly meetings to discuss collaboration opportunities and build relationships.

Meeting Agenda

- 1. Introductions**
- 2. Collaborative Wins and Open Market:** An opportunity to share what is happening in your community. Ideas, issues and favorable moments.
- 3. Results of individual contacts of elected officials/staff**
- 4. IT follow-up:** Kathy Kooda proposal
- 5. Health Insurance**
- 6. Managing dissident voices as an elected official (i.e.The Grand Rapids Voice)**
- 7. Future Funding**
- 8. Topics of Discussion for the Nov. meeting**

Re: Park

"Thank you" note

From: **Gail Petersen** (gmp1227@gmail.com)
Sent: Sun 9/27/15 6:46 PM
To: MICHELE SMITH (michelesmithclerk@msn.com)

Dear Michele,

★ Thank you so much for allowing us to use the park for the birthday party. It was a gorgeous evening and a perfect party! I am so glad I live in a township with such a beautiful park. The note on the pavilion was a nice touch.....

We did find a set of house keys out there that did not belong to us or anyone at our party. Please let me know if anyone that lost them contacts you. I have them.

Take care! Gail Petersen

On Sep 21, 2015, at 10:22 AM, MICHELE SMITH wrote:

No worries! I'll reserve the pavilion for you on Sat. 9/26, from 2pm - 7pm. 😊

Michele Smith, Clerk

Harris Township
30037 Harris Town Road
Grand Rapids, MN 55744
email: michelesmithclerk@msn.com
phone: 218-327-9930
website: www.harristownshipmn.org

> From: gmp1227@gmail.com
> Subject: Park
> Date: Mon, 21 Sep 2015 09:54:29 -0500
> To: michelesmithclerk@msn.com

>
> Wow. I'm really messing up my emails. Sorry. That's what happens when I'm in a hurry. Ok I guess I gave you wrong times for the park. My son and daughter in law would like the party to be 3-7. They are going to try and have a quick football game too hopefully it will stay nice that late. We will come there with food about 2ish

>
> Sent from my iPhone

2016 Spring Short Course Meetings

REIMBURSEABLE / NO COST NEW OFFICER TRAINING

\$50 Registration Credit Applied Toward Your Next CLC Renewal

Training Credit for “New Officers” offered by MATIT to begin in 2016:

Beginning with the Spring Short Course in 2016 MATIT will offer a credit for the Spring Short Course Registration to new township officers attending the New Officer Training Course essentially making this a ‘NO COST TRAINING’. Risk Management is a big part of the education for all officers and the foundation for all of it is introducing new officers to the basic requirements of being on a town board. Encouraging new officers to receive this training potentially saves the entire self-insurance program money by reducing claims. And that allows MATIT to keep its rates low for all member townships.

The New Officer Training is designed with loss control and loss prevention in mind by emphasizing the many legal issues that can arise in a township. This class is offered during the MAT Spring Short Course Meetings each year. **The \$50 registration fee for each eligible attendee will be credited to the township on your Consolidated Liability Coverage (CLC) renewal.** All CLC Renewals fall on one of the following renewal months: July 2016, November 2016, or March 2017.

Eligible new officers are those that are in their first term or during the first two years of service, on the town board (in any office) and have not previously attended the New Officer Training Course. New officers must attend the entire course to receive the credit and will be awarded a certificate at the end of the day. The credit will be applied to your next Consolidated Liability Coverage Renewal through MATIT upon verification of eligibility by MAT Agency staff.

If you are one of the few townships that do not have your Liability Coverage through MATIT, it may not be too late. For a no-obligation quote, contact Kris McCullough at MATIT@mntownships.org or give her a call at 763-488-4045 or 800-262-2864. If you have someone who will be attending the New Officer Training and would therefore qualify for the credit, Kris will work with you to get the credit applied to your new CLC coverage as long as it becomes effective prior to March 1, 2017!

RE: Setting up email accounts

website host for Harris Township

From: **GovOffice** (support@govoffice.com)

Sent: Tue 9/29/15 8:36 AM

To: 'MICHELE SMITH' (michelesmithclerk@msn.com)

1 attachment

GO Email Service.pdf (341.7 KB)

Michelle,

We do have a mail server to host email accounts for clients. Our accounts can be set-up in an email client like Outlook or accessed via web based. Each account has a storage limit of 200 mb. You will receive 2 free email accounts and any additional will be \$50 / account / year. Attached you will find an email account hand out about our email service.

If you would like email accounts through us, we will need a list of usernames we need to set-up using the domain name harristownshipmn.org. The username comes before the @ sign in the email address (example: **msmith@harristownshipmn.org**).

If you would prefer to use another email provider, we can also create an MX record that points to the other email provider for you. We just need their MX record information.

Please let us know if you have additional questions.

Dawn Heskin

GovOffice Technical & Training Support
[GovOffice Help Site](#)

1-888-353-3221



GovOffice Email Service

Complete protection. Hassle-free.

GovOffice Email Service is a complete hosted email service that is easy to use and is highly secure.

The Basics

- **Easy Setup**
Our live Technical Support team will help you get up and running
- **Custom Domain Names**
Use your City or Municipal domain e.g., name@yourcity.gov
- **POP3 / SMTP Compatible**
Works with Outlook or your preferred email client
- **Mobile Ready**
Easy reading on your smartphone
- **Webmail Client Included**
Use your Web browser to access your email
- **Advanced Security Protection**
Integrated antivirus and antispam keep your email safe

\$50 per account, per year

The Details

Designed for Security

GovOffice Email Service focuses solely on security by leveraging industry leading antispam and antivirus technologies to ensure that your email remains completely safe.

Advanced Security Protection Features

Integrated Antispam

- GlobalView and Recurrent Pattern Detection technologies
- Multilayered protection from spam
- EDGE detection based on real-time IP reputation
- Content-agnostic threat protection
- Multilanguage and multiformat threat detection
- Local caching for increased efficiency

Integrated Antivirus

- Multilayered platform including heuristics, emulation, and signatures is used for maximum protection
- Flexible architecture that allows for a faster reaction to new types of malware
- Minimal impact on throughput due to low resource consumption

Integrated Zero Hour Antivirus

- Closes the gap between a virus outbreak and definition updates
- Protection against new and emerging viruses or for variants of known viruses
- Immediate threat detection
- Leverages Recurrent Pattern Detection technology