

HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY

AGENDA

Thursday, April 17, 2025 at 5:00 p.m.

Council Chambers

Governmental Services Building

- 1. ROLL CALL**
- 2. MINUTES** – Approval or correction
 - 2.1 March 27, 2025 HEDA Minutes
- 3. MOTIONS**
- 4. RESOLUTIONS**
- 5. WORK SESSION**
 - 5.1 Establishment Resolution and Bylaws Review
- 6. RECESS**

CITY OF HERMANTOWN

HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY

Thursday, March 27, 2025 at 5:00 PM Central

Council Chambers, City Hall – Hermantown Governmental Services Building

Mayor Wayne Boucher:	Present
Councilor John Geissler:	Present
Councilor Andy Hjelle:	Present
Councilor Joe Peterson:	Present
Councilor Brian LeBlanc:	Present
Karen Pionk:	Present
Rob Unzen:	Absent

CITY STAFF: Chad Ronchetti, Economic Development Director; Eric Johnson
Community Development Director

VISITORS: John Stauber

1. ROLL CALL

2. MINUTES

A. Approve February 27, 2025 HEDA Minutes

Motion to approve minutes as presented. This motion, made by Pionk and seconded by Hjelle, Carried.

Mayor Wayne Boucher:	Yea
Councilor John Geissler:	Yea
Councilor Andy Hjelle:	Yea
Councilor Joe Peterson:	Yea
Councilor Brian LeBlanc:	Yea
Rob Unzen:	Absent
Karen Pionk:	Yea

Yea: 6, Nay: 0, Absent: 1

3. MOTIONS

4. RESOLUTIONS

- a. 2025-04H RESOLUTION APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH DAMON FARBER LANDSCAPE ARCHITECTS FOR THE SECTION 24 URBAN DESIGN MASTER PLAN FOR A NOT-TO-EXCEED AMOUNT OF \$200,000**

Director Ronchetti discussed the history The history of the Uptown RFP for urban master planning services and how the Uptown Committee created to guide the master planning project. Ronchetti explained how the Committee reviewed five submitted proposals from five different firms. Two firms, TKDA and Damon Farber, were selected to move on to the interview. Damon Farber was chosen by the interview committee.

Mr. John Stauber spoke in support of the plan, informing the commission how it would help inform his development process and create a pathway to development in the area.

Motion to approve 2025-04H Approving a Professional Services Agreement between Damon Farber Landscape Architects and HEDA for the Section 24 Urban Design Masterplan. This motion, made by Commissioner Pionk and seconded by Commissioner Geisler, carried.

Mayor Wayne Boucher:	Yea
Councilor John Geissler:	Yea
Councilor Andy Hjelle:	Yea
Councilor Joe Peterson:	Yea
Councilor Brian LeBlanc:	Yea
Karen Pionk:	Yea
Rob Unzen:	Absent

Yea: 6, Nay: 0, Absent: 1

b. 2025-05H RESOLUTION APPROVING AN AGREEMENT FOR PROFESSIONAL SERVICES BY AND BETWEEN HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY AND FRYBERGER, BUCHANAN, SMITH, AND FREDRICK (HEDA ATTORNEY SERVICES)

Director Ronchetti discussed Steve Overom's retirement and the need for new legal services for HEDA. Ronchetti described the value in having separate attorney services for the Economic Development Authority (EDA) and the city. Fryberger, Buchanan, Smith, and Frederick were chosen for their expertise and experience in economic development. The rates for their services are slightly higher than Overom's, but the retainer remains mostly the same.

Motion to approve 2025-05H Approving an Agreement for Professional Services by and between HEDA and Fryberger, Buchanan, Smith, and Fredrick. This motion, made by Commissioner Geisler and seconded by Commissioner Pionk, carried.

Mayor Wayne Boucher:	Yea
Councilor John Geissler:	Yea
Councilor Andy Hjelle:	Yea
Councilor Ellie Jones:	Yea
Councilor Brian LeBlanc:	Yea
Karen Pionk:	Yea

Rob Unzen: Absent

Yea: 6, Nay: 0, Absent: 1

5. **WORK SESSION (Project Updates)**

6. **RECESS**

Motion to recess at 6:22 p.m. This motion, made by Commissioner LaBlanc and seconded by Commissioner Pionk, Carried.

Mayor Wayne Boucher: Yea

Councilor John Geissler: Yea

Councilor Andy Hjelle: Yea

Councilor Ellie Jones: Yea

Councilor Brian LeBlanc: Yea

Karen Pionk: Yea


Rob Unzen: Absent

Yea: 6, Nay: 0, Absent: 1

Recorded by:

A handwritten signature in blue ink, appearing to read 'CR', with a horizontal line extending from the end of the signature.

Chad Ronchetti, Economic Development Director

HEDA MEETING DATE: 02-27-2025		
TO:	HEDA Commissioners	
FROM:	Chad Ronchetti, Economic Development Director	
SUBJECT:	HEDA Enabling Resolution & Bylaws	

☐ **RESOLUTION:**

 ☐ **MOTION:**

 ☒ **WORK SESSION:**

 ☐ **OTHER:**

REQUESTED ACTION

Consider potential changes to the Enabling Resolution and Bylaws

BACKGROUND

In 1992, Hermantown City Council established the Hermantown Economic Development Authority “in order to preserve and create jobs, enhance its tax base, assist certain housing initiatives, promote the general welfare of the people of the city, and to assume primary responsibility for development activities within the city”. The commission has consisted of seven members since inception: Full City Council (Mayor, four Council members) and two “At-Large”. The commission has amended the Establishing resolution once in 2017, with the most significant change being setting a restriction on reappointment for two years upon expiration of a commissioner’s term.

Per state statute, HEDA must provide city council a report stating whether and how the enabling resolution should be modified. Per the bylaws, the consideration and approval of that report is to be done at the Annual Meeting on the third Thursday of July.

In anticipation of that report, staff has flagged a number of items in the Enabling Resolution and Bylaws for discussion and consideration.

For the Enabling Resolution:

Is the number of commissioners still appropriate today? Is the make-up of commissioners best for Hermantown today? Is a reappointment restriction the preferred approach? Pay has not increased since 1992, so an increase could be considered.

For the Bylaws:

If the make-up of the commission were altered, identifying the appropriate changes to the election of officers would need to be considered. Given the new position of an Economic Development Director,

Hermantown Economic Development Authority

HEDA’s mission is to intentionally lead economic growth, creating a vibrant and prosperous community.

deliberation about the appropriate appointment for the HEDA Executive Director is warranted. Further, looking to confirm or modify the established meeting times for regular and annual meetings. Lastly, some commissioners have suggested the implementation of attendance requirements.

SOURCE OF FUNDS (if applicable)

ATTACHMENTS

Presentation on Enabling Resolution and Bylaw Considerations

2017 HEDA Enabling Resolution

Current HEDA Bylaws

HEDA Enabling Resolution and Bylaws

Review of Enabling Resolution and Bylaws

Modification of Enabling Resolution:

Per Enabling Resolution:

- Annually, HEDA required to consider and approve for submission to the Council a report regarding modification of the Enabling Resolution

Per Bylaws:

- Each year *at the annual meeting* HEDA shall consider and approve for submission to the City Council a report stating whether and how the Enabling Resolution should be modified.
- Within thirty (30) days of receipt of the recommendation, the City Council shall review the Enabling Resolution, consider the recommendations of HEDA, and make any modifications it considers appropriate.

Modification of Bylaws:

- Bylaws may be amended by the Board by majority vote of all the Commissioners, provided that any such proposed amendment shall first have been delivered to each Commissioner at least five days prior to the meeting at which such amendment is considered.

HEDA Enabling Resolution and Bylaws

Enabling Resolution

Pertinent History:

Established in 1992

- Seven (7) Board members
 - Mayor, Four (4) Council members & two (2) “At-Large”

Amended in 2017

- Upon expiration of term, restricted reappointment for at least two years
- Removed citation of MN Statute 469.095, subdivision 2(c) for governing term length

HEDA Enabling Resolution and Bylaws

Enabling Resolution Considerations

- 1) Appropriate Number of Commissioners?
 - Commission of Seven (7)
- 2) Appropriate Make-Up of Commissioners?
 - Mayor of the City, all City Councilors, two (2) “At-Large”
- 3) Reappointment Restrictions?
 - Two (2) year reappointment restriction
- 4) Commissioner Pay
 - Set at \$50/meeting in 1993

HEDA Enabling Resolution and Bylaws

Enabling Resolution Considerations

1) Appropriate Number of Commissioners?

- Per statute:
 - Members are appointed by the mayor with the approval of the city council.
 - Statute allows for three, five, and seven member authorities
- Commonly, larger cities with more complex economic activity might require larger EDAs

HEDA Enabling Resolution and Bylaws

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2) Appropriate Make-Up of Commissioners?

- *Minimum* required City Council Representation:
 - Three-Member - One Council
 - Five-Member -Two Council
 - Seven Member -Two Council
- Larger cities typically have more diverse expertise present on their EDAs to represent different sectors and handle greater demands.

HEDA Enabling Resolution and Bylaws

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Hermantown's population when HEDA was established: 6,800

Hermantown's population today: 10,200

HEDA Enabling Resolution and Bylaws

Enabling Resolution Considerations

Example MN Cities with Comparable Populations

Example EDAs	Population	Total Number of Members	Number of At-Large	Number of Councilors	Mayor Required
Waseca	9,221	7	5	2	No
Arden Hills	9,461	5	0	5	Yes
Detroit Lakes	9,981	7	5	2	No
Dayton	10,157	7	5	2	No
Fairmont	10,240	7	5	2	No
Cambridge	10,509	5	2	5	Yes
Grand Rapids	11,271	7	5	2	No

HEDA Enabling Resolution and Bylaws

Enabling Resolution Considerations

Regional Example Cities

Example EDAs	Population	Total Number of Members	Number of At-Large	Number of Councilors	Mayor Required
Duluth	87,000	7	4	3	No
Cloquet	12,570	7	5	2	No
Moose Lake	3,004	5	3	2	No
Brainerd	14,563	7	5	2	No
Hibbing	15,979	7	5	3	Yes

HEDA Enabling Resolution and Bylaws

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3) Two-year reappointment restriction?

- State statute does not address this: HEDA discretion

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4) Commissioner Pay

- Utilizing the Average Wage Index, wage growth has been 290% since 1993
- Tracking with wage growth, Commissioner pay would be \$145/meeting
- Utilizing the median: \$138/meeting

HEDA Enabling Resolution and Bylaws

Bylaw Considerations

- 1) The Mayor shall be the President
- 2) The City Administrator shall be the Executive Director
- 3) The annual meeting shall be held at 5:30 p.m. on the third Thursday of July
- 4) Hold regular meetings on the third Thursday of each month, commencing at 5:30 p.m.
- 5) Attendance requirements?

HEDA Enabling Resolution and Bylaws

Bylaw Considerations

1) The Mayor shall be the President

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 - Limit who can be officer?

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2) The City Administrator shall be the Executive Director

- Economic Development Director as HEDA Executive Director?
 - Enabling Resolution states: *The City Administrator shall, at the direction and pleasure of HEDA, perform staff duties and may provide such other city staff to HEDA as HEDA may request;*
 - This ensures any Executive Director other than the City Administrator still reports to the CA, rather than to HEDA directly.
 - Common for Executive Director to be appointed by Mayor, subject to Commission approval.

HEDA Enabling Resolution and Bylaws

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 - Limit who can be officer?

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 - This ensures any Executive Director other than the City Administrator still reports to the CA, rather than to HEDA directly.

3) The annual meeting shall be held at 5:30 p.m. on the third Thursday of July

4) Hold regular meetings on the third Thursday of each month, commencing at 5:30 p.m.

- Meetings have been being held at 5pm.

Resolution No. 2017-69

**AMENDED AND RESTATED
RESOLUTION ESTABLISHING THE
HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY**

WHEREAS, Minnesota Statutes, Sections 469.090 to 469.108 (the “EDA Act”), authorizes cities to establish Economic Development Authorities (“EDA”) with specified powers and obligations to promote and to provide incentives for economic development; and

WHEREAS, the Hermantown City Council (“City Council”), by Resolution No. 92-29, established the Hermantown Economic Development Authority; and

WHEREAS, Resolution No. 92-29 has been amended by Resolution No. 92-46 and Resolution No. 93-51; and

WHEREAS, Resolution Nos. 92-29, 92-46 and 93-51 are hereinafter referred to as the “Initial Enabling Resolution”; and

WHEREAS, the City Council desires to make certain amendments to the Initial Enabling Resolution and to amend and restate the Initial Enabling Resolution by this Resolution; and

WHEREAS, the City Council has determined that it is in the-best interest of the City of Hermantown, Minnesota (the “City”) to continue HEDA in order to preserve and create jobs, enhance its tax base, assist certain housing initiatives, promote the general welfare of the people of the city and to assume primary responsibility for development activities within the City; and

WHEREAS, the City Council provided public notice by publication and conducted a public hearing on June 5, 2017 concerning the adoption of this Resolution and has fulfilled all other legal requirements for the continuation of HEDA.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HERMANTOWN THAT THE INITIAL ENABLING RESOLUTION IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY TO READ AS FOLLOWS:

1. The Hermantown Economic Development Authority (“HEDA”) is hereby continued pursuant to Minnesota Statutes Sections 469.091, subdivision 1, and Section 469.093, subdivision 1.

2. HEDA shall have all of the powers, rights, duties and obligations conferred on economic development authorities by Section 469.090 to 469.1081 of the Minnesota Statutes, including the powers of a city granted by Minnesota Statutes, Sections 469.124 to 469.134 and the powers of housing and redevelopment authorities granted by Minnesota statutes, Sections 469.001 to 469.047.

3. Notwithstanding the provisions of Section 2 above, the grant of powers contained in said section shall not be deemed to affect the authority of the City or any housing and redevelopment authority hereinafter created, in and for the City to exercise the development powers authorized to or exercised by said bodies under Minnesota statutes.

4. HEDA shall be governed by a board of commissioners ("Commissioners") comprised of seven (7) members. The Mayor of the City and all City Councilors shall be members of the Board. Two (2) additional board members shall be appointed by the Mayor with the consent and approval of the City Council. The present terms of the present additional members are shown on Exhibit A attached hereto. Upon the expiration of such terms, such persons shall not be eligible for reappointment to the Board for at least two (2) years. All additional members shall be appointed for one (1) six (6) year term. At the expiration of any term, such person shall not be eligible for reappointment for at least two (2) years. The terms of the Mayor or other member of the City Council shall continue as long as he/she is serving as the Mayor or City Councilor, as the case may be, and his/her term shall expire if his/her terms of office as a member of the City Council or as Mayor ends and a vacancy shall then be created. No person shall serve as a Commissioner while such person holds an elective office other than as Mayor or a member of the City Council.

5. In accordance with Minnesota Statutes Section 469.100, subdivision 2, HEDA shall annually submit its budget to the City Council for approval by the City Council. In addition, upon submittal of its proposed annual budget to the City Council, HEDA shall provide the City Council an accounting of its receipts and expenditures as required by Minnesota Statutes Section 469.100, subdivision 4.

6. The City Administrator shall, at the direction and pleasure of HEDA, perform staff duties and may provide such other city staff to HEDA as HEDA may request; provided that the City may require reasonable reimbursement of the City by HEDA for costs associated with the provision of such staff; and provided further that nothing in this Section shall preclude HEDA from hiring such personnel or third party contractors as HEDA may from time to time determine.

7. Each year, HEDA will consider and approve for submission to the Council a report regarding modification of this Resolution as provided in Section Minnesota Statutes 469.093, subdivision 2.

8. All financial books, records, accounts and reports of HEDA shall be prepared, presented and retained by the Chief Financial Officer of the City, which office shall have the responsibility for administering the finances of HEDA as he/she does the finances of the City; provided that City may require reasonable reimbursement by HEDA to the City for costs associated with the provision of such financial services.

9. City officials and staff are hereby authorized and directed to execute such assignments, requisitions, directives and agreements as may be necessary and appropriate to carry out the terms, conditions and intentions of this Resolution.

10. Each Commissioner shall be paid Fifty and No/100 Dollars (\$50.00) for attending each regular and special meeting of HEDA at which a quorum is present and shall be further reimbursed for expenses incurred in conducting HEDA business.

11. HEDA may request the City Council levy a tax in the City for the benefit of HEDA as specifically set forth in Minnesota Statutes Section 469.107.

12. Nothing shall prevent the City Council from modifying this Resolution to impose, restrict or expand limits on the powers of HEDA or provide for other matters as authorized by law.

13. HEDA shall not exercise the power of eminent domain without the prior approval of the City Council.

14. This Resolution shall be referred to as the 2017 HEDA Enabling Resolution.

Councilor Peterson introduced the foregoing resolution and moved its adoption.

The motion for the adoption of such resolution was seconded by Councilor Schmidt and, upon a vote being taken thereon, the following voted in favor thereof:

Councilors Geissler, Nelson, Peterson, Schmidt, Mayor Boucher, aye

and the following voted in opposition thereto:

None

WHEREUPON, such resolution was declared duly passed and adopted.

EXHIBIT A

Name	Term Expires
Dwayne Haapanen	13/31/2022
Cyndy Reno	12/31/2020

Office of Executive Director

Hermantown, Minn.

JOHN MULDER, Executive Director

RESOLUTION NO. 2017-02H

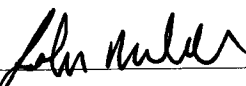
**RESOLUTION APPROVING HERMANTOWN ECONOMIC DEVELOPMENT
AUTHORITY BY-LAWS**

Motion made by Commissioner Peterson, seconded by
Commissioner Reno to adopt Resolution 2017-02H,
Resolution Approving Hermantown Economic Development
Authority By-Laws. Roll Call: Commissioners Boucher,
Geissler, Haapanen, Nelson, Peterson, Reno, Schmidt,
aye. Motion carried.

I, John Mulder, Executive Director of the City of
Hermantown, Minnesota, do hereby certify that I
have compared the annexed copy of Resolution
passed by the Hermantown Economic Development
Authority of the City of Hermantown on the 9th day
of February 2017 with the original in my custody
as Executive Director of said City, and that the same
is a true and correct transcript therefrom

In Witness Whereof, I have hereunto set my hand and
affixed the corporate seal of said City of
Hermantown, this 2nd day March of 2017.

John Mulder, Executive Director

By 
City of Hermantown, MN

**RESOLUTION APPROVING AMENDMENTS TO THE
HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY
BY-LAWS**

WHEREAS, the Hermantown Economic Development Authority (hereinafter, the "HEDA"), and its governing body called the Board of Commissioners (hereinafter, the "Board") have reviewed the HEDA By-Laws and;

WHEREAS, amendments were made to the following areas:

Section 1. The Authority

Section 2. Organization

Section 3. Procedures of Board of Commissioners

Section 4. Miscellaneous

WHEREAS, the foregoing amended and restated By-Laws attached hereto as Exhibit "A" were approved by the Commissioners of the Hermantown Economic Development Authority

NOW, THEREFORE, BE IT RESOLVED, by the Hermantown Economic Development Authority approves the amended and re-stated HEDA By-Laws.

Commissioner Peterson introduced the foregoing resolution and moved its adoption.

The motion for the adoption of such resolution was seconded by Commissioner Reno, and upon a voted being taken thereon, the following voted in favor thereof:

Commissioners Boucher, Geissler, Haapanen, Nelson, Peterson, Reno, Schmidt, aye
and the following voted in opposition thereto:

None

WHEREUPON, such resolution was duly passed and adopted this 9th day of February 2017.

BYLAWS OF THE HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY

1. The Authority

Section 1.1. Name of the Authority. The name of the Authority shall be the Hermantown Economic Development Authority (hereinafter, the "HEDA"), and its governing body shall be called the Board of commissioners (hereinafter, the "Board").

Section 1.2. Enabling Resolution. Whenever the term Enabling Resolution is used in these Bylaws it shall mean Hermantown City Council Resolution No. 2017-02, Amended and Restated Resolution Establishing the Hermantown Economic Development Authority.

Section 1.3. Office. The principal office of HEDA shall be at the Hermantown City Hall, 5105 Maple Grove Road, Hermantown, Minnesota 55811.

Section 1.4. Seal. HEDA shall have no official seal.

Section 1.5. Number of Commissioners. The number of Commissioners shall be as set forth in the Enabling Resolution.

Section 1.6. Appointment, Terms, Vacancies. The appointment, terms and vacancies in office shall be governed by the Enabling Resolution.

Section 1.7. Compensation. The compensation of Commissioners is set forth in the Enabling Resolution. All money paid for compensation or reimbursement must be paid out of HEDA's budget.

Section 1.8. Removal. The Enabling Resolution and the provisions of Minnesota Statutes Section 469.095 subd. 5 shall govern the removal of a Commissioner.

2. Organization

Section 2.1. Officers. The officers of HEDA shall consist of a President, a Vice President, a Secretary, a Treasurer and an Assistant Treasurer and shall be elected annually at the January HEDA meeting. The President, the Vice President and the Treasurer shall be members of the Board. No Commissioner may serve as President and Vice President at the same time. The offices of Secretary and Assistant Treasurer need not be held by a Commissioner.

Section 2.2. President. The Mayor of the City of Hermantown ("City") shall be the President of HEDA. The President shall preside at all meetings of the Board and shall have the usual duties and powers of a President. The President shall have and perform such other duties and powers as may be given to the President by the Board from time to time by resolution.

Section 2.3. Vice President. The Vice President shall preside at any meeting of the Board in the absence of the President and may exercise all powers and perform all responsibilities of the President if the President cannot exercise or perform the same due to absence or other inability. The Vice President shall have and perform such other duties and powers as shall be given to the Vice President by the Board from time to time by resolution.

Section 2.4. President Pro Tem. In the event of the absence or inability of the President and the Vice President at any meeting, the Board may appoint any remaining Commissioner as President Pro Tem to preside at such meeting.

Section 2.5. Treasurer. Subject to Section 8 of the Enabling Resolution, the Treasurer shall receive and be responsible for HEDA money, shall disburse HEDA money, shall keep an account of the source of all HEDA receipts, and the nature, purpose and authority of all disbursements; shall file HEDA's detailed financial statement with HEDA's Secretary at least once a year at times set by HEDA, and shall be responsible for the acts of the Assistant Treasurer. The Treasurer shall have and perform such other duties and powers as may be given to the Treasurer by the Board from time to time by resolution.

Section 2.6. Assistant Treasurer. The Assistant Treasurer shall have all the powers and duties of the Treasurer if the Treasurer is absent or disabled. The Assistant Treasurer shall have and perform such other duties and powers as may be given to the Assistant Treasurer by the Board from time to time by resolution.

Section 2.7. Secretary. The Secretary shall keep, or cause to be kept, minutes of all meetings of the Board and shall maintain, or cause to be maintained, all records of HEDA. The Secretary shall also have and perform such additional duties and powers as may be given to the Secretary by the Board from time to time by resolution.

Section 2.8. Executive Director. The City Administrator of the City shall be the Executive Director of the HEDA, shall be the chief appointed executive officer of HEDA, and shall have such additional duties and powers as may be given to the Executive Director by the Board from time to time by resolution. The Executive Director shall serve at the direction of the Board.

Section 2.9. Advisory Committees. HEDA may, by majority vote, establish and appoint members to one or more advisory committees. Any advisory committee established by HEDA will perform such duties and tasks as are described in the resolution establishing such advisory committee. Advisory committees established by HEDA under this Section 2.9 shall not have final decision making authority on any matter with such final decision making authority being retained by HEDA. The members of any advisory committee shall be selected by HEDA and shall include at least one (1) member of HEDA, who shall act as the chair of the advisory committee, and may include members who are not members of HEDA and who are not residents of the City.

3. Procedures of Board of Commissioners

Section 3.1. Annual Meeting. The annual meeting of the Board shall be held at 5:00 p.m. on the second Thursday of July in each year or at such other time and date as the Board shall designate as the annual meeting of the Board.

At the annual meeting, the Board shall:

Section 3.1.1. Establish the amount of bond required to be provided by the Treasurer required by Section 4.2.

Section 3.1.2. Consider and approve a report to the City as required by Section 4.6.

Section 3.1.3. Consider and approve for submission to the City Council a budget for the succeeding year of HEDA as required by Section 4.7.

Section 3.1.4. Consider and approve a report to the City Council on the Enabling Resolution as required by Section 4.15.

Section 3.1.5. Consider and appoint a depository when and as required by Section 4.16.

Section 3.1.6. Consider and approve an audit to submit to the City Council pursuant to Section 4.17.

Section 3.2. Regular Meetings. The Board shall hold regular meetings on the second Thursday of each month, commencing at 5:00 p.m., or at such other time as the Board may determine by majority vote.

Section 3.3. Special Meetings/Emergency Meetings.

Section 3.3.1. Special Meetings. Special meetings of the Board may be called by the President or, in the event of the President's absence or inability, by the Vice President at any time, upon notice to all Commissioners and the Executive Director sent via electronic mail (email) or by mail if any Commissioner requests mailed notice instead of emailed notice at least three (3) days prior to the meeting to the last known email address or mailing address, as the case may be, of the Commissioners and Executive Director. Upon the same notice, special meetings of the Board may also be called by any two (2) Commissioners. The Executive Director shall post notice of any special meeting in the principal office of HEDA no less than three (3) days prior to such special meeting. Notices of meetings shall comply with the provisions of Minnesota Statutes Chapter 13D ("Open Meeting Law").

Section 3.3.2. Emergency Meetings. Emergency meetings may be called by the President or by any two (2) Commissioners. The notice and other provisions of Minnesota Statutes § 13D.04, Subd. 3 shall be applicable to any emergency meeting.

Section 3.4. Quorum. A quorum of the seven (7) member Board shall consist of four (4) Commissioners. In the absence of a quorum, no official action may be taken by, on behalf of, or in the name of the Board or HEDA.

Section 3.5. Adoption of Resolutions. Resolutions of the Board shall be deemed adopted if approved by not less than a simple majority of all Commissioners present. Resolutions may but need not be read aloud prior to vote taken thereon and may but need not be executed after passage.

Section 3.6. Rules of Order. The meetings of the Board shall be governed by the most recent edition of Robert's Rules of Order.

Section 3.7. Notice of Meetings. Notice of the annual meeting or regular meetings is required to be given to Commissioners and must comply with the Open Meeting Law.

Section 3.8. Place of Meetings. All meetings of the Board shall be at the Hermantown City Hall, 5105 Maple Grove Road, Hermantown, Minnesota, unless another place is designated by majority vote of the Board.

Section 3.9. Meetings; Open. All meetings of HEDA shall be open the public unless involving matters for which meetings may be closed to the public under the Minnesota Open Meeting Laws. HEDA shall make and keep minutes of its meetings and records of its hearings and other official actions.

4. Miscellaneous

Section 4.1. Fiscal Year. The fiscal year of HEDA shall be the same as the City's fiscal year.

Section 4.2. Treasurer's Bond. The Treasurer shall give bond to the state conditioned for the faithful discharge of his/her duties. The bond must be approved as to form and surety by HEDA and filed with the Secretary and must be for twice the amount of money likely to be on hand at any one time as determined at least annually by the HEDA, provided, however, that said bond must not exceed \$300,000.00.

Section 4.3. Public Money. HEDA money is public money.

Section 4.4. Checks. A HEDA check must be signed by the Treasurer and one other officer named by HEDA in a resolution. The check must state the name of the payee and the nature of the claim for which the check is issued.

Section 4.5. Financial Statement. HEDA's detailed financial statement must show all receipts and disbursements, their nature, the money on hand, the purposes to which the money on hand is to be applied, HEDA's credits and assets, and its outstanding liabilities in a form required for the City's financial statements. The finance director of the City shall keep and prepare, or cause to be kept and prepared, all of the finance records required to be maintained by HEDA on behalf of HEDA.

Section 4.6. Report to City. HEDA shall, at the annual meeting on a form determined by the City Council of City ("City Council"), approve a written report to the City Council giving a detailed account of its activities and of its receipts and expenditures during the preceding calendar year, together with such additional matters and recommendations it deems advisable for the economic development of the City.

Section 4.7. Budget to City. HEDA, at the annual meeting, approve a budget for the succeeding year and approve for submission to the City Council. The budget must include a detailed written estimate of the amount of money that HEDA expects to need from the City in order for HEDA to conduct HEDA business during the next fiscal year. The needed amount is what is needed in excess of any expected receipts from other sources.

Section 4.8. Employees. HEDA may hire employees as it may require and determine their duties, qualifications and compensation.

Section 4.9. Professional Services. HEDA may contract for the services of consultants or other professional services as needed to perform its duties and to exercise its powers. The City Attorney of the City shall be the chief legal advisor to HEDA unless HEDA hires a general counsel for its legal needs, in which event the general counsel shall be HEDA's chief legal advisor.

Section 4.10. Supplies, Purchasing, Facilities and Services. HEDA may purchase the supplies and materials it needs to carry out its powers and duties. HEDA shall use the facilities of the City's purchasing department/purchasing agent in connection with construction work and to purchase equipment, supplies or materials. HEDA shall utilize any offices, structures and space, stenographic, clerical, engineering and other assistance furnished by the City to HEDA. Pursuant to Section 6 of the Enabling Resolution, HEDA may contract with the City to obtain staff services, accounting, preparation of financial statements, check writing, the keeping of minutes, providing meeting notices and other services as are required by HEDA from time to time, HEDA may pay City reasonable fees for such services and reimburse City for the costs and expenses incurred by City in providing such services.

Section 4.11. Execution of Contracts. All contracts, notes, and other written agreements or instruments to which HEDA is a party or signatory or by which HEDA may be bound shall be executed by the President and/or the Executive Director or by such other Commissioners or Officers of HEDA as the Board may by resolution determine.

Section 4.12. Amendment of Bylaws. These Bylaws may be amended by the Board by majority vote of all the Commissioners, provided that any such proposed amendment shall first have been delivered to each Commissioner at least five days prior to the meeting at which such amendment is considered.

Section 4.13. Conflict of Interest. Except as authorized in Section 471.88 of the Minnesota statutes, a Commissioner, officer or employee of HEDA must not acquire any financial interest, direct or indirect, in any project or in any property included, or planned to be included, in any

project, nor shall the person have any financial interest, direct or indirect, in any contract or proposed contract, for materials or service to be furnished or used in connection with any project.

Section 4.14. Delegation Power. HEDA may delegate to one or more of its agents or employees powers or duties as it may deem proper.

Section 4.15. Report on Enabling Resolution. Without limiting the right of HEDA to request the City Council at any time, each year at the annual meeting HEDA shall consider and approve for submission to the City Council a report stating whether and how the Enabling Resolution should be modified. Within thirty (30) days of receipt of the recommendation, the City Council shall review the Enabling Resolution, consider the recommendations of HEDA, and make any modifications it considers appropriate. Modifications must be made in accordance with the procedures required by Minnesota Statutes Section 469.093.

Section 4.16. Depositories. At least every two (2) years at the annual meeting HEDA shall name a national or state bank within the state as depository. HEDA may deposit all its money in one bank account. Before acting as a depository, a named bank shall give HEDA a bond approved as to form and surety by HEDA. The bond must be conditioned for the safekeeping and prompt repayment of deposits. The amount of the bond must be at least equal to the maximum sums expected to be deposited at any one time.

Section 4.17. Audits. The financial statements of HEDA must be prepared, audited, filed and published or posted in the manner required for the financial statements of the City. The financial statements must permit comparison and reconciliation with the City's accounts and financial reports. The audit shall be considered by the Board at the annual meeting and approve for submission to the City Council. The audit shall be filed with the State Auditor in accordance with applicable law.

Section 4.18. Indemnification of Commissioners and Officers. Any person (including any present or future Commissioner or officer, or the heirs or legal representatives of any such director or officer) made, or threatened to be made, a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he/she, his/her testator/testatrix or intestate, is or was a Commissioner or officer of HEDA, shall be indemnified by HEDA and HEDA may advance his/her related expenses, in the manner and to the full extent as provided and as otherwise permitted by applicable law.

Section 4.19. Salaries. The salaries of all officers, employees and agents of the corporation shall be determined by the Board of Directors from time to time by resolution.

January 13, 2017

THE FOREGOING AMENDED AND RESTATED BYLAWS
WERE APPROVED BY THE COMMISSIONERS OF THE
HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY
ON February 9th, 2017

By Glenn J. Nelson
Its Secretary